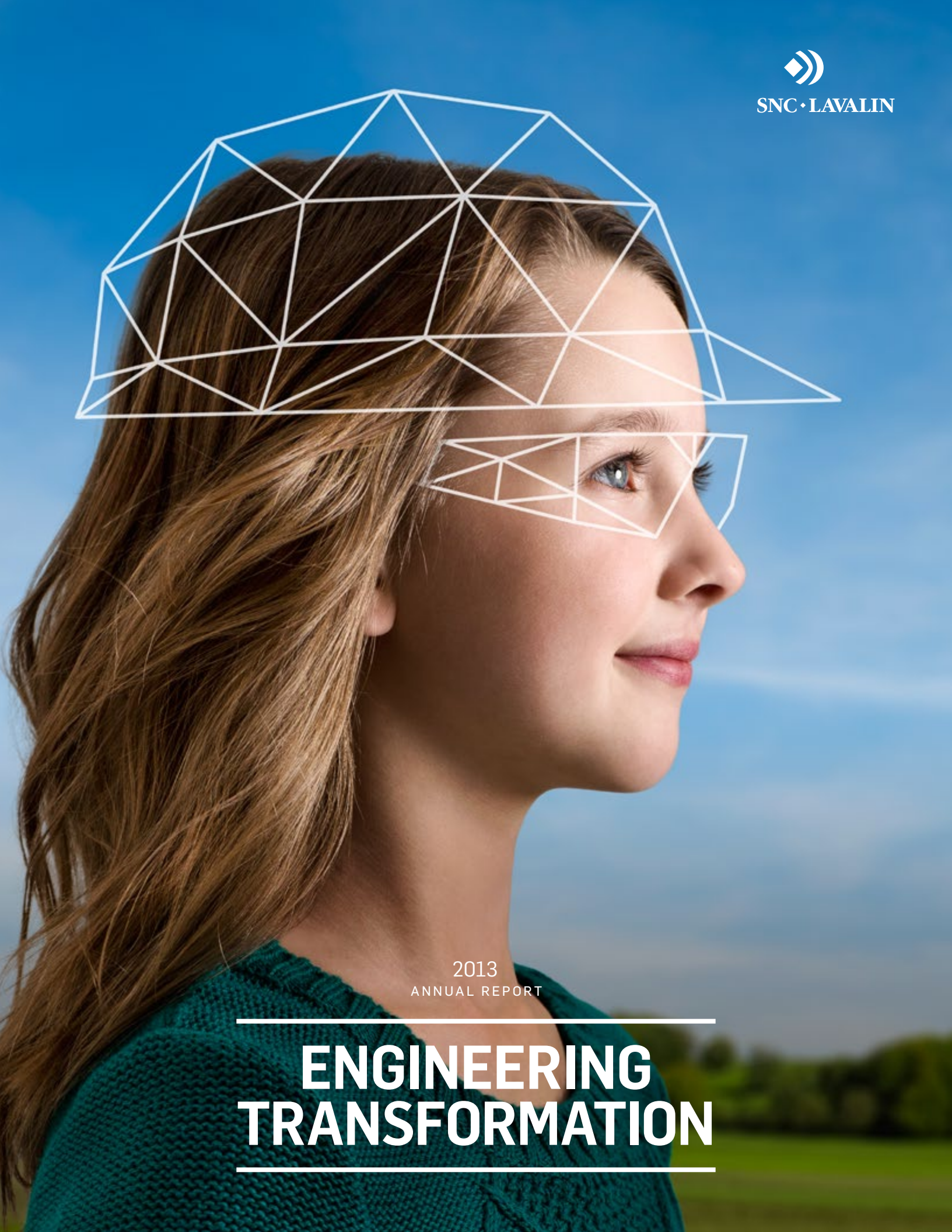




SNC • LAVALIN



2013
ANNUAL REPORT

ENGINEERING TRANSFORMATION

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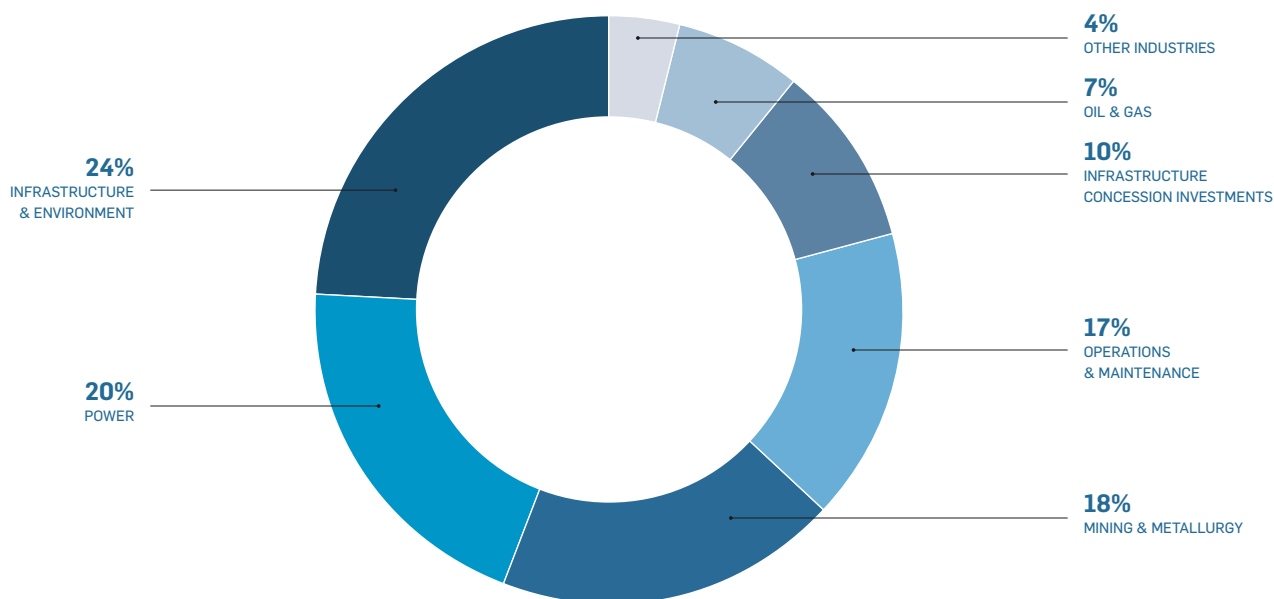


We deliver projects that transform the world by bringing opportunities and sustainable solutions to communities.

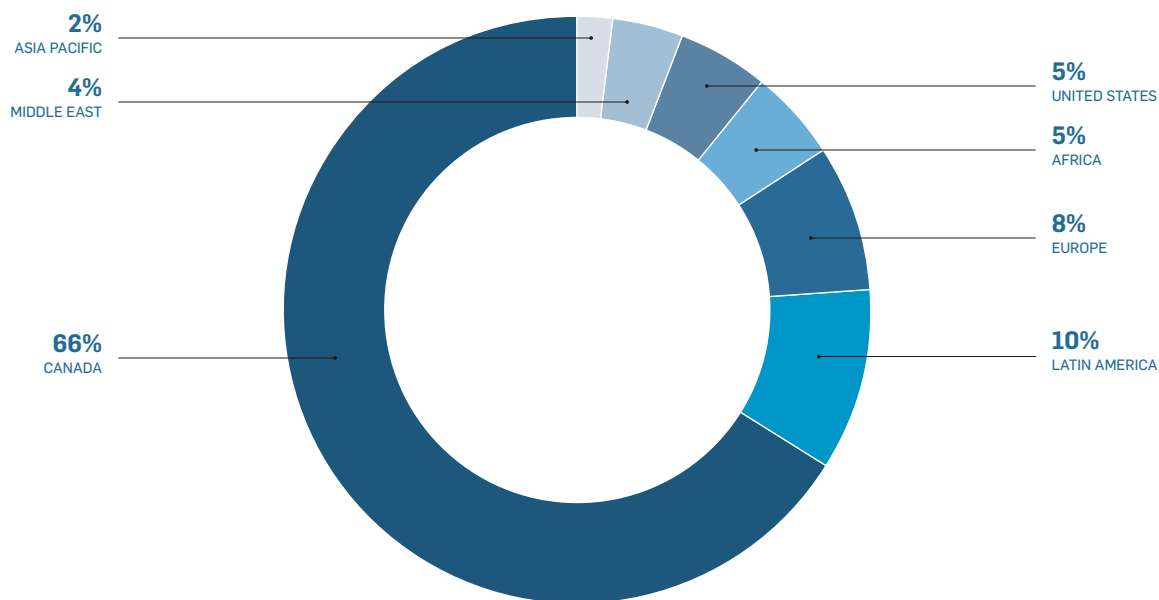
We are also transforming ourselves as we find new ways to offer innovative solutions for our customers and deliver greater value to our stakeholders.

FINANCIAL HIGHLIGHTS

2013 REVENUES BY INDUSTRY SEGMENT



BY GEOGRAPHIC AREA



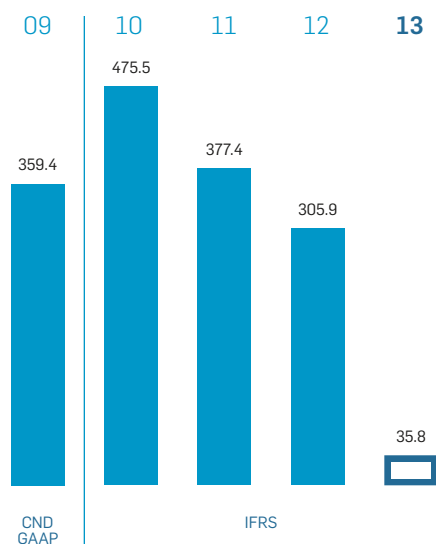
**30,000
EMPLOYEES**

**ACTIVE IN SOME
100 COUNTRIES**

**\$8 BILLION
OF REVENUES**

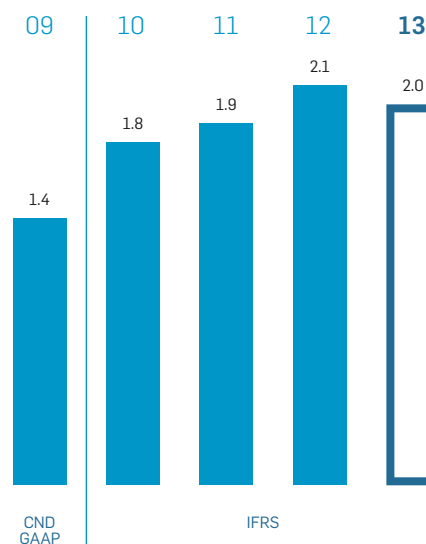
NET INCOME ATTRIBUTABLE TO SNC-LAVALIN SHAREHOLDERS ⁽¹⁾

(IN MILLIONS CA\$)



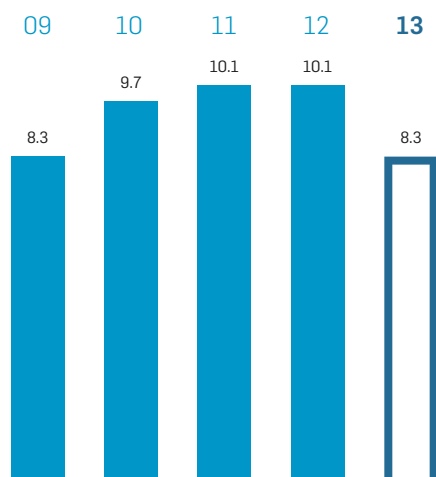
EQUITY ATTRIBUTABLE TO SNC-LAVALIN SHAREHOLDERS

(IN BILLIONS CA\$)



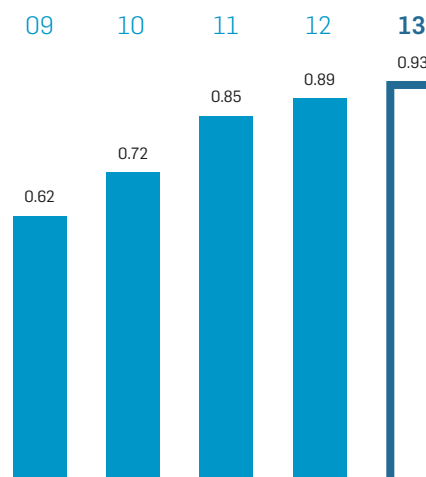
REVENUE BACKLOG

(IN BILLIONS CA\$)



DIVIDENDS

(IN CA\$)



(1) Certain figures from 2010 to 2012 have been restated, reflecting the adoption of amendments to IAS 19 in 2013 on a retrospective basis.



PRESIDENT'S MESSAGE

We are fortunate to be one of few companies in the world with the resources and capabilities to invest in, design, build, and then operate and maintain infrastructure and power facilities that improve lives.

When I was named President and CEO of SNC-Lavalin in late 2012, my goal was to marshal the full scope of talent and resources at our disposal and rapidly reposition the Company for future growth. Our efforts have already helped make SNC-Lavalin a more efficient, integrated and client-focused company, while also enhancing our ability to deliver the highest ethics and compliance performance.

Much work remains, but this has clearly been a year of transformation and achievements for SNC-Lavalin. So what exactly have we done?

A brightening financial picture

While 2013 was a challenging year for us financially, our project backlog stood at \$8.3 billion with several major wins. We also finished the year with a solid \$7.9 billion in revenues, and a net income of \$92.6 million in the fourth quarter.

Our lower overall net income in 2013 was due to several factors, not the least of which was a handful of challenging legacy projects. We worked hard to get these projects back on track, and have implemented enhanced procedures to assess the level of project risk at an early stage. Our net income for the year was also affected by the reorganization we undertook of our European operations, an initiative which is designed to increase our efficiency and competitiveness in that region. A third factor was our level of selling, administrative and general expenses (SG&A). We have now capped our SG&A to 2012 levels thanks to a cross-company effort, and we are redistributing more of our SG&A to areas that best support future growth, including integrated HR and finance systems.

We have now capped our SG&A to 2012 levels thanks to a cross-company effort.

Only clean business is SNC-Lavalin's business

We have stated consistently that our objective is to become the benchmark for ethics and compliance in our sector, and we made good progress toward that goal in 2013. We created and launched a comprehensive ethics and compliance framework that touches all levels and activities of our Company. This has already led to several positive outcomes, including the authorization of the *Autorité des marchés financiers* to contract with public authorities in Quebec in early 2014.

We are grateful to our outgoing Chief Compliance Officer (CCO), Andreas Pohlmann, for having led the implementation of this initiative over the past year. We are very pleased that he will stay on in a consulting capacity to focus on ongoing World Bank compliance initiatives. David G. Wilkins, who becomes the Company's new CCO in June of 2014, will continue the excellent work Andreas began as we move into the second phase of this important company-wide initiative. David comes to SNC-Lavalin from Dow Chemical where he led the ethics and compliance function. David's experience with Dow makes him a great match for an organization of SNC-Lavalin's size and ambitions.

We created and launched a comprehensive ethics and compliance framework that touches all levels and activities of our Company.

*This has already led to several positive outcomes, including the authorization of the *Autorité des marchés financiers* to contract with public authorities in Quebec in early 2014.*

Progress on our growth strategy

We were pleased with the progress we made in the implementation of our new growth strategy in 2013. SNC-Lavalin has some of the most impressive capabilities I have ever seen in my 35-year career, but we know we can deliver greater value to our clients in the resources, infrastructure and power sectors by better integrating our global-caliber expertise around these three key growth markets.

This restructuring is now very advanced, and we have brought in some of the most experienced and insightful executives in the industry to deliver on our commitment to generating outstanding performance in these areas in the coming years. With Neil Bruce leading our Resources, Environment & Water Group; Hisham Mahmoud leading our Infrastructure Group; and Alexander (Sandy) Taylor leading our Power Group, we are confident that we can build powerful cross-company synergies to allow us to focus the full scope of our capabilities on delivering great projects for our clients and their end-users.

We know we can deliver greater value to our clients in the resources, infrastructure and power sectors by better integrating our global-caliber expertise around these three key growth markets.

Another key element of our strategy involves reinforcing our Infrastructure Concession Investment (ICI) business, a historical source of project work and contributor to our net income. We are fortunate to be one of few companies in the world with the resources and capabilities to invest in, design, build, and then operate and maintain infrastructure and power facilities that improve lives. We have now complemented this powerful end-to-end project capability with a more disciplined and balanced approach to managing our infrastructure concessions. This includes better analysis of our investments to determine when they have reached market maturity and can be turned over to generate further value for our stakeholders. That is exactly what we did with the recent sale of the majority of our interest in the Astoria II power plant in New York City—a success story from development to divestment.

I am confident that SNC-Lavalin will become the world's leading global provider of safe, sustainable, ethical and compliant integrated project services.

Our new strategy also includes an important geographical element. In 2013, we began implementing a Global Operations model to better integrate our business development and project delivery efforts world-wide. Regional hubs in North America, Latin America, Europe, the Middle East and Africa, and Asia Pacific will provide shared services, as well as the business platform, market connectivity and understanding to assist in the regional integration of our operations. Our hubs will also facilitate the local decision making required to increase market responsiveness and seize opportunities.

The opening of our regional office for the Middle East and Africa in Abu Dhabi in early 2014 was an important milestone for this new global model. Our project team's strong performance on the world-class EMAL aluminium smelter complex, and our ongoing GES+ contract with Saudi Aramco, have put considerable wind in our sails in the region. With the help of our Abu Dhabi office, we will continue to make important contributions to the Middle East and Africa by building on our great customer relationships and creating new ones.

The opening of our regional office for the Middle East and Africa in Abu Dhabi in early 2014 was an important milestone for this new global model.

Making a difference around the world

As I said in my inaugural President's Message, this is a company that makes a real difference. The services of our 30,000 employees around the world are directly improving quality of life in communities, supporting national economies with revenue generating projects, and delivering the innovative, sustainable solutions the world is calling for. This is an incredible position to be in as an organization, and what most excites me about our ongoing transformation is how it is positioning us to make even greater contributions.

As I think about all we have accomplished in a short period of time, I am more convinced than ever that SNC-Lavalin's best years lie ahead. With the continuing support of our clients, shareholders and partners, and the commitment of our talented employees, I am confident that SNC-Lavalin will become the world's leading global provider of safe, sustainable, ethical and compliant integrated project services.

Sincerely,



Robert G. Card

President and Chief Executive Officer



CHAIRMAN'S MESSAGE

I am pleased to report to you on behalf of my colleagues on the Board of Directors. It was an honour to be selected as Chairman of the Board in May 2013.

SNC-Lavalin made significant progress in 2013. As a Board, we have been active in overseeing and approving the appointment of a new senior management team, approving the strategy set forth by that team, and continuing a significant Board renewal process.

Our Board renewal process is comprised of a variety of activities. In 2013, we increased the length and frequency of our meetings, and rebalanced them to allocate more attention to strategy. We rewrote our committee mandates to balance workload and clarify responsibilities, and began using targeted Board working groups for specific issues that require more in-depth analysis prior to full Board approval. We instituted the concept of "dual reporting" for the Chief Compliance Officer (as is the case with the Executive Vice-President and CFO and Vice-President, Internal Audit), whereby the role is directly accountable to the Board, as well as the management hierarchy. We also increased the frequency and scope of project site visits by directors.

Two of the most significant changes with regard to the reevaluation of committee mandates were in relation to the Governance Committee and the Project Review Committee. The former has now become the Governance and Ethics Committee to better reflect its role of overseeing ethics programs and its direct reporting relationship with the Company's Chief Compliance Officer. The Project Review Committee has been renamed the Project Risk Review Committee to reflect its enhanced role in overseeing how project risk is understood and managed throughout the Company. As we have seen in the last year, when projects perform poorly it is generally because the associated risks have not been fully anticipated.

With the aid of external resources, we are also reviewing our Director Profile and Skills Matrix. We are considering both the aggregate Board competencies that we feel are necessary for the next few years, as well as what we are describing as "table stakes" for individual directors. Because that work is underway but not yet complete, we decided to wait to replace Lorna Marsden, whose retirement from the Board coincides with the 2014 Annual Meeting of Shareholders.

As we work our way beyond the crisis, we are returning to a more traditional level of Board involvement in the Company's affairs. We are pleased with the progress of senior management and have confidence in their ability to lead SNC-Lavalin to new heights. Our Board renewal process reflects our commitment to provide the most appropriate support to SNC-Lavalin as the Company and market conditions continue to evolve. These changes also reflect my strong view that a successful corporation requires integration of the complementary but different roles of directors and executive management.

As I hope I have demonstrated, your Board is committed to playing our role of providing insight, oversight and foresight to contribute to a successful SNC-Lavalin. As we reflect on the past, assess the current market situation and look forward, we want the Board to function at the highest possible level. That is the standard against which we measure management, so why would we not hold ourselves to account in the same way?

In closing, I want to say thank you to our shareholders, and the many external stakeholders who have supported the Company. We also extend our thanks to Lorna Marsden for her valuable contributions to the Board, including her insights which have helped us through some tough conversations.

I look forward to seeing you at the 2014 Annual Meeting of Shareholders and reporting on our progress in the future.

Yours truly,

Ian A. Bourne
Chairman of the Board

LEADERSHIP TEAM

ZIAD AWAD

Head of Middle-East
& Africa Region

CHRISTIAN JACQUI

Executive Vice-President,
Global Operations



DAVID G. WILKINS

Ethics & Compliance
(Hired March 1, 2014;
will succeed current
Chief Compliance Officer
June 1, 2014)

JEAN BEAUDOIN

Executive Vice-President,
Integrated Management Systems

ROBERT G. CARD

President and
Chief Executive Officer

DARLEEN CARON

Executive Vice-President,
Global Human Resources

ERIK J. RYAN

Executive Vice-President,
Marketing, Strategy and External Relations

RÉJEAN GOULET

Executive Vice-President
and General Counsel

ALAIN-PIERRE RAYNAUD

Executive Vice-President
and Chief Financial Officer



ANDREAS POHLMANN

Chief Compliance Officer
(From March 1, 2013 to May 31, 2014)

PRESTON D. SWAFFORD

Chief Nuclear Officer,
President and CEO, Candu Energy
(Appointed March 1, 2014)

ALEXANDER (SANDY) TAYLOR

President, Power
(Appointed March 1, 2014)

SCOTT THON

President and CEO, AltaLink
Acting Executive Vice-President, Power
(January 2013 to end of February 2014)

**HISHAM MAHMOUD**

President,
Infrastructure

CHARLES RATE

Executive Vice-President,
Operations & Maintenance

NEIL BRUCE

President, Resources,
Environment & Water

CHARLES CHEBL

Executive Vice-President,
General Construction

DALE CLARKE

Executive Vice-President,
Mining & Metallurgy

TERRANCE N. IVERS

Executive Vice-President,
Oil & Gas

GERRY GRIGORPOULOS

Acting Executive Vice-President,
Infrastructure Concession
Investments

JIM BURKE

Executive Vice-President,
Transportation Construction

AT A GLANCE

NORTH AMERICA

103 years of experience

17,910 employees

Head Office in Montreal, Quebec

Our health and safety record remains excellent after almost 50 years of sustaining capital work for ExxonMobil at their Baytown facility in Texas.

Our partnership was mandated to finance, design, build and maintain Ottawa's Confederation Line LRT, a major component in the plan to improve public transit in Canada's capital.



EUROPE

2,570 employees

Important bases of operations in the UK and France

Our UK office is working on its ninth consecutive jacket in the offshore oil sector.

At the Cernavodă nuclear station in Romania, we are installing reactor containment filtered venting systems as part of an industry-wide strategy to upgrade nuclear plant safety.



LATIN AMERICA

40 years of experience

4,412 employees

One of the largest foreign-owned engineering firms in Brazil

Our ongoing relationship with Ecopetrol in Colombia continued with the award of a multi-project services contract for pipeline projects.

We are supporting Antofagasta Minerals' commitment to sustainable development at the Antucoya process plant in Chile's Atacama desert by using desalinated sea water for all operational requirements.



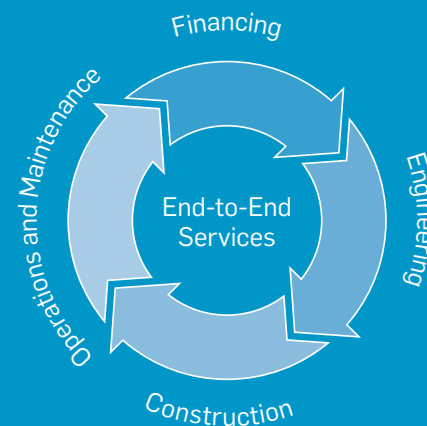
ASIA PACIFIC

1,314 employees

We have a high-value sourcing office in China

Our past power projects in the region include EPCM services for four CANDU nuclear power plants in South Korea and engineering work on China's Three Gorges Dam.

The Queensland Government in Australia hired us to provide operations advisory services for the new Gold Coast Rapid Transit light rail system, a key part of a wider initiative to address traffic congestion on the Gold Coast.



Our ability to provide one-stop-shop project solutions for our clients is a key differentiator in our sector, and a powerful vehicle for delivering outstanding value to our stakeholders.

MIDDLE EAST AND AFRICA

50 years of experience

3,508 employees

975 employees in Saudi Arabia alone

We worked with DUBAL and EMAL in the United Arab Emirates over the last decade to increase annual aluminium production by more than 1.65 million tonnes at their state-of-the-art facilities in Dubai and Abu Dhabi.

We have a GES+ contract with oil giant Saudi Aramco. We are providing services for over 150 projects under the contract, including engineering for the Maintain Potential Program.





RESOURCES, ENVIRONMENT & WATER



Our engineering, procurement and construction management mandate for the Guelb II iron ore project in Mauritania includes the provision of occupational health and safety training to local workers using culture-specific tools.

We are working with clients and their Aboriginal stakeholders on training initiatives that will allow the benefits of resource projects to be felt by local communities for generations to come.

OUR LONGSTANDING EXPERIENCE IN DELIVERING HIGH-QUALITY ENGINEERING AND CONSTRUCTION SERVICES ACROSS OUR MINING & METALLURGY, OIL & GAS AND ENVIRONMENT & WATER BUSINESS UNITS HAS ALLOWED US TO DEVELOP DEEP CUSTOMER RELATIONSHIPS WITH MANY TOP-TIER COMMODITY CLIENTS. OUR RESOURCES, ENVIRONMENT & WATER GROUP IS BUILDING ON THOSE STRONG RELATIONSHIPS.

We apply the full range of our expertise in the mining and oil and gas sectors to provide tailored solutions for our clients' individual project needs. Having an experienced pool of technical and project management talent across these industries allows us to field the strongest and most specialized teams for our customers' projects.

When combined with the full life-cycle sustainability solutions of our Environment & Water team, we can also help our resource clients strengthen their positions as responsible corporate citizens.

Our Resources, Environment & Water Group has a concerted business development and client-focused approach. Our goal is to understand what motivations and business strategies lie at the heart of our customers' projects so we can go beyond simply developing great facilities for them. Today, our raison d'être is to contribute in a fundamental way to the long-term success and viability of their businesses by enhancing their reputations and market shares.

MINING & METALLURGY

Our Mining & Metallurgy team combines global-caliber expertise with deep local capabilities to provide tailored solutions for projects of any size, scope or complexity in the aluminium, gold, copper, iron ore, nickel, fertilizers and sulphur product sectors, among others.

Today's greenfield mining projects are increasingly located in remote locations and extreme climate zones. Whether our clients find themselves in the Canadian Arctic, Peruvian Andes or Middle Eastern desert, we can call on our global procurement capability and infrastructure expertise to develop facilities that are self-sufficient and deliver optimal performance.

No matter where we are working, excellence in health and safety is more than a commitment we make to our stakeholders, it is deeply ingrained in and fundamental to everything we do. We live this commitment by ensuring a true partnership exists between our project and safety managers from the very start of every project. This creates bonds of trust and a forum for realistic conversations about safety which continue through the project lifecycle.

Our Sustainable Mine Development (SMD) expertise allows us to fully support our clients in their goal of leaving positive social and environmental legacies, while enhancing the long-term viability of their operations. Our SMD team can help equip local workforces with transferable skills, holistically integrate environmental considerations into each project stage, and deliver tailored engineering services that help our clients' facilities attain productivity targets and adapt to shifting market conditions.

Featured Projects

Our world-class expertise in the development of sulphuric acid plants was validated in early 2014 when we signed a contract to provide engineering, procurement and construction services for Ma'aden's three-line 15,150-metric-tonne-per-day sulphuric acid plant in Saudi Arabia. The facility is part of the Waad Al Shamal phosphate project, which will further diversify the Kingdom's economy while creating important employment opportunities for the local workforce.

We provided complete EPCM services for EMAL in Abu Dhabi, currently the world's largest single-site aluminum smelter. Both project phases achieved first hot metal ahead of schedule and within budget, while attaining outstanding health, safety and environment performance.





We are supporting Antofagasta Minerals' commitment to sustainable development at the Antucoya process plant in Chile's Atacama desert by using desalinated sea water for all operational requirements.

We are providing our services to Antofagasta Minerals, a world leader in copper mining, for its Antucoya mine in Chile. Located in a region of the country with limited access to water, Antucoya required a sustainable solution that would meet the mine's water requirements while also protecting a scarce resource. A pump system will supply sea water to the plant at a rate of 280 litres per second, and we will build the infrastructure Antucoya needs to use it, including treatment plants to achieve the water quality required by each process.

In Colombia, we are expanding the Cerrejón coal mine's materials handling facilities for owners BHP Billiton, Anglo-American and Glencore Xstrata. Already one of the world's largest coal mines, our work will increase production from 32 to 40 million tonnes per year.

Our design for SNIM's Guelb II plant in the Mauritanian desert features a cutting-edge magnetic dry separation process to overcome the lack of water in the local environment. The project also employs a full-cycle approach to health and safety: we are transferring best practices to local construction workers, and will install powerful dust collection equipment to protect the plant's operators from airborne silica.

We integrated top expertise from across our Company to deliver outstanding value to Goldcorp for its Eleonore gold mine and processing facility in Quebec. In addition to our engineering, procurement and construction management (EPCM) contract, we have been mandated to work with local communities on the client's behalf to transfer valuable trade skills to the people of this remote region.

We are developing the surface facilities for BHP Billiton's potash business based in Saskatoon. Our scope includes EPCM services for the surface facilities and related on-site infrastructure for the Jansen Project, as well as a front-end study for Young, one of several other potential potash projects within BHP Billiton's Saskatchewan land portfolio. Driven by a strong focus on safety and value-creation, our ongoing partnership with BHP Billiton has already yielded many groundbreaking initiatives (see p. 19 for other services we are providing to BHP Billiton for their potash projects).

Our Clean Atmospheric Emissions Reduction project at Vale's nickel smelter in Ontario will decrease the plant's SO₂ emissions to well below the Ontario-government limit, while our recently expanded mandate at the facility will allow the smelter to run on a single furnace and become a more cost-effective operation.

In 2012, our joint-venture EPCM work on Rio Tinto Alcan's Arvida Aluminium Smelter-AP60 Technological Centre project in Quebec saw the implementation of a new technology which delivers 40 percent higher production rates for the plant. The project, which achieved industry leading health and safety performance, has already received numerous awards: the Montreal Project Management Institute awarded it Project of the Year and the Canadian Institute of Excellence in Steel Construction gave it an Award of Excellence.

EMAL II attained
42 million
man-hours without
a lost-time incident.



TRANSFORMING LARGE-SCALE INDUSTRIAL PROJECT DELIVERY

Our team achieved first hot metal on the EMAL II aluminium smelter project in Abu Dhabi three months early and on budget. The early production of hot metal at the world-class project was only the latest in a series of achievements that included a remarkable 42 million man-hours worked without a lost-time incident and several industry-leading environmental initiatives.

OIL & GAS

Whether we are working in the bitumen, heavy oil, offshore, upgrading and refining, gas processing, carbon capture and utilization, sustaining capital or pipelines sectors, our goal is to build and sustain great customer relationships by delivering long-term value to their organizations.

As global demand for energy continues to outstrip available supply, we are using value-added technologies and industry leading expertise to help clients access, develop and extract new deposits. By pairing these capabilities with innovative project delivery approaches, we can provide integrated, cost-effective and sustainable oil and gas solutions for these vital projects.

The oil and gas sector is in constant evolution. Today, the need to sustain and upgrade existing installations is one that is increasingly shared by many of our global clients. Our expertise in sustaining capital projects—rooted in clear accountability, an integrated services approach and constant operational readiness—allows us to help clients maintain and enhance their facilities affordably, safely and efficiently.

Our global clients, from Saudi Aramco and Shell to ExxonMobil and Ecopetrol, expect consistently safe and high-quality services no matter where we are working on their behalf. Using our global health and safety and quality management systems, we aim to ensure every mandate they award us receives the same unwavering focus on execution excellence.

Featured Projects

Our UK office is working on its ninth consecutive jacket in the offshore oil sector. The over 20,000-tonne substructure we designed for Statoil's Mariner development in the North Sea is being fabricated by Dragados with our engineering support. We also continued the detailed design mandate awarded to us by Heerema for Statoil's Gina Krog jacket, another heavy, barge-launched substructure for a North Sea development.

Our carbon capture and utilization mandate at the Boundary Dam coal-fired power plant in Saskatchewan is expected to help SaskPower eliminate 1.2 million tonnes per year of greenhouse gas emissions from the atmosphere.

Photo Credit: Photo provided by, and property of, SaskPower.





The successful completion of our front-end engineering design (FEED) mandate for Statoil's Valemon jacket, led to FEED work for Statoil's Mariner jacket—one of the largest of its kind.

We have had industry leading steam-assisted gravity drainage expertise since 2003, and are now providing that know-how to MEG Energy, the owner of over 200 square kilometres of oil sands leases in Alberta. The detailed engineering and procurement services we are providing will eventually generate 150,000 barrels of oil per day at MEG's Christina Lake plant, and our design templates will lead to cost savings on their subsequent projects.

Our fast-track mandate for Meta Petroleum Corporation's Pacific Rubiales oil fields in Colombia highlights our ability to support our clients' unique strategic requirements. Despite a tight schedule, we delivered critical water injection pads on time and helped implement an early-injection system to start producing oil sooner. Meanwhile, our longstanding relationship with Ecopetrol in Colombia continued with the award of a multi-project services contract in early 2014. For the next two years, our team in Bogotá will provide project management, technical support and consulting services for several of Ecopetrol's pipeline projects.

We continued our 50-year sustaining capital work with ExxonMobil at their Baytown refinery in Texas, where our award-winning safety record has now reached 5.7 million injury-free man-hours. In Sarnia, Ontario, our almost 20-year presence at Imperial Oil's refinery expanded to include a greater role in ensuring health and safety at the site. We benchmark our sustaining capital projects at these facilities to provide our clients with clear performance accountability and facilitate continuous improvement.

The large-scale Boundary Dam carbon capture and utilization (CCU) initiative we are implementing for SaskPower at their coal-fired power plant in Saskatchewan has captured the attention of the CCU world. Now in the commissioning and start-up phase, the new system will reduce CO₂ emissions from the power plant's third 110-MW unit by 90 per cent and entirely eliminate its SO₂ emissions. This is the first post-combustion CCU plant of this size associated with a coal-fired plant anywhere in the world.

About
80%
of our Saudi employees work in engineering or project support, allowing us to transfer sophisticated engineering know-how to our local colleagues.



TRANSFORMING LOCAL EMPOWERMENT

Our General Engineering Services (GES+) contract with Saudi Aramco, the world's largest oil and gas company, is an endorsement of our ability to consistently deliver value to the Kingdom by helping create world-class projects and sharing our expertise with Saudi nationals. About 80 percent of our Saudi employees work in engineering or project support, allowing us to transfer sophisticated engineering know-how to our local colleagues.

ENVIRONMENT & WATER

We have a comprehensive environmental and water engineering team with expertise in acoustics, air quality and climate change, impact assessments and community engagement, geo-environmental services, site assessments and remediation, risk assessments and water resource management.

We work in close partnership with a multitude of stakeholders to deliver sustainable solutions that benefit all parties. We can provide advice and technical assistance to governments, help clients expedite difficult-to-obtain regulatory approvals, and use effective consultation processes to make local communities true participants in a project's development.

A genuinely sustainable project is one where environmental considerations, social equity and long-term economic viability have been incorporated into all phases. With our decision-making aid and communication tool, Sustainability⁺, we are helping clients around the world enhance their performance in these three vital areas. Sustainability⁺ compares an array of project alternatives, identifies areas in need of improvement and tracks progress over time to ensure performance targets are attained or exceeded.

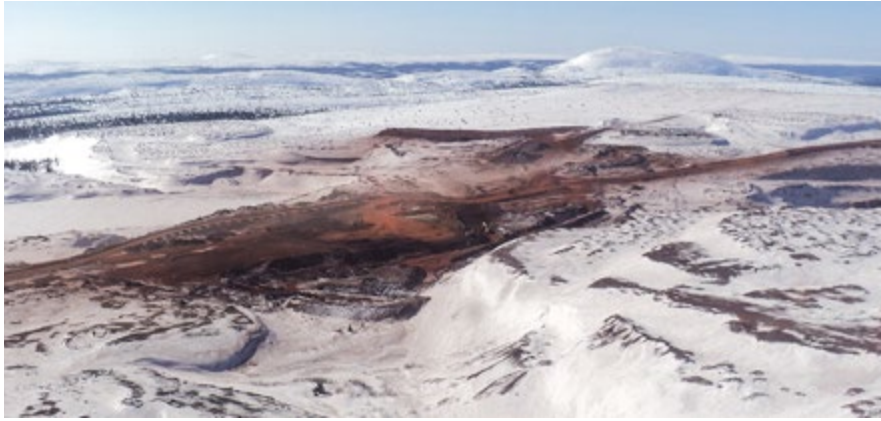
The requirement for across-the-board sustainable performance is perhaps greatest of all in the resources sector. Through our ability to offer everything from impact studies to post-project remediation works, we are helping resource clients create facilities that not only overcome sustainability challenges, but set new standards of excellence in the area.

Featured Projects

We are helping create a better future for the people of Afghanistan by enhancing rural economic growth through our work on the country's Water Resources Development Investment Program. The initiative includes the enhancement of water resources in river basins and the upgrading of vital irrigation networks and hydraulic infrastructure.

We are now responsible for environmental remediation activities across 50 hectares of the 5 Wing Goose Bay military base in Newfoundland and Labrador.





We are helping our clients incorporate Aboriginal rights and sustainable development considerations into their plans for the Taconite iron ore project in Quebec and Labrador.

Our mandate has been extended for another year at PotashCorp's Rocanville mine site in order to complete construction of a 10.8-kilometre slurry wall. One of the longest and deepest of its type in existence, the containment wall will isolate mine tailings and protect the natural environment surrounding the site.

We are providing technical support for PDMAS, a program to develop agricultural markets in Senegal. The initiative aims to empower small-scale agricultural operators and boost regional economic development by upgrading farmland and hydraulic networks, and by building post-harvest infrastructure.

We adapted our powerful Sustainability+ assessment tool to meet Tata Steel and New Millennium Iron Corporation's goal of addressing First Nations considerations and meeting regional industrial standards for their Taconite iron ore mining project in Quebec and Labrador.

SAM is the latest in our growing roster of advanced environmental Web-based detection tools, which includes our DÉFI leak detection and repair technology. SAM can monitor almost any industry parameter, including hydrogen sulfide, sulphur dioxide and volatile organic compounds (which, if allowed to accumulate, can sometimes lead to explosions), noise and dust, and instantly report any exceedances. In addition to bringing SAM technology to our clients, we also provide operations and maintenance for SAM systems and help mitigate the criteria exceedances they detect.

We completed one of Saskatchewan's largest groundwater characterization studies, and are now moving to feasibility studies for the proposed Young potash development for BHP Billiton. The instrumentation we installed at the site will monitor groundwater for the life of the mine (see p. 15 for other services we are providing to BHP Billiton for their potash projects).

We are addressing water resource management challenges for the Government of Sri Lanka by providing implementation support to modernize its hydro-meteorological information system. Our custom designs for the country's Dam Safety and Water Resources Planning Project will ensure the effective procurement, delivery and installation of equipment, while our training programs will build capacity within the local workforce to ensure the system's long-term sustainability.

Our environmental, civil engineering and project management teams are working together to provide across-the-board expertise for BC Hydro's remediation project at Victoria's Rock Bay, one of the largest and most complex initiatives of its kind in British Columbia. Once the remediation has been completed, over three hectares of waterfront property will be suitable for development once again.

We have extracted
941,722
litres of hydro-
carbons from the
water table at
5 Wing Goose Bay.



TRANSFORMING ENVIRONMENTAL REMEDIATION

After almost a decade of detailed studies and close to 5,000 test wells, it was determined that there were approximately 10 million litres of hydrocarbons sitting on the water table at the 5 Wing Goose Bay military base in Newfoundland and Labrador. Our project team brought in cost-effective bioslurping technology, which extracts less groundwater, and then adapted it to remove hydrocarbons from the water table 30 metres underground. We have so far extracted 941,722 litres of petroleum hydrocarbons using this method.



INFRASTRUCTURE



The expansion of the Sainte-Justine University Health Centre in Montreal, which specializes in the health of mothers and children, will strengthen the Centre's leading position in pediatric care and clinical research, while creating a more humane environment for its patients.

ReNew Canada magazine awarded us Platinum Elite Status in their annual infrastructure overview for our involvement during 2013 in 22 of Canada's 100 largest infrastructure projects.

**SNC-LAVALIN IS DIFFERENTIATED
IN THE INDUSTRY BY ITS ABILITY
TO ADDRESS THE FULL LIFE
CYCLE OF INFRASTRUCTURE,
FROM MAKING EQUITY
INVESTMENTS AND ARRANGING
FINANCING, TO PROVIDING
ENGINEERING, CONSTRUCTION
AND OPERATIONS AND
MAINTENANCE SERVICES.**

Population growth, industrial development and a rising quality of life around the world are driving the demand to build and rehabilitate infrastructure. SNC-Lavalin offers solutions that cover the entire life cycle of these vital projects. We can provide our financing, engineering, construction and operations and maintenance services separately, or group them together into one fully integrated, value-added package.

Infrastructure clients are increasingly embracing full-spectrum public-private partnership (P3) solutions in some parts of the world. The recent reorganization of our Infrastructure business into one group has further strengthened our ability to carry out projects using this cost-effective model. SNC-Lavalin has the agility and focus to successfully develop, deliver and operate P3 infrastructure projects of any size, scope or complexity.

INFRASTRUCTURE CONCESSION INVESTMENTS

Our extensive experience in developing projects, arranging financing, investing equity, undertaking complex financial modelling and managing our existing investments complements our world-class technical expertise, and allows us to do what few engineering and construction firms can.

Our longstanding equity participation in infrastructure assets, such as Highway 407 in Ontario and AltaLink in Alberta, has allowed us to play a dynamic role in shaping Canada's public-private partnership (P3) sector into one of the best regulated and attractive markets of its kind. Our ownership stakes in these projects have also given us the insight needed to consistently provide clients with the best value for money.

We can combine our client-focused approach with the Company's engineering, construction and operations and maintenance capabilities to offer innovative end-to-end solutions for projects. Whether the need is for an advanced mass transit system, urban highway or ultra-efficient healthcare facility, our collective expertise takes risk off the client's balance sheet for the project life cycle and places it where it is best controlled.

Our team also actively manages SNC-Lavalin's multi-billion-dollar Infrastructure Concession Investment (ICI) portfolio to increase its value while generating solid earnings over time. Once these investments have reached maturity and delivered maximum value to the corporation and its stakeholders, we seek ways of creating additional value. An excellent example is the recent sale of the majority of our stake in the Astoria II power plant in New York City.

Featured Projects

Our consortium is carrying out a long-term design, build, finance and maintain mandate for an essential eastern extension of Highway 407 in Toronto, a strong endorsement of our role in developing and operating the existing Highway 407 Express Toll Route (ETR). Together, 407 ETR and the new eastern extension of the Highway will provide 138 kilometres of state-of-the-art transportation infrastructure to facilitate the movement of people and goods throughout and around Canada's largest city.

The Confederation Line is a sustainable rapid transit system that will help relieve traffic congestion in Ottawa. Our partnership is providing an end-to-end P3 solution for the project.





We are financing, designing, building and will maintain the Restigouche Hospital Centre for psychiatric care in New Brunswick, which will focus on recovery, rehabilitation and community-based support.



From overseeing financial close and construction to several years of successful operation, SNC-Lavalin came full circle with the Astoria II power plant in New York City when it sold the majority of its interest in 2013.

We arranged financing for, designed, built and are now operating the six-lane 25-kilometre southeast section of Stoney Trail Ring Road, one of Alberta's largest P3 road infrastructure projects. Thanks to our strong lender relationships, we were able to meet the challenge of sourcing financing for a complex project during a period of market turbulence. Our strategy included partly financing the transaction through a privately placed long-term bond issue.

Our Rainbow Hospital Partnership was awarded the first health sector P3 in New Brunswick. We are responsible for the Restigouche Hospital Centre's design, construction, commissioning and financing, and will provide specific operations and maintenance functions. Our successful refinancing of the project debt in 2013 is a testament to our full-circle client service strategy and the financial market's confidence in our infrastructure projects. The new debt instruments (short- and long-term bonds) provide fresh working capital to fund current operations and securely capitalize the next phase of this important social infrastructure project.

In early 2014, we were awarded a contract to finance, design, build and maintain the John Hart Generating Station Replacement Facility on Vancouver Island's Campbell River. We will invest equity in, and arrange financing for the project through a combination of public and private funding sources, including a long-term, widely distributed private placement underwritten by Scotia Capital and National Bank Financial.

Ottawa's
Confederation Line
will include

12.5 km
of guideway,
10 above-ground
stations, three
underground
stations and
a 2.5-kilometre
tunnel beneath the
downtown core.



TRANSFORMING PUBLIC-PRIVATE PARTNERSHIPS

Rideau Transit Group, of which we are a partner, was mandated to finance, design, build and maintain Ottawa's Confederation Line for 35 years. The project is the city's first-ever light rail transit system and a major component in the plan to improve public transit in Canada's capital. Our cost-saving and innovative P3 structure for the Confederation Line garnered a Gold Award from the Canadian Council for Public-Private Partnerships, and the project received the North America P3 Deal of the Year Award for 2013 from **Project Finance** magazine. These awards demonstrate industry-wide confidence in our ability to develop the sophisticated financing structures that make P3 projects possible.

INFRASTRUCTURE ENGINEERING

Our Infrastructure Engineering business offers leading-edge services for a broad range of sectors, including mass transit, heavy rail, roads, bridges, airports, ports and harbours, facilities architecture and engineering (structural, mechanical, electrical), industrial (pharmaceutical, agrifood, life sciences, automation, industrial processes), geotechnical engineering and materials testing, and water infrastructure.

Our engineers develop solutions for the increasingly complex requirements of today's infrastructure projects. Whether we are integrating mass transit systems into dense urban environments, or incorporating complex technical data logging and tracking systems into super-hospitals, we can create designs that meet the diverse needs of our customers and their end users.

Frequently, this includes finding innovative ways to make our clients' projects more environmentally friendly. Our ability to enhance the energy performance and optimize the operations of a wide variety of facilities—including light rail transit stations, office towers, airports and pharmaceutical plants—allows us to deliver long-term savings to our clients while creating sustainable projects.

With their understanding of the full project life cycle, our infrastructure engineering teams can also contribute to the success of all project execution phases. We have the ability to integrate health and safety requirements at the design phase, engineer around physical and technical challenges, and create facilities that are generally more robust and efficient to operate and maintain over the long term.

Featured Projects

Our mechanical, electrical, structural, civil and building engineering teams are working to upgrade 20 of Montreal's subway stations, including the complete renovation of the Berri-UQAM station in the downtown core, the system's main ferrying point which sees upward of 200,000 passengers each day. The repairs and upgrades we are carrying out will provide a safer and brighter environment for subway users and a more energy-efficient system for our client.

We provide a range of support services for the Fort McMurray Airport located in the heart of Canada's oil sands. The fastest growing airport in North America, Fort McMurray handled nearly 1.2 million passengers in 2013.





We are helping to protect the new facilities at the Cerrejón port in Colombia from rising sea levels and tropical storms.

The Queensland Government in Australia hired us to provide operations advisory services for the new Gold Coast Rapid Transit light rail system, a key part of a wider initiative to address traffic congestion on the Gold Coast. For Metrolinx in Ontario, we are overseeing the mid-life refurbishment of 127 coach cars to meet relevant North American standards and regulatory requirements.

We are one of the approved service providers for the Canadian Air Transport Security Authority, and are now supplying project management and engineering services for security screening points and baggage systems at airports across the country. Meanwhile, our work continues at Fort McMurray Airport in Alberta, where we are supporting our client as they expand their facilities. This includes helping to prepare our stakeholders to use, manage, operate and maintain all existing and new facilities from day one.

Our strategic alliance with the Department of National Defence (DND) includes a 20-year history of providing services at more than 20 bases across Canada. In 2013, these services included the design and construction oversight of four maintenance hangars for C-17 Globemaster III and C-130J Hercules aircraft at Canadian Forces Base Trenton in Ontario. Our work will help these facilities meet Leadership in Energy and Environmental Design requirements (see p. 29 for other services we are providing to DND).

In the medical device sector, we provided engineering and construction management for Becton Dickinson's new 11,148-square-metre manufacturing plant in Maryland, including a Food and Drug Administration-compliant, downstream manufacturing facility and fully automated warehouse. These ultra-modern facilities will allow our client to reduce its manufacture-to-market time.

In the dairy sector, we helped Yoplait expand its yogurt plant in Saint-Hyacinthe, Quebec. The installation of an additional filling and packaging line for various types of yogurt, as well as a new storage and milk receiving area, will allow Yoplait to double its production capacity at this facility.

We are providing geotechnical, materials testing and quality control services for some of the major interchanges in the Greater Montreal Area, and for several highways, some of which are executed as public-private partnerships. These projects will make the city's infrastructure safer and more efficient for generations to come.

The 12,000-tonne capacity shiploader at Cerrejón port in Colombia will be expanded to handle an additional

8,000 tonnes of coal from the associated mine.



TRANSFORMING ENGINEERING DESIGN

We used wave modelling systems and physical model studies in our designs for the expansion of the Cerrejón port project in Colombia to protect its berth from rising sea levels and tropical storms, while significantly reducing construction costs (see p. 15 for other services we are providing for the Cerrejón coal mine).

TRANSPORTATION AND GENERAL CONSTRUCTION

Whether we are building urban transit or heavy rail systems, super-hospitals, highways, bridges, airport terminals or water facilities, our Infrastructure construction teams employ an integrated execution approach to deliver quality projects that meet the needs of our clients.

SNC-Lavalin can take on total construction responsibility for infrastructure projects, regardless of their size, scope or complexity. We can also combine our construction expertise with our financing, engineering and operations and maintenance know-how to offer complete life-cycle solutions for major infrastructure, including public-private partnerships. This alignment in our end-to-end approach allows cost and schedule efficiencies and facilitates a streamlined process for project development and delivery.

Regular communication with all stakeholders is essential when building major infrastructure in dense urban environments. We can support our clients as they implement communication initiatives to inform and engage their stakeholders. Developed for some of the most ambitious infrastructure projects, our communications and community relations programs employ multiple channels to deliver real-time information to the public, including interactive websites, 24-hour hotlines, on-site monitors to address the concerns of merchants and residents, public safety monitors, and regular public information sessions.

We attained all client objectives on the Calgary LRT project, including the successful opening of the system on the exact day approved by City Council more than five years earlier.

Featured Projects

The Calgary West Light Rail Transit (LRT) Extension, which we designed and built, has been running reliably since December 10, 2012, with an increase in ridership over initial projections. The largest transportation infrastructure project ever undertaken by the City of Calgary, it integrates eight kilometres of new rail line, bus routes, bike paths, pedestrian bridges and regional pathways to improve mobility for more than 100,000 people in southwest Calgary. The project has already won an Award of Excellence from the Canadian Design-Build Institute and two Awards of Excellence from the Consulting Engineers of Alberta.





By pairing our expertise with the insights of health care professionals on a project like the MUHC's Glen site in Montreal, we are delivering more than a world-class health care facility: we are creating one of the world's most advanced research and health care centres and improving patient care.

We are financing, designing and building the Evergreen Line, an extension of the highly regarded SkyTrain network in Vancouver, one of the world's first and most successful fully automated driverless systems. Our involvement in the construction of Vancouver's transit network dates back to the mid-1980s, when we provided engineering services for SkyTrain's Expo and Millennium lines, and continued with our early and on-budget delivery of the Canada Line in 2009.

With our partners we are financing, engineering, building and will maintain a new 22-kilometre eastern extension of Highway 407 in Toronto, a project that will relieve congestion and support the efficient movement of people and goods through and around the Greater Toronto Area.

We are providing interim financing, design and construction services for the expansion of the Sainte-Justine University Hospital Centre in Montreal, the largest mother-child pediatric teaching centre in Canada. Our advanced health, safety and environmental precautions are allowing the vital healthcare facility to maintain its activities while we build a new state-of-the-art seven-storey extension and research centre.

Our team is using an innovative contract structure to share risk with the client and increase overall efficiencies for the new Shriners Hospitals for Children® – Canada, based in Montreal. The lean and flexible project execution approach we have adopted is allowing us to deliver considerable value to the client, while making it easier to devise optimal solutions that benefit all parties.

A string of close to 40 successful projects in the United Arab Emirates, including recent engineering, procurement and construction projects for the Dubai Metro, has helped us win three large district cooling projects in Saudi Arabia. SNC-Lavalin has become the leading provider of district cooling solutions with more than 530,000 refrigeration tonnes of capacity now installed worldwide.

We are building
the equivalent of

72

American football
fields of new
hospital space
in Canada.



TRANSFORMING PATIENT CARE

Between the McGill University Health Centre (MUHC) Glen site, Sainte-Justine University Hospital Centre and Shriners Hospitals for Children® – Canada in Quebec, and the Restigouche Hospital Centre for psychiatry care in New Brunswick, we are building more than 383,780 square metres of new hospital space in Canada.

OPERATIONS & MAINTENANCE

We are one of Canada's largest operations and maintenance service providers, with a regional presence in France, the United States, Saudi Arabia, Qatar, Algeria and Brazil. Our team provides customized facilities management, realty, defence and logistics services, and operates and maintains major transportation, oil and gas, power and industrial facilities.

We provide around-the-clock support for mission-critical activities. Whether supplying facilities management services for Canadian banking, data and broadcast centres, or supporting Canada's military forces on land, water or in the air, we allow these clients to operate efficiently and focus on their core operations.

Our work with major industrial clients is an increasingly important component of our business. Our employees are currently helping improve the reliability, productivity and cost efficiency of electric utilities and oil and gas plants. Through our logistics capabilities, we are supporting industrial projects in remote locations by operating high-quality worker accommodations.

Our ability to operate and maintain major public-private partnership (P3) infrastructure projects completes SNC-Lavalin's full life-cycle service offering. By providing valuable input at the design phase and ensuring timely capital rehabilitation during the operations period, we are enhancing the operational efficiency and longevity of mass transit systems, concert halls, hospitals, airports and bridges.

Featured Projects

We continued our offshore equipment inspections for Suncor, Hibernia and Husky, which renewed our contract for a further five years. Our Supplier Quality Surveillance Program includes a worldwide network of inspectors who visit supplier worksites so our industrial clients can count on equipment that meets procurement specifications.

We provide operations and maintenance services for the Lake Hodges Pumped Storage facility in California, which supports the state's demand for power.





We currently provide in-service support to the Royal Canadian Navy for 58 minor warships and auxiliary vessels.

In addition to our work on the King Abdullah Petroleum Studies and Research Center project in Saudi Arabia, we are now providing operations and maintenance advisory services for the King Abdulaziz Center for World Culture as the world-class museum, library and cultural learning centre undergoes construction.

Following a decade of logistical support to the Canadian military missions in Bosnia and Afghanistan, our joint venture with PAE was awarded a second 10-year contract under the Canadian Forces Contractor Augmentation Program (CANCAP). Meanwhile, the in-service support we have provided to the Royal Canadian Navy for the last 20 years continued with a new contract and expanded mandate for 58 minor warships and auxiliary vessels. We also broadened our service offering with SNC-Lavalin Air Logistics, which was contracted to provide upward of 24 flights over the next year to the military as equipment is moved out of Afghanistan.

In 2005, we designed, built and financed 275 kilometres of the Trans-Canada Highway in New Brunswick. Since then, our work has won numerous awards for environmental excellence and safety innovation. In Calgary, we commenced operations and maintenance of the 25-kilometre Southeast Stoney Trail, one of the largest P3 highways in Alberta.

We began our five-year operations and maintenance contract with the San Diego County Water Authority at the Lake Hodges pumped storage hydroelectric facility in Escondido, California. We generate power at peak demand using water from a reservoir and then replenish the reservoir in off-peak periods to

maintain the delicate balance required to meet both potable water demands and emergency needs. Since the beginning of our contract term, our operations team has exceeded contractual requirements for availability.

We have a 15-year concession contract with France's Mayotte Airport. We are offering occupational training programs, recruiting most of our employees and contractors locally, and implementing sustainability initiatives that will reduce the energy consumption of the Airport's new terminal by 40 percent.

It takes state-of-the-art facilities to retain a highly qualified workforce. We built the Surmont Regional Residence in Northern Alberta, a 3,000-person oil sands accommodation for ConocoPhillips that includes private rooms with washrooms and extensive recreational facilities. Our firsthand knowledge of the facility and operational expertise made us the ideal choice to provide subsequent operations and maintenance services.

Our unique capacity as a third-party provider to real estate investment trusts allows us to continuously support our clients' growth. We recently expanded our scope of work with Loblaw by supporting their large initial public offering and conversion of substantial real estate assets into the Choice Properties Real Estate Investment Trust (REIT). We continue to work closely with both Choice and Loblaw as their Real Estate Manager for REIT and legacy Loblaw Properties assets.

Nearly

100%

of our employees at the Manati offshore platform and gas processing plant are Brazilian and most materials are purchased locally.



TRANSFORMING OPERATIONS AND MAINTENANCE

We have a full-service operations and maintenance contract with Brazilian consortium Queiroz Galvão, Petrobras, Norse Energy and Brasoil for the Manati offshore platform and gas processing plant. Almost all employees are Brazilian and most materials are purchased locally. Along with these positive contributions to regional development, our services have improved plant performance across the board and there has not been a single accident since we began work at the facility seven years ago. Meanwhile, our recently expanded scope at Petrobras' Revap refinery in Brazil provided another validation of our ability to deliver value to industrial clients.



POWER



Our joint venture is determining the most efficient and safest way to remove and replace the fuel channels and feeders at the Darlington Nuclear Generating Station in Ontario.

The origins of our industry leading power expertise date back to our very first contracts more than a century ago. Today, our track record includes more than 350,000 megawatts of installed capacity, over 110,000 kilometres of transmission and distribution lines and more than 1,600 substations worldwide.

OUR LEADERSHIP IN HYDROPOWER, NUCLEAR POWER, THERMAL POWER AND ENERGY TRANSMISSION AND DISTRIBUTION IS BASED ON MORE THAN TIER-1 TECHNICAL EXPERTISE. IT IS ROOTED IN THE CONVICTION THAT THESE PROJECTS MUST NEVER COME AT THE COST OF THE ENVIRONMENT, THE SAFETY OF THOSE WHO BUILD AND OPERATE THEM, OR THE COMMUNITIES WHO LIVE NEAR THEM. OUR COMMITMENT IS SUPPORTED BY COMPREHENSIVE ENVIRONMENTAL AND HEALTH AND SAFETY PROGRAMS AND AN ABILITY TO PARTNER WITH LOCAL COMMUNITIES SO THEY CAN PLAY A ROLE IN THE DEVELOPMENT OF PROJECTS.

Power facilities are engines of prosperity, but they must be delivered with excellent project execution to contribute to growth. Our approach, developed on some of the most ambitious power developments ever conceived, blends strong engineering, construction, procurement and operations and maintenance capabilities with a relentless drive to understand and meet our clients' expectations at every stage.

We can bring power wherever it is needed. SNC-Lavalin has installed power plants and systems for smelters in the Abu Dhabi desert and mines in the Canadian Northwest Territories. We have designed and built cutting-edge power lines over great distances and a variety of challenging terrains, including dense forest, permafrost, mountains, swampland and rivers. Today, these projects deliver reliable energy to remote industrial facilities and brighten isolated communities where no power infrastructure previously existed.



We are completing the installation of additional severe accident safety systems at the Cernavodă CANDU 6 nuclear power plant in Romania.

Featured Projects

The safety and environmental training programs we implemented as part of our engineering, procurement and construction mandate for the Waneta Expansion Project in British Columbia have received top marks from the client and external regulators. We are also proud of the excellent working relationship we maintained with local First Nation communities throughout the project. Based on mutual trust and customized capacity-building programs, our work earned us an endorsement from the Ktunaxa Nation Council.

In early 2014, our track record on hydro projects in British Columbia, combined with a highly innovative preliminary design, allowed us to win the John Hart Generating Station Replacement Project in the province. Built in 1947 on the Campbell River, the current facility represents approximately 17 percent of the total generating capacity on Vancouver Island. We will design, build, finance and maintain a new power station that will provide more generation capacity for the island's inhabitants.

Argentina's Embalse nuclear station has an excellent track record for meeting regional energy needs, and the Embalse Life Extension Project will allow the plant to produce a reliable supply of power for up to another 30 years. Our wholly owned subsidiary, Candu Energy, is delivering tools, equipment, and engineering packages. Candu is also working with Nucleoeléctrica Argentina SA staff at their mock-up facility to test tooling systems and pre-train workers to maximize safety and efficiency on the project.

At the Cernavodă nuclear station in Romania, another CANDU plant, we are installing reactor containment filtered venting systems. The project is part of an industry-wide strategy to upgrade nuclear plant safety following events at Fukushima in Japan.



By facilitating the efficient movement of power, the West Alberta Transmission Line project will support long-term economic growth in the province.

Through the cutting-edge expertise of Candu Energy, we are developing revenue-generating ways to reuse nuclear materials. Our innovative proposal for the UK's Nuclear Decommissioning Authority (NDA) could make it possible to use plutonium to generate electricity, while enabling the NDA to manage the material through its complete life cycle. In China, we have engineered a new recycled uranium fuel to replace natural uranium in existing CANDU reactors, an industry first. Our engineers are also involved in the first phase of a project in China to design an Advanced Fuel CANDU reactor that will use both recycled uranium and thorium based fuels.

We are providing engineering and construction services for AltaLink's Western Alberta Transmission Line, a vital artery of the Alberta energy grid between Edmonton and Calgary. By facilitating the efficient movement of power across the province, the project will enhance reliability and support long-term economic growth. It is also being developed with best environmental practices, which include supporting our construction plans with on-site environmental coordinators and extensive measures for protecting at-risk species and wetlands.

Our know-how and strong commitment to the client allowed Chugach Electric and Municipal Light & Power to build the most efficient power plant in Alaska five months early and well under budget. With the new 183-megawatt combined-cycle plant, we delivered a world-class facility that will provide reliable power to the state's isolated electrical grid, while the efficiencies we incorporated will generate important savings for our customers' clients through avoided fuel purchases.



The Waneta Expansion Project in British Columbia will be one of the greenest hydropower facilities of its kind.

TOP FIVE WANETA GREEN FACTS

The Waneta Expansion Project (WAX) on the Pend d'Oreille River south of Trail, British Columbia, is one of the greenest hydropower projects currently in development anywhere in the world. Here are the top five reasons WAX is winning accolades for its environmental performance.

1. It is a hydropower project

Harnessing the flow of water to produce energy is much greener than most other methods. Once a hydroelectric complex is constructed, it produces no direct waste and emits far fewer greenhouse gases (GHGs) than energy plants powered by fossil fuels. In fact, the WAX facility will produce no GHGs at all.

2. It will not require its own reservoir

The flooding of land to create a new reservoir is one of the few environmental drawbacks of hydropower. WAX involves installing a second powerhouse downstream of the Waneta Dam, so it will be able to use the existing reservoir.

3. It is respectful of local flora and fauna

The project area is home to several at-risk species, such as the rubber boa and yellow-bellied racers, skinks and white sturgeon. For that reason, special environmental work and task plans were developed for all contractors. These include customized fencing to allow the passage of certain species, water treatment plants for all construction and runoff water, sensitive blasting specifications and close inspection of nesting birds in the project area.

4. It uses state-of-the-art technology to limit impacts

The project is using advanced technologies to protect the environment. A good example is the use of a special low-turbidity suction dredge to clean contaminants out of the existing reservoir. This approach limited turbidity which could have otherwise harmed fish, and ensured the contaminants did not travel downstream into the United States.

5. All of its workers receive environmental training

Training and education are key components of WAX's environmental protection program. All project site workers receive environmental training that allows them to quickly respond to spills, identify environmentally sensitive areas, and provides them with a good working knowledge of the local animal species.

The execution phase of the Darlington Retube and Feeder Replacement Project will involve replacing the

480

fuel channels and feeders in each of the site's reactors.



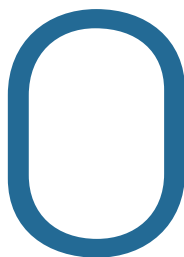
TRANSFORMING NUCLEAR ENGINEERING

In joint venture with Aecon Industrial, we are currently preparing to retube and replace feeders at the Darlington Nuclear Generating Station near Toronto under a current four-year Definition Phase mandate. We are providing detailed design and procurement services for reactor components, and designing and building special remotely operated tooling that will be used to replace the reactor fuel channels. Tooling operations will be tested at a full-scale reactor mock-up that is currently being constructed. By creating a radiation-free zone to test tooling systems and train workers, we will maximize safety and enhance efficiency during project execution.



Our values are more than a wish list, they are integral to everything we do as an organization from A to Z. They include our relentless focus on ethics and compliance excellence, our determination to deliver optimal health, safety and environmental performance, the respect we demonstrate for our stakeholders, our emphasis on teamwork and excellence and client-centred business philosophy.

AT SNC-LAVALIN, WE HAVE SET A CLEAR GOAL: TO BECOME THE GLOBAL BENCHMARK IN ETHICS AND COMPLIANCE AGAINST WHICH OTHER COMPANIES MEASURE THEMSELVES. WE HAVE WOVEN ETHICAL BUSINESS PRACTICES INTO THE FABRIC OF THE WAY WE DO BUSINESS, AND TRANSPARENCY INTO THE WAY WE REPORT TO OUR STAKEHOLDERS. WHILE PROCESSES AND SYSTEMS ARE DEVELOPED BY OUR COMPLIANCE ORGANIZATION, COMPLIANCE IS ALSO A KEY MANAGEMENT RESPONSIBILITY AT SNC-LAVALIN. WE ARE CATEGORICAL: ALL OUR MANAGERS MUST EXEMPLIFY ETHICAL BEHAVIOUR AND COMPLIANCE WITH ALL LAWS AND INTERNAL POLICIES.



Over the past year, we have designed and established a global Compliance Organization to support our ambition. Comprised of corporate compliance functions, dedicated business unit and regional compliance officers, our Compliance Organization is responsible for developing, implementing and maintaining an effective Compliance Program across the Company.

OUR COMPLIANCE PROGRAM

Our Compliance Program consists of the three pillars of *Prevent, Detect and Respond*, which combine to create a comprehensive system. The Program helps ensure all business activity across our Company is carried out in accordance with the highest standards of ethics and compliance.

PREVENT

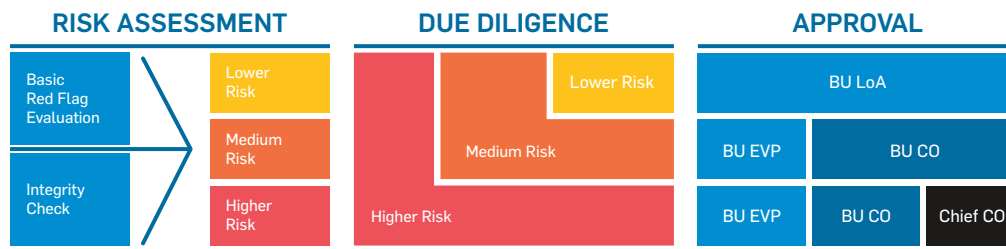
Compliance Risk Management

The results of an initial compliance risk analysis were reported to SNC-Lavalin's Corporate Risk Register, and appropriate measures to mitigate potential compliance risks were subsequently designed and implemented.

Policies and Procedures

The heart of our Compliance system is our Code of Ethics and Business Conduct. It contains rules of conduct that go well beyond competition laws and standard efforts to combat corruption.

Another example is our newly introduced Business Partners Policy. Since August 2013, all intermediaries proposed to be acting on behalf of SNC-Lavalin must be screened with respect to compliance risks. Based on defined indicators, a risk class (high, medium or low risk) is established, which then determines the next course of action (due diligence, approval requirements and mandatory contractual clauses).



Our Business Partners Policy ensures all intermediaries proposed to be acting on behalf of SNC-Lavalin are screened with respect to compliance risks.

BU: Business Unit, EVP: Executive Vice-President, CO: Compliance Officer, LoA: Level of Authority

Training

We have put special emphasis on training employees with regular third-party contact, and have rolled out materials for in-person anti-corruption training for those who occupy these positions worldwide. As in previous years, all our employees are also required to complete an annual online certification of our Code of Ethics and Business Conduct.

Communications

Communications regarding compliance issues are sent to all employees via our internal news bulletin, and we have launched an Ethics & Compliance homepage on our intranet to create an information sharing platform. In September, we developed an Anti-Corruption Manual to provide a source of user-friendly information on compliance topics for all employees.

Advice and Support

One of the central tasks of the Compliance Organization is to provide advice to SNC-Lavalin's business groups and units. Our Compliance Organization seeks to maintain trustful cooperation with all employees to facilitate this task.

Integration in Personnel Processes

A rigorous screening process of all candidates who apply for positions within our Senior Management Committee and above has been implemented. In order to further underline the importance of ethics and compliance at the highest levels within our organization, we have also linked 25 percent of the variable pay component for the non-financial objectives of our senior management to ethics and compliance as of 2014.

Collective Action

We have developed a strategy of Collective Action against Corruption by which we will join forces with other key stakeholders. This includes non-governmental organizations, such as the World Economic Forum's Partnering Against Corruption Initiative (PACI). These stakeholders are providing platforms to engage with others for best practice sharing, as well as project specific anti-corruption efforts.

DETECT

Hotline

We have reliable reporting channels and protect whistleblowers from retaliation to help ensure that any misconduct is reported, thoroughly investigated and that remedial action is taken wherever warranted. If our employees wish to raise concerns anonymously, they can use our EthicsPoint hotline.

Amnesty

As part of a special one-time effort to help uncover violations of the past, a three-month Amnesty period was offered to employees who may have been involved in wrongdoing. During this period, employees were able to come forward and declare themselves to the Chief Compliance Officer, who in return offered leniency on behalf of the corporation.

Investigation

Reporting to the Chief Compliance Officer, our Compliance Investigations function has overall responsibility for the intake, assessment, assignment, and tracking of all allegations received by SNC-Lavalin. Investigations processes are managed closely to ensure that allegations of wrongdoing are addressed by establishing the relevant facts. This is done while following well established investigative practices to protect the integrity of the individuals involved.

RESPOND

Consequences of Misconduct

Once misconduct has been confirmed and all facts have been documented in a Compliance Investigation Report, the Report is presented to the Ethics and Compliance Committee (ECC) for final approval.

Remediation

Once Investigation Reports are approved by the ECC, the relevant members of our senior management are then responsible for implementing the recommendations made in the Report. Going forward, evidence for implementation of all recommendations will be tracked by the Compliance Organization.



What ultimately drives our success as an organization is the respect we demonstrate for our stakeholders and everything that matters to them.

We commit to achieving *health, safety, security and environmental excellence* on every mandate we undertake. This includes applying industry leading safety and security initiatives, and developing species-specific environment programs that safeguard sensitive flora and fauna.

- On the EMAL II aluminum smelter project in Abu Dhabi, we achieved first hot metal three months ahead of schedule, delivered outstanding environmental performance and worked 42 million hours without a lost time incident with more than 12,000 workers at peak of construction—one of the best safety records for an industrial project ever attained in the region.
- Our health and safety performance on the Waneta Expansion Project in British Columbia has earned us top marks from our client, while our environmental initiatives have set a new standard for the protection of biodiversity before, during and after major construction projects.

We strive to attain *customer service excellence* at all times. One way we do this is by seeking to understand what ultimately drives the long-term success of our clients' organizations, and then employing the full range of our capabilities to help them attain those objectives.

- We worked with mining giant BHP Billiton to develop best practices for project execution and health, safety and environment performance for its world-class potash business in Saskatchewan. We are now using these practices to further the engineering and design of its Jansen potash project and the associated port facility.
- In Saudi Arabia, our five-year general engineering services (GES+) contract with Saudi Aramco is a recognition of our ability to create long-term value for clients and their stakeholders. Through GES+, we are supporting the Kingdom's oil and gas projects, while pairing our expertise with that of our Saudi partners to enhance local capabilities for the future.

We consistently demonstrate *respect for our partners, suppliers, competitors, customers and the general public*. An example is the support we provide to local suppliers and communities so they can make meaningful contributions to projects and enhance their capabilities.

- We worked with our client to develop an operational training strategy and Aboriginal inclusion plan for Goldcorp's Eleonore gold project in northern Quebec. The initiative is providing marketable skills for residents in the area and helping create local employment opportunities during the next phases of the project.

Our Total
Recordable
Incident
Frequency rate
dropped by

32%

in 2013, and we are
fully focused on
reducing it further
in the coming year.



HEALTH AND SAFETY

Health and safety is the cornerstone of all we do, whether on project sites or at our offices. Keeping all of our project stakeholders safe is an imperative, and even a single injury is unacceptable to us. We made good progress in 2013 toward our goal of zero incidents with a 32 percent decrease in our Total Recordable Incident Frequency rate.



Over the years, we have provided in-service support for Royal Canadian Navy vessels in the Arctic, the Pacific, Northern Europe, the Mediterranean and the Caribbean.

- We work with high-quality contractors from Halifax, Nova Scotia, to Victoria, British Columbia, for our In-Service Support contract with the Royal Canadian Navy. Built over the past 20 years, this supply chain allows us to appropriately tender to various levels of service providers across the nation, while also strengthening the capabilities of a key sector of Canada's economy.

We commit to achieving **consistent performance excellence** across and at all levels of our projects by employing proven project execution methodologies and systems.

- Our ability to consistently deliver top mass transit systems that meet our clients' needs was again showcased when the Calgary West Light Rail Transit project finished on schedule despite significant challenges. Like other projects we have completed in this sector, Calgary West has gone on to garner prestigious awards and the appreciation of its users.
- We have developed tools and standards that help us consistently execute projects around the globe to the highest standards in our industry. This includes PM+, our proprietary integrated project management system. PM+ is recognized as one of the best systems of its kind by our clients, joint-venture partners, suppliers, sub-contractors and consultants.

We seek to **reward the trust investors place in our Company** by delivering industry-competitive returns, and through developing vital projects that make them proud of their ownership stake in our organization. We also endeavour to maximize value for our investors and other stakeholders through the strategic management of our infrastructure assets.

- The recent sale of the majority of our interest in the Astoria II power plant in New York City illustrates our strategic, full life-cycle approach to managing our investments to create long-term value for all our stakeholders, including our investors.
- Our senior management works closely with SNC-Lavalin's Board of Directors to ensure our strategic plans and operational objectives are aligned with the highest standards of corporate governance.



TRANSFORMING VALUE CREATION

In 2008, SNC-Lavalin and its partners began construction of Astoria II, a 575-megawatt natural gas-fired, combined-cycle generation facility in New York City. The plant went into commercial operation in 2011 under a 20-year full tolling agreement to sell its output of power to the New York Power Authority (NYPA), which recognized Astoria II as one of the cleanest and most efficient power plants in the city's history. SNC-Lavalin came full circle with Astoria II when it sold the majority of its interest in the facility.

BOARD OF DIRECTORS



IAN A. BOURNE,
F.ICD, ICD.D

Chairman of the Board,
SNC-Lavalin Group Inc.
Calgary, Alberta
Canada
Chair of the Governance
and Ethics Committee



ROBERT G. CARD

President
and Chief Executive Officer,
SNC-Lavalin Group Inc.
Montreal, Quebec
Canada



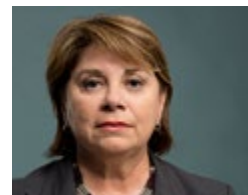
JACQUES BOUGIE, O.C.

Company Director
Montreal, Quebec
Canada
Member of the Human
Resources Committee
Member of the Project Risk
Review Committee



PATRICIA A. HAMMICK, PH.D.

Company Director
Kilmarnock, Virginia
United States
Chair of the Audit Committee
Member of the Governance
and Ethics Committee
Member of the Human
Resources Committee



LISE LACHAPELLE

Strategic and Economic
Consultant and Company
Director
Montreal, Quebec
Canada
Member of the Governance
and Ethics Committee
Member of the Health & Safety,
Security and Environment
Committee



**PROFESSOR LORNA R.
MARSDEN C.M., PH.D.**

President Emerita,
York University
Toronto, Ontario
Canada
Member of the Human
Resources Committee
Member of the Health & Safety,
Security and Environment
Committee



CLAUDE MONGEAU

President
and Chief Executive Officer,
Canadian National
Railway Company
Montreal, Quebec
Canada
Member of the Audit Committee
Member of the Human
Resources Committee



MICHAEL D. PARKER, CBE

Company Director
London
United Kingdom
Chair of the Health & Safety,
Security and Environment
Committee
Member of the Governance
and Ethics Committee
Member of the Project Risk
Review Committee



ALAIN RHÉAUME

Co-founder and Managing
Partner of Trio Capital Inc.
Lac Delage, Quebec
Canada
Member of the Audit Committee
Member of the Project Risk
Review Committee



CHAKIB SBITI

Executive Advisor
to the Chief Executive Officer
of Schlumberger
Dubai
United Arab Emirates
Member of the Health & Safety,
Security and Environment
Committee
Member of the Project Risk
Review Committee



ERIC D. SIEGEL, ICD.D

Company Director
Ottawa, Ontario
Canada
Chair of the Project Risk
Review Committee
Member of the Audit Committee
Member of the Governance
and Ethics Committee



LAWRENCE N. STEVENSON

Managing Director
Callisto Capital LP
Toronto, Ontario
Canada
Chair of the Human Resources
Committee
Member of the Governance
and Ethics Committee

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(IN THOUSANDS OF C\$)	DECEMBER 31 2013	DECEMBER 31 2012 ⁽¹⁾
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,108,694	\$ 1,174,900
Restricted cash	54,616	32,815
Trade receivables	1,106,360	1,175,152
Contracts in progress	646,019	764,563
Other current financial assets	760,813	428,820
Other current assets	239,263	217,819
Total current assets	3,915,765	3,794,069
Property and equipment:		
From ICI	5,132,027	3,469,990
Excluding ICI	180,368	193,097
ICI accounted for by the equity method	448,677	373,445
ICI accounted for by the cost method	426,868	338,963
Goodwill	576,929	635,775
Deferred income tax asset	254,421	177,581
Non-current portion of receivables under service concession arrangements	300,758	258,924
Non-current financial assets	201,276	120,212
Other non-current assets	335,536	248,864
Total assets	\$ 11,772,625	\$ 9,610,920
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables	\$ 2,145,755	\$ 1,649,776
Downpayments on contracts	226,028	346,780
Deferred revenues	981,584	972,820
Other current financial liabilities	411,228	302,309
Other current liabilities	153,894	158,689
Advances under contract financing arrangements	87,188	43,273
Current portion of provisions	159,661	103,783
Short-term debt and current portion of long-term debt:		
Non-recourse from ICI	277,392	484,575
Total current liabilities	4,442,730	4,062,005
Long-term debt:		
Recourse	348,733	348,545
Non-recourse from ICI	3,536,912	2,000,696
Other non-current financial liabilities	125,044	85,619
Non-current portion of provisions	257,271	219,608
Other non-current liabilities	737,767	593,429
Deferred income tax liability	283,925	222,582
Total liabilities	9,732,382	7,532,484
Equity		
Share capital	497,130	463,740
Retained earnings	1,610,503	1,714,379
Other components of equity	(70,975)	(102,686)
Equity attributable to SNC-Lavalin shareholders	2,036,658	2,075,433
Non-controlling interests	3,585	3,003
Total equity	2,040,243	2,078,436
Total liabilities and equity	\$ 11,772,625	\$ 9,610,920

(1) Comparative figures have been restated, reflecting a change in presentation.

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

ROBERT G. CARD (signed)
DIRECTOR

PATRICIA A. HAMMICK (signed)
DIRECTOR

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31 (IN THOUSANDS OF CA\$, EXCEPT NUMBER OF COMMON SHARES)	2013						
	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	151,069	\$ 463,740	\$ 1,714,379	\$ (102,686)	\$ 2,075,433	\$ 3,003	\$ 2,078,436
Net income	–	–	35,768	–	35,768	616	36,384
Other comprehensive income (loss)	–	–	(1,578)	31,711	30,133	–	30,133
Total comprehensive income	–	–	34,190	31,711	65,901	616	66,517
Dividends declared	–	–	(139,415)	–	(139,415)	–	(139,415)
Dividends declared by subsidiaries to non-controlling interests	–	–	–	–	–	(34)	(34)
Stock option compensation	–	–	8,260	–	8,260	–	8,260
Shares issued under stock option plans	738	33,390	(6,911)	–	26,479	–	26,479
Balance at end of year	151,807	\$ 497,130	\$ 1,610,503	\$ (70,975)	\$ 2,036,658	\$ 3,585	\$ 2,040,243

YEAR ENDED DECEMBER 31 (IN THOUSANDS OF CA\$, EXCEPT NUMBER OF COMMON SHARES)	2012 ⁽¹⁾						
	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	–	–	305,927	–	305,927	415	306,342
Other comprehensive income (loss)	–	–	(6,133)	13,127	6,994	–	6,994
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

(1) Comparative figures have been restated, reflecting the adoption of amendments to IAS 19 in 2013 on a retrospective basis.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

CONSOLIDATED INCOME STATEMENTS

YEAR ENDED DECEMBER 31 (IN THOUSANDS OF CA\$, EXCEPT EARNINGS PER SHARE AND NUMBER OF SHARES)	2013	2012 ⁽¹⁾
Revenues by activity:		
Services	\$ 2,697,611	\$ 3,174,934
Packages	3,113,381	3,020,400
O&M	1,338,318	1,330,501
ICI accounted for by the full consolidation or cost methods	579,918	450,672
ICI accounted for by the equity method	183,930	114,453
	7,913,158	8,090,960
Direct costs of activities	6,797,331	6,735,975
Gross margin	1,115,827	1,354,985
Selling, general and administrative expenses	836,588	855,457
Restructuring costs and goodwill impairment	123,464	–
Financial expenses	163,548	139,594
Financial income	(12,869)	(13,432)
Gain from partial disposal of an ICI	(72,996)	–
Income before income taxes	78,092	373,366
Income taxes	41,708	67,024
Net income	\$ 36,384	\$ 306,342
Net income attributable to:		
SNC-Lavalin shareholders	\$ 35,768	\$ 305,927
Non-controlling interests	616	415
Net income	\$ 36,384	\$ 306,342
Earnings per share (in \$)		
Basic	\$ 0.24	\$ 2.03
Diluted	\$ 0.24	\$ 2.02
Weighted average number of outstanding shares (in thousands)		
Basic	151,497	151,058
Diluted	151,814	151,304

(1) Comparative figures have been restated, reflecting the adoption of amendments to IAS 19 in 2013 on a retrospective basis.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31 (IN THOUSANDS OF CA\$)	2013		
	ATTRIBUTABLE TO SNC-LAVALIN SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
Net income	\$ 35,768	\$ 616	\$ 36,384
Other comprehensive income (loss):			
Exchange differences on translating foreign operations	912	–	912
Available-for-sale financial assets	(151)	–	(151)
Cash flow hedges	(5,032)	–	(5,032)
Share of other comprehensive income of investments accounted for by the equity method	53,339	–	53,339
Income taxes	(17,357)	–	(17,357)
Total of items that will be reclassified subsequently to net income	31,711	–	31,711
Defined benefit pension plans and other post-employment benefits	(2,241)	–	(2,241)
Income taxes	663	–	663
Total of items that will not be reclassified subsequently to net income	(1,578)	–	(1,578)
Total other comprehensive income	30,133	–	30,133
Total comprehensive income	\$ 65,901	\$ 616	\$ 66,517

YEAR ENDED DECEMBER 31 (IN THOUSANDS OF CA\$)	2012 ⁽¹⁾		
	ATTRIBUTABLE TO SNC-LAVALIN SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
Net income	\$ 305,927	\$ 415	\$ 306,342
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
Share of other comprehensive income of investments accounted for by the equity method	3,803	–	3,803
Income taxes	(9,180)	–	(9,180)
Total of items that will be reclassified subsequently to net income	13,127	–	13,127
Defined benefit pension plans and other post-employment benefits	(8,058)	–	(8,058)
Income taxes	1,925	–	1,925
Total of items that will not be reclassified subsequently to net income	(6,133)	–	(6,133)
Total other comprehensive income	6,994	–	6,994
Total comprehensive income	\$ 312,921	\$ 415	\$ 313,336

(1) Comparative figures have been restated, reflecting the adoption of amendments to IAS 19 in 2013 on a retrospective basis.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	2013	2012 ⁽¹⁾
Operating activities		
Net income	\$ 36,384	\$ 306,342
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	133,074	99,205
Excluding ICI	67,879	61,571
Income taxes recognized in net income	41,708	67,024
Income taxes paid	(73,007)	(19,134)
Net financial expenses recognized in net income	150,679	126,162
Interest paid:		
From ICI	(116,436)	(112,090)
Excluding ICI	(24,337)	(22,484)
Expense recognized in respect of stock options	8,260	12,313
Expense recognized in respect of cash-settled share-based payment arrangements	7,081	10,022
Income from ICI accounted for by the equity method	(183,930)	(114,453)
Dividends and distributions received from ICI accounted for by the equity method	158,870	112,427
Goodwill impairment	56,500	–
Net change in provisions related to forecasted losses on certain contracts	29,600	71,813
Gain from partial disposal of an ICI	(72,996)	–
Other	(15,856)	795
	203,473	599,513
Net change in non-cash working capital items	129,720	(95,207)
Net cash generated from operating activities	333,193	504,306
Investing activities		
Acquisition of property and equipment:		
From ICI	(1,545,946)	(849,205)
Excluding ICI	(55,520)	(96,166)
Payments for ICI	(43,632)	(64,055)
Acquisition of businesses	(1,925)	(17,825)
Payments for interests in a joint venture	–	(40,255)
Increase in receivables under service concession arrangements	(63,194)	(28,344)
Recovery of receivables under service concession arrangements	12,845	22,719
Increase in short-term investments	(114,157)	–
Decrease in short-term investments	85,294	–
Proceeds from partial disposal of an ICI	86,349	–
Other	(31,036)	10,183
Net cash used for investing activities	(1,670,922)	(1,062,948)
Financing activities		
Increase in non-recourse debt from ICI	1,744,756	802,907
Repayment of non-recourse debt from ICI	(410,187)	(203,612)
Increase in advances under contract financing arrangements	159,463	43,273
Repayment of advances under contract financing arrangements	(117,137)	–
Proceeds from exercise of stock options	26,479	6,930
Redemption of shares	–	(6,874)
Dividends paid to SNC-Lavalin shareholders	(139,415)	(132,925)
Other	5,589	(4,597)
Net cash generated from financing activities	1,269,548	505,102
Increase (decrease) from exchange differences on translating cash and cash equivalents	1,975	(2,609)
Net decrease in cash and cash equivalents	(66,206)	(56,149)
Cash and cash equivalents at beginning of year	1,174,900	1,231,049
Cash and cash equivalents at end of year	\$ 1,108,694	\$ 1,174,900

(1) Comparative figures have been restated, reflecting the adoption of amendments to IAS 19 in 2013 and a change in presentation on a retrospective basis.

FORWARD-LOOKING STATEMENTS

Statements made in this Annual 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 Annual Report are based on a number of assumptions believed by the Company to be reasonable on March 6, 2014. The assumptions are set out throughout the Company's 2013 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 2013 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 in 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 which 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 subject the Company to criminal and administrative enforcement actions, civil actions and sanctions, fines and other penalties, some of which may be significant, which, in turn, could harm the Company's reputation, result in suspension, prohibition or debarment of the Company from participating in certain projects, reduce

its revenues and net income and adversely affect its business; (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 net income, and subject the Company to criminal and administrative enforcement actions and civil actions; (d) if the Company is not able to successfully execute on its new strategic plan, its business and results of operations would be adversely affected; (e) a negative impact on the Company's public image could influence its ability to obtain future projects; (f) 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; (g) 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; (h) 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; (i) SNC-Lavalin is a provider of services to government agencies and is exposed to risks associated with government contracting; (j) 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; (k) there are risks associated with the Company's ownership interests in ICI that could adversely affect it; (l) the Company is dependent on third parties to complete many of its contracts; (m) 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; (n) the competitive nature of the markets in which the Company does business could adversely affect it; (o) the Company's project execution activities may result in professional liability or liability for faulty services; (p) the Company could be subject to monetary damages and penalties in connection with professional and engineering reports and opinions that it provides; (q) the Company may not have in place sufficient insurance coverage to satisfy its needs; (r) 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; (s) the Company's failure to attract and retain qualified personnel could have an adverse effect on its activities; (t) work stoppages, union negotiations and other labour matters could adversely affect the Company; (u) 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; (v) any acquisition or other investment may present risks or uncertainties; (w) a deterioration or weakening of the Company's financial position, including its cash net of recourse debt, would have a material adverse effect on its business and results of operations; (x) the Company may have significant working capital requirements, which if unfunded could negatively impact its business, financial condition and cash flows; (y) an inability of SNC-Lavalin's clients to fulfill their obligations on a timely basis could adversely affect the Company; (z) 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; (aa) global economic conditions could affect the Company's client base, partners, subcontractors and suppliers and could materially affect its backlog, revenues, net income and ability to secure and maintain financing; (bb) 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; (cc) inherent limitations to the Company's control framework could result in a material misstatement of financial information, and; (dd) 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 2013 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 Annual Report reflect the Company's expectations as at March 6, 2014, when the Company's Board of Directors approved the 2013 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 CAD, UNLESS OTHERWISE INDICATED)	IFRS				CANADIAN GAAP					
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenues by activity										
Services	2,697.6	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
Packages	3,113.4	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
Operations and Maintenance	1,338.3	1,330.5	1,399.2	1,330.4	1,297.9	1,225.0	1,058.4	920.9	695.9	646.1
Infrastructure Concession Investments (ICI)	763.8	565.1	501.4	442.7	380.2	347.0	309.4	218.0	88.7	85.0
	7,913.2	8,091.0	7,209.9	5,964.3	6,101.7	7,106.9	6,729.6	5,155.0	3,447.2	3,157.4
Gross margin	1,115.8	1,355.0	1,252.1	1,271.4	1,151.1	1,012.9	565.3	542.6	457.1	446.3
Selling, general, administrative and restructuring expenses	903.6	855.5	656.6	583.2	545.6	515.2	392.8	285.2	257.0	254.8
Goodwill impairment	56.5	–	–	–	–	–	–	–	–	–
(Gain) loss from disposal of ICI	(73.0)	–	–	(29.6)	–	–	–	5.8	–	–
EBIT ⁽¹⁾	228.8	499.5	595.6	717.8	605.5	497.7	172.5	251.6	200.1	191.5
Net financial expenses										
From ICI	131.2	112.5	99.7	85.1	112.2	108.2	104.6	74.3	47.6	52.9
From Engineering & Construction and Operations & Maintenance (E&C and O&M)	19.5	13.7	15.5	26.0	16.0	(13.7)	(32.1)	(21.0)	(3.5)	5.2
Income before income taxes	78.1	373.4	480.3	606.7	477.3	403.2	100.0	198.3	156.0	133.4
Income taxes	41.7	67.0	94.4	120.4	108.2	85.1	23.5	55.0	50.6	46.1
Non-controlling interests	–	–	–	–	9.7	5.6	9.2	7.3	2.2	–
Net income from continuing operations	36.4	306.3	385.9	486.3	359.4	312.5	67.3	136.0	103.2	87.3
Net income from discontinued operations	–	–	–	–	–	–	84.1	21.8	24.3	15.7
Net income	36.4	306.3	385.9	486.3	359.4	312.5	151.4	157.8	127.5	103.0
Net income attributable to										
SNC-Lavalin Shareholders	35.8	305.9	377.4	475.5	359.4	312.5	151.4	157.8	127.5	103.0
Non-controlling interests	0.6	0.4	8.5	10.7	–	–	–	–	–	–
Net income	36.4	306.3	385.9	486.3	359.4	312.5	151.4	157.8	127.5	103.0
Return on average shareholders' equity ⁽²⁾	1.6%	14.6%	19.1%	28.2%	27.3%	29.1%	16.4%	19.0%	17.0%	15.1%
Acquisition of property and equipment										
From ICI	1,545.9	849.2	545.8	402.0	274.1	193.5	308.6	182.5	22.3	9.1
From E&C and O&M	55.5	96.2	67.2	46.0	32.4	46.3	41.2	37.7	25.5	19.6
	1,601.5	945.4	613.0	448.0	306.5	239.8	349.8	220.2	47.8	28.7
Depreciation of property and equipment and amortization of other non-current assets										
From ICI	133.1	99.2	93.1	86.9	86.6	88.1	76.9	52.4	13.7	13.5
From E&C and O&M	67.9	61.6	45.4	39.6	43.5	41.9	35.2	28.2	24.6	31.4
	201.0	160.8	138.5	126.5	130.1	130.0	112.1	80.6	38.3	44.9
EBITDA ⁽¹⁾										
From ICI	617.8	387.2	344.1	330.6	252.9	238.8	214.5	146.4	65.5	62.8
From E&C and O&M	(131.6)	273.1	389.9	513.7	482.7	388.9	70.1	185.8	172.9	173.6
	486.2	660.3	734.0	844.3	735.6	627.7	284.6	332.2	238.4	236.4

(1) EBIT, a non-IFRS financial measure, is defined as income before net financial expenses and income taxes. EBITDA, a non-IFRS financial measure, is defined as income before net financial expenses, income taxes, depreciation and amortization. Under Canadian GAAP, net income was adjusted to add back non-controlling interests.

(2) Excluding other components of equity.

Note: Certain figures from 2010 to 2012 have been restated, reflecting the adoption of amendments to IAS 19 in 2013 on a retrospective basis. 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. Certain totals, subtotals and percentages may not reconcile due to rounding.

YEAR ENDED DECEMBER 31 (IN MILLIONS CAD, UNLESS OTHERWISE INDICATED)	IFRS				CANADIAN GAAP					
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Supplementary Information										
Net income (loss) attributable to SNC-Lavalin shareholders from ICI										
From Highway 407	114.1	100.6	77.2	50.3	9.8	20.0	10.1	8.1	(4.7)	(14.5)
From AltaLink	91.8	54.4	33.8	22.9	20.7	11.4	11.2	7.8	6.8	5.2
From other ICI	75.7	1.8	20.2	61.7	6.4	5.8	2.1	(1.0)	(0.7)	1.9
Net income attributable to SNC-Lavalin shareholders excluding ICI	(245.8)	149.0	246.2	340.6	322.5	275.3	128.1	142.9	126.1	110.3
Net income attributable to SNC-Lavalin shareholders	35.8	305.9	377.4	475.5	359.4	312.5	151.4	157.8	127.5	103.0
Earnings per share (\$)										
Basic	0.24	2.03	2.50	3.15	2.38	2.07	1.00	1.05	0.84	0.68
Diluted	0.24	2.02	2.48	3.12	2.36	2.05	0.99	1.03	0.83	0.67
Weighted average number of outstanding shares (in thousands)										
Basic	151,497	151,058	150,897	151,020	151,042	150,925	151,172	151,034	151,499	151,816
Diluted	151,814	151,304	151,940	152,277	151,992	152,265	152,697	152,685	153,143	153,449
Annual dividends declared per share (\$)	0.93	0.89	0.85	0.72	0.62	0.51	0.39	0.30	0.23	0.18

AT DECEMBER 31 (IN MILLIONS CAD, UNLESS OTHERWISE INDICATED)	IFRS				CANADIAN GAAP					
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Number of employees	29,714	33,909	28,100	23,923	21,948	21,260	18,691	13,297	11,187	9,545
Revenue backlog by activity										
Services	1,629.6	2,151.3	2,226.1	1,410.7	1,464.9	1,545.3	1,556.5	819.8	604.2	564.9
Packages	4,429.7	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
Operations and Maintenance	2,228.5	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
	8,287.8	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
Cash and cash equivalents	1,108.7	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
Working capital	(527.0)	(267.9)	32.0	679.9	544.1	276.4	270.2	300.3	411.4	334.8
Property and equipment										
From ICI	5,132.0	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
From E&C and O&M	180.4	193.1	159.9	115.2	114.0	123.4	112.0	94.3	81.0	77.4
	5,312.4	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
Recourse long-term debt	348.7	348.5	348.4	348.2	452.9	104.7	104.6	104.5	104.4	104.3
Non-recourse long-term debt										
From ICI	3,536.9	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
From E&C and O&M	—	—	—	—	—	—	—	26.2	28.2	30.5
	3,536.9	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
Equity attributable to SNC-Lavalin shareholders	2,036.7	2,075.4	1,883.1	1,816.8	1,434.7	1,089.2	922.4	901.9	786.2	716.7
Book value per share (\$)	13.42	13.74	12.47	12.03	9.50	7.21	6.11	5.97	5.20	4.73
Number of outstanding common shares (in thousands)	151,807	151,069	151,034	151,034	151,033	151,033	151,038	151,032	151,282	151,525
Closing market price per share (\$)	47.79	40.32	51.08	59.77	53.99	39.69	48.14	31.47	25.43	19.33
Market capitalization	7,254.8	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

INFORMATION FOR SHAREHOLDERS

COMMON SHARE INFORMATION

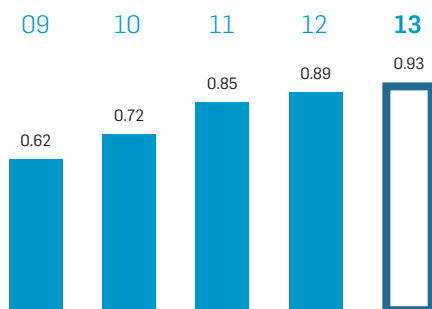
LISTED: **Toronto Stock Exchange**
 SYMBOL: **SNC**
 SHARES OUTSTANDING: **151.8 million (December 31, 2013)**
 MARKET CAPITALIZATION: **\$7,255 million (December 31, 2013)**

TRADING ACTIVITY AND MARKET CAPITALIZATION

	Volume (M)	High (\$)	Low (\$)	Close (\$)	Market Capitalization at Dec. 31 (M\$)
2013	168.0	49.85	39.47	47.79	7,255
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

DIVIDENDS

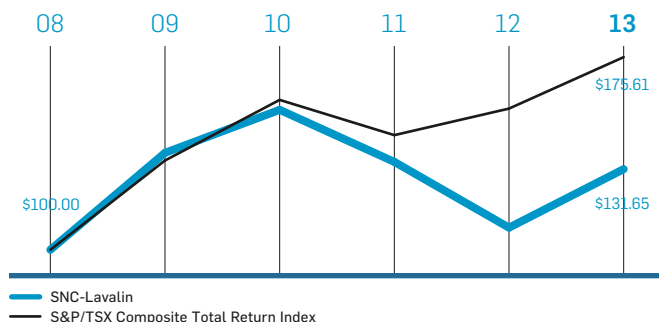
DIVIDENDS DECLARED FOR THE LAST FIVE YEARS
 (in CA\$)



PERFORMANCE GRAPH

The following performance graph illustrates the five-year cumulative total return assuming \$100 was invested on December 31, 2008 in common shares of SNC-Lavalin and in the S&P/TSX Composite Total Return Index.

FIVE-YEAR CUMULATIVE TOTAL RETURN ON \$100 INVESTED
 (assumes dividends are reinvested)



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 / negative

ANNUAL MEETING

The Annual Shareholders' Meeting will be held at 11:00 a.m. Eastern Daylight Time on Thursday, May 8, 2014, at the Palais des congrès, 1001 Place Jean-Paul-Riopelle, Montreal, Quebec.

KEY DATES FOR 2014

	Earnings Announcement	Dividend Record	Dividend Payment
Q1	May 8	May 22	June 5
Q2	August 8	August 22	September 5
Q3	November 6	November 20	December 4

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., 8th 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. www.snclavalin.com

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/followus.

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 2013 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.

REFERENCES TO “COMPANY” OR “SNC-LAVALIN”

Reference in this Annual Report to the “Company” or to “SNC-Lavalin” means, as the context may require, SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint ventures, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint ventures.

**80**

Trees saved

**1.12 t**Reduction in solid waste
(1/10 of a dump truck)**140 m³**Water consumption
(about 3% of an Olympic
swimming pool)**10.75 kg**Reduction of suspended
particles in water**3.10 t CO₂ eq.**Reduction in atmospheric emissions
(or the emissions of 1 car
for about 8 months)**10,433 kWh**Net energy saved
(or the energy used to light and
heat 1 house for about 3 months)

Impacts are calculated by comparing Cascades' Rolland Enviro100 paper, which is made from FSC-certified 100% post-consumer fiber, with a baseline "uncoated freesheet" paper containing no recycled material. Environmental gain estimates were made using the Environmental Paper Network Paper Calculator. www.papercalculator.org



ABOUT THE PRODUCTION OF OUR ANNUAL 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 annual 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.

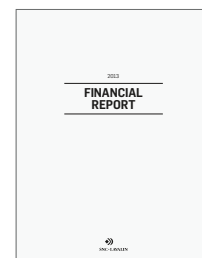
Using recycled paper for our annual report rather than virgin fibre paper helps protect the environment in a number of ways.

THANK YOU

Our sincere thanks to all employees who agreed to appear in or contributed to this annual report.

ENGINEERING TRANSFORMATION

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 annual report, SNC-Lavalin has produced a separate 2013 financial report, as well as a sustainability report that will be available in the summer of 2014. All documents will be available on our website or can be ordered through the Company.

**SNC • LAVALIN**

HEAD OFFICE

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www.snclavalin.com