



## PRESS RELEASE

### IMPREGILO BOARD OF DIRECTORS APPROVES RESULTS AT 30 SEPTEMBER 2010

**NET PROFIT 108.8 MILLION EURO**

**ROS 11.7 %**

**EBIT 176.9 MILLION EURO**

**GROUP AGGREGATE BACKLOG 22.0 BILLION EURO**

#### Main consolidated results at 30 September 2010

- **Net sales: 1,508.0 million euro (1,960.1)**
- **EBIT: 176.9 million euro (80.2)**
- **RoS: 11.7% (4.1%)**
- **Net profit: 108.8 million euro (32.4)**
- **Net debt: 218.2 million euro (274.5)**
- **Debt/equity: 0.20**
- **Orders acquired: 2,790 million euro**
- **Group aggregate backlog: 22.0 billion euro**

At a meeting today chaired by Massimo Ponzellini, the Impregilo Board of Directors approved the quarterly report at 30 September 2010.

The Impregilo Group closed the first nine months of 2010 with positive operating results and a net profit. The results are all the more significant because they were achieved despite continuing difficulties relating to the MSW projects in Campania, which had a particularly negative impact on operations at Fisia Italimpianti, and despite the previously announced reduction in overall business volumes compared with the year-earlier period.

A key factor in results for the nine months was the completion of the sale of the Argentinian concession holder Caminos de Las Sierras S.A. The sale procedures – which began with the concession owner at the end of 2009 – were completed in the third quarter. The effects of the transaction, before recognition of tax, totalled approximately 65.5 million euro.

The assets relating to this equity investment had already been substantially written off in previous periods due to the combined effect of continuing difficulties in the Argentinian motorway concessions sector, the protracted delay in obtaining the contractually envisaged toll adjustments from the authorities and the commencement of litigation with the local public authorities.

To permit a full analysis of the results posted by the Impregilo Group for the first nine months of the year, a brief description is provided below of the main factors that had material effects on operations.



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The international macroeconomic situation remained fragile during the nine months as a result of the severe financial and industrial crisis on the world markets. Nevertheless, the Group's policy to expand its operations in a growing number of markets and countries secured significant industrial and commercial successes to counterbalance the stagnation reported in some areas, notably the Middle East, which is obstructing the recovery in the desalination business.

No notable signs of a recovery were recorded on the Italian market, where a number of critical situations continued to affect the Group. Among these were the operating difficulties concerning the Group in connection with the MSW projects in Campania, specifically the substantial receivables due from public agencies for management services (resolved *ex-lege* more than four years ago) and the Acerra waste-to-energy plant, which the Group has now completed, with its own resources, and tested.

An additional factor was the continuation of the precautionary measures taken by the investigating authorities against the Group in connection with the criminal proceedings into waste management in the region of Campania, which are now in their fourth year. At a hearing on 17 June 2010, the Supreme Court overturned – without renvoi – the precautionary seizure of cash and cash equivalents ordered by the Naples Court of Review in February and annulled the seizure of the service-related receivables pending a new review.

Although important positive developments have taken place in this dispute, the complex situation has further exacerbated operations at the Fisia Italimpianti company. In addition to the problems caused by non-payment of the amounts due for construction of the Acerra waste-to-energy plant and the difficulty experienced in fully restoring its credit standing on its core markets owing to the protracted precautionary measures adopted under the proceedings described above, Fisia Italimpianti has been unable to take advantage of its unrivalled strategic position in the desalination sector, since the main regions addressed by this business are among those where signs of a full recovery in investments have not yet materialised.

Another important event during the nine months was the admission for trading of the shares of Ecorodovias Infraestrutura e Logistica S.A. – a subsidiary of Impregilo held jointly with its Brazilian partner CR Almeida – on the São Paulo stock exchange (Brazil). Based on the share price at the admission date, the Impregilo equity investment was valued at approximately 640 million euro. The procedure was officially completed on 1 April with the first trades on the market and full subscription of the 92,000,000 new shares issued at a price of 3.97 euro per share.

Prior to completion of admission to trading, the Ecorodovias group signed a strategic agreement with a local partner, Logistica Brasil, over the Elog S.A. company, an Ecorodovias subsidiary and the lead company in its logistics business. Under the agreement the new local partner fully subscribed an Elog S.A. share capital increase to acquire a 20% stake in the company. Under the terms of the agreement, control of Elog S.A., which was previously wholly owned by Ecorodovias, is now held jointly with the new partner. In compliance with international accounting standards, this qualifies as a loss of control of Elog. The transaction generated the recognition in the income statement of a capital gain from the sale and a value adjustment of the assets and liabilities still held by the Group to reflect fair value at the transaction date, as required by current accounting standards. For the share attributable to the Group, these effects amounted to an estimated 43 million euro gross of the tax effects for an estimated 12.3 million euro. The loss of control also changed the consolidation method from line-by-line to proportionate. Since this was a non-recurring transaction,





Impregilo has classified its effects under a specific new consolidated income statement heading, 'Result of partial sale of a subsidiary', not included in EBIT and stated before the results of financial operations and equity investments.

### **Analysis of the main consolidated business and financial results at 30 September 2010**

Group **net sales** amounted to **1,508.0** million euro (1,960.1 million euro in the year-earlier period). The change with respect to the first nine months of 2009 arose largely from the reduction in business volumes in the Plant sector, which, for the first nine months of 2010, reported revenues of 234.7 million euro, compared with 580.4 million euro in the year-earlier period.

**EBIT** was **176.9** million euro (80.2 million euro in the year-earlier period), with a **Return on Sales** of **11.7%** (4.1% in the year-earlier period).

This result reflected positive contributions from the Infrastructures sector for 109.8 million euro (RoS 10.4%) and the Concessions sector for 135.0 million euro (RoS 60.0%). The Plant sector had negative EBIT of 39.2 million euro in the first nine months of 2010 (negative EBIT of 63.0 million euro).

EBIT reflected the positive impact of the capital gain from the sale of the equity investment in the Argentinian subsidiary Caminos de las Sierras SA, which had a net effect of 65.5 million euro. Excluding this effect, consolidated EBIT would have been **111.4** million euro with normalised RoS of **7.7%**.

At consolidated level, **financial operations and equity investments** generated a net loss of 59.9 million euro against a net loss of 23.6 million euro in the year-earlier period.

**Profit from discontinued operations** was negative at 2.0 million euro (negative at 1.0 million euro) and reflected the negative results of the MSW projects in Campania.

**Net profit** attributable to equity holders of the parent was **108.8 million euro** (32.4 million euro in the year-earlier period). It benefited from the non-recurring positive effects of the sale of the Caminos de las Sierras SA motorway subsidiary and of the transactions completed by the Brazilian group Ecorodovias Infraestrutura e Logistica over which Impregilo holds joint control.

**Net debt** at 30 September 2010 was **218.2** million euro compared with net debt of 274.5 million euro at 31 December 2009, a positive change of 56.3 million euro.

The **debt/equity ratio** was **0.20**.

**Orders acquired** in the first nine months of 2010 amounted to **2,790** million euro .

The Group **aggregate backlog** at 30 September 2010 stood at **22.0** billion euro, of which 9.6 billion euro in the Infrastructures and Plant sectors and 12.4 billion euro relating to the full-cycle backlog of the Concessions sector.





## Outlook

The results for the first nine months of 2010 – net of the effects of the non-recurring transactions described above – are in line with the projections released by the Group at the end of last year, despite the continuing operating difficulties arising from the MSW Projects in Campania and the on-going non-payment by the public agencies concerned of the substantial receivables due to the Group.

The Group's solid backlog and the equilibrium of its financial and equity structure support its expectation that, subject to currently unforeseeable extraordinary events, performance in the fourth quarter will be in line with the guidance provided at the end of 2009.

The Group is currently involved in a complex operating and legal situation concerning the high-speed railway projects in Tuscany and the MSW projects in Campania. This situation will continue to be a critical element in Group activities, not least because of the new claims presented by the investigating authorities despite the advanced stage of the proceedings, which will be heard by the Naples Court of Review. Given the highly complex nature of these proceedings, which involve state, regional, provincial and many municipal authorities in Tuscany and Campania, and the complexity of the trial proceedings, currently unforeseeable events that may require the Group to review the projections formulated to date cannot be excluded.

*The quarterly report at 30 September 2010 is not subject to auditing.*

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*The Corporate Central Manager Rosario Fiumara, the manager in charge of drafting the company's accounting documents, declares pursuant to paragraph 2, article 154-bis of the Consolidated Finance Act, that the accounting disclosures in this statement correspond to the results reflected in the documents, the ledgers and the accounts.*

Milan, 8 November 2010

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## Reclassified consolidated income statement

(in Euro/000)	Jan - Sept 2010	Jan - Sept 2009 (*)	Change
Revenues on operations	1,401,184	1,908,531	(507,347)
Other revenues	106,797	51,526	55,271
<b>Total net sales</b>	<b>1,507,981</b>	<b>1,960,057</b>	<b>(452,076)</b>
Operating costs	(1,286,459)	(1,842,677)	556,218
<b>EBITDA</b>	<b>221,522</b>	<b>117,380</b>	<b>104,142</b>
EBITDA margin	14.7%	6.0%	
Depreciation and amortisation	(44,665)	(37,208)	(7,457)
<b>EBIT</b>	<b>176,857</b>	<b>80,172</b>	<b>96,685</b>
<i>Return on Sales</i>	<i>11.7%</i>	<i>4.1%</i>	
<b>Gain on the partial sale of an investment in a subsidiary</b>	<b>43,011</b>	<b>-</b>	<b>43,011</b>
<b>Financial operations and equity investments</b>			
Financial operations	(62,630)	(27,813)	(34,817)
Equity investments	2,711	4,255	(1,544)
<b>Total financial operations and equity investments</b>	<b>(59,919)</b>	<b>(23,558)</b>	<b>(36,361)</b>
<b>EBT</b>	<b>159,949</b>	<b>56,614</b>	<b>103,335</b>
Tax	(47,986)	(22,081)	(25,905)
<b>Net profit from continuing operations</b>	<b>111,963</b>	<b>34,533</b>	<b>77,430</b>
Net profit from discontinued operations	(1,950)	(995)	(955)
<b>Net profit before attribution of minority interests</b>	<b>110,013</b>	<b>33,538</b>	<b>76,475</b>
Net profit attributable to minority interests	(1,192)	(1,182)	(10)
<b>Net profit attributable to equity holders of parent</b>	<b>108,821</b>	<b>32,356</b>	<b>76,465</b>

## Reclassified consolidated balance sheet

(in Euro/000)	30 Sept 2010	31 Dec 2009(*)	Change
Non-current assets	717,333	700,023	17,310
Goodwill	85,635	58,890	26,745
Assets (liabilities) non current held for sale	384,403	379,307	5,096
Provisions for risks	(287,834)	(292,676)	4,842
Employee severance indemnities and employee benefits	(25,420)	(33,772)	8,352
Other non-current assets (liabilities)	93,822	47,058	46,764
Tax assets (liabilities)	201,728	220,217	(18,489)
<i>Inventories</i>	<i>66,513</i>	<i>56,625</i>	<i>9,888</i>
<i>Contract work in progress</i>	<i>764,776</i>	<i>630,993</i>	<i>133,783</i>
<i>Advances on contract work in progress</i>	<i>(660,576)</i>	<i>(527,113)</i>	<i>(133,463)</i>
<i>Receivables</i>	<i>805,452</i>	<i>1,013,019</i>	<i>(207,567)</i>
<i>Payables</i>	<i>(845,741)</i>	<i>(989,837)</i>	<i>144,096</i>
<i>Other current assets</i>	<i>262,139</i>	<i>216,115</i>	<i>46,024</i>
<i>Other current liabilities</i>	<i>(261,375)</i>	<i>(318,637)</i>	<i>57,262</i>
Working capital	131,188	81,165	50,023
<b>Net invested capital</b>	<b>1,300,855</b>	<b>1,160,212</b>	<b>140,643</b>
<b>Shareholders' equity</b>	<b>1,076,531</b>	<b>880,098</b>	<b>196,433</b>
Minority interests	6,168	5,568	600
<b>Shareholders' equity</b>	<b>1,082,699</b>	<b>885,666</b>	<b>197,033</b>
<b>Net financial position</b>	<b>(218,156)</b>	<b>(274,546)</b>	<b>56,390</b>
<b>Total financial resources</b>	<b>1,300,855</b>	<b>1,160,212</b>	<b>140,643</b>

(\*) The balance sheet values at 31 December 2009 and the income statement values for the period January – September 2009 have been re-determined as a result of retrospective application of IFRIC 12.





## ALTERNATIVE PERFORMANCE INDICATORS

In accordance with CONSOB communication no. 6064293 of 28 July 2006, the composition of the performance indicators used in Impregilo Group institutional communications are illustrated below.

### Equity/financial indicators

#### Debt/Equity ratio

*this ratio is obtained by dividing the net financial position (negative if the company has net debt) by shareholders' equity. At consolidated level, the shareholders' equity used to determine the debt/equity ratio includes minority interests.*

### Economic indicators

1. EBITDA or Gross operating profit

*the sum of the following income statement items:*

*a. total net sales*

*b. total costs, excluding depreciation and amortisation of tangible and intangible assets.*

*This indicator may also be shown as a 'percentage', as the ratio between EBITDA and total net sales.*

2. EBIT or Operating profit

*coincides with the 'Operating Profit' caption in the income statement and is the sum of total net sales plus total costs.*

3. Return on sales or RoS

*Expressed as a percentage and obtained by dividing EBIT, obtained as described above, by total net sales.*