

Salini Impregilo S.p.A. Board of Directors' Report on the second item of the agenda of the Extraordinary Shareholders' Meeting concerning: "*Granting the Board of Directors the power to increase share capital, on one or more occasions and, in any event, in tranches, with the exclusion of option rights pursuant to Article 2443 and 2441.4, second sentence, of the Italian Civil Code, namely against payment and in cash, by issuing, also in tranches, a number of ordinary and/or savings shares that does not exceed 10% of the total number of Salini Impregilo shares outstanding on the date that the Delegated Power is exercised. Amendment of Article 7 of the Bylaws. Related and consequent resolutions*".

SALINI IMPREGILO S.P.A. BOARD OF DIRECTORS' REPORT ON THE SECOND ITEM OF THE AGENDA OF THE EXTRAORDINARY SHAREHOLDERS' MEETING CONCERNING: "GRANTING THE BOARD OF DIRECTORS THE POWER TO INCREASE SHARE CAPITAL, ON ONE OR MORE OCCASIONS AND, IN ANY EVENT, IN TRANCHES, WITH THE EXCLUSION OF OPTION RIGHTS PURSUANT TO ARTICLE 2443 AND 2441.4, SECOND SENTENCE, OF THE ITALIAN CIVIL CODE, NAMELY AGAINST PAYMENT AND IN CASH, BY ISSUING, ALSO IN TRANCHES, A NUMBER OF ORDINARY AND/OR SAVINGS SHARES THAT DOES NOT EXCEED 10% OF THE TOTAL NUMBER OF SALINI IMPREGILO SHARES OUTSTANDING ON THE DATE THAT THE DELEGATED POWER IS EXERCISED. AMENDMENT OF ARTICLE 7 OF THE BYLAWS. RELATED AND CONSEQUENT RESOLUTIONS".

Dear Shareholders,

This report has been prepared by the Board of Directors of Your Company to illustrate the reasons justifying the proposal to grant to the Board the power to increase share capital, on one or more occasions and, in any event, in tranches, with exclusion of the option right, pursuant to Article 2443 and 2441, paragraph 4, second sentence, of the Italian Civil Code (the “**Delegated Power**”).

1. SUBJECT OF THE DELEGATED POWER

Pursuant to Article 2443 of the Italian Civil Code, the Bylaws - also through amendments thereto - may grant the directors the power to increase the share capital, on one or more occasions, up to a fixed amount for a maximum period of five years from the date of the resolution, also pursuant to Article 2441, paragraph 4, of the Italian Civil Code.

For the reasons and objectives set out below in this Report, the Delegated Power that we propose to grant to the Board of Directors concerns increasing share capital, pursuant to Art. 2441, paragraph 4, second sentence¹, of the Italian Civil Code. In particular, since the shares of Salini Impregilo have no par value², it includes the power to increase share capital, against payment and in cash, on one or more occasions, also in *tranches*, by issuing a number of ordinary and/or savings shares that does not exceed 10% of the total number of Salini Impregilo shares outstanding on the date that the Delegated Power is exercised and, in any event, for a total nominal amount not exceeding €100,000,000.00 (one hundred million euros only), with exclusion of the option right and with the right to determine any additional share premium, all to be exercised within the period of five

¹ Article 2441, paragraph 4, second sentence, of the Italian Civil Code establishes that: “[...] In companies with shares listed on regulated markets, the company Bylaws may exclude the option right within the limits of 10% of the existing share capital, provided that the issue price is consistent with the market value of the shares, as confirmed by a specific report written by an independent auditor or auditing firm”.

² Article 2346, paragraph 3, of the Italian Civil Code establishes that “If the par value of the shares is not indicated, the relevant provisions apply to their number in relation to the total number of shares issued”.

years from the date of the shareholders' resolution granting the Delegated Power (i.e. the maximum period pursuant to Article 2443 of the Italian Civil Code).

2. REASONS FOR THE DELEGATED POWER AND CRITERIA FOR EXERCISING IT

A similar delegated power was granted to the Board of Directors by the Extraordinary Shareholders' Meeting held on August 12, 2013. This delegated power was fully exercised by the Board in order to launch the offering of ordinary shares, which took place in June 2014, reserved to institutional investors in Italy and abroad, and made it possible to increase the market free float, improve liquidity provide additional strength to Salini Impregilo's capital structure (cf. press releases dated June 16, 2014, June 20, 2014, and June 25, 2014 available on the Company's website www.salini-impregilo.com, in the Investor Relations/Press Releases section).

Salini Impregilo has been engaged in an extensive change management process for some time now, aimed at the creation and development of a leading Group that can compete at international level in the global major civil works industry and position itself among the key players in Italy. As such we believe that there are still appropriate grounds to renew the Delegated Power granted to the Board of Directors.

To support this process and the growth strategy aimed at creating even greater value for Shareholders, it is important that the Company is able, also in the near future, to obtain the financial resources required quickly and in as flexible a way as possible, in order to promptly seize the opportunities on the market. It is precisely because of the characteristics of the financial markets that it is extremely important be able to act swiftly, to take advantage of the most favourable times to obtain the necessary resources to finance investments.

The Delegated Power in question is also a tool that will allow the Company to offer to ordinary and savings Shareholders - in line with the pay-out policies adopted at the time - the option to use the dividends received for the subscription of new Salini Impregilo shares (the "dividend reinvestment option"), in line with transactions that many foreign listed issuers have been carrying out for several years now, such as dividend reinvestment plans or the so-called *dividendo flexible* plan in Spain, or other cases of so-called share or scrip dividends.

The Delegated Power in question - considered also together with the revocation and renewal of the delegated power proposed in the separate and next item on the agenda of the extraordinary session, concerning "*Granting the Board of Directors, pursuant to Articles 2443 and 2420-ter of the Italian Civil Code, the delegated power to increase share capital, on one or more occasions and, in any event, in tranches, against payment or as a bonus, and to issue convertible bonds, also with the exclusion of the option right pursuant to paragraph 4.1 of Article 2441 of the Italian Civil Code (i.e. to issue new ordinary and/or savings shares to be paid through contribution in kind) and/or paragraph 5 (i.e. when the interest of the company so requires), with prior revocation of the delegated power granted with the Shareholders' Meeting's resolution of September 12,*

2013. *Amendment of Article 7 of the company Bylaws. Related and consequent resolutions.*” - would make it possible to obtain the aforementioned advantages in terms of flexibility and timely execution in order to take advantage the most favourable market trends conditions for carrying out extraordinary transactions that require particularly fast action, also taking into account the high volatility and uncertainty typical of financial markets.

In this context, in addition to the flexibility mentioned above with regard to the choice of the best times to act, with respect to the resolution of the Shareholders' meeting, an additional advantage of the Delegated Power is that it will allow the Board of Directors to establish the characteristics of the ordinary and/or savings shares to be issued, and the economic terms and conditions of the global offering (including the maximum amount of the offer and the issue price of the relative ordinary and/or savings shares being offered, in accordance with best practice for similar transactions, within the legal limits and criteria outlined below) based on the prevailing market conditions at the time of the effective launch of the transaction, thus also reducing the risk of fluctuations of stock market rates between the time of announcement and the time of the transaction, which would arise if these matters were decided by the shareholders' meeting.

In addition, extending the offer to third parties can be a valuable tool to increase the free float and make it possible to maintain an adequate liquidity of Salini Impregilo shares at all times.

The financial resources raised through the exercise of the Delegated Power may be allocated, other than to the growth strategies mentioned above, also to the enhancement of existing investments, and, more generally, to the fulfilment of any financial requirements that may arise in the five years from the date of the shareholders' resolution.

3. CRITERIA FOR DETERMINING THE ISSUE PRICE

The new shares will be offered at a price that will be established on each occasion by the Board of Directors, including any share premium, it being understood that pursuant to Article 2441, paragraph 4, second sentence, of the Italian Civil Code, excluding the option right within the limit of 10% of the total number of shares outstanding (no par value) is conditional on the issue price being consistent with the market value of the shares, as confirmed by a specific report written by an independent auditor or auditing firm.

In accordance with the foregoing, subject to any share premium that may be established by the Board of Directors, the subscription price of the new shares may also be lower than the pre-existing book value.

4. DURATION AND PERIOD FOR EXERCISING THE DELEGATED POWER

We propose that the Delegated Power will be effective for the five year legal maximum term, starting from the date of the Shareholders' resolution, and to establish that it can be exercised on one or more occasions. This means that, if approved by the Shareholders' Meeting called for April 30, 2015, the Delegated Power must, in any case, be exercised within the deadline of April 29, 2020, after which it will automatically lapse.

Without prejudice to the foregoing, the timing of exercising the Delegated Power, pursuant to Article 2443 of the Italian Civil Code, as well as the terms and conditions of any issue shall depend on the actual opportunities that arise and will be promptly announced to the market in accordance with applicable laws and regulations as soon as they have been determined by the Board of Directors.

5. AMOUNT OF THE DELEGATED POWER

The increase in share capital resolved upon through the exercise of the Delegated Power must not entail the issue of a number of new ordinary and/or savings shares exceeding 10% of the total number of Salini Impregilo shares outstanding on the date that the power is exercised, and the total nominal amount must not exceed €100,000,000.00 (one hundred million euros only), without prejudice to the Board of Directors' right to establish an additional share premium.

6. AMENDMENT OF ARTICLE 7 OF THE COMPANY BYLAWS

The proposed amendments to the text of Article 7 of the company Bylaws are shown below.

CURRENT TEXT	PROPOSED TEXT
<p style="text-align: center;">Art. 7</p> <p>By resolution of the shareholders' meeting, the share capital may be increased by issuing new shares, including shares with rights different from those of the shares already issued. The resolution on the share capital increase, passed with the majorities pursuant to Articles 2368 and 2369 of the Italian Civil Code, may exclude the option right within the limits of 10% of the existing share capital, provided that the issue price is consistent with the market value of the shares, as confirmed by a specific report written by the independent auditors. The shareholders' meeting</p>	<p style="text-align: center;">Art. 7</p> <p style="text-align: center;">- UNCHANGED -</p>

has the power to resolve the issue of bonds, setting the relevant regulations.

[...]

The Extraordinary Shareholders' Meeting held on April 30, 2015 resolved to grant to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase share capital against payment, on one or more occasions, also in tranches, pursuant to Article 2439 of the Italian Civil Code, by April 29, 2020, with exclusion of the option right pursuant to paragraph 4, second sentence of the Italian Civil Code, through the issue, also in more than one tranche, of a number of ordinary and/or savings shares that does not exceed 10% of the total number Salini Impregilo shares outstanding on the date that the power is exercised and, in any event, for a for a total nominal amount not exceeding €100,000,000.00 (one hundred million euros only), with the Board of Directors' being entitled to establish any additional share premium.

For the purpose of exercising the above-mentioned powers, the Board of Directors is also granted all powers to (a) determine, for each tranche, the number of shares, the issue price per share (including any share premium) and the dividend rights of the ordinary and/or savings shares, subject only to the limitations set forth in Article 2441, paragraph 4, second sentence, and/or Article 2438 and/or Article 2346, paragraph 5, of the Italian Civil Code, on the understanding that the above-mentioned issue

	price may be lower than the pre-existing book value of the shares, legal restrictions notwithstanding; (b) determine the deadline for subscription of the Company's ordinary and/or savings shares; and (c) implement the delegated powers mentioned above including, but not limited to, those necessary to make the pertinent and required amendments to the Bylaws that may be necessary on each occasion.
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7. INCOME, EQUITY AND FINANCIAL EFFECTS OF THE TRANSACTION, IMPACT ON THE UNIT PRICE OF SHARES AND DILUTION

When executing the Delegated Power, the Board of Directors shall provide appropriate disclosures to the market on the impacts on the income, equity and financial effects of the transaction in question, as well as the impacts on the unit price of shares and the dilution resulting from the transaction.

8. NO RIGHT OF WITHDRAWAL

Please note that the proposed amendment to the company Bylaws does not fall within any of the cases of grounds for withdrawal in accordance with the company Bylaws and applicable laws and regulations.

PROPOSED RESOLUTION
OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

Dear Shareholders,

In view of the above, the Board of Directors submits the following resolution proposal for your approval:

“The Shareholders’ Meeting of Salini Impregilo S.p.A., convened in extraordinary session,

(i) having acknowledged the "Board of Directors' Report" and the proposals contained therein; and

(ii) having acknowledged the Board of Statutory Auditors' certification that the current share capital of Salini Impregilo S.p.A. amounts to €544,740,000, subdivided into 492,172,691 ordinary shares and 1,615,491 savings shares, with no par value, and is fully subscribed and paid-in;

RESOLVES

1. *to grant to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase share capital on one or more occasions and, in any event, in tranches, with exclusion of the option right pursuant to Article 2441, paragraph 4, second sentence of the Italian Civil Code, according to the terms and conditions provided in the "Board of Directors' Report" and the amendment to the Bylaws set out in item 2 below;*
2. *consequently, to amend Article 7 of the company Bylaws by inserting, after the third paragraph (or after the fourth paragraph, in case of approval of the amendment referred to in the first item on the agenda of today's Shareholder' meeting), the following paragraph:*

"The Extraordinary Shareholders' Meeting held on April 30, 2015 resolved to grant to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase share capital against payment, on one or more occasions, also in tranches, pursuant to Article 2439 of the Italian Civil Code, by April 29, 2020, with exclusion of the option right pursuant to paragraph 4, second sentence of the Italian Civil Code, through the issue, also in more than one tranche, of a number of ordinary and/or savings shares that does not exceed 10% of the total number Salini Impregilo shares outstanding on the date that the power is exercised and, in any event, for a for a total nominal amount not exceeding €100,000,000 (one hundred million euros only), with the Board of Directors' being entitled to establish any additional share premium.

For the purpose of exercising the above-mentioned powers, the Board of Directors is also granted all powers to (a) determine, for each tranche, the number of shares, the issue price per share (including any share premium) and the dividend rights of the ordinary and/or savings shares, subject only to the limitations set forth in Article 2441, paragraph 4, second sentence, and/or Article 2438 and/or Article 2346, paragraph 5, of the Italian Civil Code, on the understanding that the above-mentioned issue price may be lower than the pre-existing book value of the shares, legal restrictions notwithstanding; (b) determine the deadline for subscription of the Company's ordinary and/or savings shares; and (c) implement the delegated powers mentioned above including, but not limited to, those necessary to make the pertinent and required amendments to the Bylaws that may be necessary on each occasion.

3. *to grant to the Board of Directors, and on its behalf its Chairman and interim acting Chief Executive, severally and also through especially appointed proxies, the widest powers (with no exclusions) necessary or suitable to implement the resolutions above and exercise the rights subject of the same, as well as make any changes, additions or non-substantive eliminations to the resolutions that may be necessary on request of all competent authorities or on registration in the Company Register, as representatives of the Company".*

Milan, March 31, 2015

on behalf of the Board of Directors of Salini Impregilo S.p.A.

Claudio Costamagna, Chairman