DISCLAIMER

This document has been prepared by Salini Impregilo S.p.A. (the "Company"), on a voluntary basis, exclusively in connection with the possible bonds issue and the related exchange offer which was announced to the market on 10 June 2016 (the "Transaction" - see the relevant press release, available in the "*Investor Relations - Press Releases*" section of the Company's website - www.salini-impregilo.com).

This document and the Transaction are directed only at persons who: (a) are outside the United Kingdom; (b) have professional experience in matters relating to investments; or (c) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

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In particular, this document is not related to, nor shall it constitute, an offer in the Republic of Italy, except for the Transaction, which is limited to: (a) qualified investors (*investitori qualificati*), as defined in Article 34-*ter*, 1st paragraph, letter b), of CONSOB Regulation No. 11971 of 14 May 1999 (the "Issuers' Regulation") implementing Article 100 of Legislative Decree No. 58 of 24 February 1998 (also known as the *Testo Unico della Finanza* or "TUF"); or (b) circumstances where an exemption from the rules governing public offers of securities applies, pursuant to Article 100 of the TUF or the Issuers' Regulation.

Any securities to be issued within the context of the Transaction have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act") or the securities laws of any state of the United States or other jurisdiction, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws. Failure to comply with this directive or any other applicable rules or regulations may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF SALINI IMPREGILO S.p.A. AS OF 31 DECEMBER 2015 AND FOR THE YEAR THEN ENDED

The financial information set forth hereinafter contains the unaudited pro-forma consolidated financial information of Salini Impregilo S.p.A. as of 31 December 2015 and for the year then ended, presented for information purposes to show the material effects of the acquisition of 100% of Lane Industries Incorporated share capital through its wholly-owned American subsidiary, Salini Impregilo US Holding Inc. which was completed on 4 January 2016 and the assumption of the indebtedness needed to finance the acquisition.

1. INTRODUCTION

The unaudited pro-forma consolidated financial information contains the pro-forma consolidated statement of financial position as of 31 December 2015 and the pro-forma consolidated income statement for the year ended 31 December 2015 of Salini Impregilo S.p.A. ("**Salini Impregilo**" or the "**Company**" and, together with its subsidiaries, the "**Salini Impregilo Group**" or the "**Group**") and the explanatory notes of the pro-forma adjustments. This unaudited pro-forma consolidated financial information is referred to as the "**Unaudited Pro-Forma Consolidated Financial Information**". The Unaudited Pro-Forma Consolidated Financial Information has been prepared to show retroactively the main effects of the following transactions (the "**Transactions**") on the Group statement of financial position and on the Group consolidated income statement:

- the acquisition of 100% of the share capital of Lane Industries Incorporated ("**Lane Industries Inc.**") by Salini Impregilo finalized on 4 January 2016; and
- the assumption of the indebtedness needed to finance the above-mentioned acquisition.

In January 2016, the Group completed the acquisition of Lane Industries Inc., one of the biggest builder of freeways and the largest private asphalt manufacturer in the United States, for a total consideration of approximately USD 460 million. Salini Impregilo financed the operation through a bridge loan of Euro 400 million obtained from a syndicate of five major international Banks.
The Unaudited Pro-Forma Consolidated Financial Information as of 31 December 2015 and for the year then ended has been prepared by making appropriate pro-forma adjustment to:

- the consolidated statement of financial position and the consolidated income statement included in the consolidated financial statements of the Salini Impregilo Group as of 31 December 2015 and for the year then ended (the "**2015 Audited Consolidated Financial Statements**"), prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("**IFRS**"), approved by the Board of Directors of Salini Impregilo S.p.A. on 16 March 2016 and audited by KPMG S.p.A. that issued the related opinion on 6 April 2016;
- the consolidated statements of financial position and the consolidated income statement included in the consolidated financial statements of Lane Industries Incorporated and its Subsidiaries as of 31 December 2015 and for the year then ended (the "**2015 Lane Industries Inc. Audited Consolidated Financial Statements**"), prepared in accordance with accounting principles generally accepted in the United States of America, approved by the Board of Directors of Lane Industries Inc. on 17 March 2016 and audited by PricewaterhouseCoopers LLP that issued the related opinion on 1 March 2016.

The **2015 Lane Industries Inc. Audited Consolidated Financial Statements** are attached to this Document as Annex 1.

The report of the independent auditors KPMG S.p.A. concerning the examination of the Unaudited Pro-Forma Consolidated Financial Information in accordance with Commission Regulation (EC) N. 809/2004 of 29 April 2004 implementing the Prospectus Directive is attached to this Document as Annex 2.

The Unaudited Pro-Forma Consolidated Financial Information has been prepared to show retroactively, according to the same accounting policies as the historical data of Salini Impregilo Group and in compliance with relevant regulations, the main effects of the Transactions on the Group consolidated statement of financial position as if the Transactions had taken place on 31 December 2015 and the effects on the Group consolidated income statement as if the Transactions had taken place on 1 January 2015.

The Unaudited Pro-Forma Consolidated Financial Information presented herein is based on available information and certain assumption which we believe are reasonable. The Unaudited Pro-Forma Consolidated Financial Information is for illustrative purposes only of the possible effects arising from the Transactions and is not intended to represent or to be indicative of the consolidated results of operations or financial position that the Salini Impregilo Group and the Lane Industries Inc. (together the "**Combined Group**") would have reported had the above mentioned transactions taken place on 31 December 2015 with reference to the effects on the statement of financial position and, with regards to the effects to the income statement, on 1 January 2015. In particular, the pro-forma financial information is provided to reflect retroactively the effects of subsequent transactions and, despite the use of commonly accepted rules and the consideration of reasonable assumptions, there are certain limitations directly related to the nature of pro-forma information. For this reason, in the case the Transactions would have actually occurred on the assumed dates, not necessarily the effects would have been the same as shown in the Unaudited Pro-Forma Consolidated Financial Information. Moreover, considering the difference between the purpose of pro-forma financial information and historical financial statements as well as the different way of calculating the effects of the Transactions, the pro-forma financial statements should be read and examined separately, without attempting to establish any accounting relationship between them.

In addition, the Unaudited Pro-Forma Consolidated Financial Information does not reflect forward-looking information and is not intended to present the expected future results of the Salini Impregilo Group, given that it has been prepared solely for the purposes of illustrating the identifiable and objectively measurable effects of the Transactions, applied to historical financial information.

2. BASIS OF PREPARATION

The Unaudited Pro-Forma Consolidated Financial Information has been prepared in accordance with the Commission Regulation (EC) N. 809/2004 of 29 April 2004 implementing the Prospectus Directive, Annex "Pro forma financial information building block", and with ESMA recommendation 2013/319 of 20 March 2013 "ESMA update of the CESR recommendations – The consistent implementation of Commission Regulation (EC) N. 809/2004 of 29 April 2004 implementing the Prospectus Directive".

In particular, the unaudited pro-forma condensed consolidated statement of financial position and the unaudited pro-forma condensed consolidated income statement have been prepared adjusting the Group historical data extracted from the **2015 Audited Consolidated Financial Statements** and from the **2015 Lane Industries Inc. Audited Consolidated Financial Statements**, in order to present retroactively the main economic and financial effects deriving from the Transactions. Because of its nature, the **Unaudited Pro-Forma Consolidated Financial Information** addresses a hypothetical situation and, therefore, does not represent the actual financial position or results of Salini Impregilo.

The accounting principles adopted for the preparation of the Unaudited Pro Forma Consolidated Financial Information are consistent with those used for the preparation of the **2015 Audited Consolidated Financial Statements** of Salini Impregilo, which are in compliance with IFRS. It should be noted that Lane Industries Inc. has prepared its **2015 Audited Consolidated Financial Statements** in US dollars and in accordance with U.S. GAAP. IFRS differs from U.S. GAAP in certain significant aspects. For the purpose of preparing the Unaudited Pro-Forma Consolidated Financial Information, the Lane Industries Inc. historical financial information has been prepared in accordance with the measurement and recognition criteria laid down by the IFRS as endorsed by the EU and reclassified based on the statement of financial position model adopted by the Group for the purpose of the preparation of the **2015 Audited Consolidated Financial Statements**. However, some material differences may exist between U.S. GAAP and IFRS that have not resulted in the pro-forma adjustments. In addition, certain items may have been reclassified due to the conversion from U.S.

GAAP to IFRS and different accounting policies. It should be noted that the preparation of the Lane Industries Inc. historical financial information in accordance with the IFRS does not consist in a first time adoption of Lane Industries Inc..

The main differences identified in the accounting standard transition process are disclosed in the following paragraphs. A complete analysis will be performed by management of Salini Impregilo in connection with the first consolidation of Lane Industries Incorporated in Salini Impregilo in its interim consolidated financial statements at 30 June 2016.

All information contained in this document is presented in thousands of Euro, unless otherwise indicated.

The Lane Industries Inc. consolidated financial statements were originally in US dollar and for the purpose of preparing the Unaudited Pro-Forma Consolidated Financial Information has been converted in Euro using the following criteria and exchange rates: i) for the consolidated statement of financial position at the closing spot rate equals to 1.0887 EUR/USD; for the consolidated income statement at the average rate equals 1.109512 EUR/USD.

The Unaudited Pro-forma Consolidated Income Statement does not reflect the estimated economic effects of the synergies that Salini Impregilo may expect to realize through the Transactions.

3. UNAUDITED PRO-FORMA CONSOLIDATED STATEMENTS

This section contains the unaudited pro-forma consolidated statements of financial position as of 31 December 2015 (the "**Unaudited Pro-Forma Consolidated Statement of Financial Position**"), the pro-forma consolidated income statement for the year ended 31 December 2015 (the "**Unaudited Pro-Forma Consolidated Income Statement**") and relevant explanatory notes.

3.1 Unaudited Pro-forma Consolidated Statement of Financial Position

The table below sets forth the pro-forma adjustments to present the main effects of the Transactions on the consolidated financial position of the Group as of 31 December 2015.

(in thousands of Euro)			**Pro-forma Adjustments**		
	Salini Impregilo Group Consolidated statement of financial position	**Reclassified Consolidated statement of financial position of Lane Industries Inc.**	**Acquisition Effects**	**Proceeds from Loan**	**Consolidated Pro-forma statement of financial position**
	(A)	**(B)**	**(C)**	**(D)**	**TOTAL**
Non-current assets					
Property, plant and equipment	594,365	115,088	-	-	709,453
Goodwill	-	-	228,858	-	228,858
Intangible assets	193,821	5,094	-	-	19,915
Equity Investments	131,254	42,060	-	-	173,314
Non-current financial assets	67,832	-	-	-	67,832
Deferred tax assets	64,064	-	-	-	64,064
Total non current assets	**1,051,336**	**162,242**	**228,858**	**-**	**1,442,436**
Current assets					
Inventories	268,073	22,147	-	-	290,220
Contract work in progress	1,775,791	22,616	-	-	1,798,407
Trade receivables	1,560,684	176,079	-	-	1,736,763
Derivatives and other current financial assets	312,104	-	-	-	312,104
Current tax assets	114,577	406	-	-	114,983
Other current tax assets	142,652	-	-	-	142,652
Other current assets	518,642	11,270	-	-	529,912
Cash and Cash equivalents	1,410,775	87,898	(428,680)	392,246	1,462,239
Total current assets	**6,103,298**	**320,416**	**(428,680)**	**392,246**	**6,387,280**
Non-current assets held for sale and discontinued operations	147,606	-	-	-	147,606
Total Assets	**7,302,240**	**482,657**	**(199,822)**	**392,246**	**7,977,321**

(in thousands of Euro)	Salini Impregilo Group Consolidated statement of financial position	Reclassified Consolidated statement of financial position of Lane Industries Inc.	Pro-forma Adjustments Acquisition Effects	 Proceeds from Loan	Consolidated Pro-forma statement of financial position
	(A)	**(B)**	**(C)**	**(D)**	**TOTAL**
Equity					
Equity attributable to the owners of the parent	**1,116,000**	**97,883**	**(94,390)**	**-**	**1,119,493**
Non-controlling interests	100,860	13,489	-	-	114,349
Total equity	**1,216,860**	**111,372**	**(94,390)**	**-**	**1,233,842**
Non-current liabilities					
Bank and other loans	745,554	95,119	(98,282)	392,246	1,134,637
Bonds	396,211	-	-	-	396,211
Finance lease liabilities	79,789	-	-	-	79,789
Non-current derivatives	4,113	-	-	-	4,113
Post-employment benefits and employee benefits	25,412	70,262	(7,150)	-	88,524
Deferred tax liabilities	55,857	-	-	-	55,857
Provision for risks	106,361	10,038	-	-	116,399
Total non-current liabilities	**1,413,297**	**175,419**	**(105,432)**	**392,246**	**1,875,530**
Current liabilities					
Current portion of bank loans and current account facilities	538,802	2,294	-	-	541,096
Current portion of bonds	10,203	-	-	-	10,203
Current portion of finance lease liabilities	49,617	-	-	-	49,617
Derivatives and other current financial liabilities	10,685	-	-	-	10,685
Progress payments and advances on contract work in progress	1,862,759	76,326	-	-	1,939,085
Trade payables	1,630,437	106,013	-	-	1,736,450
Current tax liabilities	68,273	-	-	-	68,273
Other current tax liabilities	61,097	-	-	-	61,097
Other current liabilities	334,198	11,233	-	-	345,431
Total current liabilities	**4,566,071**	**195,866**	**-**	**-**	**4,761,937**
Liabilities directly associated with non-current assets held for sale and discontinued operations	106,012	-	-	-	106,012
Total equity and liabilities	**7,302,240**	**482,657**	**(199,822)**	**392,246**	**7,977,321**

3.2 Unaudited Pro-forma Consolidated Income Statement

The table below sets forth the pro-forma adjustments to present significant effects of the Transactions on the consolidated income statement of the Group for the year ended as of 31 December 2015.

(in thousands of Euro)			Pro-forma Adjustments			
	Salini Impregilo Group Consolidated Income Statement	**Lane Industries Inc. reclassified Consolidated Income Statement (€'000)**	**Acquisition Effects**	**Transaction costs**	**Financial expenses on the Loan**	**Consolidated Pro-forma Income Statement**
	(A)	**(B)**	**(C)**	**(D)**	**(E)**	**TOTAL**
Revenue						
Revenue	4,595,483	1,079,473	-	-	-	5,674,956
Other revenue	143,393	4,551	-	-	-	147,944
Total revenue	**4,738,876**	**1,084,024**	**-**	**-**	**-**	**5,822,900**
Costs						
Operating costs	(4,229,582)	(1,079,375)	-	11,742	-	(5,297,215)
Amortisation, depreciations, provisions and impairment losses	(236,638)	(15,493)	-	-	-	(252,131)
Total costs	**(4,466,220)**	**(1,094,868)**	**-**	**11,742**	**-**	**(5,549,346)**
Operating profit	**272,656**	**(10,844)**	**-**	**11,742**	**-**	**273,554**
Financing income (costs) and gains (losses) on investments						
Financial income	34,587	435	-	-	-	35,022
Financial expense	(107,523)	(13,752)	9,292	-	(14,817)	(126,800)
Net exchange rate losses	(16,675)	-	-	-	-	(16,675)
Net financing costs	*(89,611)*	*(13,317)*	*9,292*	-	*(14,817)*	*(108,453)*
Net gains on equity investments	336	24,587	-	-	-	24,923
Net financing costs and net gains on equity investments	**(89,275)**	**11,270**	**9,292**	**-**	**(14,817)**	**(83,530)**
Profit before tax	**183.381**	**426**	**9,292**	**11,742**	**(14,817)**	**190,024**
Income tax expense	(84,577)	(9,070)	(3,252)	(3,788)	4,075	(96,612)
Profit from continuing operations	**98,804**	**(8,644)**	**6,040**	**7,954**	**(10,743)**	**93,412**
Profit (loss) from discontinued operations	(16,573)	(1,803)	-	-	-	(18,376)
Profit for the year	**82,231**	**(10,447)**	**6,040**	**7,954**	**(10,743)**	**75,036**

3.3 Explanatory Notes to the Unaudited Pro-Forma Consolidated Financial Information

3.3.1 Transactions' description

<u>Acquisition of Lane Industries Incorporated</u>

The main steps of the acquisition of Lane Industries Incorporated by Salini Impregilo S.p.A. are summarized below.

On 11 November 2015 Salini Impregilo, Tiger Merger Corporation, an indirect wholly owned subsidiary of Salini Impregilo, Lane Industries Inc. and the Stockholders' Representative entered into an Agreement and Plan of Merger (the "**Merger Agreement**") pursuant to which, at the closing date, on the terms and subject to the conditions set forth therein, Tiger Merger Corporation has been merged with and into the Lane Industries Inc.. As a result of the merger, the separate corporate existence of Tiger Merger Corporation ceased and Lane Industries Inc. continued as the surviving corporation of the merger, then being an indirect wholly owned subsidiary of Salini Impregilo.

Each share of common stock of Tiger Merger Corporation, per value $5.0 per share, issued and outstanding immediately prior to the closing date has been converted into and thereafter represents one share of common stock of surviving corporation such that immediately following the closing date, Salini Impregilo become the sole and exclusive indirect owner of the shares of all capital stock of surviving corporation.

On 4 January 2016 Salini Impregilo finalized the acquisition process of 100% of share capital of Lane Industries Inc. started during 2015 through its wholly owned American subsidiary, Salini Impregilo US Holding Inc., incurring a total consideration of approximately Euro 429 million.

The consideration incurred to acquire Lane Industries Inc., in accordance with the terms of the Merger Agreement has been used to make the following payments by direct wire transfer of immediately available funds:

(i) an amount equal to the unpaid *transaction expenses* (Euro 10 million);

(ii) an amount equal to the *escrow amount*, to be held in the escrow account, and an amount equal to the *purchase price adjustment escrow amount*, to be held in the purchase price adjustment escrow account (Euro 24 million);

(iii) credit facilities of Lane Industries Incorporated for Euro 98 million;

(iv) an amount equal to the *closing equity payment*, to be held for the benefit of the holders of shares of common stock and incentive units and for the payment of the applicable closing common stock per share amount (Euro 296 million).

Is to be added to the payments above an amount of Euro 803 thousand as additional price adjustment. The amount of price adjustment, in accordance with the criteria identified in the Merger Agreement, therefore totally amounts to Euro 2.6 million.

<u>The financial indebtedness</u>

Salini Impregilo borrowed a bridge loan amounting to Euro 400 million from Banca IMI S.p.A., as agent of the other finance parties (BNP Paribas, Italian branch, Goldman Sachs International, Intesa San paolo S.p.A., Natixis S.A., Milan Branch and Unicredit S.p.A.), in accordance to the term facility agreement dated 9 November 2015 (the "Term Facility Agreement"), to be used to fully finance the acquisition of Lane Industries Inc.. The bridge loan must be repaid in full on the termination date of the Term Facility Agreement, set within 12 months of the signing of the Term Facility Agreement. The termination date can be extended by up to 6 months.

Salini Impregilo applied all amounts borrowed by it under the Term Facility Agreement towards funding a capital contribution in Salini Impregilo US Holding Inc. to enable Salini Impregilo US Holding Inc. to finalize the merger of its subsidiary Tiger Merger Corporation into Lane Industries Incorporated.

Interest on loans are calculated as the sum of the Euribor, plus a margin of 1.75%, which increases by 25 basis points from the 4th to the 6th month after the date of the facility agreement, by additional 25 basis points from the 7th to the 9th month and by additional 50 basis points from the 10th to the 12th month after the date of the facility agreement, plus a mandatory cost.

The charges associated to the bridge loan amount to Euro 7.7 million.

3.3.2 Description of the pro-forma adjustments for the preparation of the Unaudited Pro-forma Consolidated Financial Information

In this paragraph are described the pro-forma adjustments made for the preparation of the Unaudited Pro-forma Consolidated Financial Information.

UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

A) Salini Impregilo Group consolidated statement of financial position

This column includes the condensed Consolidated Statement of Financial Position of Salini Impregilo as of 31 December 2015 extracted from the **2015 Audited Consolidated Financial Statements**.

B) Reclassified Consolidated statement of financial position of Lane Industries Inc.

This column includes the Lane Industries Inc. consolidated statement of financial position as of 31 December 2015, extracted from the **2015 Lane Industries Inc. Audited Consolidated Financial Statements**.

As already disclosed in the paragraph 2 above, the Lane Industries Inc. consolidated statement of financial position for the year ended 31 December 2015 has been prepared in accordance with the measurement and recognition criteria laid down by the IFRS as endorsed by the EU and has been reclassified based on the statement of financial position model adopted by the Group for the purpose of the preparation of the **2015 Audited Consolidated Financial Statements**.

In detail the Lane Industries Inc. Consolidated statement of financial position has been prepared as follows:

	Consolidated statement of financial position of Lane Industries Inc. (US GAAP $'000)	Consolidated statement of financial position of Lane Industries Inc. (US GAAP €'000)	Reclassifications (€'000)	IFRS Adjustments (€'000)	Reclassified consolidated statement of financial position of Lane Industries Inc. (€'000)
	(A1)	**(B1)**	**(C1)**	**(D1)**	**TOTAL**
Non-current assets					
Property, plant and equipment	125,297	115,088	-	-	115,088
Intangible assets	9,348	8,587	(3,493)	-	5,094
Equity Investments	-	-	42,060	-	42,060
Non-current financial assets	14,300	13,135	(13,135)	-	-
Deferred tax assets	-	-	-	-	-
Total non-current assets	**148,945**	**136,810**	**25,432**	**-**	**162,242**
Current assets					
Inventories	24,112	22,147	-	-	22,147
Contract work in progress	31,763	29,176	(6,560)	-	22,616
Trade receivables	196,611	180,593	(4,514)	-	176,079
Derivatives and other current financial assets	-	-	-	-	-
Current tax assets	442	406	-	-	406
Other current tax assets	1,022	939	(939)	-	-
Other current assets	53,146	48,816	(37,546)	-	11,270
Cash and Cash equivalents	95,695	87,898	-	-	87,898
Total current assets	**402,791**	**369,975**	**(49,559)**	**-**	**320,416**
Non-current assets held for sale and discontinued operations	-	-	-	-	-
Total Assets	**551,736**	**506,785**	**(24,127)**	**-**	**482,657**
Equity					
Equity attributable to the owners of the parent	**106,565**	**97,883**	**-**	**-**	**97,883**
Non-controlling interests	14,686	13,489	-	-	13,489
Total equity	**121,251**	**111,372**	**-**	**-**	**111,372**
Non-current liabilities					
Bank and other loans	107,359	98,612	(3,493)	-	95,119
Bonds	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-
Non-current derivatives	-	-	-	-	-
Post-employment benefits and employee benefits	89,418	82,133	(11,871)	-	70,262
Deferred tax liabilities	1,022	939	(939)	-	-
Provision for risks	4,313	3,962	6,075	-	10,037
Total non-current liabilities	**202,112**	**185,646**	**(10,228)**	**-**	**175,418**

	Consolidated statement of financial position of Lane Industries Inc. (US GAAP $'000)	Consolidated statement of financial position of Lane Industries Inc. (US GAAP €'000)	Reclassifications (€'000)	IFRS Adjustments (€'000)	Reclassified consolidated statement of financial position of Lane Industries Inc. (€'000)
	(A1)	**(B1)**	**(C1)**	**(D1)**	**TOTAL**
Current liabilities					
Current portion of bank loans and current account facilities	2,498	2,294	-	-	2,294
Current portion of bonds	-	-	-	-	-
Current portion of finance lease liabilities	-	-	-	-	-
Derivatives and other current financial liabilities	-	-	-	-	-
Progress payments and advances on contract work in progress	77,227	70,935	5,391	-	76,326
Trade payables	115,740	106,310	(297)	-	106,013
Current tax liabilities	-	-	-	-	-
Other current tax liabilities	-	-	-	-	-
Other current liabilities	32,909	30,228	(18.995)	-	11,233
Total current liabilities	**228,374**	**209,767**	**(13,901)**	**-**	**195,866**
Liabilities directly associated with non-current assets held for sale and discontinued operations	-	-		-	-
Total equity and liabilities	**551,736**	**506,785**	**(24,127)**	**-**	**482,657**

<u>A1) Consolidated statement of financial position of Lane Industries Inc.</u>

This column include the consolidated statement of financial position of Lane Industries Inc. in US dollar and in accordance with US GAAP, classified on the basis of the Salini Impregilo Group's scheme of the statement of financial position.

<u>B1) Consolidated statement of financial position of Lane Industries Inc.</u>

This column include the consolidated statement of financial position of Lane Industries Inc. prepared in accordance with US GAAP, converted into Euro and classified on the basis of the Salini Impregilo Group's scheme of the statement of financial position.

<u>C1 - Reclassifications</u>

This column includes the reclassifications made in order to align the consolidated statement of financial position of Lane Industries Inc. to the Salini Impregilo Group statement of financial position model.

The reclassifications identified are listed below:

a) "Intangible Assets" include financing cost of the bank loan that, in accordance with the amortized cost criteria, under IFRS have been reclassified offsetting the amount of "Bank and other Loans" for Euro 3,493 thousand;
b) "Equity Investments" include investments in equity accounted entities that in accordance with IFRS have been reclassified from the caption "Other current assets" for an amount of Euro 42,060 thousand;
c) "Non-current financial assets" include assets pertaining to post employment benefits that in accordance with IAS 19, have been reclassified offsetting the amount of "Post employment and employee benefits" for Euro 13,135 thousand;
d) "Other current liabilities" include the provision for loss on uncompleted contracts for an amount of Euro 11,952 thousand, that in accordance with IAS 11, have been reclassified in the caption "Contract work in progress" for Euro 6,560 thousand and "Progress payments and advances on contract work in progress" for Euro 5,391 thousand, on the basis of the WIP to which they pertain;
e) "Trade receivables" include non commercial receivables from other parties that have been reclassified to "Other current assets" for Euro 4,514 thousand;

f) “Other current assets” include investments in equity accounted entities that in accordance with IFRS have been reclassified in the caption “Equity Investments” of non current asset for an amount of Euro 42,060 thousand and non commercial receivables from other parties that have been reclassified from the caption “Trade receivables” for Euro 4,514 thousand;
g) “Other current tax asset” include deferred tax assets amounting to Euro 939 thousand that have been offset against to deferred tax liabilities;
h) “Other current liabilities” include liabilities amounting to Euro 1,264 thousand pertaining to post employment benefits, that in accordance with IAS 19, have been reclassified in the caption “Post employment and employee benefits”;
i) “Other Current liabilities” include provisions amounting Euro 6,076 thousand, that have been reclassified in the caption “Provision for risk”;
j) “Trade payables” include non commercial payables from other parties that have been reclassified to “Other current liabilities ” for Euro 297 thousand.

D1 - IFRS Adjustments

This column includes the effects of main differences identified between US GAAP and IFRS.

C) *Acquisition Effects*

This column shows the main effects connected to the Merger and Acquisition.

In connection with the acquisition of Lane Industries Inc., Salini Impregilo is required to perform a purchase price allocation in accordance with IFRS 3 – *Business Combinations* which requires that identifiable asset acquired and the liabilities assumed be measured at their fair values as of the acquisition date.

At this stage the purchase price allocation has not been addressed by Salini Impregilo management and the excess of the consideration transferred, as reported below, over the book value of the assets acquired and the liabilities assumed has been recognized as goodwill. However, the purchase price allocation adjustments are preliminary and have been made solely for the purpose of preparing the Unaudited Pro-Forma Consolidated Financial Information, and such are hypothetical and subject to revision based on a final purchase price allocation exercise.

Cash and cash equivalent

As a result of the Acquisition, Cash and cash equivalent decreased by Euro 428,680 thousand, which represents the capital contribution by Salini Impregilo S.p.A. in Salini Impregilo US Holding Inc. to enable Salini Impregilo US Holding Inc. to finalize the acquisition of Lane Industries Inc.

That amount has been used by Salini Impregilo US Holding Inc. to make the payments in connection to the merger of Tiger Merger Corporation in Lane Industries Inc., in accordance with the Merger agreement. Among others, an amount of Euro 98.2 million has been paid to repay the loan of Lane Industries Inc. (*debt payoff amount*); such amount is reflected as a reduction of *Bank and other loans* as disclosed below and an amount of Euro 7.2 million has been paid to reimburse the incentive units granted pursuant to the Lane Industries Inc. Incentive Plans to the executives of Lane Industries Inc.; such amount is reflected as a reduction of *Post-employment benefits and employee benefits* as disclosed below.

Bank and other loans

The account decreased by Euro 98,282 thousand due to the repayment of the Lane Industries Inc.’s loan by Salini Impregilo, in accordance with the terms of the Merger agreement (Euro 98,282).

Post-employment benefits and employee benefits

The account decreased by Euro 7,150 thousand due to the repayment of the Lane Industries Inc.'s incentive units to its executives by Salini Impregilo, in accordance with the terms of the Merger agreement.

Intangible assets

The resulting preliminary goodwill has been recognized for an amount of Euro 229 million (USD 238 million at the closing spot rate), corresponding to the remaining balance not allocated as part of the preliminary purchase price allocation exercise, as follows:

(in thousands)	*EURO*	*USD*
Purchase consideration	428,680	455,431
Liabilities assumed	(105,432)	(115,143)
Equity Lane Industries Inc.	(94,390)	(102,762)
Goodwill	***228,858***	***237,526***

It should be noted that the equity of Lane Industries Inc. (Euro 97,883 thousand) was partially adjusted by the recognition of the additional charges to the Lane Industries Inc.'s loan at the time of repayment (Euro 3,493 thousand).

D) *Proceeds from Loan*

As previously mentioned, Salini Impregilo financed the operation through a bridge loan facility (the "Loan") of Euro 400 million obtained from a syndicate of five international Banks.

In details, the Loan received amounts to Euro 400 million gross of charges associated to the Loan for Euro 7.7 million. The net amount of Euro 392.3 was recorded within non-current liabilities.

The net amount collected was funded by Salini Impregilo as a capital contribution in the subsidiary Salini Impregilo US Holding Inc. in order to support the merger operation. Salini Impregilo US Holding Inc. used the net capital contribution (totally amounting to Euro 429 million): (i) for Euro 98.2 million for the repayment of a facility loan of Lane Industries Inc. in accordance with the terms of Merger agreement; (ii) for approximately Euro 10 million for the repayment of the transaction costs associated with the Transactions in accordance with the terms of Merger agreement; (iii) for approximately Euro 24 million for the payment of the *escrow amount* and *purchase price adjustment escrow amount* to the escrow agents in accordance with the terms of Merger agreement and (iii) for the remaining part to finance the acquisition.

UNAUDITED PRO-FORMA CONSOLIDATED INCOME STATEMENT

A) Salini Impregilo Group Consolidated Income Statement

This column includes the condensed Consolidated Income Statement for the year ended 31 December 2015, as presented in the **2015 Audited Consolidated Financial Statements**.

B) *Lane Industries Inc. reclassified Consolidated Income Statement*

This column includes the Lane Industries Inc. reclassified Consolidated Income Statement for the year ended 31 December 2015, as extracted by the **2015 Lane Industries Inc. Audited Consolidated Financial Statements**. The Lane Industries Inc. reclassified Consolidated Income Statement has been reclassified to conform with the Group presentation model. The above reclassifications did not result in any impact on the Lane Industries Inc. net profit for the period.

It should be noted that the Lane Industries Inc. reclassified Consolidated Income Statement also includes the differences arising from the transition to IFRS accounting principles.

In detail the Lane Industries Inc. Consolidated Income Statement has been prepared as follows:

	Lane Industries Inc. reclassified Consolidated Income Statement (US GAAP- $'000)	Lane Industries Inc. reclassified Consolidated Income Statement (US GAAP- €'000)	IFRS Adj. (€'000)	Lane Industries Inc. reclassified Consolidated Income Statement (€'000)
	(A1)	**(B1)**	**(C1)**	**TOTAL**
Revenue				
Revenue	1,197,688	1,079,473	-	1,079,473
Other income	5,049	4,551	-	4,551
Total revenue	**1,202,737**	**1,084,024**	**-**	**1,084,024**
Costs				
Operating costs	(1,203,090)	(1,084,341)	4,966	(1,079,375)
Amortisation, depreciations, provisions and impairment losses	(17,189)	(15,493)	-	(15,493)
Total costs	**(1,220,279)**	**(1,099,834)**	**4,966**	**(1,094,868)**
Operating profit	**(17,542)**	**(15,810)**	**4,966**	**(10,844)**
Financing income (costs) and gains (losses) on investments				
Financial income	483	435	-	435
Financial expense	(12,188)	(10,985)	(2,767)	(13,752)
Net financing costs	*(11,705)*	*(10,549)*	*(2,767)*	*(13,317)*
Net gains on equity investments	27,280	24,587	-	24,587
Net financing costs and net gains on equity investments	**15,575**	**14,038**	**(2,767)**	**11,270**
Profit before tax	**(1,967)**	**(1,772)**	**2,199**	**426**
Income tax expense	(9,161)	(8,257)	(813)	(9,070)
Profit (loss) from continuing operations	**(11,128)**	**(10,029)**	**1,385**	**(8,644)**
Profit (loss) from discontinued operations	(2,001)	(1,803)	-	(1,803)
Profit for the year	**(13,129)**	**(11,833)**	**1,385**	**(10,447)**
Not controlling interests	(7,207)	(6,496)	-	(6,496)
Profit for the year attributable to Lane Industries Inc.	**(20,336)**	**(18,328)**	**1,385**	**(16,943)**

A1) Lane Industries Inc. reclassified Consolidated Income Statement

This column include the consolidated income statement of Lane Industries Inc. in US dollar and in accordance with US GAAP, classified on the basis of the Salini Impregilo Group’s scheme of the income statement.

B1) Lane Industries Inc. reclassified Consolidated Income Statement

This column include the consolidated income statement of Lane Industries Inc. prepared in accordance with US GAAP, converted into Euro and classified on the basis of the Salini Impregilo Group’s scheme of the income statement.

C1) - IFRS Adjustments

IFRS adjustments refer exclusively to the application of IAS 19 to post employment benefits, with the following effects:

- Decrease by Euro 4,966 thousand of personnel costs;
- Increase by Euro 2,767 thousand of the financial expenses (net interest cost);
- Increase by Euro 813 thousand of tax effect of previous entries;

Such adjustments also include a decrease in “Other Comprehensive Income” by Euro 1,385 thousand related to the actuarial calculation.

C) *Acquisition Effects*

This column includes the adjustments performed to eliminate from the pro-forma Consolidated Income Statement the effects related to: (i) the interest contractually accrued on the Lane Industries Inc. Loan (Euro 9,292 thousand) which has been repaid by Salini Impregilo, through its subsidiary Salini Impregilo US Holding Inc., at the Lane Industries Inc.’s acquisition closing date. The terms of repayment of the loan was included in the Merger agreement; (ii) the tax effect related to the above interests, calculated on the tax rate equal to 35%.

D) Transaction costs

This column includes all the advisory transaction costs incurred by Salini Impregilo (Euro 8,943 thousand) and by Lane Industries Inc. (Euro 2,799 thousand) for the acquisition of Lane Industries Inc.. It is also included the related tax effect, totally amounting to Euro 3.844 thousand, calculated based on the applicable tax rate, equal to 31.4% (27.5% IRES and 3.9% IRAP) with reference to Salini Impregilo and to 35% with reference to Lane Industries Inc..

E) Financial expenses on the Loan

This column includes the estimate of the economic effects related to the bridge facility loan. In particular, the adjustments has been calculated on the basis of the interest that contractually accrue on the loan, equal to the Euribor plus a variable spread.
In details, the effective interest rate on Loan was estimated at 3.53% and applied to the net amount of the loan received by Salini Impregilo.
Finally, the related tax effect, amounting to Euro 4,075 thousand, has been calculated on the basis of the applicable tax rate of 27.5%.

Annex 1

Lane Industries Inc. Audited Consolidated Financial Statements

Lane Industries Incorporated and Subsidiaries

Consolidated Financial Statements
December 31, 2015 and 2014

Lane Industries Incorporated and Subsidiaries
Index to Consolidated Financial Statements
December 31, 2015 and 2014

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Independent Auditor's Report

To Board of Directors of
Lane Industries Incorporated and Subsidiaries

We have audited the accompanying consolidated financial statements of Lane Industries Incorporated and its Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lane Industries Incorporated and its Subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14 to the consolidated financial statements, the Company merged with Salini Impregilo US Holdings, Inc. on January 4, 2016. Our opinion is not modified with respect to this matter.

PricewaterhouseCoopers LLP

March 1, 2016

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Lane Industries Incorporated and Subsidiaries
Consolidated Balance Sheets
December 31, 2015 and 2014

	2015	2014
Assets		
Current assets		
Cash and cash equivalents	$ 95,694,873	$ 41,764,972
Accounts receivable		
Trade and other (net of allowance for doubtful accounts of $2,913,965 and $3,344,398, respectively)	166,314,054	168,558,282
Retained percentages	30,297,029	38,047,331
Costs and estimated earnings in excess of billings (Note 3)	31,763,415	24,858,146
Refundable income taxes	442,023	1,506,971
Investment in joint ventures (Note 2)	40,566,676	46,926,202
Investment in unconsolidated affiliated company (Note 1)	5,223,818	5,223,818
Inventories (net of reserves of $1,407,370 and $1,619,932, respectively)	24,111,755	22,669,398
Deferred income taxes (Note 8)	1,022,076	4,859,077
Other current assets	7,355,819	2,580,587
Total current assets	402,791,538	356,994,784
Property and equipment (Notes 4 and 6)		
Land	27,325,258	29,489,768
Buildings and improvements	18,952,794	19,004,954
Machinery and equipment	258,205,653	249,229,303
	304,483,705	297,724,025
Less accumulated depreciation	179,187,050	174,176,958
Property and equipment - net	125,296,655	123,547,067
Other assets		
Cash surrender value of corporate-owned life insurance	14,299,545	13,990,030
Intangible assets, net (Note 7)	9,348,480	9,758,891
Other assets (Note 5)	-	63,666
Deferred income taxes (Note 8)	-	7,693,393
Total other assets	23,648,025	31,505,980
Total assets	$ 551,736,218	$ 512,047,831

The accompanying notes are an integral part of these consolidated financial statements.

Lane Industries Incorporated and Subsidiaries
Consolidated Balance Sheets, Continued
December 31, 2015 and 2014

	2015	2014
Liabilities and Stockholders' Equity		
Current liabilities		
Current maturities of long-term debt (Note 4)	$ 2,497,647	$ 3,073,001
Accounts payable		
Trade and subcontracts	100,851,024	102,083,412
Retained percentages	14,888,399	11,871,378
Accrued liabilities	18,521,109	19,738,138
Billings in excess of costs and estimated earnings (Note 3)	77,227,132	53,706,642
Provision for losses on uncompleted contracts	13,011,897	17,690,120
Current portion of accrued benefit obligations (Note 9)	1,376,478	1,261,251
Current portion of obligations under capital leases (Note 6)	-	221,379
Total current liabilities	228,373,686	209,645,321
Noncurrent liabilities		
Accrued insurance	2,335,872	1,717,984
Long-term obligations (Note 7)	1,842,380	1,566,550
Accrued benefit obligations (Note 9)	81,634,011	82,684,008
Deferred compensation (Note 10)	7,783,830	8,141,305
Long-term debt (Note 4)	107,358,942	75,996,806
Obligations under capital leases (Note 6)	-	148,536
Deferred income taxes (Note 8)	1,022,076	-
Other noncurrent liabilities	134,728	-
Total noncurrent liabilities	202,111,839	170,255,189
Stockholders' equity (Note 1)		
Common stock, $5 par value; authorized 234,000 shares; issued 217,380 shares; outstanding 212,210 shares	1,086,900	1,086,900
Paid-in capital	897,516	897,516
Accumulated other comprehensive loss (Notes 5, 9 and 12)	(26,403,502)	(32,636,570)
Retained earnings	131,999,371	152,335,725
	107,580,285	121,683,571
Treasury stock: 5,170 shares; at cost	(1,015,259)	(1,015,259)
Net Lane Industries stockholders' equity	106,565,026	120,668,312
Noncontrolling interest	14,685,667	11,479,009
Total equity	121,250,693	132,147,321
Total liabilities and stockholders' equity	$ 551,736,218	$ 512,047,831

The accompanying notes are an integral part of these consolidated financial statements.

Lane Industries Incorporated and Subsidiaries
Consolidated Statements of Operations and Comprehensive Income (Loss)
For the Years Ended December 31, 2015 and 2014

	2015	2014
Operating revenues	$ 1,197,687,711	$ 1,257,657,374
Cost of operations	1,181,473,843	1,270,890,268
Subtotal	16,213,868	(13,232,894)
Equity in income from joint ventures (Note 2)	27,279,780	67,555,594
Gross profit	43,493,648	54,322,700
General and administrative expenses	(38,804,864)	(33,601,258)
Gain on sale of fixed assets	5,049,263	9,106,316
Impairment of fixed assets (Note 1)	(2,000,896)	-
Operating income	7,737,151	29,827,758
Interest and other income	482,785	487,578
Interest and other expense	(12,187,517)	(9,536,502)
(Loss) income before income taxes	(3,967,581)	20,778,834
Provision for income taxes (Note 8)	9,161,242	2,292,658
Net (loss) income	(13,128,823)	18,486,176
Amount attributable to noncontrolling interest	7,207,531	7,108,120
Net (loss) income attributable to Lane Industries	**$ (20,336,354)**	**$ 11,378,056**
Other comprehensive income (loss), net of tax		
Change in pension and other post-retirement plans' funded position, net of tax	$ 6,425,554	$ (19,853,122)
Decrease in unrealized loss on derivative instruments, net of tax	26,501	100,181
Equity interest in joint venture derivative instruments, net of tax	(195,401)	-
Foreign currency translation adjustment	(23,586)	(248,642)
Total other comprehensive income (loss), net of tax	6,233,068	(20,001,583)
Comprehensive loss	**$ (14,103,286)**	**$ (8,623,527)**

The accompanying notes are an integral part of these consolidated financial statements.

Lane Industries Incorporated and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity
For the Years Ended December 31, 2015 and 2014

	Common Stock		Paid-in	Retained	Treasury Stock		Accumulated Other Comprehensive	Total Lane Industries	Noncontrolling	Total
	Shares	Amount	Capital	Earnings	Shares	Amount	Income (Loss)	Equity	Interest	Equity
Balance at December 31, 2013	212,210	$ 1,086,900	$ 897,516	$ 140,957,669	5,170	$ (1,015,259)	$ (12,634,987)	$ 129,291,839	$ 3,385,899	$ 132,677,738
Total comprehensive income (loss)	-	-	-	11,378,056	-	-	(20,001,583)	(8,623,527)	7,108,120	(1,515,407)
Distributions to joint venture partner	-	-	-	-	-	-	-	-	(6,472)	(6,472)
Partner contributions in noncontrolling interest	-	-	-	-	-	-	-	-	991,462	991,462
Balance at December 31, 2014	212,210	$ 1,086,900	$ 897,516	$ 152,335,725	5,170	$ (1,015,259)	$ (32,636,570)	$ 120,668,312	$ 11,479,009	$ 132,147,321
Total comprehensive income (loss)	-	-	-	(20,336,354)	-	-	6,233,068	(14,103,286)	7,207,531	(6,895,755)
Distributions to joint venture partner	-	-	-	-	-	-	-	-	(4,867,955)	(4,867,955)
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	43,213	43,213
Partner contributions in noncontrolling interest	-	-	-	-	-	-	-	-	823,869	823,869
Balance at December 31, 2015	212,210	$ 1,086,900	$ 897,516	$ 131,999,371	5,170	$ (1,015,259)	$ (26,403,502)	$ 106,565,026	$ 14,685,667	$ 121,250,693

The accompanying notes are an integral part of these consolidated financial statements.

Lane Industries Incorporated and Subsidiaries
Consolidated Statements of Cash Flows
December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Net (loss) income	$ (13,128,823)	$ 18,486,176
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation	17,094,023	17,007,347
Amortization	3,988,165	2,323,225
(Decrease) increase in allowance for doubtful accounts	(430,433)	620,162
Decrease in inventory reserve	(212,562)	(359,310)
Equity in income from joint ventures, net of distributions	25,664,125	(19,134,258)
Deferred income taxes	8,763,168	2,891,991
Gain on sale of fixed assets	(5,049,263)	(9,106,316)
(Gain) loss on ineffective derivative instrument	(63,820)	63,820
Increase in corporate-owned life insurance in excess of premiums paid	-	(706,553)
Impairment of fixed assets	2,000,896	-
Write off of debt restructuring costs	334,584	256,020
Decrease in deferred compensation	(357,475)	(1,101,180)
(Decrease) increase in provision for loss on uncompleted contracts	(4,678,223)	11,177,001
Foreign exchange gain (loss)	19,627	(355,734)
Changes in assets and liabilities		
Decrease (increase) in accounts receivable	10,424,963	(55,351,114)
Increase in costs and estimated earnings in excess of billings	(6,905,269)	(2,488,261)
Decrease (increase) in refundable income taxes	1,064,948	(923,949)
(Increase) decrease in inventories	(1,229,795)	212,196
(Increase) decrease in other current assets	(4,775,232)	92,485
Decrease in other noncurrent assets	-	164,778
Increase in accounts payable	1,784,633	30,072,371
(Decrease) increase in accrued liabilities	(977,878)	1,354,630
Increase (decrease) in billings in excess of costs and estimated earnings	23,520,490	(12,760,811)
Increase (decrease) in noncurrent accrued insurance	617,888	(469,315)
Increase in accrued benefit obligations	9,264,522	6,056,539
Increase (decrease) in other noncurrent liabilities	327,336	(332,569)
Total adjustments	80,189,418	(30,796,805)
Net cash provided by (used in) operating activities	67,060,595	(12,310,629)
Cash flows from investing activities		
Acquisition of property, equipment and computer software	(25,154,266)	(7,472,417)
Contributions to joint ventures	(19,500,000)	(12,000,000)
Investment in unconsolidated affiliated company	-	(83,932)
Proceeds from sale of property and equipment	8,998,725	16,642,878
Increase in corporate-owned life insurance	(309,515)	(980,496)
Net cash used in investing activities	(35,965,056)	(3,893,967)
Cash flows from financing activities		
Proceeds from long-term debt	42,549,831	57,943,560
Payments of financing costs	(3,468,819)	(740,198)
Principal payments on long-term debt	(11,763,049)	(25,296,300)
Principal payments of obligations under capital leases	(369,915)	(300,732)
Distributions to joint venture partners	(4,867,955)	(6,472)
Capital contributions by noncontrolling joint venture partners	823,869	1,098,554
Payments on long-term obligations	(69,600)	(163,744)
Net cash provided by financing activities	22,834,362	32,534,668
Net increase in cash and cash equivalents	53,929,901	16,330,072
Cash and cash equivalents		
Beginning of year	41,764,972	25,434,900
End of year	$ 95,694,873	$ 41,764,972
Supplemental disclosures of cash flow information		
Cash paid (received) during the year for		
Income taxes	$ (2,375,990)	$ 343,647
Interest	12,192,013	9,545,784

The accompanying notes are an integral part of these consolidated financial statements.

1. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of Lane Industries Incorporated and Subsidiaries (the "Company") include the accounts of Lane Industries Incorporated and its wholly-owned subsidiaries, The Lane Construction Corporation, Lane Infrastructure Incorporated, and Lane Worldwide Infrastructure, Inc. The accounts of Lane Worldwide Infrastructure, Inc. include its wholly-owned subsidiary Lane International B.V. and its subsidiaries, Lane Mideast Contracting LLC and Lane Mideast Qatar LLC. Entities over which the Company exercises control are consolidated. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities, whether it owns the majority interest or not. All intercompany transactions and balances have been eliminated in consolidation.

Company's Activities and Operating Cycle

The Company is a heavy and highway general contractor primarily involved in the construction of roads and bridges. In addition, the Company is involved in constructing airfields, dams, hydroelectric projects, piling and foundation work, rapid transit, natural gas fired power plants and other miscellaneous heavy construction. The Company's construction contracts are unit-price or lump-sum in nature and typically vary between one and three years in duration. Construction contracts typically generate the majority of the Company's revenues.

Along with its construction operations, the Company operates approximately fifty facilities in locations throughout the United States which produce aggregate and bituminous concrete. Several of these facilities also engage in quarrying operations and smaller construction projects generally under one year in duration.

Revenues and Cost Recognition

Revenues from contracts are recognized on the percentage-of-completion method, measured by the percentage of costs incurred to date to estimated total costs for each contract. This method is used as management considers costs incurred to be the best available measure of progress on these contracts.

Contract costs include all direct material and labor costs and those indirect costs that can be attributed to specific contracts such as indirect labor, supplies and tool costs. Indirect costs not specifically allocable to contracts and general and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability, including those arising from contract penalty provisions and final contract settlements, may result in revisions to costs and income and are recognized in the period in which the revisions are determined. Income from claims is recorded in the year such claims are resolved.

The asset "Costs and estimated earnings in excess of billings" represents revenues recognized in excess of amounts billed. The liability "Billings in excess of costs and estimated earnings" represents billings in excess of revenues recognized. The liability "Provision for losses on uncompleted contracts" represents estimated losses on contracts.

The Company recognizes revenue from plant sales of construction material at the time of pick-up or delivery of the related product.

Accounts Receivable and Allowance for Doubtful Accounts
Accounts receivable, including retained percentages, are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the existing accounts receivable. The allowance is based on historical write-off experience and review of past due balances. Account balances are charged off against the allowance when it is probable the receivable will not be recovered. The Company's bad debt expense was $509,236 and $1,742,740 for 2015 and 2014 respectively, and is included in general and administrative expenses on the accompanying consolidated statements of operations. The Company does not have any off-balance-sheet credit exposure related to its customers.

Inventories
Inventories, which consist principally of processed construction aggregates, are valued at the lower of cost or market determined by the FIFO or weighted average method.

Property and Equipment
Property and equipment are recorded at cost.

The Company provides depreciation on the straight-line method over estimated useful lives ranging from 20 to 39 years for buildings and improvements and 3 to 20 years for machinery and equipment. Expenditures for repairs and maintenance are charged to expense as incurred. The Company reviews the carrying value of its property and equipment to assess recoverability based upon expectations of non-discounted cash flows from operations as needed.

Intangible Assets
Intangible assets include covenants not-to-compete, permits, trade names, computer software, and deferred financing costs which are initially measured at cost and amortized on a straight-line basis over terms from 3 to 20 years (Note 7). The Company reviews the carrying value of its intangible assets to assess recoverability based upon expectations of future cash flows as needed.

Other Assets
Other assets include the noncurrent portion of derivative instruments at estimated fair value (Note 5).

Royalty
During 2004, the Company entered into a royalty agreement relating to a mine in Polk County, Florida. The terms of the agreement provide access and mining rights to the Company in consideration for royalty payments of $30,000 per month through July 2015. During 2005, this agreement was modified to allow the Company to acquire certain equipment and ownership of 70% of the property in consideration for increased payments of $25,000 per month over a 10 year period. As of December 31, 2015, the Company held a 70% ownership interest in the property based on this agreement. The Company determined that this contract met the lease capitalization criteria under the Leases Topic of the FASB ASC, and had, therefore, accounted for the present value of this additional $25,000 payment stream as a capital lease (Note 6), which was entirely paid off as of July 2015. All minimum royalty payments made during 2015 and 2014 were charged to cost of operations. Additionally, due to financial hardships of the minority property owner, the mine went into foreclosure during August 2015, at which point the Company recognized an impairment for the remaining book value of the property of $2,000,896.

Reclamation Costs
The Company accounts for the future costs related to legal obligations to reclaim aggregate mining sites and other facilities in accordance with the Asset Retirement and Environmental Obligations

Topic of the FASB ASC. Accordingly, the Company records an estimated reclamation liability when incurred, capitalizes the estimated liability as a part of the related asset's carrying amount and allocates it to expense over the asset's useful life. The liability for reclamation costs is included in long-term obligations on the accompanying consolidated balance sheets.

Income Taxes
The Company files a consolidated federal tax return. Each subsidiary is allocated a current and deferred tax provision or benefit based on the change in consolidated income tax resulting from its inclusion in the consolidated federal return.

Deferred tax assets and liabilities are determined based on the differences between financial reporting and tax bases of assets and liabilities and are measured using enacted tax rates and laws in effect when the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

The provision or benefit for income taxes includes taxes payable for the current period and the change in deferred tax assets and liabilities during the period.

The Company follows authoritative guidance on accounting for and disclosure of uncertainty in tax positions (Note 8). The guidance contains a two-step approach to recognizing and measuring uncertain tax positions (tax contingencies). The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company considers many factors when evaluating and estimating its tax positions and benefits, which may require periodic adjustment as actual results may differ from those estimates.

Comprehensive Income
Comprehensive income, as defined by the Comprehensive Income Topic of the FASB ASC, accounts for changes in the stockholders' equity of the Company resulting from transactions and other economic events of the period other than transactions with owners. All transactions that would cause comprehensive income to differ from net income have been properly recorded and disclosed for the years ended December 31, 2015 and 2014.

Investment in Joint Ventures
The Company uses the equity method of accounting for its noncontrolling investments in construction joint ventures. The investments are carried at original cost, as adjusted to recognize the Company's contributions, cumulative share of income, losses and distributions from the date of inception.

The Company has consolidated five joint ventures where it is the primary beneficiary as defined by the FASB ASC Consolidation Topic.

Investment in Unconsolidated Affiliated Company
During 2010, Lane Infrastructure Incorporated invested $5,000,000 in American Bridge Holdings, LLC to obtain an ownership interest in a privately-owned toll bridge. This investment is accounted for under the cost method where cost is increased by any subsequent contributions and reduced by any distributions deemed to be a return of capital. During 2014 Lane Infrastructure Incorporated invested an additional $83,932. There was no additional investment made in 2015. As of December 31, 2015 and 2014, Lane Infrastructure's ownership interest is 6.6%.

Cash Surrender Value of Corporate-Owned Life Insurance
The Company owns corporate-owned life insurance ("COLI") policies on the lives of certain key employees. Assets of the COLI policies are held in separate accounts with insurance companies and are invested in equities, bonds and other debt securities.

Employee Benefit Plans
The Company has a defined benefit pension plan covering certain full-time employees not covered under union agreements (Note 9). Benefits payable to eligible employees at retirement are based upon years of service and salary. Contributions to the plan reflect benefits for employees' services to date, as well as services expected to be rendered in the future. Plan assets consist primarily of corporate equity and debt securities. The Company also sponsors a nonqualified supplemental retirement benefit plan which covers certain senior executives. This plan is not funded. The obligations and costs associated with each of these plans are actuarially determined.

The Company has a contributory 401(k) plan covering substantially all non-union employees of Lane Industries Incorporated, The Lane Construction Corporation and Lane Worldwide Infrastructure, Inc. Employees can contribute up to 60% of eligible earnings subject to certain Internal Revenue Service regulations. The Company matches 25% of the participants' contributions up to 4% of eligible compensation. The Company's matching contributions were $908,741 and $854,951 for the years ended December 31, 2015 and 2014, respectively. Plan expenses totaling $137,047 and $59,072 were paid by the Company during 2015 and 2014, respectively.

Additionally, all employees hired by the Company on or after January 1, 2007, as well as all hourly non-union field employees of the Company, are eligible to receive discretionary Company contributions into the 401(k) plan on an annual basis. The discretionary Company contribution related to service rendered in 2015 and 2014 amounted to approximately $3,915,000 and $4,137,000, respectively. These amounts are contributed to participant accounts during the following year and are included in accrued liabilities on the accompanying consolidated balance sheets.

The Company has a nonqualified deferred compensation plan for certain key management employees of the Company. Employees can defer up to 80% of eligible earnings and the Company matches 1% of the participants' contributions, not to exceed $2,000 per participant per year. The match for 2015 and 2014 totaled $4,160 and $4,567, respectively. The liability associated with this plan is $10,698,400 and $11,579,717 as of December 31, 2015 and 2014, respectively, and is included in accrued benefit obligations on the accompanying consolidated balance sheets.

Postretirement Benefit Plans
In accordance with the Compensation – Retirement Benefits Topic of the FASB ASC, the Company accrues its obligation for postretirement medical benefits over the service lives of the eligible employees.

Incentive Compensation Plans
The Company has long-term incentive compensation plans covering selected officers and employees (Note 10). The plans provide for the award of restricted stock and performance units of the Company. Recipients of the awards acquire the right to receive cash payments from the Company upon the occurrence of certain future events. The wholly-owned subsidiaries reimburse the Company for the costs associated with the awarded units and related appreciation or depreciation. Redemption value is based on the book value or fair market value of the outstanding common shares of the Company. The expense related to these plans is included in general and

administrative expenses on the accompanying consolidated statements of operations. The restricted stock awards are recorded within stockholders' equity in accordance with the Compensation – Stock Compensation Topic of the FASB ASC.

Financial Derivative Instruments

The Company enters into derivative instruments for risk management purposes only, including derivatives designated as hedging instruments under the Derivative and Hedging Topic of the FASB ASC and those utilized as economic hedges (Note 5). The Company utilizes heating oil-based and diesel fuel derivative instruments to reduce the risk of its exposure to volatility of diesel fuel prices. These instruments consist of option collar contracts and are accounted for as cash flow hedges, as defined by the Derivative and Hedging Topic. The Company has also entered into interest rate swap agreements to convert certain floating-rate debt to fixed rates. These interest rate hedges are accounted for as cash flow hedges, as defined by the Derivative and Hedging Topic.

Fair Value Measurement

The Company accounts for its financial instruments in accordance with the Fair Value Measurement and Disclosure Topic of the FASB ASC. The Fair Value Measurement and Disclosure Topic defines fair value, expands disclosure requirements around fair value and specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions.

When quoted prices in active markets for identical assets are available, these quoted market prices are used to determine the fair value of investments and classify these assets as Level 1. In other cases where a quoted market price for identical assets in an active market is either not available or not observable, the fair values are estimated using valuation methodologies based on available and observable market information or by using a matrix pricing model. These financial assets would then be classified as Level 2. If quoted market prices are not available, fair value is determined using an analysis of each investment's financial performance and cash flow projections. In these instances, financial assets will be classified based upon the lowest level of inputs that is significant to the valuation. Therefore, financial assets may be classified in Level 3 even though there may be some significant inputs that may be readily available.

All cash and temporary cash investments, receivables, payables, and other amounts arising out of normal contract activities, including retentions which may be settled beyond one year, are estimated to approximate fair value.

The estimated fair values of the Company's financial instruments, as defined in the Fair Value Measurement and Disclosure Topic, are as follows at December 31, 2015:

	Carrying Amount	Fair Value
Cash and cash equivalents	$ 95,694,873	$ 95,694,873
Long-term debt		
Variable rate obligations	108,732,617	108,732,617
Fixed rate obligations	1,123,972	1,104,170

The fair value of the variable and fixed rate obligations is estimated based on the present value of the future minimum principal and interest payments using discount rates for debt with the approximate same maturities. The fair value of long-term debt is estimated to be $109,836,787 at December 31, 2015.

Cash and Cash Equivalents
The Company considers all highly liquid investments in securities with maturities of three months or less when purchased, including overnight investments, to be cash equivalents. The Company periodically maintains cash and cash equivalents in bank accounts in excess of the established limits insured by the Federal Deposit Insurance Corporation. All cash and cash equivalents are maintained in bank accounts at major banks throughout the world. It is the Company's policy to monitor these banks' financial condition on an ongoing basis.

Use of Estimates in the Preparation of Financial Statements
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Estimates are primarily used in determining revenue recognition on long-term construction contracts, allowances for doubtful accounts, inventory reserves, pension and postretirement obligations, estimated useful lives on property and equipment, deferred income taxes and the reserve necessary for unsettled claims under insurance policies. Accrued insurance includes estimates for claims reported as well as claims incurred but not reported.

Foreign Currency
Some of the Company's international operations use the local currency as the functional currency. Accordingly, the assets and liabilities of those operations are translated into U.S. dollars using current exchange rates at the balance sheet date and revenues and expenses are translated at average exchange rates prevailing during the period. The resulting translation adjustment is recorded in accumulated other comprehensive income (loss) in stockholders' equity. Foreign currency transaction gains and losses are included in operations as they occur. The Company incurred minimal foreign exchange transaction losses in 2015 and 2014 and such amounts are included in interest and other expense on the accompanying consolidated statements of operations.

2. Investment in Joint Ventures

The Company participated in seven construction joint ventures during 2015 and 2014 as a noncontrolling partner. Generally, each construction joint venture is formed to accomplish a specific project and is dissolved upon completion of the project. The Company has noncontrolling interests ranging from 10% to 45% in the joint ventures. In accordance with the terms of the joint venture agreements, the Company is jointly and severally liable for all obligations arising from the joint ventures in the event of nonperformance by one of the partners.

Summary combined information on the unconsolidated joint ventures follows:

	2015	2014
Current assets	$ 492,153,752	$ 487,498,280
Construction and other assets	88,085,569	35,120,549
	580,239,321	522,618,829
Less: liabilities	422,937,921	340,407,052
Net assets	$ 157,301,400	$ 182,211,777
Revenue	$ 866,260,672	$ 931,961,417
Net income	$ 108,459,822	$ 217,551,386
Company's combined interests:		
Investment in joint ventures - beginning of year	$ 46,926,202	$ 15,791,944
Contributions	19,500,000	12,000,000
Distributions	(52,943,905)	(48,421,336)
Equity interest in joint venture derivative instruments	(195,401)	-
Equity in income	27,279,780	67,555,594
Investment in joint ventures - end of year	$ 40,566,676	$ 46,926,202

As of December 31, 2015 and 2014, the investment in joint ventures balance is $40,566,676 and $46,926,202, respectively, on the accompanying consolidated balance sheets.

The Company consolidated five construction joint ventures in 2015, and four construction joint ventures in 2014, in which it is the primary beneficiary. The contract values of these joint ventures range from approximately $85,895,000 to $279,690,000. The Company’s share of equity ranges from 50% to 60%.

3. Costs and Billings on Uncompleted Contracts

	2015	2014
Costs incurred and estimated earnings on uncompleted contracts	$ 2,522,772,183	$ 2,325,315,091
Less: Billings to date	2,568,235,901	2,354,163,587
	$ (45,463,717)	$ (28,848,496)

This information is included in the accompanying consolidated balance sheets under the following captions:

	2015	2014
Costs and estimated earnings in excess of billings	$ 31,763,415	$ 24,858,146
Billings in excess of costs and estimated earnings	(77,227,132)	(53,706,642)
	$ (45,463,717)	$ (28,848,496)

4. Long-Term Debt

Long-term debt consists of the following:

		2015		2014
Note payable under revolving credit facility at an interest rate of 8.50% and 8.25% at December 31, 2015 and 2014, respectively, collateralized by equipment and various assets (B)(C)	$	107,000,000	$	67,000,000
Note payable was paid off in 2015 due to an enhanced amortization schedule and discretionary final payment. Final payment of $4,816,672 was made December 31, 2015. Interest had been incurred at LIBOR plus 6.00% to 7.00% (7.17% at December 31, 2014). Note collateralized by equipment and various assets (B)(C)		-		11,669,493
Note payable in monthly installments of $8,690 through December 1, 2018, final payment of $8,668 due December 15, 2018, plus interest at a fixed rate of 3%, due December 15, 2018, collateralized by real estate (A)		306,758		400,314
Equipment note payable in monthly installments of $57,345 through January 2017, final payment of $5,833 due May 2017, plus interest at a fixed rate of 3.75%, due May 2017, collateralized by equipment (D)		817,213		-
Cash loan – installment payments made at a rate of 20% of progress payments received from project owner plus interest at a variable rate of QBC minus 0.75% with a minimum rate of 3.75%. (QBC rate 4.50% at December 31, 2015). Loan is expected to be paid in full during 2016. (F)		937,376		-
Cash loan – installment payments made at a rate of 20% of progress payments received from project owner plus interest at a variable rate of QBC minus 0.75% with a minimum rate of 3.75%. (QBC rate 4.50% at December 31, 2015). Loan is expected to be paid in full during 2016. (E)		795,242		-
Total debt		109,856,589		79,069,807
Less: Current portion		2,497,647		3,073,001
Long-term debt	$	107,358,942	$	75,996,806

(A) On December 15, 2008, the Company obtained a $900,000 term loan from the State of Connecticut (the "State of Connecticut loan"). The proceeds from the agreement were used to pay for the relocation of the corporate office. The loan matures December 15, 2018 and bears an interest rate of 3%. Principal payments are due monthly and commenced on February 1, 2009. In connection with the term loan, the Company is subject to certain administrative covenants. The loan is collateralized by the corporate office building and land.

(B) On May 11, 2012, the Company refinanced its existing debt and entered into a $200,000,000 revolving credit and term loan agreement with various lenders. Proceeds were used to repay all notes payable then outstanding with the exception of the State of Connecticut loan.

The $150,000,000 revolving credit loan allows for issuances of letters of credit of up to $150,000,000 and includes a $20,000,000 sub-limit for short-term swing line loans. Aggregate revolving credit commitments may not exceed $150,000,000. Advances under the revolving credit loan bear interest at LIBOR or an alternate base rate plus an applicable margin from 1.00% to 2.00%. The alternate base rate is equal to the greater of the prime rate or the federal funds effective rate in effect on the date of drawdown, as defined in the agreement, plus 1.50%. Interest is payable monthly and principal advances are due and payable in full on March 31, 2017, the maturity date. The Company may repay the outstanding principal balance at any time without penalty or premium.

The $50,000,000 term loan agreement matures on March 31, 2017 and bears interest at the alternate base rate or LIBOR rate (as defined previously) plus an applicable margin from 1.50% to 3.00%, as defined by the agreement. Principal is payable four times per year through 2017 in March, June, September, and December. Payments commenced on June 29, 2012. The term loan can be prepaid at any time without penalty or premium. As a result of Enhanced Amortization Payments required by the Fourth Amendment to the Credit Agreement (discussed below) and discretionary prepayments made during 2015, there is no outstanding balance for the term loan as of December 31, 2015.

In connection with the term loan, the Company entered into an interest rate swap transaction with a financial institution for an initial notional amount of $50,000,000 commencing May 11, 2012 and expiring March 31, 2017. The Company pays interest at a fixed rate of 0.96% and receives interest at a variable rate equal to LIBOR. Interest is calculated on a daily basis and is payable quarterly commencing June 29, 2012 and ending on the expiration date. In conjunction with the term loan final payment on December 31, 2015, the interest rate swap was extinguished as of December 31, 2015 and the associated net loss of $63,820 was recognized in 2015.

The Company is subject to certain administrative and financial covenants in connection with the above loans. Financial covenants include a quarterly minimum fixed charge ratio and leverage ratio. The loans are collateralized by substantially all the assets (other than real estate) of the Company.

(C) On May 30, 2013, the Company signed the First Amendment to the Credit Agreement dated May 11, 2012, noted in (B). This amendment modified the Company's financial covenant requirements for all quarters of 2013, and was retroactive to the first quarter. The maximum leverage ratio was increased for all quarters of 2013, and the fixed charge coverage ratio was suspended until the fourth quarter and replaced with minimum EBITDA and liquidity requirements. In connection with this amendment, the applicable margin range on the alternate base rate or LIBOR rate, noted in (B), was amended to 1.50% to 3.25%. Furthermore, the amendment reduced the letters of credit sub-limit to $100,000,000.

As a result of operating losses, the Company was unable to remain in compliance with the financial covenants required under the First Amendment Agreement. The bank waived such noncompliance in conjunction with the signing of the Second Amendment to the Credit Agreement on November 25, 2013. This amendment waived the maximum leverage ratio requirement for 2014 and instituted other administrative and financial covenants including revised minimum EBITDA requirements and maximum indebtedness levels. As a result of this amendment, the applicable margin range on the alternate base rate or LIBOR rate was amended to 6.00% through June 30, 2014, 6.50% from July 1, 2014 through September 30, 2014, and 7.00% after September 30, 2014. The Company was in compliance with the covenants as of December 31, 2015 and 2014, as amended.

On September 12, 2014, the Company signed the Third Amendment to the Credit Agreement noted in (B). This amendment allowed for the maximum aggregate joint venture contribution not to exceed $20,000,000, allowing the Company to enter into joint venture agreements that were otherwise restricted under the original Credit Agreement.

On February 26, 2015, the Company signed the Fourth Amendment to the Credit Agreement noted in (B). This amendment modified the definitions of certain covenant calculation metrics and ratios, specified three additional principal installment payments referred to as “Enhanced Amortization Payments” on the outstanding term loan totaling the lesser of $8,683,690 or the remaining outstanding balance on the term loan as of December 31, 2015, and permitted aggregate joint venture contributions not to exceed $35,000,000 for fiscal year 2015.

(D) On March 22, 2015, the Company’s subsidiary, Lane Mideast Qatar LLC, obtained a loan in the amount of $1,314,989 from Doha Bank. The proceeds from the agreement were used for equipment and trucks. The loan matures in May 2017 and bears an interest rate of 3.75%. Principal and interest payments are due monthly and commenced on March 1, 2015. As of December 31, 2015, the remaining monthly installments are due in the amount of $57,345 through January 2017. The payments then continue as follows: February 2017 in the amount of $53,778, March 2017 in the amount of $15,929, April 2017 in the amount of $15,561, and a final payment of $5,833 due May 2017. Total remaining interest expense included in these monthly payments is $20,480.

(E) On June 24, 2015, the Company’s consolidated joint venture, Lane-Solid-Tadmur (“Wakra venture”), obtained a loan in the amount of $1,035,661 from Doha Bank. The proceeds from the agreement were used for operating expenses. The loan is expected to be paid in full during 2016 through installment payments made at a rate of 20% of progress payments received from the project owner plus interest at a variable rate of Qatar Central Bank (“QBC”) minus 0.75% with a minimum rate of 3.75% (QBC rate was 4.50% at December 31, 2015). Principal payments commenced on July 13, 2015.

(F) On October 8, 2015, the Company’s subsidiary, Lane Mideast Qatar LLC, obtained a loan in the amount of $1,136,373 from Doha Bank. The proceeds from the agreement were used for operating expenses related to the Wakra venture. The loan is expected to be paid in full during 2016 through installment payments made at a rate of 20% of progress payments received from the project owner plus interest at a variable rate of Qatar Central Bank (“QBC”) minus 0.75% with a minimum rate of 3.75% (QBC rate was 4.50% at December 31, 2015). Principal payments commenced on October 21, 2015.

As of December 31, 2015 and 2014, the Company had outstanding letters of credit in the amounts of $19,643,454 and $22,566,613, respectively.

The aggregate amount of future principal payments of long-term debt is as follows:

2016	$ 2,497,647
2017	107,247,919
2018	111,023
	$ 109,856,589

Total interest expense of $12,187,517 and $9,536,502 was incurred during 2015 and 2014, respectively, and includes interest on borrowings under the Company's long-term debt agreements and other long-term obligations (Note 7).

5. Derivative Instruments

The Company entered into an interest rate swap agreement to convert the variable interest rate on the Company's note payable to a fixed rate (Note 4). The interest rate swap had been formally designated as a cash flow hedge. In accordance with the Derivative and Hedging Topic, the swap was recorded at its fair value as follows at December 31:

	2015	2014
Derivative instrument expiring March 31, 2017	$ -	$ (105,885)
Deferred income taxes	$ -	$ 15,564

All of the Company's derivative instruments were recorded at estimated fair value in the accompanying consolidated balance sheets. The Company utilized unobservable inputs (Level 3), as defined in the fair value hierarchy, in determining the fair value of certain assets and liabilities. As of December 31, 2015, the interest rate hedge was extinguished in conjunction with the prepayment of the term note to which it was tied. As of December 31, 2014, the derivative instruments were in a net liability position of $105,885, consisting of derivative assets and liabilities in the amounts of $63,666 and $169,551, respectively. As of December 31, 2014, $63,666 of these instruments were classified as noncurrent assets and were included in other assets on the accompanying consolidated balance sheet and $169,551 of these instruments were classified as current liabilities and were recorded in accrued liabilities on the accompanying consolidated balance sheet.

The following table presents the Company's activity for assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) as defined in the Fair Value Measurement and Disclosure Topic for the years ended December 31, 2015 and 2014:

	Fuel Derivatives	Interest Rate Swap
Balance at December 31, 2013	$ 11,015	$ (212,097)
Total unrealized (losses) gains included in other comprehensive income	(11,015)	170,032
Total realized losses included in interest and other expense	-	(63,820)
Balance at December 31, 2014	-	(105,885)
Total unrealized gains included in other comprehensive income	-	42,065
Total realized gains included in interest and other expense	-	63,820
Balance at December 31, 2015	$ -	$ -

Upon inception, the Company determined that its hedged items were highly effective and therefore qualified for hedge accounting in accordance with the Derivative and Hedging Topic. As a result, the effective portion of the change in the fair value of the derivative instruments was recorded in other comprehensive income, net of tax. The ineffective portion of the change in the fair value of the derivative instruments was reported in current period net income. In 2015, $63,820 was recorded in interest and other expense for the ineffective portion of the interest rate swap. The Company's policy is to formally reassess the effectiveness of the hedges on an ongoing basis. If it is determined that the derivative instruments have ceased to be highly effective as hedges, the Company will discontinue hedge accounting prospectively.

The Company does not currently hold or issue financial instruments for trading purposes.

6. Leases

The Company periodically leases property and various pieces of equipment under capital leases. There were no capital lease obligations at December 31, 2015. As of December 31, 2014, the property under capital lease agreement had a book value of $1,917,670 (Note 1). As of December 31, 2014, equipment under capital lease agreements had a net book value amounting to $178,553, net of accumulated depreciation of $240,850. There are no future minimum lease payments for property and equipment under capital leases as of December 31, 2015.

The Company records lease expense associated with certain operating leases within cost of operations on the accompanying consolidated statements of operations.

7. Intangible Assets and Long-Term Obligations

At December 31, 2015 and 2014, intangible assets include the following:

	Cost 2015	Cost 2014	Amortization Period
Covenants not-to-compete	$ 300,000	$ 300,000	5-15 years
Computer software	4,421,170	4,056,545	3-5 years
Permits	5,543,603	5,543,603	20 years
Deferred financing costs	8,078,814	5,345,762	3 years
	18,343,587	15,245,910	
Less: accumulated amortization	(8,995,107)	(5,487,019)	
	$ 9,348,480	$ 9,758,891	

Future amortization expense of intangible assets is as follows:

2016	$ 4,984,794
2017	1,162,990
2018	468,534
2019	461,734
2020	351,304
Thereafter	1,919,124
Total amortization expense	$ 9,348,480

Total amortization expense of $3,988,165 and $2,323,225 was incurred during 2015 and 2014, respectively, and included $80,891 and $79,530 of accretion expense related to the asset retirement obligation (Note 1).

Long-term obligations includes a liability associated with the Company's estimated reclamation costs (Note 1) and a liability for employee service benefits for its foreign operations which together total $1,842,380 and $1,566,550 at December 31, 2015 and 2014, respectively.

8. Provision for Income Taxes

The provision for income taxes for the years ended December 31, 2015 and 2014 consists of the following:

	2015	2014
Current		
Federal	$ 287,565	$ (729,330)
State	110,509	129,997
Total current provision	398,074	(599,333)
Deferred		
Federal	6,921,527	2,361,330
State	1,841,641	530,661
Total deferred provision	8,763,168	2,891,991
Total provision	$ 9,161,242	$ 2,292,658

Income tax expense differed from the amounts computed by applying the U.S. federal income tax rate of 35% to pre-tax income primarily due to state taxes, income attributable to noncontrolling interest and the foreign income tax rate differential.

The Company had approximately $12,055,000 and $11,065,000 of federal net operating loss carryforwards as of December 31, 2015 and 2014, respectively. These losses will begin to expire in 2033. Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative pre-tax book loss incurred over the three year period ended December 31, 2015. On basis of this evaluation, as of December 31, 2015, a valuation allowance of $11,942,000 (tax-effected) has been recorded on the net deferred tax assets as it is more likely than not they will not be realized based on the objective negative evidence.

The Company had approximately $17,932,000 and $20,413,000 of state net operating loss carryforwards in various taxing jurisdictions as of December 31, 2015 and 2014, respectively. State net operating loss carryforwards used or expired in 2015 and 2014 were approximately $1,805,000 and $5,127,000, respectively.

Deferred income taxes reflect the tax effects of differences between the amounts recorded as assets and liabilities for financial reporting purposes and the amounts recorded for income tax purposes. The components of deferred income taxes recognized in the accompanying consolidated balance sheets at December 31, 2015 and 2014 are as follows:

	2015	2014
Deferred tax assets - current	$ 9,667,359	$ 14,584,477
Deferred tax assets - noncurrent	29,778,990	40,183,382
	39,446,349	54,767,859
Deferred tax liability - current	(8,645,283)	(9,725,400)
Deferred tax liability - noncurrent	(30,801,066)	(32,489,989)
	$ -	$ 12,552,470

The temporary differences that give rise to a significant portion of the deferred tax assets and liabilities are depreciation and amortization, pension and postretirement medical obligations, federal and state net operating loss carryforwards, accrued liabilities and deferred and incentive compensation.

The Company conducts operations in the Netherlands, the United Arab Emirates and Qatar. The Company had foreign net operating loss carryforwards, related to various jurisdictions, of approximately $3,324,000 and $4,009,000 as of December 31, 2015 and 2014, respectively. The Company had indefinitely reinvested approximately $1,930,000 of undistributed foreign earnings from operations outside of the U.S. as of December 31, 2015. A deferred tax liability has not been recognized for the remittance of such earnings since the Company intends to utilize these earnings in its foreign operations. If circumstances change and it becomes apparent that some, or all of the undistributed earnings will not be indefinitely reinvested, the provision for the tax consequence, if any, will be recorded at that time.

As of December 31, 2015 and 2014, the Company maintained full valuation allowances to reduce foreign net operating loss deferred tax assets to amounts that are more likely than not to be realized. The factors used to assess the likelihood of realization are the Company's forecast of future taxable income and available tax planning strategies that could be implemented to realize the deferred tax assets.

The unrecognized tax benefits as of December 31, 2015 and 2014 were $171,000 and $0. The balance as of December 31, 2015 was included in other noncurrent liabilities on the accompanying balance sheet. The Company does not anticipate any significant changes to the unrecognized tax benefits within the next twelve months.

The Company is subject to examination by tax authorities throughout the United States as well as in the Netherlands and Qatar. With a few exceptions, the company is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations for the years before 2012.

9. Pension and Postretirement Benefit Plans

The Company sponsors a defined benefit pension plan, The Lane Construction Corporation Defined Benefit Pension Plan, which covers certain full-time salaried and non-union field personnel (Note 1). The Company also sponsors a supplemental retirement benefit plan which covers certain senior executives.

Generally, company-provided health benefits cease when covered individuals terminate or retire. However, in addition to pension benefits, the Company provides certain health care benefits for some retired employees. Employees must have been hired on or before December 31, 1992 to be eligible for coverage, must retire from active status with at least 20 years of service and be receiving benefits under The Lane Construction Corporation Defined Benefit Pension Plan.

The information relating to the plans' funded status at December 31, 2015 and 2014 is presented below.

	Pension Benefits		Other Benefits	
	2015	2014	2015	2014
Projected benefit obligation at December 31	$ (193,872,564)	$ (200,770,878)	$ (17,104,967)	$ (18,804,555)
Fair value of plans assets	138,665,442	147,209,891	-	-
Funded status	$ (55,207,122)	$ (53,560,987)	$ (17,104,967)	$ (18,804,555)
Unrecognized net actuarial loss	35,717,002	43,730,905	4,720,780	6,931,993
Unrecognized prior service cost (credit)	591,605	736,585	-	(170,803)
Net	$ (18,898,515)	$ (9,093,497)	$ (12,384,187)	$ (12,043,365)
Benefit cost (credit)	$ 10,108,418	$ 6,823,627	$ 1,217,502	$ (803,629)
Employer contribution	303,400	287,958	876,680	880,543
Benefits paid	5,127,079	4,761,763	933,727	909,923

The estimated net actuarial loss and prior service cost for the pension benefits that are expected to be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year are $2,806,121 and $141,275, respectively. The estimated net actuarial loss for the other benefits that is expected to be amortized from accumulated other comprehensive income into net periodic benefit cost over the next fiscal year is $295,706. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plan with projected benefit obligations in excess of plan assets were:

	2015	2014
Projected benefit obligation	$ 193,872,564	$ 200,770,878
Accumulated benefit obligation	169,103,369	172,644,550
Fair value of plan assets	138,665,442	147,209,891

At December 31, 2015 and 2014, the accumulated benefit obligation of The Lane Construction Corporation Defined Benefit Pension Plan exceeded the fair value of plan assets by $21,495,921 and $17,521,218, respectively. There are no plan assets associated with the Company's supplemental retirement benefit plan as the plan is not funded. The projected benefit obligation associated with this plan is $12,145,753 and $10,572,787 as of December 31, 2015 and 2014, respectively. The accumulated benefit obligation associated with this plan is $8,942,026 and $7,913,441 as of December 31, 2015 and 2014, respectively.

	Pension Benefits		Other Benefits	
	2015	**2014**	**2015**	**2014**
Weighted average assumptions at December 31				
Discount rate	4.69 %	4.28 %	4.47 %	4.28 %
Expected return on plan assets	7.25 %	7.25 %	N/A	N/A
Rate of compensation increase	3.50 %	3.50 %	N/A	N/A

The expected long-term return on plan assets was determined based on investment performance and composition of plan assets in relation to the overall expected time period of asset growth before benefits are to be paid.

Assumed healthcare cost trend rates at December 31:

	2015	**2014**
Healthcare cost trend rate assumed for next year	7.20 %	7.20 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.50 %	4.50 %
Year that the rate reaches the ultimate trend rate	2028	2028

The Company's pension plan weighted-average asset allocations at December 31, 2015 and 2014, by asset category are as follows:

	Plan Assets at December 31,			
	2015		**2014**	
Asset category				
Common/collective trusts	$ 137,819,848	100 %	$ 146,834,838	100 %
Interest bearing cash	409,675	0 %	375,053	0 %
Other	435,919	0 %	-	0 %
	$ 138,665,442	100 %	$ 147,209,891	100 %

The plan's investment objective is to provide a combination of income and growth opportunities using a conservative strategy. The plan's approach is to invest approximately 35% in fixed income funds, 45% in large and small cap equity investments, and 20% in international equities. The objectives and strategy are reviewed periodically by management of the Company.

The fair values of pension plan assets at December 31, 2015 and 2014, by asset category are as follows:

	Quoted Prices Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Carrying Value at December 31, 2015
Assets:				
Common/collective trusts	$ -	$ 137,819,848	$ -	$ 137,819,848
Interest bearing cash	409,675	-	-	409,675
Other	435,919	-	-	435,919
Total investment contracts	$ 845,594	$ 137,819,848	$ -	$ 138,665,442

	Quoted Prices Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Carrying Value at December 31, 2014
Assets:				
Common/collective trusts	$ -	$ 146,834,838	$ -	$ 146,834,838
Interest bearing cash	375,053	-	-	375,053
Total investment contracts	$ 375,053	$ 146,834,838	$ -	$ 147,209,891

The Company expects to contribute $1,096,753 to its other benefit plan in 2016. The Company does not expect to make a contribution to its pension plan in 2016.

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") was signed into law. The Act introduced a plan sponsor subsidy based on a percentage of a beneficiary's annual prescription drug benefits, within defined limits, and the opportunity for a retiree to obtain prescription drug benefits under Medicare. The Company and its actuary have determined that the supplemental retirement plan is actuarially equivalent to Medicare Part D as defined by the Act.

The following benefit payments and Medicare Part D reimbursements, which reflect expected future service, as appropriate, are expected to be paid:

	Pension Benefits	Other Benefits	Medicare Part D Reimbursements
2016	$ 6,025,265	$ 1,096,753	$ 66,052
2017	6,747,088	1,150,628	70,890
2018	6,977,404	1,160,686	76,881
2019	7,567,011	1,170,513	85,682
2020	8,150,429	1,192,102	92,540
2021 - 2025	50,891,487	5,970,451	565,665

On September 15, 2006, the Board of Directors of the Company approved amendments to the Company sponsored defined benefit pension plan. As a result of these amendments, no new participants are allowed to enter the plan after December 31, 2006. Certain participants in the plan as of December 31, 2006 continue to accrue benefits based on the existing terms of the plan. However, all hourly nonunion field employees of the Company who were members of The Lane Construction Corporation Master Field Pension Plan ceased to accrue additional years of service as of that date.

In conjunction with these amendments, the Company amended its 401(k) plan effective January 1, 2007. All employees hired by the Company on or after that date, as well as all hourly non-union field employees of the Company, became eligible to receive discretionary Company contributions on an annual basis (Note 1).

Effective April 20, 2010, the Company instituted a cap on the health care benefits it provides for eligible retired employees. This cap limits the Company's cost of such benefits and as a result, reduced the December 31, 2010 projected benefit obligation by approximately $10,826,000. This reduction in the projected benefit obligation resulted in an unrecognized prior service credit to be amortized over a period of five years.

On October 14, 2014, in order to comply with non-discrimination requirements of the Internal Revenue Code, the Board of Directors of the Company approved an amendment to the Company sponsored defined benefit pension plan to include non-union employees, who were active as of December 31, 2013, with 2013 calendar year compensation of less than $25,000. The amendment became effective as of January 1, 2013. On December 18, 2014, the defined benefit pension plan was amended to comply with IRS Revenue Ruling 2013-17, providing equal rights for same sex marriages, effective as of June 26, 2013.

The Company contributes to a number of multi-employer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. Payments to such plans amounted to approximately $7,896,000 and $6,601,000 in 2015 and 2014, respectively. The risks of participating in these multi-employer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If the Company chooses to stop participating in some of its multi-employer plans, it may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The following table presents the Company's participation in its eight largest plans:

		Pension Protection Act Zone Status[1]		FIP/RP Status	Contributions			Expiration Date of Collective-Bargaining Agreement;
Pension Fund	EIN;Pension Plan Number	2015	2014	Pending/ Implemented[2]	2015	2014	Surcharge Imposed	Any "MFA"[3]
IUOE Local 4 Pension Fund	04-6013863; 001	Green	Green	No	$ 825,481	$ 680,431	No	5/31/2018; No
IUOE Local 98 Benefits Funds	04-6127765; 001	Green	Green	No	893,421	837,074	No	4/30/2015, 5/31/2016; No
IUOE Local 132 Pension Fund	55-6015364; 001	Green	Green	No	238,895	347,381	No	11/30/2016; No
Massachusetts Laborers' Pension Fund	04-6128298; 001	Green	Yellow	Yes (FIP)	768,249	350,675	No	5/31/2017; No
New England Teamsters' Fund	04-6372430; 001	Red	Red	Yes (RP)	473,791	437,756	No	4/30/2015, 4/30/2017; Yes
Operating Engineers' Constr. Ind. and Misc. Pension Fund	25-6135579; 001	Green	Green	No	1,095,379	1,023,397	No	12/31/2016; No
Upstate New York Engineers	15-0614642; 001	Red	Red	Yes (RP)	251,745	76,710	No	Project Agreement; Yes
Western Penn Laborers' District Council Fund	25-6135576; 001	Red	Red	Yes (both)	1,400,728	1,072,466	No	12/31/2015; Yes

[1] The zone status is based on information that Lane received from the plan. Among other factors, plans in the red zone are generally less than 65% funded, plans in the orange zone are in between 65% and 80% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded.
[2] Indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.
[3] Lists the expiration date(s) of the collective-bargaining agreement(s) to which the plans are subject and whether or not any minimum funding arrangements are in place. ("MFA" is an abbreviation for Minimum Funding Arrangement.) Funds with a range of expiration dates have various collective bargaining agreements.

The Company has no current plans of withdrawing from any of the multi-employer pension plans in which it participates.

10. Incentive Compensation Plans

During 1985, the Company adopted the Lane Industries Incorporated Incentive Stock Plan for Management Personnel. The maximum number of shares which may be awarded under the plan may not exceed a total of 20,000 and could not exceed 2,000 shares in the first year and 4,000 shares in each of the second and subsequent years. The Company did not award any shares in 2015 or 2014.

During 1989, the Company adopted the Lane Industries Incorporated Incentive Unit Plan for Management Personnel. The maximum number of incentive units which may be awarded under the plan may not exceed a total of 20,000 and may not exceed 4,000 units minus the number of shares awarded each year under the Lane Industries Incorporated Incentive Stock Plan for Management Personnel. The Company did not award any units in 2015 or 2014.

During 2001, the Company adopted the Lane Industries Incorporated Incentive Unit Plan for Management Personnel #2. The maximum number of incentive units which may be awarded under the plan may not exceed a total of 20,000 and may not exceed 2,000 units minus the number of shares awarded each year under the Lane Industries Incorporated Incentive Stock Plan for Management Personnel. The Company did not award any units in 2015 or 2014.

During 2011, the Company adopted the Lane Industries Incorporated 2011 Incentive Unit Plan. The Company did not award any units in 2015 or 2014.

The Company recognized benefits of $357,475 and $651,339 in 2015 and 2014 respectively, related to the four incentive compensation plans as a result of depreciation of the value of the units.

11. Supplemental Cash Flow Information

Supplemental information related to the accompanying consolidated statements of cash flows is summarized below:

Supplemental Disclosures of Noncash Operating Activities
The increase in fair market value of the derivative instruments was $42,065 and $159,017 with a related deferred tax provision of $15,564 and $58,836 at December 31, 2015 and 2014, respectively. During 2015, the Company's portion of the change in fair market value of derivative instruments held by its joint venture was a decrease of $195,401.

During 2015, the Company's accrued benefit obligation decreased by $10,199,292. During 2014, the Company's accrued benefit obligation increased by $31,512,893.

There were no unpaid dividends as of December 31, 2015 and 2014.

12. Accumulated Other Comprehensive Income

The components of Accumulated Other Comprehensive Income (Loss) are as follows:

	Derivative Instruments	Benefit Plans	Foreign Currency Translation Adjustments	Total
Balance at December 31, 2013	**$ (126,682)**	**$ (12,420,946)**	**$ (87,359)**	**$ (12,634,987)**
Decrease in unrealized loss on derivative instruments (net of deferred taxes of $58,836)	100,181	-	-	100,181
Change in pension and other postretirement plans' funded position (net of deferred taxes of $11,659,771)	-	(19,853,122)	-	(19,853,122)
Foreign currency translation adjustments	-	-	(248,642)	(248,642)
Balance at December 31, 2014	**$ (26,501)**	**$ (32,274,068)**	**$ (336,001)**	**$ (32,636,570)**
Decrease in unrealized loss on derivative instruments (net of deferred taxes of $15,564)	26,501	-	-	26,501
Equity interest in joint venture derivative instruments	(195,401)	-	-	(195,401)
Change in pension and other postretirement plans' funded position (net of deferred taxes of $3,773,738)	-	6,425,554	-	6,425,554
Foreign currency translation adjustments	-	-	(23,586)	(23,586)
Balance at December 31, 2015	**$ (195,401)**	**$ (25,848,514)**	**$ (359,587)**	**$ (26,403,502)**

13. Commitments and Contingencies

The Company is involved, as a defendant, in various litigation matters arising in the ordinary course of business. In the opinion of management, and based on the advice of legal counsel, the ultimate liability, if any, with respect to these matters will not materially impact the Company's consolidated financial position, results of operations or cash flows.

Substantially all of the Company's construction contracts provide for liquidated damages in the event the Company does not comply with certain provisions of the contract, including completion of the contract within the time specified. In the opinion of management, the ultimate liability, if any, with respect to all potential liquidated damages will not be material to the Company's consolidated financial position, results of operations or cash flows.

14. Subsequent Events

On January 4, 2016, the Company merged with Salini Impregilo US Holdings, Inc., a U.S. based subsidiary of Salini Impregilo S.p.A. (“Salini”), a publicly traded company headquartered in Milan, Italy, in a stock transaction for an estimated price of $406 million. As a result, Salini now owns 100% of Lane Industries Incorporated. In conjunction with the merger transaction on January 4, 2016, the Company repaid the outstanding balance on its revolving credit facility of $107,000,000 using proceeds from the merger transaction. Outstanding letters of credit issued under the revolving credit agreement totaling $19,643,454 were collateralized by the new parent company’s bank. Additionally, $2,000,000 of cash was transferred to a collateral account for the Company’s purchasing card program. During 2015, the Company incurred incremental transaction expenses of approximately $3,100,000 which are reflected in general and administrative expenses in the consolidated statements of operations.

Management has completed its evaluation of potential subsequent events and is not aware of any matters, other than those disclosed above which require adjustments or disclosure in the accompanying financial statements. The evaluation was completed through March 1, 2016, the issuance date of the accompanying consolidated financial statements.

Annex 2

Report of the independent auditors KPMG S.p.A. on the Unaudited Pro-Forma Consolidated Financial Information

KPMG

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Auditors' Report on the Compilation of Pro Forma Financial Information included in the Prospectus for the issue of certain notes by Salini Impregilo S.p.A.

To the Board of Directors of
Salini Impregilo S.p.A.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Salini Impregilo Group by the directors of Salini Impregilo S.p.A. ("the Company"). The pro forma financial information consists of the pro forma condensed consolidated statement of financial position as of 31 December 2015 and the pro forma condensed consolidated income statement for the year ended 31 December 2015, accompanied by the related explanatory notes. The applicable criteria on the basis of which the Company's directors have compiled the pro forma financial information are described in the explanatory notes.

The pro forma financial information has been compiled by the Company's directors to illustrate the impact of the acquisition of Lane Industries Incorporated and its subsidiaries ("Lane Industries Inc.") which was completed on 4 January 2016 and the assumption of the indebtedness needed to finance the above-mentioned acquisition (cumulatively the "Transactions") on the consolidated financial position of the Salini Impregilo Group as at 31 December 2015 and its consolidated financial performance for the year ended 31 December 2015, as if the Transactions had taken place at 31 December 2015 and 1 January 2015, respectively. As part of this process, information about the financial position and financial performance of the Salini Impregilo Group and of Lane Industries Inc. has been extracted by the Company's directors from:

- the consolidated financial statements of the Salini Impregilo Group as of 31 December 2015 and for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS"), audited by us on which we issued our auditors' report on 6 April 2016;
- the consolidated financial statements of Lane Industries Inc. as of 31 December 2015 and for the year then ended, prepared in accordance with accounting principles generally accepted in the United States of America, audited by PricewaterhouseCoopers LLP that issued the auditors' report on 1 March 2016.

The Company Directors' Responsibility for the Pro Forma Financial Information

The Company's directors are responsible for compiling the pro forma financial information, on the basis of the criteria described in the explanatory notes, in accordance with the requirements of the Commission Regulation (EC) N. 809/2004 of 29 April 2004 and with ESMA recommendation 2013/319 of 20 March 2013 "ESMA update of the CESR recommendations – The consistent implementation of Commission Regulation (EC) N. 809/2004 of 29 April 2004 implementing the Prospectus Directive".

Auditors' Responsibilities

Our responsibility is to express an opinion, as required by Annex 2 "Pro forma financial information building block" of Commission Regulation (EC) N. 809/2004 of 29 April 2004, about whether the pro forma financial information has been compiled, in all material respects, by the Company's directors on the basis stated in the explanatory notes.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the International Auditing and Assurance Standards Board. This standard requires that the auditors comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Company's directors have properly compiled, in all material respects, the pro forma financial information on the basis stated in the explanatory notes.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transactions at 31 December 2015 and at 1 January 2015, respectively, would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Company's directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the auditors' judgment, having regard to the auditors' understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis stated in the explanatory notes and that basis is consistent with the accounting policies adopted for the preparation of the consolidated financial statements of the Salini Impregilo Group as of 31 December 2015 and for the year then ended.

Other matter

This report has been issued solely for its inclusion in the Prospectus for the issue of certain notes by Salini Impregilo S.p.A. and cannot be used for any other purpose.

Milan, 7 June 2016

KPMG S.p.A.

Paola Maiorana
Director of Audit