

Italian Infrastructure Day 2014

Milan

September 9, 2014

■ **Company at a Glance**

- **Projects in execution**

■ **Highlights**

- **Focus on revenues & profitability**
- **New Orders & upcoming opportunities**

■ **Financials**

- **NFP**
- **Cash Flow**

■ **Main Events**

GROUP HIGHLIGHTS

Workforce

More than 31K employees from 88 different nationalities.

Contract structures allow flexible and dynamic approach to workforce

Backlog

Highly diversified backlog which has reached €29.2 bn at June 2014, of which €22 bn is Construction Backlog

■ Pure player in heavy civil engineering and construction

— Focused on large heavy civil engineering, where the group is among the global leaders and is able to generate returns better than closest large European peers

■ Global player present in over 40 countries with over 31,000 employees

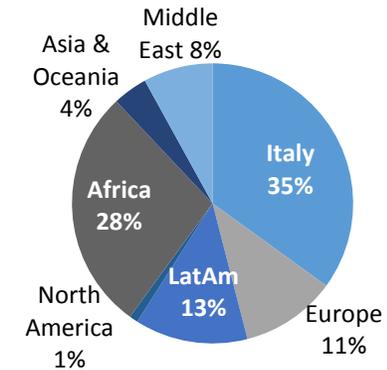
- Approx. 67% of construction backlog outside of Italy
- Well balanced geographic presence between Developed Markets and Emerging Markets
- Several untapped opportunities for geographic expansion where the Group is today underrepresented (Australia, US)

■ Large and well diversified backlog provides visibility on future results

■ Highly experienced, pro-active management team focused on value creation

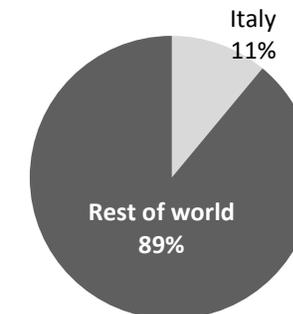
— Proven track record in achieving targets

Construction Backlog by Geography as at June 2014



Total: €29.2bn

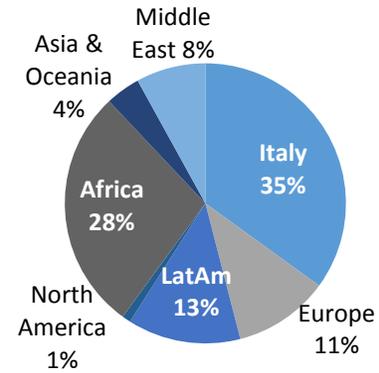
1H 2014 Revenues by Geography



Total: €2,1bn

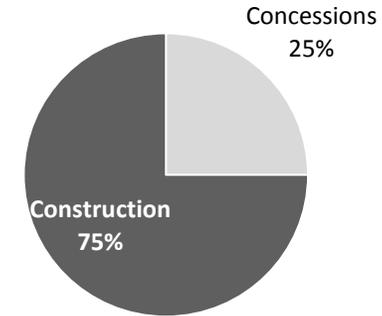
June 2014 Backlog Breakdown

Construction Backlog by Geography



Total: €29.2bn

By Segment



Total: €29.2bn



19 Hydro & DAM projects in execution in 4 Continents

Africa

- Adiyari Waterworks Phase II **Nigeria**
- GERD Project **Ethiopia**
- Gibe III HPP **Ethiopia**
- Gurara Dam **Nigeria**
- Ingula HPP **South Africa**
- Neckartal Dam **Namibia**
- Tokwe Mukorsi Dam **Zimbabwe**

Asia

- Abu Hamour Hydraulic Project **Qatar**
- Deep Sewer Tunnel **Abu Dhabi**
- Ulu Jelai HPP **Malaysia**

Latin America

- Angostura HPP **Chile**
- El Quimbo HPP **Colombia**
- Panama Canal extension **Panama**
- Riachuelo **Argentina**
- Rio Camu multiple hydroelectric project **Dominican Republic**
- Sogamoso HPP **Colombia**
- Tocoma Dam **Venezuela**

North America

- Anacostia River Tunnel **Washington D.C**
- Lake Mead Intake Hydraulic Tunnel **Las Vegas**

18 Metro & Rail projects in execution in 5 Continents

Riyadh Underground Line 3



North West Rail Link



Orastie-Sibiu



Gerald Desmond Bridge



Australia	Asia	Europe	Latin America	North America
<ul style="list-style-type: none"> North West Rail Link Sydney 	<ul style="list-style-type: none"> Doha Red Line North Qatar Köseköy-Gebze high speed railway Turkey Riyadh Underground Line 3 Saudi Arabia 	<ul style="list-style-type: none"> Brenner Tunnel Austria/ Italy Copenhagen Cityringen Metro Denmark Milano M4 Metro Italy Milan-Genoa high-speed Railway (Italy) Rome Metro B1 (Italy) Rome Extension Metro B Italy San Gotthard tunnel Switzerland Thessaloniki Metro Greece 	<ul style="list-style-type: none"> Chaguaramas-Cabruta Railway Venezuela Metro Lima Peru Puerto Cabello-la Encrucijada railway Venezuela San Juan de los Morros Railway Venezuela Santiago Metro Line 6 Chile 	<ul style="list-style-type: none"> San Francisco Metro, Central Underground Project California

30 Road & Highways projects in execution in 5 Continents

Africa	Asia	Europe	Latin America	North America
<ul style="list-style-type: none"> A3 Motorway Tunisia Express Highway Project Libya Inner Southern Expressway Nigeria Makeni Road Sierra Leone Matotoka-Sedafu Sierra Leone Ogoni-Opobo Nigeria Suleja-Minna Nigeria 	<ul style="list-style-type: none"> Almaty-Ust-Kamenogorsk Kazakhstan Almaty-Khorgos Kazakhstan Abu Dhabi-Dubai Highway U.A.E Parallel Roads Abu Dhabi Western Europe – Western China International Transit Corridor Kazakhstan 	<ul style="list-style-type: none"> A1 Motorway Poland Alat-Masalli Azerbaijan Ancona Port-A14 Italy D1 Motorway Slovakia Jonica 106 Italy Lugoj-Deva Romania M03 Motorway Ukraine M06 Kiev-Chop Ukraine Minks-Gomel Belarus Orastie-Sibiu Romania Pedemontana Lombarda Italy Salerno-Reggio C. Italy Sebes-Turda Romania Third lane of A4 Italy Valico Bypass Italy 	<ul style="list-style-type: none"> Ecovias dos Imigrantes Brasil Ruta del Sol Colombia 	<ul style="list-style-type: none"> Gerald Desmond Bridge California

FIGURES ON TRACK TO ACHIEVE 2014 TARGETS

	€ mn	June 30 th 2014
June 30th 2014 <ul style="list-style-type: none"> ■ Double digit Revenue growth: +12.8% YoY ■ EBIT on track with 2014 targets: 5.4% on revenues ■ Gross Debt improved significantly (minus €375 mn in 2Q) 	2,109	Revenues
	113.9	EBIT
	-€417.7	NFP
<ul style="list-style-type: none"> ■ Risk of Venezuela addressed, Panama Project reached an agreement with the Client ■ First synergies have been realized ■ “Sblocca Italia”: boost from the Italian Government to restart infrastructure projects ■ Buyback max 10% of Share Capital to be approved by Shareholders Meeting 		

Solid operational growth

Good trend in Profitability

Financial structure further strengthened

Focus on revenues & profitability

2Q '14 RELEVANT GROWTH IN EARNINGS & 1H'14 EBIT MARGIN ON TRACK WITH 2014 TARGETS

2Q 2014

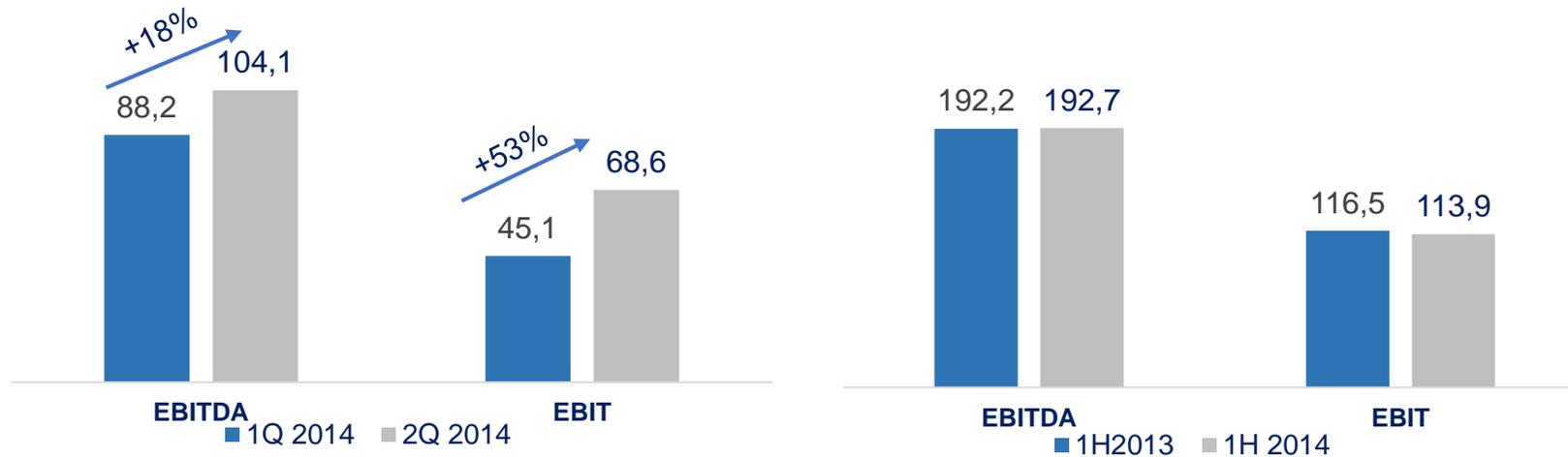
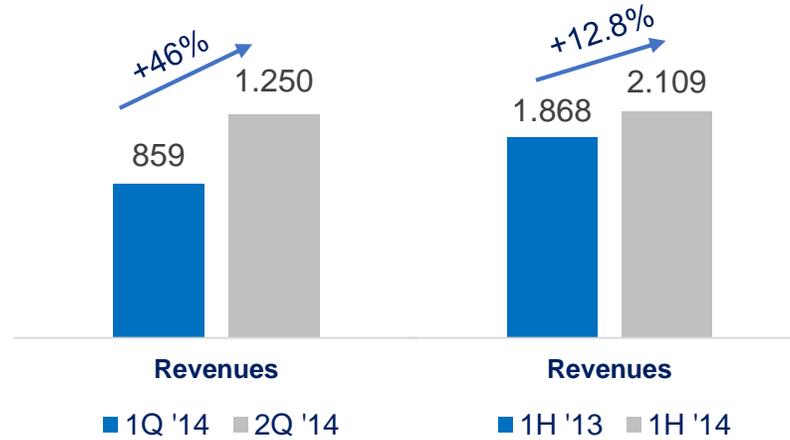
EBITDA MARGIN 8.3%

EBIT MARGIN 5.5%

1H 2014

EBITDA MARGIN 9.1%

EBIT MARGIN 5.4%



New orders as at June 30th 2014 € 3.5 bn

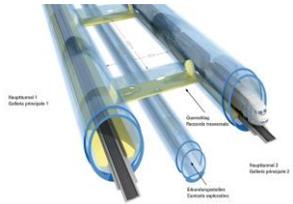
Construction Book to Bill 1.38X

Group named preferred bidders on 5 tenders for a total value of more than €1.1 bn

€10 bn tenders to be submitted in 2H 2014



PERU
<p style="text-align: center;">Lima Metro Network</p> <ul style="list-style-type: none"> ■ €4.7 BN contract value ■ 26% Salini Impregilo ■ 60 months expected duration



AUSTRIA & ITALY
<p style="text-align: center;">Brenner tunnel (2 Lots)</p> <ul style="list-style-type: none"> ■ €678 MN contract value ■ €308 Salini Impregilo stake ■ Start of works in 2014



SLOVAKIA
<p style="text-align: center;">D1 Motorway</p> <ul style="list-style-type: none"> ■ €410 MN contract value ■ 75% Salini Impregilo ■ 66 months expected duration

ITALY
<p style="text-align: center;">High speed train PD-VR</p> <ul style="list-style-type: none"> ■ € 600 MN ■ Funded by the Stability Law ■ Protocol signed w/Public Works Minister ■ Operational phase ready to begin

<p style="text-align: center;">High speed train GE-MI</p> <ul style="list-style-type: none"> ■ Backlog €3.1 B ■ Almost 8% work of works executed



Potential Projects for Salini Impregilo Due to «Sblocca Italia» Law Approval
<ul style="list-style-type: none"> ■ High speed train Napoli – Bari ■ Palermo – Catania – Messina Railway ■ Airport infrastructures work in Milan, Rome, Venice, Florence, Genoa, Salerno ■ Brenner Tunnel remaining lots ■ Salerno – Reggio C. Highway ■ A91 – Eur Bridge in Rome

<p>«Sblocca Italia» Law brings significant opportunities to the Group for more than €16 bn tenders</p>

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NFP trend

IMPROVED GROSS DEBT AND NET FINANCIAL POSITION

€ million	FY 2013	1Q 2014	1H 2014	Change vs. FY 13	Change vs. 1Q 14
Bank Debts	(1,025.0)	(1,130.9)	(739.3)	285.7	391.6
Other Financial Debts	(158.7)	(155.3)	(148.0)	10.7	7.3
Bonds	(552.5)	(555.2)	(579.4)	(26.9)	(24.2)
Gross Debt	(1,736.2)	(1,841.4)	(1,466.7)	269.5	374.7

Of total improvement about €270 mn reduction in gross debt vs. YE '13

NFP improved to €- 418 mn, from operations, and share capital increase

NFP/Equity ratio = 0.37, in line with YE '13

(*) The NFP includes the data of the SPV equal to € 269.4 mn (due to change of IFRS 10/11)



€ million	FY 2013	1Q 2014	1H 2014	Change vs. FY 13	Change vs. 1Q 14
Other Financial Assets	272.1	220.5	67.5	(204.6)	(153.0)
Cash & Cash equivalents	1,132.4	986.9	981.5	(150.9)	(5.4)
Bank Debts	(1,025.0)	(1,130.9)	(739.3)	285.7	391.6
Other Financial Debts	(158.7)	(155.3)	(148.0)	10.7	7.3
Bonds	(552.5)	(555.2)	(579.4)	(26.9)	(24.2)
Net Financial Position (*)	(331.7)	(634.0)	(417.7)	(86.0)	216.3

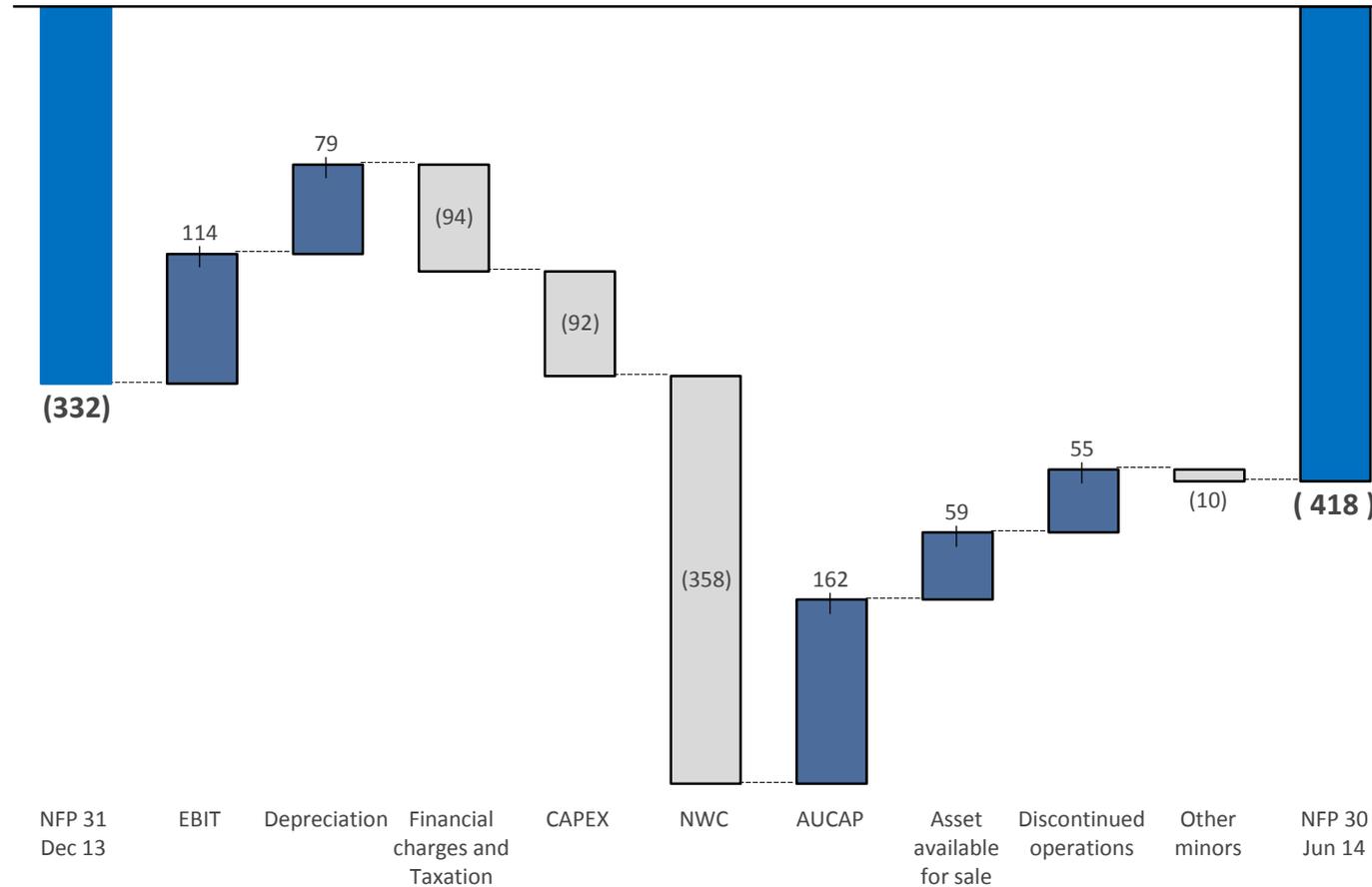
NWC variation mainly driven by operational growth:

- Stocks + 21mn
- WIP +253mn
- Receivables (61)mn
- Advances 70mn
- Payables 29mn
- Other 46mn

WIP variation mainly linked to:

- Ethiopia +65mn
- Denmark +57mn
- Panama +56mn
- Nigeria +46mn
- Malaysia +12mn
- Romania +12
- Chile +9

Assets for sale
mainly refer to Fisia Babcock



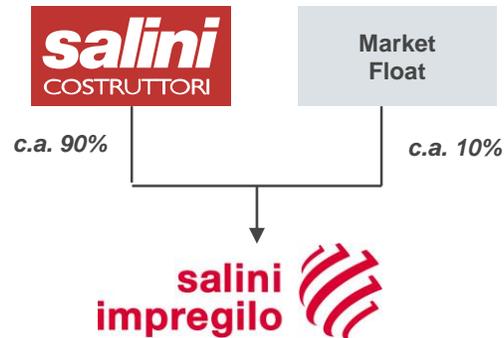
CAPITAL ALLOCATION

- Increase the market float and thereby the liquidity of the shares
- Increase the participation of institutional investors

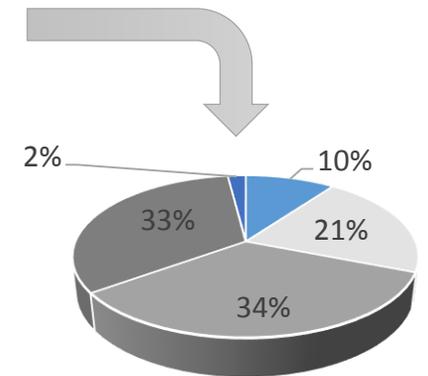
With the increased liquidity and market float, management aims to increase daily value turnover of the shares.

As a consequence, Salini Impregilo could enter the FTSEMib index, which would have knock-on positive effects on market turnover and market capitalization.

PRE AUCAP



POST CAPITAL ALLOCATION



NEW CAPITAL STRUCTURE

- 492,172,691 ordinary shares
- 1,615,491 saving shares

- Europe ■ Italy ■ UK
- USA ■ RoW

SHARE BUY-BACK PROGRAMME

General shareholders
Meeting to be held
on September 19th 2014

Characteristics of Buyback

Total Amount: Max 10% of
Share Capital

Length: 18 months from the
Shareholders Meeting approval

Purchase price:
Max= Market price+20%
Min= Market price -20%

- **Maintain the efficiency of capital allocation**

- **Support liquidity and price stabilization**

- **Constitute a pool of treasury shares to:**
 - **Service future potential stock incentive plans**

 - **Provide management with an important instrument to protect and support the Company's share price and market liquidity**

 - **Support potential strategic agreements**

REVENUE GROWTH +12.8%

€ million	1H 2013	1H 2014	Change
Total Revenues	1,868.8	2,109.0	240.2
EBITDA	192.2	192.7	0.5
EBITDA Margin	10.3%	9.1%	
EBIT	116.5	113.9	(2.6)
EBIT Margin	6.2%	5.4%	
Holding & Financial Charges	(38.7)	(81.8)	(43.1)
Financial income	19.6	18.7	
Financial expenses	(66.0)	(69.6)	
Income/Charges from Equity Investments	3.9	5.0	
Net exchange rate	3.7	(35.9)	
EBT	77.8	32.1	(45.7)
Taxation	(41.7)	(12.2)	29.5
Discontinued Operations	74.7	55.3	(19.4)
Net Group Result	110.8	75.2	(35.6)
Minority	(0.2)	4.1	4.3
Net Result	110.6	79.3	(31.3)

€17 mn of Synergies realized

EBITDA 1H '14 equal to 1H 2013

Exchange Rate includes Venezuela for negative €55 mn (SICAD2)

Discontinued operations mainly refer to Fisia +88mn and Todini -32mn

BALANCE SHEET

Figures presented in the table aside are restated including the effects of IFRS 5, 10 and 11

Assets held for sale in Dec'13 and Mar '14 mainly refer to Todini and RSU Campania

Net equity variation mainly linked to AUCAP (+162mn)

€ million	FY 2013	1Q 2014	1H 2014	Change vs. FY 13	Change vs. 1Q 14
Fixed Assets	746.9	827.7	749.0	2.1	(78.7)
Assets held for sale	235.5	246.6	188.4	(47.1)	(58.2)
Provisions	(122.7)	(123.9)	(121.3)	1.4	2.6
Other assets / liabilities	97.7	112.0	95.9	(1.8)	(16.1)
Working Capital	266.5	480.4	625.0	358.5	144.6
USES	1,223.9	1,542.8	1,537.0	313.1	(5.8)
Net Equity	892.2	908.8	1,119.3	227.1	210.5
NET Financial Position	(331.7)	(634.0)	(417.7)	(86.0)	216.3
SOURCES	1,223.9	1,542.8	1,537.0	313.1	(5.8)

Salini Impregilo: highest ranking in water segment

ENR Ranking on 250 contractors both by segment and by geographical area

Among the World's Top 10 contractors operating in Latin America

Water		
Ranking		Companies
2014	2013	
1	1	Salini Impregilo
2	2	Grupo ACS
3	4	C.N. Odebrecht
4	3	Hochtief
5	6	Strabag
6	5	Sinohydro Group
7	7	China Int'l Water & Electric Corp (CWE)
8	**	Abeinsa
9	**	FCC
10	10	China Gezhouba Group

Top 10 Revenues \$ 9,559.1 mn
Sector's Revenues \$ 15,771.0 mn

Key Peers

Latin America / Caribbean		
Ranking		Companies
2014	2013	
1	1	C.N. Odebrecht
2	2	Grupo ACS
3	3	Flour Corp.
4	8	Bechtel
5	5	Abeinsa SA
6	4	OHL
7	7	Grupo Isolux Corsan
8	6	Technip
9	**	FCC
10	10	Salini Impregilo

Top 10 Revenues \$ 29,719.9 mn
Sector's Revenues \$ 56,530.1 mn

Capital Allocation

<p>PRIMARY OFFER # Shares</p> <p>44,740,000</p>	<p>PRIMARY OFFER STRUCTURE</p>	<p>44,740,000 newly-issued Salini Impregilo ordinary shares without par value with regular dividend entitlement corresponding to 9.96% of the share capital of Salini Impregilo at a price per share of €3.70 (the “Offer Price”) generating gross proceeds of €165,538,000</p>
<p>SECONDARY OFFER # Shares</p> <p>94,000,000</p>	<p>SECONDARY OFFER STRUCTURE</p>	<p>94,000,000 existing Salini Impregilo ordinary shares held by Salini Costruttori without par value with regular dividend entitlement at a price per share of €3.70 (the “Offer Price”) generating gross proceeds of €347,800,000</p>
<p>GREENSHOE # Shares</p> <p>4,050,000</p>	<p>GREENSHOE STRUCTURE</p>	<p>Exercised 4,050,000 Salini Impregilo ordinary shares without par value with regular dividend entitlement at a price per share of €3.70 (the “Offer Price”) generating gross proceeds of €14,985,000</p>
	<p>BENEFICIARY</p>	<ul style="list-style-type: none"> ▪ Italian Qualified Investors ▪ Foreign Institutional investors <p>✓ Private allocation with 4 business days of Bookbuilding procedure</p> <p>✓ Primary international bankers consortium</p> <p>✓ Management Roadshow in the main financial cities (6 business days)</p> <p>✓ International Offering Circular (IOC)</p>