IMPREGILO S.P.A.

PROSPECTUS
RELATED TO
MAJOR OPERATIONS
WITH RELATED PARTIES

drafted in accordance with Article 5 of Consob Regulation no. 17221 of 12 March 2010, as subsequently amended and supplemented, and related to the operation of

MERGER BY INCORPORATION
OF
SALINI S.P.A.
IN
IMPREGILO S.P.A.

This Prospectus is available to the public at the registered office of Impregilo S.p.A. (Via dei Missaglia n. 97, Milan) and on the Impregilo S.p.A. website www.impregilo.it

Publication date - 1 July 2013

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DEFINITIONS

A list is provided below for the main definitions and terms used in this Prospectus. These definitions and terms shall have the meanings given below unless otherwise specified. Terms defined in the singular shall also be understood as referring to the plural, and vice versa, as required by context.

Designated Directors	The Independent Directors Mr Pietro Guindani and Ms Laura Cioli delegated to conduct the necessary dialogue in relation to the Exchange Ratio, as described in more detail in paragraph 2.8.
Italian Stock Exchange	Borsa Italiana S.p.A., with registered office in Milan, Piazza degli Affari n. 6.
Code of Conduct	The Code of Conduct established by the Italian Stock Exchange for listed companies.
RPO Committee	The Related Parties Operations ("RPO") Committee of Impregilo, appointed by the Impregilo Board of Directors on 18 July 2012 and composed of Alberto Giovannini - Chairman, Marina Brogi, Giuseppina Capaldo (independent minority director) and Geert Linnebank.
Consob	The National Stock Exchange Commission with registered office in Rome, Via G.B. Martini n. 3.
Prospectus Date	The publication date of the Prospectus.
Prospectus	This Prospectus.
Joint Expert	Baker Tilly Revisa S.p.A., with registered office in Bologna, via Guido Reni n. 2/2, in its capacity as expert in accordance with Article 2501-*sexies* Civil Code, appointed by the Court of Milan by ruling of 14 June 2013, filed on 25 June 2013.
Merger or Operation	Reverse merger operation, through the incorporation of Salini into Impregilo, whose main characteristics are described in paragraph 2.1.2.
Impregilo Group	The group controlled by Impregilo.
Post Merger Group	The group that will be controlled by the company resulting from the Merger.
Impregilo, or the Incorporating Company	Impregilo S.p.A., with registered office in Milan, Via dei Missaglia n. 97.
MTA	The Mercato Telematico Azionario [Electronic Stock Market] organized and managed by Italian Stock Exchange.
Public Tender Offering	The fully voluntary public tender offering within the meaning of Articles 102 and 106, paragraph 4, of the Consolidated Finance Act, sponsored by Salini on 6 February 2013, whose objective related to all the ordinary shares issued by Impregilo and not held by Salini on that date (equal to 282,381,888 ordinary shares of no par value, representing approximately 70.16% of the subscribed and paid-up ordinary share capital of Impregilo).
Opinion	The evaluative expertise to support the determination of the Exchange Ratio issued by Partners S.p.A., in its capacity as financial adviser

	appointed by Impregilo, on 24 June 2013.
Plan	The economic and financial Plan prepared by the management bodies of the Merging Companies, pursuant to Article 2501 -*bis*, paragraph 3, Civil Code, which consists of the balance sheets, income statements and prospective financial statements for the period 2013-2016.
RPO procedure	The procedure for operations with Related Parties (Related Parties Operations ("RPO")), approved on 30 November 2010 by the Impregilo Board of Directors pursuant to Articles 2391 -*bis* Civil Code and 4, paragraphs 1 and 3 of the RPO Regulations, as last amended on 13 May 2013.
Merger Project	The merger project pursuant to Articles 2501 -*bis*, paragraph 2, and 2501-*ter* Civil Code, attached to the Prospectus as Annex A.
Exchange Ratio	The exchange ratio based on which the ordinary shares of the Incorporating Company will be assigned. The exchange ratio between the Impregilo ordinary shares and the Salini ordinary shares, as determined in the Merger Project.
RPO Regulations	The regulations laying down provisions relating to operations with related parties ("RPO"), adopted by CONSOB resolution no. 17221 of 12 March 2010, as subsequently amended and supplemented.
Issuers Regulations	The regulations implementing Legislative Decree no. 58 of 24 February 1998 concerning the regulation of issuers, adopted by CONSOB Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented.
Salini, or the Merged Company	Salini S.p.A., with registered office in Rome, via della Dataria n. 22.
Salini Costruttori	Salini Costruttori S.p.A., with registered office in Milan, via del Lauro n. 3.
Merging Companies	Jointly, Impregilo and Salini.
Consolidated Finance Act	Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented.

INTRODUCTION

This Prospectus has been prepared by Impregilo, pursuant to Article 5 of the RPO Regulations, in order to provide the public with the information required by the Outline under Annex 4 of the same RPO Regulations, in order to illustrate the integration project between Impregilo and Salini by means of the merger by incorporation of Salini into Impregilo (the "**Merger**" or the "**Operation**") that is expected to be submitted for approval by extraordinary meetings of the Merging Companies by the end of next month, September 2013.

The merger is part of a larger industrial and strategic design initiated in 2011 by Salini Costruttori Group, aimed at creating a "*Campione Nazionale®*" [National Champion] for complex infrastructures and works in the construction sector, as part of which, among other things, the public tender offering initiated by Salini with respect to Impregilo was concluded in May (see paragraph 2.3 as well as the offer document relating to the public tender offering initiated by Salini with respect to Impregilo, and the press releases of 12 April 2013 and 30 April 2013 on the results of the acceptance period and of the period for reopening the terms available on the website www.impregilo.it - Section "*Investor Relations - Salini S.p.A. Public Offering Documentation*") following which a legal relationship of control was established between Salini and Impregilo.

As a result of the legal relationship of control that was established between the Merged Company and the Incorporating Company following the Public Offering, and the significance of the Merger, the latter constitutes an operation between related parties that is of "major significance" within the meaning of the Related Party Operations ("RPO") Regulations and RPO Procedure. Therefore, the Related Parties Operations Committee of Impregilo was involved in the preparatory phase and in the approval of the Merger (see paragraph2.2).

As a result of the use of financial indebtedness taken out by Salini in order to conduct the Public Offering, Article 2501-*bis* Civil Code shall be applicable to the Merger (see paragraph 2.1.2.2).

Finally, the Merger qualifies as "significant" pursuant to Article 70 of the Issuers Regulations, in light of the general assessment criteria set out in Annex 3B of the same Issuers Regulations. Therefore, Impregilo, at least fifteen days prior to the date set for the Extraordinary General Shareholders' Meeting of Impregilo convened to decide on the Merger, will also make a prospectus drafted in accordance with Annex 3B of the Issuers Regulation available to the public at the registered office and in the manner set out in Articles 65-*quinquies*, 65-*sexies* and 65-*septies* of the Issuers Regulations (see paragraph 2.1.2.3).

The additional documentation required by the applicable regulations in connection with the Merger shall be made available to the Impregilo shareholders according to the time limits and terms prescribed by law and regulations.

1 IMPORTANT NOTICES

1.1 Risks related to potential conflicts of interest arising from the Operation

On the Date of the Prospectus, Salini holds 357,505,246 ordinary shares in Impregilo, representing about 88.83% of the ordinary share capital of Impregilo. The Merged Company therefore exercises legal control over the Incorporating Company pursuant to Article 93 of the Consolidated Finance Act.

Salini also performs management and coordination activities for Impregilo, pursuant to Article 2497-*bis* Civil Code.

The Impregilo Board of Directors, appointed on 17 July 2012, is composed of the following members: Claudio Costamagna (Chairman), Pietro Salini (Managing Director), Marina Brogi, Giuseppina Capaldo, Mario Giuseppe Cattaneo, Roberto Cera, Laura Cioli, Massimo Ferrari, Alberto Giovannini, Pietro Guindani, Claudio Lautizi, Geert Linnebank, Laudomia Pucci, Giorgio Rossi Cairo, Simon Pietro Salini. Of the above-mentioned 15 Impregilo Board members, 14 (8 of whom fulfil the requirements of independence set out in the Consolidated Finance Act and Code of Conduct) were taken from the list of candidates presented to the Impregilo meeting of 12-17 July, 2012, by the shareholder Salini.

The Salini Board of Directors, appointed on 6 December 2011 ([1]), is composed of the following members: Simonpietro Salini (Chairman); Pietro Salini (Managing Director); Roberto Cera; David Morganti; Francesco Perrini; Gianluca Piredda; Alessandro Salini; Simon Pietro Salini; Luisa Todini.

The following members of the Impregilo Board of Directors simultaneously hold the position of member of the administrative or executive body of Salini, as specified below:

- Pietro Salini simultaneously holds the positions of Managing Director and member of the Impregilo Executive Committee, and Managing Director of Salini;
- Roberto Cera and Simon Pietro Salini simultaneously hold the positions of Director of the Impregilo Board and Director of the Salini Board;
- Massimo Ferrari simultaneously holds the positions of member of the Board of Directors and member of the Executive Committee of Impregilo, and Director of General Affairs and Strategic Projects of Salini;
- Claudio Lautizi simultaneously holds the positions of member of the Board of Directors and member of the Executive Committee of Impregilo, and Foreign Trade Manager of Salini;

For all intents and purposes, it should lastly be noted that:

- Claudio Costamagna is a member and Chairman of the Board of Directors of CC&Soci S.r.l., which has entered into a consultancy relationship with Salini for the purpose, among other things, of possible integration operations between Salini and Impregilo; and
- Roberto Cera holds the position of partner at the Bonelli Erede Pappalardo law firm, which has entered into a consultancy relationship with both Salini and Impregilo and has performed the role of transaction counsel for the Merging Companies in the context of the Operation.

([1]) With the exception of Directors Alessandro Salini and Francesco Perrini, appointed by the Salini meeting held on 16 October 2012.

2 INFORMATION ABOUT THE OPERATION

2.1 Description of the characteristics, procedures, terms and conditions of the Operations

2.1.1 The context of the Merger: the "Campione Nazionale®" project and the main phases of the integration process between Impregilo and Salini

The Merger is part of a larger industrial and strategic design aimed at creating a "*Campione Nazionale®*" in the complex infrastructures and works construction sector, with shares listed on the MTA, able to compete with major international competitors in terms of economies of scale, size and geographical and sectoral complementarity.

More specifically, the Merger is the landing point of a market operation started in 2011 by Salini Costruttori, the current sole shareholder of the Merged Company, the main phases of which can be summarised as follows:

September 2011	Start-up and gradual increase of investment in Impregilo by Salini Costruttori, exceeding the 15% threshold on 20 December 2011 (see press releases of 4 October 2011 and 20 December 2011, available on the website http://campionenazionale.salini.it - Section "*Press - Press Releases*").
December 2011	Contribution, by Salini Costruttori in favour of the newly formed Merged Company, of the operating company division in the infrastructure construction sector, including investment in Impregilo, which occurred on 21 December 2011 and took effect on 1 January 2012.
February - March 2012	Additional purchase of Impregilo ordinary shares by Salini, until reaching the 25% threshold (see the recent press release of 26 March 2012, available on the website http://campionenazionale.salini.it - Section "*Press - Press Releases*").
April 2012	Request by Salini on 19 April 2012 to convene a meeting of the Impregilo shareholders pursuant to Article 2367 of the Civil Code, with the following agenda: "*1) removal of directors in office; 2) appointment of the board of directors, and determination of term of office, and 3) appointment of the chairman of the board of directors; 4) determination of the remuneration due to the board of directors*".
June - July 2012	Presentation of a list of 15 candidates by Salini (the "**Salini List**"), 9 of which fulfil the requirements of independence pursuant to the Consolidated Finance Act and the Code of Conduct, and start of a call for proxy votes in accordance with Articles 136 et seq. of the Consolidated Finance Act by both Salini and by the shareholder IGLI S.p.A., the owner, as of the date of the meeting in question, of a holding of approximately 29.96% of the ordinary share capital in Impregilo.
July 2012	During the Impregilo shareholders' meeting convened at the request of Salini pursuant to Article 2367 of the Civil Code and held on 12-17 July 2012, removal of the Board of Directors in office and the appointment of 15 new Directors, with 14 (8 of which fulfil the requirements of independence set out in the Consolidated Finance Act and the Code of Conduct) - also thanks to the positive outcome of the above-mentioned call for proxy votes - being taken from a list submitted by Salini, and the 15th (who meets the requirements of independence set forth in the Consolidated Finance Act and the Code of Conduct) being taken from a list submitted by the shareholder IGLI S.p.A.
September 2012	Signature, on 27 September 2012, of the commercial and organisational cooperation strategic agreement between Impregilo and Salini Costruttori, in order to initiate a collaboration strategy aimed at capturing market opportunities and enhancing value for both groups, and also achieving cost savings as a result

	of operational and industrial synergies (see press release of 25 September 2012, available on the website www.impregilo.it - Section "*Media - Press Releases*" and the prospectus dated 4 October 2012, available on the website www.impregilo.it - Section "*Investor Relations - Strategy*").
February - May 2013	Launch of public tender offering by Salini (on 6 February 2013) and attainment, as a result of the same, of a stake in Impregilo representing approximately 92.08% of the ordinary share capital of Impregilo (see the offer document, as well as the press release of 12 April and 30 April 2013 on the results of the acceptance period and the period for reopening the terms of the public tender offering, available on the website www.impregilo.it - Section "*Investor Relations - Salini S.p.A. public offer documentation*"). Subsequent reduction of the stake in Impregilo below the 90% threshold (see the press release published on 17 May 2013, available on the website http://campionenazionale.salini.it - Section "*Press - Press Releases*").
June 2013	Approval, finalization and provision on 24 June 2013 and 30 June 2013 respectively, of the Merger Project by the Boards of Directors of Impregilo and Salini. The Merger Project was forwarded to the relevant Companies Registration Offices for registration on 1 July 2013.

2.1.2 The legal framework of the Merger

2.1.2.1 <u>The "reverse" nature of the Merger</u>

Given the main reasons for the integration operation, namely the creation of a "National Champion" in the complex infrastructures sectors with shares listed on the MTA, the operation intended to be submitted for the review and approval of the extraordinary general meeting of Impregilo shareholders is the "reverse" merger by incorporation of Salini into Impregilo.

The Merger will result in the extinction of the Merged Company.

At the time of the Merger approval decision by the Extraordinary Meeting of Impregilo, the latter will also be asked to approve the change of company name to "Salini-Impregilo S.p.A."

2.1.2.2 <u>Nature of transaction: leveraged buy-out</u>

As a result of the use of financial indebtedness taken out by Salini in order to conduct the public tender offering, Article 2501-*bis* of the Civil Code shall be applicable. Therefore, the Boards of Directors of Impregilo and Salini:

(a) pursuant to Articles 2501-*bis*, paragraph 2, and 2501-*ter* of the Civil Code, indicated in the Merger Project the financial resources expected to meet the obligations of the company resulting from the Merger;

(b) pursuant to Articles 2501-*bis*, paragraph 4, and 2501-*sexies* of the Civil Code, asked the Court of Milan to appoint a Joint Expert, who will, *inter alia*, have the task of certifying the reasonableness, in his appraisal, of the indications contained in the Merger Project regarding the financial resources required to fulfil the obligations of the company resulting from the Merger. By decision of 14 June 2013, filed on 25 June 2013, the Court of Milan appointed the company BAKER TILLI REVISA S.p.A. as Joint Expert;

(c) pursuant to Article 2501-*bis*, paragraph 5 of the Civil Code, asked PriceWaterhouseCoopers S.p.A., the company responsible for the statutory audit of the Impregilo accounts, to issue its report so that it could be attached to the Merger Project. The aforementioned report was issued on 28 June 2013 and is annexed to the Merger Project attached to the Prospectus as Annex A;

(d) pursuant to Articles 2501-*bis*, paragraph 3, and 2501-*quinquies* of the Civil Code, will make a report available to the public, according to the time limits and terms of the relevant laws and regulations, indicating the reasons for the Operation, including a financial and economic plan indicating the source of financial resources and a description of the objectives to be achieved.

For a description of the main terms and characteristics of the loan contract signed by the Merged Company in order to fund the total outlay of the public tender offering, please refer to the offer document, available on the website www.impregilo.it - Section "*Investor Relations - Salini S.p.A. public tender offering documentation*", as well as the Merger Project, attached to the Prospectus as Annex A.

The Merger will be conducted on the basis of the financial statements of the Merging Companies for the year ended 31 December 2012, approved by the respective meetings, which will be used as balance sheets pursuant to Article 2501-*quater* of the Civil Code.

2.1.2.3 Nature of significant operation pursuant to Article 70 of the Issuers Regulations

Whereas Article 70 of the Issuers Regulations (IR) and the general criteria for assessing the significance of merger operations pursuant to Annex 3B of said Issuers Regulations, the Merger also constitutes a "significant" operation within the meaning and for the purposes of Article 70 IR.

Therefore, given that Impregilo has decided not to exercise the option provided for in Article 70, paragraph 8, IR ([2]), to waive the (the so-called opt out) performance established in Article 70, paragraph 6, IR ([3]), at least fifteen days prior to the date set for the meeting convened to decide on the Merger, Impregilo will also make a prospectus, drafted in accordance with Annex 3B of the Issuers Regulations, available to the public at the registered office, in the manner set out in Articles 65-*quinquies*, 65-*sexies* and 65-*septies*, IR.

2.1.3 Terms and conditions of the Merger

2.1.3.1 Exchange Ratio

The Merger will be resolved on the basis of the financial statements of the Merging Companies for the year ended 31 December 2012.

For the purposes of analyzing and defining the rationale and structure of the Operation, as well as identifying the values to be attributed to Impregilo and Salini for its assessment of the exchange ratio between the Salini ordinary shares and the Impregilo ordinary shares (the "**Exchange Ratio**"), the Board of Directors of the Merging Companies retained the services of a financial and industrial adviser of proven professionalism.

In particular, on 24 June 2013, the Boards of Directors of Impregilo and Salini, having examined and endorsed the assessments of their respective advisers, and with Impregilo having acknowledged the reasoned favourable opinion of the RPO Committee (see paragraph 2.8), approved the Exchange Ratio, considering it to be a ratio suitable for expressing the mutual weight of the two Merging Companies, in the following way:

6.45 Impregilo ordinary shares for each Salini share.

(2) Article 70, paragraph 8, IR states: "*Without prejudice to the information obligations provided for by law and unless the regulations adopted by the stock exchange operator provide otherwise, the issuers may waive the performance required by paragraph 6, by giving notice to the Consob, the stock exchange operator, and the public when submitting the application for approval of trading of its shares, that is, in accordance with Articles 65-quinquies, 65-sexies and 65-septies. Information relating to such choice is also provided by the share issuers in the financial reports published pursuant to Article 154-ter of the Consolidated Act*".

(3) Article 70, paragraph 6, IR states: "*The share issuers, in the event of significant mergers, demergers or capital increases through the contribution of goods in kind, identified according to the general criteria set out in Annex 3B, or at the request of the Consob, in relation to the characteristics of the operation, notwithstanding the provisions set out in paragraph 8, shall make a prospectus drafted in accordance with Annex 3B available to the public at the registered office, and in the manner set out in Articles 65-quinquies, 65-sexies and 65-septies, at least fifteen days before the date set for the meeting*".

No cash adjustments are foreseen.

For a brief description of the valuation methodologies used by the Board of Directors for the purposes of determining the Exchange Ratio, as well as the selection criteria and application of the above-mentioned methods, please refer to the following paragraph 2.4.

For further details see, in all cases, the content of the Opinion of Partners S.p.A., which is attached to this Prospectus as Annex B, and the report prepared by the Impregilo Board of Directors, in accordance with Articles 2501-*bis* and 2501-*quinquies* Civil Code, which will be made available to the public according to the procedures and time limits laid down by law and regulations.

The shares of the Incorporating Company to be given in exchange will be made available to the sole shareholder of Salini according to the allotment methods and procedures established for the allotment of shares in dematerialized form, as described in paragraph2.1.3.3.

As confirmed above, as a result of the use of financial indebtedness taken out by Salini in order to conduct the Public Offering in relation to the Merger, Article 2501-*bis* of the Civil Code shall be applicable. Therefore, pursuant to Article 2501-*bis*, par. 4 of the Civil Code, the appraisal of the expert appointed by the Court pursuant to Article 2501-*sexies* Civil Code (The "**Appraisal**") in addition to the fairness of the Exchange Ratio, must certify the reasonableness of the information contained in the Merger Project as regards the expected financial resources required to fulfil the obligations of the company resulting from the merger. On 29 May 2013, the Merging Companies, pursuant to Article 2501-*sexies* of the Civil Code, filed a joint petition with the Court of Milan to appoint a Joint Expert with the task of issuing the Appraisal. By decision of 14 June 2013, filed on 25 June 2013, the Court of Milan appointed the company BAKER TILLI REVISA S.p.A., with registered office in Bologna, via Guido Reni n. 2/2, as Joint Expert. The Appraisal will be made available to the public according to the time limits and procedures laid down by law and regulations.

2.1.3.2 Reduction of Impregilo's share capital

When the approval of the Merger is resolved by the Impregilo extraordinary meeting, Impregilo will be asked to approve - with effect from the effective date of the Merger or thereafter, if the reduction is to be implemented after that date - a reduction of the share capital of the Incorporating Company from €718,364,456.72 (*seven hundred and eighteen million three hundred and sixty-four thousand four hundred and fifty-six point seventy-two*) to €500,000,000.00 (*five hundred million*), that is to say, by an amount equal to €218,364,456.72, with €100,000,000.00 earmarked for the "*Legal reserve*" and €118,364,456.72 for the constitution of a specific reserve of shareholders' equity, which we propose to call "*Other reserves*".

The share capital reduction process is advisable to achieve a better structure for the equity of the company resulting from the Merger, which will also optimise efficiency in terms of possible operations, subject to the overall size of the equity of the company resulting from said merger.

Given the fact that Impregilo's shares have a nominal value of zero, the capital reduction will not cancel any ordinary shares and/or savings shares in circulation.

The Impregilo share capital reduction operation will not be subject to the approval of the Special Savings Shareholders' Meeting of Impregilo as the privileges granted by the status of the Incorporating Company to such a class of shares are not calculated on the nominal value of the share capital implicitly represented by the same, as better described in paragraph 2.1.3.6 and in the report prepared by the Impregilo Board of Directors pursuant to Article 2501-*quinquies*, Civil Code, which will be made available to the public according to the procedures and time limits laid down by law and regulations.

2.1.3.3 Procedures for the allocation of Impregilo shares

As a result of completion of the Merger, all Salini ordinary shares will be cancelled and swapped for Impregilo ordinary shares according to the above-mentioned Exchange Ratio.

As indicated in the previous paragraph 2.1.3.1, the Exchange Ratio is established at 6.45 Impregilo ordinary shares for each Salini share.

Based on the above-mentioned Exchange Ratio, the number of Impregilo ordinary shares to be attributed entirely to the sole shareholder of Salini, Salini Costruttori, comes to 402,480,000, representing approximately 89.95% of the ordinary share capital of the Incorporating Company.

The share exchange between Salini shares and Impregilo shares will be implemented on the basis of this Exchange Ratio, with no increase in the capital of the Incorporating Company, by making the following allocations to the sole shareholder of the Merged Company, Salini Costruttori:

(i) 357,505,246 Impregilo ordinary shares, with zero nominal value, currently in circulation and held by Salini, as well as

(ii) a further 44,974,754 newly issued Impregilo ordinary shares, with zero nominal value, without - we reiterate - an increase of capital in the Incorporating Company.

The holders of the Impregilo ordinary shares other than the Merged Company, and the holders of the Impregilo savings shares, will retain the shares currently owned.

As already stated, no cash adjustments are envisaged.

As a result of the capital reduction described in the previous paragraph2.1.3.2 and the allocation operations described above, Impregilo's share capital will come to €500,000,000.00 (*five hundred million*), split into 449,048,182 (*four hundred and forty-nine million forty-eight thousand one hundred and eighty-two*) shares, with no nominal value, of which 447,432,691 (*four hundred and forty-seven million four hundred and thirty-two thousand six hundred and ninety-one*) are ordinary shares, and 1,615,491 (*one million six hundred and fifteen thousand four hundred and ninety-one*) are savings shares.

The ordinary shares of the Incorporating Company issued and allocated through a swap with Salini Costruttori will be listed in the same way as ordinary shares already in circulation, and subject to centralised management by Monte Titoli S.p.A., in dematerialized form, pursuant to the law.

Impregilo will make a service available that can be used to round off the number of Impregilo ordinary shares payable in accordance with the Exchange Ratio to the unit immediately above or below, without charges, stamp duties or fees. Alternatively, other methods can be implemented to ensure the overall balancing of the Operation.

No expenses will be borne by the shareholders for the exchange operations.

The ordinary shares of the Incorporating Company allocated for the purpose of the exchange will be made available as of the effective date of the Merger in the case of a trading day, or the first trading day following. This date will be announced in accordance with law. Any additional information on the share allotment methods will be provided at the same time and in the same way.

2.1.3.4 Date of entitlement of Impregilo ordinary shares allocated in exchange

All ordinary shares of the Incorporating Company that will be allotted or issued as part of the exchange will have an identical entitlement date to that of the Impregilo ordinary shares in circulation on the effective date of the Merger, and will grant the same rights to their holders as those derived from ordinary shares currently in circulation.

2.1.3.5 Amendments to the Articles of Association of Impregilo as a result of the Merger

Once the resolution approving the Merger is passed by the Impregilo extraordinary meeting, Impregilo will be asked to approve the following amendments to the current Articles of Association of the Incorporating Company:

(i) the change of company name established in Article 1 (*Name*) from "Impregilo S.p.A." to "Salini-Impregilo S.p.A." (see paragraph 2.1.2.1);

(ii) the increase in the number of Impregilo ordinary shares established in Article 6 (*Share capital*) by 44,974,754 (*forty-four million nine hundred and seventy-four thousand seven hundred and fifty-four*) newly issued Impregilo ordinary shares, from 402,457,937 (*four hundred and two million four hundred and fifty-seven thousand nine hundred and thirty-seven*) ordinary shares to 447,432,691 (*four hundred and forty-seven million four hundred and thirty-two thousand six hundred and ninety-one*) ordinary shares, as a result of the execution methods used to make the exchange (see paragraph 2.1.3.3);

(iii) the reduction of capital pursuant to Article 6 (*Share capital*) from €718,364,456.72 (*seven hundred and eighteen million three hundred and sixty-four thousand four hundred and fifty-six point seventy-two*) to €500,000,000.00 (*five hundred million*), that is to say, by an amount equal to €218,364,456.72, with €100,000,000.00 to be earmarked for the "*Legal reserve*" and €118,364,456.72 for establishing a special equity reserve, which we propose to call "*Other reserves*" (see paragraph 2.1.3.2).

The text of the new Impregilo articles of incorporation, which will take effect as of the effective date of the Merger. If the share capital reduction of the Incorporating Company is to be implemented after the effective date of the Merger, the respective change in the articles of incorporation shall take place on the effective date of this reduction.

The Articles of Association of the Incorporating Company upon completion of the Merger is annexed to the Merger Project, attached to the Prospectus as Annex A.

2.1.3.6 The Operation as a whole does not affect the rights of the savings shareholders

The proposed Merger and capital reduction shall not be subject to the approval of the special Impregilo savings shareholder meeting, as the privileges granted by the Articles of Association of the Incorporating Company to such class of shares will not be adversely affected. In fact, the privilege established under Article 33 b) ([4]) remains completely unchanged, since it is expressed in terms of absolute values and depends only on the number of savings shares held, a number which, as indicated, remains unchanged. This is similarly, without prejudice in relation to the privilege under Article 33 c) of the Articles of Association, since the dilution as a percentage of the Impregilo savings shares with respect to all of the shares that will make up the share capital as a result of the Merger depends on the mere application of the Exchange Ratio, and therefore reflects the physical consequence of the Merger on the position of all holders of both ordinary and savings shares.

2.1.3.7 Non-existence of the conditions for the right of withdrawal

Taking into account, *inter alia*, the fact that the Merger does not exclude the listing of Impregilo's shares and that, as more fully described in the previous paragraph 2.1.3.6, the capital reduction operation and execution method adopted in order to perform the exchange does not result in any violation of the category rights to which the savings shareholders are entitled, there are no assumptions for the right of withdrawal within the meaning of the applicable legal provisions and regulations.

2.1.3.8 Conditions attached to the completion of the Merger

([4]) Article 33 of the Impregilo Articles of Association establishes that: "*The net profits derived from the annual financial statements will be distributed as follows: (a) 5% to the legal reserve up to the limit established by law; (b) to savings shares by up to 5% of €5.20 per share (equal to €0.26 per share). If in a given accounting year, a dividend of less than 5% of €5.20 per share (equal to €0.26 per share) is allocated to the savings shares, the difference is added to the preferred dividend in the next two years; (c) the remainder will be allocated to all shareholders so that the savings shares receive an increased total dividend with respect to ordinary shares, equal to 2% of €5.20 per share (equal to €0.104 per share), unless the shareholders meeting decides to make special drawings in favour of extraordinary reserves or other allocations. In the case of shareholding regrouping or splitting (as also in the case of capital transactions, where it is necessary so as not to affect the rights of savings shareholders with respect to a situation in which the shares have nominal value), the amounts fixed per share mentioned in items b) and c) above, with reference to the savings shares, will be modified accordingly*".

In addition to approval of the respective extraordinary meetings of Impregilo and Salini, the completion of the Merger is subject to the following conditions:

(a) the failure to formulate an opinion negating that of the Joint Expert regarding the fairness of the Exchange Ratio;

(b) procurement of certification of the Joint Expert, pursuant to and for the purpose of Article 2501-*bis*, paragraph 4 of the Civil Code, regarding the reasonableness of the information contained in the Draft Financial Statements on the financial resources required for the fulfilment of the obligations of the company resulting from the Merger;

(c) non-occurrence - or in the case of non-fulfilment of this condition, the failure of the Merging Companies to waive such condition - before the Merger effective date, of extraordinary situations or circumstances of any kind that are not reasonably foreseeable on the date of the Merger Project that, in light of the accounting positions taken into consideration to determine the Exchange Ratio, negatively affect or are likely to substantially negatively affect one or both of the Merging Companies and/or the groups controlled by them, and the respective balance sheets, and economic or financial positions, or their economic or financial performance, or their respective future prospects, and provided that the intended effects are not caused by a similarly significant and substantial change to the stock market prices of the Impregilo shares.

2.2 Information from the related parties with which the Operation was entered into, the nature of the relationship and the nature and scope of the interests of such parties in the Operation

The Operation, as already specified, consists of a merger by incorporation of Salini into Impregilo.

The ratio of correlation between the Incorporating Company and the Absorbed Company derives from the existence of a participatory relationship between the two companies. More precisely, Salini is to be considered a "related party" of Impregilo within the meaning of item a) of the definition of "*Related parties*" specified in Annex 1 of the RPO Regulations. In fact, as at the Prospectus Date, Salini directly holds 357,505,246 Impregilo ordinary shares, representing approximately 88.83% of the subscribed and paid-up ordinary share capital of the Incorporating Company, thus legally controlling the latter in accordance with Article 93 of the Consolidated Finance Act. Impregilo is also subject to management and coordination by Salini, pursuant to Article 2497-*bis* of the Civil Code.

Again in accordance with item a) of the aforementioned definition of "*Related parties*" specified in Annex 1 of the RPO Regulations, Salini Costruttori, which will be allocated Impregilo ordinary shares on the basis of the Exchange Ratio, according to the time limits and procedures set out in paragraph2.1.3.3, is also considered a related party of Impregilo. In fact, Salini, in its capacity as sole shareholder of the Merged Company, in relation to which it also exercises management and coordination activities pursuant to Article 2497-*bis* of the Civil Code, indirectly exercises control over the Incorporating Company.

With regard to the composition of the Impregilo and Salini Boards of Directors and the positions held by certain members of the Impregilo Board of Directors in the Merged Company, please refer to the indications in the previous paragraph 1.1.

The interests of Salini and Salini Costruttori in the context of the Operation coincide with the interests of Impregilo and are, in particular, ascribable to the aforementioned process of strategic integration between the group to which Salini and Impregilo Group belong, which started in 2011 and was aimed at creating a "Campione Nazionale®" in the complex infrastructure and works construction sector, with shares listed on the MTA, able to compete with major international competitors in terms of economies of scale, size and geographical and sectoral complementarity. The guidelines for this process and, more generally, the economic rationale and purposes of the Operation, as well as the reasons for the advantageousness of the actual Operation to Impregilo and Impregilo Group, are described in detail in paragraphs 2.1.1and 2.3 respectively.

2.3 Economic rationale and purposes of the Operation and advantageousness of the same to Impregilo and the Group under its control

The Merger is part of a larger industrial and strategic design, initiated by Salini Costruttori Group in 2011, aimed at creating a "*Campione Nazionale®*" in the complex infrastructures and works construction sector, giving rise to a large Italian group, with shares listed on the MTA, able to position itself among the top global players in the major civil engineering sector, and to compete on a higher level with the main competitors in terms of economies of scale, size and geographical and sectoral complementarity (see the offer document relating to the public tender offering launched by Salini with respect to Impregilo, available on the website www.impregilo.it - Section "*Investor Relations - Salini S.p.A. public tender offering documentation*").

The Merger is in particular a prerequisite for the full realisation of the benefits of integration, already partly achieved through the commercial and organisational Strategic Collaboration Agreement entered into between Impregilo and Salini Costruttori S.p.A., sole shareholder of Salini, on 27 September 2012 (see press release of 25 September 2012, available on the website www.impregilo.it - section "media/press releases" and the prospectus dated 4 October 2012, available on the website www.impregilo.it - Section "*Investor Relations - Strategy*").

The integration aims to strengthen their competitive position through the consolidation of critical success factors that characterise the business segments led by Impregilo Group and Salini Group, through the attainment of the following main management objectives:

- growth in size with the resulting advantages and synergies, and improvement of conditions of access to the capital market;
- sharing of internal best practices in the processes and instruments adopted;
- optimisation and enhancement of internal resources and ability to attract new talent.

Both Salini and Impregilo have expertise in delivering complex infrastructure projects and have developed the respective sales networks in over 50 countries over the past decades, with little overlap, for the purpose of supervising individual markets both in terms of industrial development and customer relations to ensure customer satisfaction, in order to consolidate their competitive advantage in their respective reference markets. The size aspect is a critical success factor in the major works segment, as it is a necessary condition to manage the complexity of the execution of major projects and to ensure more efficient management of the related risks ([5]).

The strength of the Post Merger Group will therefore be the integrated ability to acquire and execute major projects.

In the 2013-2016 period, it is estimated that the average annual input of orders will amount to 7.5 billion euros, with a Book-to-Bill (defined as the ratio of new orders to revenues) always greater than one. In particular, the order book is expected to grow by 30% to reach nearly 26 billion euros by the end of 2016. In addition to the benefits arising from strategic and competitive strengthening, the larger size will make it possible to achieve efficiencies in the procurement of goods and services for the construction sites (for example, materials, subcontracts, and insurance), goods and services in support of the central structures of the registered office (for example, technical consultation, utilities/services, travel), and machinery and equipment (for example, general purpose machinery, TBM, crushing units).

Most of the synergies described above are achievable only through a merger, since full sharing of the supply strategies and use of all necessary efficiency levers is required, without the limitations due to the complexity of

([5]) By way of confirmation of the considerable benefits arising from increased size, it should be noted that the construction industry has been undergoing a concentration process for years now: in 2004, the top 225 global construction firms held 25% of the global construction market; in 2011, this percentage increased to 32% (Source: ENR, Global Insight).

formal service contract management or transfer pricing systems. The larger business size and the significant expected improvement of the industrial growth profile of the Post Merger Group will provide easier access to international capital markets and, moreover, to more advantageous conditions, due to the reduced level of risk perceived for a large group.

A further advantage of the Merger is the possibility to allocate human resources to various projects in an efficient manner (for example, designers, project managers, and site managers), by taking full advantage of the experience and competence of the individual companies for the benefit of the Post Merger Group's operating earnings and sales. This objective requires the full flexibility derived from the "movement" of human resources already present within the organisation that, following the Merger, will have greater opportunities to develop their specific competencies over a much wider range of projects than was offered by the individual companies from which they came.

In addition, through the Merger, we intend to create a national excellence centre for growth and professional development opportunities for young talent, and graduates in engineering and business.

The Merger will also enable considerable cost benefits to be achieved through improved use of capital goods. For example, once integrated, the Merging Companies can increase the opportunities for re-purposing of machinery, equipment or parts which, once a job has been completed, can be more easily assigned to nearby construction sites instead of being abandoned or sold on the local market at prices that are not always competitive. Another example comes from the opportunity to be able to deal with the expected strong growth by actually using the same organisational structure already present today in the two companies without having to cope with the times and costs related to searching for qualified resources on the market.

For more details, please refer to the content of the report prepared by the Impregilo Board of Directors, in accordance with Articles 2501-*bis* and 2501-*quinquies* of the Civil Code, which will be made available to the public according to the procedures and time limits laid down by law and regulations.

2.4 Methods for determining the Exchange Ratio

2.4.1 Consultants involved in the Operation, criteria for designation and relationships in place with Impregilo Group

In support of the fairness of the Exchange Ratio, the Impregilo Board of Directors has retained the services of an independent financial adviser of proven expertise and experience in this type of transaction. More precisely, at the meeting of 13 May 2013, the Board resolved to initiate to the functional activities of the Operation and to appoint Partners S.p.A., represented by Prof. Angelo Provasoli as expert in charge of drafting the evaluative expert appraisal to support the determination of the Exchange Ratio.

After the adoption of the aforementioned board resolutions, the RPO Committee also initiated activities for review of the Operation, in accordance with the provisions of the RPO Procedure (also see paragraph 2.8), and appointed Lazard S.r.l. as financial adviser.

The aforementioned advisers and consultants were identified by Impregilo by virtue of their requirements of proven ability, professionalism and experience in this kind of operation, and they well-suited to perform their respective duties and to support the Incorporating Company in assessing the fairness of the Exchange Ratio and the suitability and fairness of the Operation, also given the unusual structure of the Merger. We also took into account the extent and structure of the activities they performed in their organizations as a whole, how many clients they had and their reputation, as generally achieved in Italy and/or on an international level.

Notwithstanding the above, we note that Partners S.p.A. rendered consultation and technical assistance services, in favour of both Impregilo and Salini, in accounting and financial matters, including within the framework of judicial and arbitration proceedings. The Impregilo Board of Directors nevertheless found that this circumstance did not give rise to conflicts of interest that could affect the independent judgment of the adviser and, conversely, enabled them to benefit from the wealth of information and analyses already acquired.

With regard to Lazard S.r.l., particular attention has been paid to the independence verification activities, carried out by obtaining specific statements from said adviser. The RPO Committee considered that the fact that the adviser had already assisted Impregilo, as a result of a selection process carried out by the independent directors, at the time of the Offer, had no bearing on whether or not the requirement of independence had been fulfilled and, conversely, enabled it to benefit from the wealth of information and analyses already acquired. Lazard S.r.l. also assisted Impregilo in assessing the acquisition of a 40% stake in the partnership established under Danish law "*Copenhagen Metro Team*". The RPO Committee determined that this task would not invalidate the requirement of independence in light of the compensation and the selection method that, as with the other task, was performed by the Independent Directors of Impregilo at a date following the allocation of the task relating to the Operation.

For more details on the nature of the activities carried out by the RPO Committee and by the consultants appointed by the same in relation to the Operation, please refer to the following paragraph 2.8.

2.4.2 Evaluation criteria used to determine the Exchange Ratio

The Impregilo Board of Directors established the exchange ratio as a result of a reasoned assessment of the Merging Companies, conducted by adopting evaluation methods commonly used even at an international level, in similar operations and for companies operating in the same sector.

For the purposes of determining the exchange ratio, the Impregilo Board of Directors took into account the evaluative considerations formulated by specially appointed primary financial advisers (see paragraph 2.4.1 above), sharing the methods, assumptions, and concluding remarks. Among other things, the Impregilo Board of Directors asked Partners S.p.A. (represented by Prof. Angelo Provasoli), to estimate a reasonable exchange ratio interval between the Salini ordinary shares and the Impregilo ordinary shares, in the context of the planned Merger operation, and to summarise the results of the estimates in a suitable report (the "**Opinion**").

The Opinion, which was acquired by the Board of Directors on 24 June 2013, is attached to this Prospectus as Annex B.

To arrive at the estimate of the economic value of the Incorporating Company's ordinary shares and the Salini ordinary shares, and therefore the resulting determination of the exchange ratio between these shares, the Impregilo Board of Directors referred to generally accepted valuation principles, with particular reference to those most widely used in national and international mergers. In particular, in view of the purpose of the valuations, the Board gave preference to the principle of estimate criteria uniformity, consistently applied with the characteristic features of each of the Merging Companies being evaluated and the elements of comparability derived from the trade agreement signed between the Incorporating Company and Salini Costruttori on 27 September 2012. In light of the characteristics of Salini and Impregilo, the Impregilo Board of Directors deemed it appropriate to consider both criteria based on their basic sizes (cash flows) and so-called "synthetic" criteria (market multiples). In particular, the Board used the following criteria:

- unlevered financial (as the main criterion);
- market multiples (as control criterion), in both applicative variants: (i) stock market multiples of comparable companies and (ii) multiples reflected in the stock market prices of Impregilo.

Unlevered financial criterion

According to this criterion, the value of a business complex is a function of expected future cash flows that it is able to generate independently. The criterion in question, therefore, carries out discounting at a rate representing the weighted average cost of capital (abbreviated as WACC), and the "available" annual cash flow (free cash flow) expected for the business complex being evaluated.

In particular, consistent with the asset side evaluative approach, the unlevered financial criterion, the estimate of the economic equity value is obtained by algebraically adding the net invested capital value (Enterprise value or EV) of the company in light of its net financial position (NFP).

The value of the net invested capital (enterprise value or "EV") is the result of adding up the following elements:

- the current value of “available” operating cash flows, expected for a limited analytical forecast period of “n” years. These flows do not include financial components (as such, they are unlevered flows);
- the current terminal value, that is, the value assumed by the business complex at the end of the analytical forecast. This value is a function of the flows that the business complex is able to generate in “perpetuity,” after the end of the analytical forecast period. The terminal value is estimated by capitalising the expected cash flow over an infinite time horizon for the period following the last analytical forecast period.

Market multiples criterion

(i) Stock market multiples of comparable companies

According to this criterion, the value of a business complex is estimated based on multipliers calculated by referring to the stock market price of the shares of companies comparable to the one being valued, determined in significant periods.

Doctrine and practice distinguishes between “asset side” multiples or “unlevered” multiples (EV/EBITDA, EV/EBIT, etc.) and “equity side” multiples or “levered” multiples (Price/Earnings, Price/Book Value, etc.). The former directly estimate the value of the net invested capital (enterprise value or “EV”) of the business complex and lead to a calculation of the equity (equity value), algebraically, adding the Net Financial Position, the minorities and the equity investments to the EV. The equity side multiples on the other hand, directly lead to a quantification of the equity value.

In the present case, and also in light of the indications derived from the equity reports prepared by analysts who follow the listed companies in the construction sector (including Impregilo), it was preferred to refer to asset side multiples, identified on the basis of the performance values of a sample of listed companies deemed to be comparable to those subject to the estimates.

In particular, the following multiples were adopted:

(a) EV/EBITDA, which compares the economic value of the net invested capital of the company (the enterprise value), to its gross operating earnings (EBITDA);

(b) EV/EBIT, which compares the enterprise value of the company to its operating earnings (EBIT).

Once the multipliers are selected, the stock market multiples criterion goes through the following phases: (i) identification of comparable listed companies making up the reference sample; (ii) calculation of the selected multipliers for each of the companies in the sample and development of one or more representative multipliers; (iii) application of the synthetic multiple observed for the reviewed sample to the relevant figures of the business complex being evaluated.

(ii) Multiples reflected in the stock market prices of Impregilo

Direct stock market capitalisation could only be considered to estimate the market value of Impregilo (Salini actually does not have securities listed on a regulated market). In accordance with the principle of uniformity that serves to guide merger valuations, the Impregilo stock market capitalisation can be used as a reference for estimating the economic value of both the Merging Companies, assuming for this purpose the parameters reflected in listings identified for Impregilo. This is due to the similarity of the business of the Merging Companies and their mutual complementarity.

In particular, the approach followed is broken down, in this case, into the following phases:

(i) determination of the Impregilo market capitalisation, observed over a significant period of time prior to the estimate reference date;

(ii) calculation of multipliers (EV/EBITDA, EV/EBIT) reflected in the Impregilo valuation as per (i). The implicit multiples expressed by the Impregilo share listings were calculated using the following as reference (as denominator of the pre-selected multipliers):

   a. the expected income figures (EBITDA, EBIT) expressed in the Impregilo business plan;

b. the corresponding Impregilo figures resulting from the estimates (*consensus*) drawn up by the financial analysts who are following the security;

(iii) application of the implicit multiples of Impregilo, calculated in the two variants mentioned in the preceding paragraph, to the income figures (EBITDA, EBIT) taken from the business plans of Salini and Impregilo.

2.4.3 Difficulties and limitations encountered in the valuation of the share exchange ratio

Pursuant to Article 2501-*quinquies* of the Civil Code, for the performance of the evaluation analysis described above, the following points were taken into account: (i) the particular characteristics of the Merging Companies and (ii) the critical issues arising from the application of the valuation methodologies used to determine the exchange ratios.

In particular:

– the valuation methods were applied using economic/financial forecast data produced by Salini and Impregilo. Such data, by nature, is uncertain and vague, especially in the current market environment, characterised by uncertainty with regard to the macro-economic conditions in Italy and Europe. The following should be noted in particular:

  - with reference to the orders existing as at this date and in contract form (the so-called backlog), the plans speculate as to flows (revenues and costs) and stocks (assets and liabilities) consistent with the provisions established in agreements with clients. However, it is not possible to exclude the possibility that future events may significantly modify the quantitative and/or time profiles of the flows and stocks arising from these orders;
  - a significant portion of the revenues and operating margins expected over the plan period (2013-2016) is associated with orders expected to be taken over (the so-called "new order intake"). Given the nature of the infrastructure construction business (limited number of orders having a significant unit value), new acquisitions are a significant element of uncertainty. This uncertainty profile was taken into account when estimating discount rates and in the sensitivity analyses;
  - the Impregilo and Salini businesses are developed with an international approach and are therefore exposed to geopolitical risks. When applying the unlevered financial criterion, such risks were taken into account by evaluating the activities located in relatively risky environments and by incorporating the greatest Country risk related to such environments into the estimates for the activities in question;
  - the Impregilo plan assumes, *inter alia*, the occurrence of certain relevant claims and the assignment of specific assets. The context of these events is, at present, characterised by uncertainty profiles. These uncertainty profiles were taken into account in the estimates;

– the reference to the market prices presents implementation difficulties due to the underlying assumption that the market is sufficiently liquid and efficient, especially for the limited free float of Impregilo. In addition, the market listing trends are characterised by volatility, especially in the short-term;

– the use of data (such as beta coefficients and stock market multiples) derived from market observations, is based on the assumption that the data is applicable to the business complexes being merged, and therefore relates to situations that are similar to those under consideration. It should however be pointed out that, in light of the specific nature characterizing each business situation considered, such comparability is still only partial.

2.5 Illustration of the economic, financial and asset effects of the Operation

The Merger shall take effect in accordance with civil law, pursuant to Article 2504-*bis*, paragraph 2 of the Civil Code, with effect from 1 January 2014 or such other date as may be specified in the Merger instrument. As of the effective date of the Merger, Impregilo will replace Salini in all relations to which Salini was previously a party, and assume the respective rights and obligations.

Again as of the aforementioned date, for accounting purposes and tax purposes and for the purposes of Article

2501-*ter*, paragraph 1, subparagraph 6 of the Civil Code, the operations of the Merged Company will be charged to the budget of the Incorporating Company, pursuant to Article 2504-*bis*, paragraph 3, Civil Code and the applicable provisions of the Consolidated Income Tax Act, approved by Presidential Decree no. 917 of 22 December 1986.

With regard to the impact on assets, on 24 June 2013, the two Boards of Directors of Salini and Impregilo approved, *inter alia*, the Plan of the Post Merger Group for the 2013-2016 period, which was presented to the financial community on 27 June 2013 (see the submission available on the website www.impregilo.it - Section "*Investor Relations - Salini/Impregilo Merger*"). In particular, the Plan foresees a consolidated revenue growth of around 16% on an annual basis, up to a total of 7.4 billion euros in 2016. The current backlog of approximately 20 billion euros will produce about 60% of the revenues in the Plan period, which will provide a solid basis for expansion of the business. The integration synergies resulting from the Merger are estimated at almost 100 million euros when at full potential in 2016. For the sake of prudence, the Plan provides for extraordinary costs of about 20-30 million euros, distributed between 2013 and 2014. Taking the synergies into account, EBITDA is forecast to grow from 274 million euros recorded in 2012 (consolidated results on a pro forma basis) up to 1 billion euros in 2016, with a margin of more than 13.5%. EBIT is also forecast to increase significantly, reaching a margin of about 9% in 2016. Operational management will therefore be in full expansion and will provide for the internal financing of capital expenditures, particularly machinery for operations, which will come to approximately 1.3 billion euros over the period of the Plan, with an annual average of about 325 million euros. Finally, it is expected that operational management and extraordinary management will make it possible to attain a positive net financial position of €110 million in 2016.

The following table sets out the main objectives of the Post Merger Group, in line with what is described in the Plan.

Industrial Plan Targets 2016

Revenues	€ 7.4 bn	Revenue Growth (CAGR)	16%
EBITDA	~ €1 bn	EBITDA margin	> 13.5%
EBIT	> 670 m	EBIT margin	> 9%
Backlog	~ € 26 bn	New Order Intake (annual average)	€ 7.5 bn
Capex Construction (annual average)	~ € 325 bn	NFP	~ € 110 m

The Boards of Directors of the Merging Companies believe that, after the Merger and in accordance with the provisions of the Plan and with the resources that will be generated in this area, the Incorporating Company will have a financial capacity and assets adapted to the needs represented by the financial obligations of said company.

The table below shows the trend of expected net operating cash flows under the Plan of the Post Merger Group, with a view to providing an evaluation of its ability to fulfil its financial obligations, taking into account a shareholder remuneration policy that provides for payment of dividends amounting to approximately 40% of net profits expected in each year.

Cash Flow - Economic/Financial Plan 2013-2016				millions of €
Consolidated	**2013 P**	**2014 P**	**2015 P**	**2016 P**
Initial Balance Net Financial Position	**404**	**(269)**	**30**	**33**
Cash flow generated (absorbed) by operating activities	44	648	551	708
Cash flow generated (absorbed) by investment activities (capital expenditures)	(184)	(297)	(448)	(531)
Cash flow generated (absorbed) by financing activities and significant transactions	(534)	(52)	(101)	(100)
Final Balance Net Financial Position	**(269)**	**30**	**33**	**110**
of which Cash and Cash Equivalents	*1,347*	*1,116*	*907*	*947*
of which Financial Debt	*(1,616)*	*(1,086)*	*(874)*	*(837)*
Final Balance Net Financial Position	**(269)**	**30**	**33**	**110**

The analysis of the expected cash flows highlights the high level of sustainability of the Post Merger Group's debt exposure, as well as the respective ability to fulfil its obligations towards its creditors. The net financial position is expected to gradually improve, even with a substantial investment plan intended for industrial development.

For more details on the debt structure of the Merging Companies, and on the Plan and its main assumptions, please refer to the Merger Project and the descriptions given in the report prepared by the Impregilo Board of Directors, in accordance with Articles 2501-*bis* and 2501-*quinquies* of the Civil Code, which will be made available to the public according to the procedures and time limits laid down by law and regulations.

Lastly, as stated in the Introduction of this Prospectus, the Merger qualifies as "significant" for the purposes of Article 70, paragraph 6, of the Issuers Regulations. Therefore, at least 15 days before the set date, upon first call of the extraordinary general meeting of Impregilo shareholders that will be asked to vote on the Merger, the Incorporating Company will make available to the public at the registered office and in the manner provided for in Articles 65-*quinquies*, 65-*sexies* and 65-*septies* of the Issuers Regulations, a prospectus drafted in accordance with Annex 3B of said Issuers Regulations, containing - among other things - additional financial information intended to illustrate the economic, financial and equity impacts of the Merger.

2.6 Impact of the Operation on the remuneration of the members of the executive board of Impregilo and/or of its subsidiaries

The implementation of the Operation will not lead to a change in the amount of remuneration of the directors of the Incorporating Company and/or Impregilo group companies.

2.7 Interests of members of the executive and audit bodies, general managers and executives

Without prejudice to what was indicated in the previous paragraph 1.1, members of the executive and audit bodies, general managers and executives of the Merging Companies are not involved in the Operation as related parties.

2.8 Description of the activities carried out by the RPO Committee in relation to the Operation

As indicated in the Introduction to this Prospectus, pursuant to the RPO Regulations and RPO procedure, the Operation is a "Major Operation between Related Parties", because its characteristics are of such a nature as to exceed the "significance" thresholds set out in Annex 3 to the RPO Regulations. In relation to the Merger, Article 7 of the RPO procedure is therefore applicable, which requires - *inter alia* - the RPO Committee to issue - within a useful period of time, so as to allow the competent body to deliberate on the matter - a reasoned favourable binding opinion on the interest of the company to complete the operation, and on the essential suitability and fairness of the respective conditions.

It should be noted that the RPO Committee was established by resolution of the Impregilo Board of Directors on 18 July 2012. At that time, the Directors Alberto Giovannini (serving as Chairman), Marina Brogi, Giuseppina Capaldo and Geert Linnebank were appointed as members.

As indicated in paragraph 2.4.1, following the Board meeting held on 13 May 2013, the RPO Committee promptly launched the preparatory phase pursuant to Article 7 of the RPO procedure and appointed Lazard S.r.l. as financial adviser.

The activity of the financial adviser was performed through participation in meetings with the RPO Committee, where said adviser provided the RPO Committee with an update on the information acquired through access to the documentation made available by the Merger Companies, each within the scope of their own authority, in appropriate data rooms (which were also accessible by the members of the RPO Committee), as well as an update on the documents produced on the basis of such information. The activity of Lazard S.r.l. ended with the drafting of an opinion (the so-called fairness opinion) regarding the fairness of the Exchange Ratio for Impregilo from a financial point of view.

In performing its duties, the RPO Committee met with and/or asked for clarifications and explanations from the management of both Merging Companies, from a primary industrial adviser commissioned by Impregilo (the "**Industrial Adviser**"), from PriceWaterhouseCoopers S.p.A. (as independent auditors entrusted with issuing a report to be attached to the Merger Project) and from the financial advisers used by Impregilo and Salini respectively. The RPO Committee has also participated in special meetings to determine the Exchange Ratio. In particular, the Impregilo Board of Directors, at the meeting of 11 June 2013, delegated the Independent Directors Mr Pietro Guindani and Ms Laura Cioli (the "**Designated Directors**") to conduct the necessary dialogue with the representatives appointed for that purpose by Salini, the Directors David Morganti and Gianluca Piredda, with regard to the discussions on the Exchange Ratio, making use of the evaluations and the information available concerning the Merging Companies, as well as the support of financial and legal advisers appointed by Impregilo. The Designated Directors have met a total of five times, four of which were with the two Directors appointed by Salini.

In the period between 13 May 2013 and 24 June 2013, the RPO Committee met ten times and participated, through its members, in a further four meetings of the Designated Directors. In particular, as part of the preparatory activity, the RPO Committee was involved in the preliminary phase preceding the adoption of decisions of the Impregilo Board of Directors, which approved the Merger Project and the directors' report on the Merger Project, and carried out its functions by receiving a continuous and timely flow of information on the terms and conditions of the Operation. The RPO Committee, in addition to carrying out the activities described above, has:

- examined the overall terms and conditions of the Merger;
- analysed the evaluations made by its adviser Lazard S.r.l. in relation to the financial aspects, and has consulted with the Industrial Adviser *on* the industrial aspects;

- acknowledged the Plan prepared pursuant to Article 2501-*bis*, paragraph 3 of the Civil Code and consulted with the Impregilo management, PriceWaterhouseCoopers S.p.A and the Industrial Adviser on this matter;
- reviewed the contents of the draft Merger project and the evaluations and reasons set out in the draft report of the directors pursuant to Article 2501-*bis* and 2501-*quinquies* of the Civil Code, and also
- acknowledged the fairness opinion issued by Lazard S.r.l.

Upon completion of its work, the RPO Committee issued a favourable opinion on 24 June 2013 regarding *(i)* the existence of Impregilo's interest in performing the Merger, based on the terms and conditions specified by the management in the draft Merger Project, as well as *(ii)* the suitability and fairness of the terms and conditions described above.

This opinion was unanimously approved by the members of the RPO Committee at the meeting of 24 June 2013.

It should be noted that the opinion of the RPO Committee, attached to this Prospectus, includes the fairness opinion issued by financial adviser Lazard S.r.l.

The Merger Project was finally approved by the Impregilo Board of Directors on 24 June 2013, by majority vote, with one abstention by Managing Director Pietro Salini, in view of the similar position held in the Merged Company.

Milan, 1 July 2013

Impregilo S.p.A.

The Chairman

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* * *

ATTACHMENTS

Annex A	Merger Project and its annexes.
Annex B	Opinion issued by Partners S.p.A. on 24 June 2013.
Annex C	Opinion of the Impregilo Related Parties Operations Committee, issued on 24 June 2013, including the fairness opinion issued by Lazard S.r.l. on the same date.

PARTNERS
CONSULENTI E PROFESSIONISTI ASSOCIATI

ATTACHMENT B

Prof. Angelo Provasoli

REPORT ON THE ESTIMATE OF THE EXCHANGE RATIO IN THE MERGER BETWEEN IMPREGILO SPA AND SALINI SPA

Milan, 24 June 2013

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1. OUTLINE OF THE MERGER OPERATION

1.1 Introduction and brief

This report falls within the scope of the analyses and in-depth studies conducted by the Boards of Directors of the companies Impregilo SpA ("Impregilo"), listed on the Mercato Telematico Azionario [Electronic Stock Market] managed by Borsa Italiana SpA, and Salini SpA ("Salini" and, jointly with Impregilo, also referred to as the "Companies"), functional to the completion of the merger of the two entities through the legal institution of the merger.

The integration of the entities in question is part of a larger project undertaken by Salini in the second half of 2011, with a view to the gradual consolidation of its strategic investment in Impregilo and the creation of a global player in the construction sector. In particular, the soon to be realized merger operation follows a series of acts that enabled Salini to acquire legal control of Impregilo in March 2013.

The main information elements and previous events intended to organise the operation set out in this report are as follows:

- Salini is a company fully owned by Salini Costruttori SpA. It was constituted on 6 December 2011 and began operations on 1 January 2012, on which date the contribution (from the sole shareholder) of the operational business unit in the infrastructural construction sector became effective, inclusive, among other assets, of a stake of about 15% in the Impregilo capital, acquired in the second half of 2011;
- in the January – July 2012 period, Salini increased its stake in the ordinary capital of Impregilo to 29.8% by means of numerous acquisitions on the market;
- on 17 July 2012, the ordinary shareholders' meeting of Impregilo, upon proposal of Salini the shareholder, decided by majority vote to remove the current directors and appoint a new Board of Directors, composed of a majority of directors representing Salini;
- on 27 September 2012, an organisational and commercial cooperation agreement was entered into between Impregilo and Salini Costruttori SpA in order to begin a strategy of collaboration intended to capture market opportunities, and to save on costs through operational and industrial synergies (while keeping the two companies legally separate)[1];

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[1] In detail, "*by entering into the Agreement, the Parties wish to identify, assess and, where possible, <u>create mutual commercial and industrial synergies</u> with a view to (i) having a strong commercial presence on a global scale; (ii)*

- in the March – April 2013 period, Salini initiated and completed a voluntary Public Tender Offer ("PTO") for all the ordinary shares in Impregilo SpA. As a result of the offering, Salini acquired 92.1% of the ordinary capital in Impregilo;
- since the PTO had not been finalised when the Impregilo ordinary share listings were withdrawn, after the conclusion of the offer, Salini (through the sale of shares on the market) took measures to restore the floating value necessary to ensure the regular trading of the said shares. Following these operations, Salini held an 88.83% stake in the ordinary share capital of Impregilo;
- finally, the Boards of Directors of Impregilo and Salini, on 13 and 14 May 2013 respectively, ruled on the start-up of the preliminary activities for performance of the merger between the two companies.

From a formal point of view, the corporate integration project being carried out establishes the merger by incorporation of Salini into Impregilo. Technically, it is a so-called "reverse merger" operation, as the incorporating company, that is, Impregilo, is directly controlled (as mentioned, through an 88.3% stake in the capital) by the incorporated company, that is, Salini. It should also be specified that as a result of recourse to financial debt to perform the public offering launched by Salini for Impregilo, the planned merger covers the case in hand under art. 2501 bis of the Civil Code (merger leveraged buy-out).

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setting up an integrated team of resources with a broader range of skills, thus enhancing the management capabilities of Impregilo and Salini; (iii) expanding on their references and track record in order to be able to participate in tenders for the performance of jobs of greater complexity and size; and (iv) benefitting from cost and operational synergies, without affecting the individuality, structures, and substance of the individual companies". In addition, "*in the scope of the collaboration strategies set up by the Agreement, the Parties have recognised the opportunity to establish a procedure for ongoing cooperation in the selection of Works of mutual potential interest and in the participation in the respective Tenders, providing for a principle of equal selection of the shares of participation in the said Works"* (see "Information document related to the strategic agreement for commercial and organisational cooperation between Impregilo SpA and Salini Costruttori SpA", pages 7-9; our underlining). The aforementioned strategic agreement therefore provides for equal participation (50% each) of the two Companies in all tenders/jobs (and in the respective revenues and costs) initiated following the effective date of the said agreement (27 September 2012).

It should be remembered that according to civil regulations, the Boards of Directors of the companies participating in the merger have a duty to propose the so-called "exchange ratio" relevant to the operation, to the respective Shareholders' Meetings, which sets out the number of shares of the incorporating company to be provided as part of the merger for each share of the incorporated company. The exchange ratio proposed by the directors is subject to a fairness opinion issued by one or more experts appointed by the Court, pursuant to art. 2501 sexies of the Civil Code. Finally, the Shareholders' Assemblies of the involved companies are responsible for ruling on the exchange ratio proposed by the directors and verified by the experts.

In this context, on 13 May 2013, the Impregilo Board of Directors entrusted the undersigned Angelo Provasoli, Professor of Business Economics at the Università L. Bocconi [L. Bocconi University] and Chartered Accountant, with the task of drafting the report on the estimate of the exchange ratio of Salini's ordinary shares in relation to Impregilo's ordinary shares as part of the above-described operation[2]. In particular, this report is intended to provide the Impregilo Board of Directors with information, data, and economic references that will help to identify the ratio in question in the merger operation between the two Companies to be proposed to the respective Shareholders' Meetings.

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This report is structured as follows:

- Following this chapter, considerations are set out in relation to the specific aspects of the assessments on the merger (see § 1.2), on the valuation reference date and the set of information adopted (see § 1.3);
- Chapter 2 outlines the preselected valuation architecture and describes the criteria, from a methodological point of view, adopted for valuation of the economic values of the Companies' capital (equity value) as preparation for establishing the exchange ratio deemed fair as part of the merger operation in question;
- Chapter 3 presents the results of applying the identified criteria. In the chapter in question, a summary of the key sections of the consolidated economic/financial plans of Impregilo and Salini are also illustrated;
- Chapter 4 determines the valuation of the interval in which, in the opinion of the undersigned, the exchange ratio between the ordinary shares of the Companies can be established as fair during the

[2] It is anticipated that the share capital of Impregilo is also composed, in addition to ordinary shares, of savings shares listed on the Milan Stock Exchange. The financial instruments belonging to the aforementioned category are, however, not involved in the swap.

deliberations of the said Companies' Boards of Directors. The exchange ratio is calculated after comparing the unit values of the ordinary shares of the companies participating in the merger. This chapter also indicates the limits, assumptions, and main difficulties of the valuation.

1.2 The specific characteristics of the merger valuations

The merger by incorporation operation (such as the one being examined here) takes place through the integration of two (or more) legal entities. The merger causes the extinction of one company (the incorporated company) and the transfer of assets and respective legal relations to the incorporating company.

Following the operation, the shares in the incorporated company are cancelled and shares in the incorporating company (existing or newly issued shares) are assigned to the shareholders of the same company (different from the incorporating entity) in proportion to the established exchange ratio.

From an economic point of view, the exchange ratio is, in principle, valued in accordance with the balance of values of the shareholding structures of the companies involved in the operation.

The general outlines defined above are also valid in the case of reverse mergers. In this case, the specific characteristic of the operation is derived from the fact that the shares of the controlling company are the subject of cancellation and swap. In other words, the controlling company (Salini), in this case, ceases to exist and its shareholders receive shares from the controlled company (Impregilo). As a result of the merger and the consequent swap, the shareholders of the controlling company (Salini Costruttori SpA) come into possession of the stake in the former controlled company (Impregilo) held by Salini prior to the merger, and receive a further stake in Impregilo. This stake depends on the economic value of the net assets (and also on the debt incurred in order to undertake the aforementioned PTO) of Salini, subsequent to the stake in Impregilo, "contributed" as a result of the reverse merger in Impregilo.

In light of the above, it should be noted that the merger operation involves a complex and intricate valuation procedure. The merger valuations first require the determination of the economic capital values (equity value) of the companies directly involved in the operation and are concluded by determining the exchange ratio between the shares of the said companies. The valuation of the absolute values of the capital in the individual companies is an intermediate step in the valuation procedure, whose ultimate purpose, as indicated, is to establish the value of the ratio between the values of the said companies.

Therefore, according to the doctrine and practice in question, the merger valuations must be aimed at obtaining absolute values of the capital in the participating companies that are significantly comparable in the exchange ratio calculation phase. Consequently, valuations that are part of merger operations must be conducted according to the general logic of a homogeneous and uniform approach throughout the entire valuation process. In technical terms, the above-mentioned principle of homogeneity typically leads to: (i) the adoption of a homogeneous and comparable information base; (ii) a choice of valuation criteria that is relatively uniform for the various companies operating in the same sector; (iii) the assumption of consistent fundamental implementation choices for the companies involved in the merger, while taking into account the unusual characteristics of the specific situations.

In short then, the ultimate purpose of the valuations in question is not so much to evaluate the absolute levels of the economic capital values of the companies involved in the merger, as to obtain values that are significantly comparable for the purpose of determining the exchange ratio. Therefore, the business valuations made for the purposes that constitute the premises of this expert appraisal may be assumed for different reasons.

1.3 <u>The reference date of the valuation and the information analysed</u>

The valuation analyses were mainly based on data from the consolidated asset positions of Impregilo and Salini as at 31 December 2012, adjusted to reflect the effects of certain significant events that took place following the closure of the financial year (31 December 2012) and prior to the date of this report. In particular, it should be noted that:

- for Impregilo, the consolidated asset position as at 31 December 2012 was adjusted (on a pro forma basis) to take into account the effects derived from (i) the assignment, which took place on January 2013, of the last tranche (6.5%) of the stake held by the group in the capital of the Brazilian company EcoRodovias Infraestrutura e Logistica S.A.[3] and (ii) the distribution, in May 2013, of an extraordinary dividend by the company to its ordinary shareholders (and therefore also to Salini, see below) for a total of €602.2 million;

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[3] It should be noted that a share of 22.74% in the stake of such a company was assigned by the Impregilo group (in particular, by the subholding company Impregilo International Infrastructures NV, controlled by Impregilo SpA) in the second half of 2012.

- for Salini, the pro forma balance sheet as at 31 December 2012 showed the effects related to (i) the increased stake of Impregilo (from 29.8% to 92.1%) following the PTO conducted on the ordinary shares of the aforementioned company, completed by Salini in April 2013, (ii) the assumption of financial debts with a view to financing the operation in item (i), (iii) the subsequent sale (at about 3.3% of the ordinary capital) of Impregilo shares on the market in order to reconstitute the float, and (iv) the collection of the share pertaining to the extraordinary dividend distributed by Impregilo in 2013, also used to reduce the debt mentioned in item (ii).

The undersigned incorporated into his analysis the key information and company facts up to the date of this report, on which date the determined values are reported. Market data was considered up to 11 June 2013.

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For the purpose of performing the entrusted task, the undersigned reviewed the following main information elements[4]:

- the current articles of association (or Bylaws) of both Companies;
- separate and consolidated Impregilo and Salini financial statements as at 31 December 2012;
- pro forma balance sheets of Impregilo and Salini as at 31 December 2012 (including the statements containing the net financial position), which reflect the effects of the significant events taking place following the closing date of the 2012 accounting year and mentioned above;
- table reporting the net financial position of Impregilo on 31 March 2013, drawn up as pro forma to take into account the effects of extraordinary events after the closing date (i.e. distribution of the extraordinary dividend);
- consolidated quarterly report of Impregilo as at 31 March 2013;
- the "Salini SpA stand-alone industrial plan 2016" document drawn up by the company management with the support of "The Boston Consulting Group", as strategic consultant, and approved by the Salini Board of Directors on 10 June 2013;

[4] It should be noted that the corporate documentation was made available by the Companies by setting up a suitable data room.

- the "Impregilo stand-alone industrial plan 2016" document drawn up by the company management with the support of "The Boston Consulting Group", as strategic consultant, and approved by the Impregilo Board of Directors on 11 June 2013;
- the "Salini-Impregilo consolidated industrial plan 2016" document drawn up by the management of both Companies with the support of "The Boston Consulting Group", as strategic consultant, and approved by the Boards of Directors of Impregilo and Salini on the same dates the stand-alone plans were approved;
- for Impregilo and Salini, consolidated Profit and Loss Account, Balance Sheet, and Financial Statements, supplemented by details, in Excel format, related to the 2013-2016 period;
- document "Agreement for Merger between Impregilo SpA and Salini SpA" entered into on 27 May 2013;
- "Information document related to the strategic commercial and organisational cooperation agreement between Impregilo SpA and Salini Costruttori SpA, dated 4 October 2012, accompanied by the respective appendices[5]
- the "Salini-Impregilo, overview of the Group, markets of reference and competitors" document drawn up by the management of the Companies in May 2013;
- "Full voluntary Public Tender (…) Offer pertaining to the ordinary shares of Impregilo SpA offered by Salini SpA", published on 16 March 2013;
- Impregilo and Salini letters dated 19 and 21 June 2013 respectively, in which the undersigned is informed of the non-existence of events and/or facts to be noted in relation to the information made available in the data room;
- Impregilo press releases, published between the start of 2013 and the reference date of this report;
- recent equity reports of the financial analysts related to Impregilo and comparable listed companies;
- recent financial statements of listed companies comparable to Impregilo and Salini;
- market data and other economic information useful to the valuation derived from public sources (International Monetary Fund, Central European Bank, Bank of Italy, New York University –

[5] In particular, these appendices include (i) the opinion of the Corporate Governance Advisory Board, issued on 6 September 2012, (ii) the opinion of the Committee for Operations with Related Parties, issued on 25 September 2012, and (iii) the opinion of the Corporate Governance Advisory Board, issued on 27 September 2012.

Stern School of Business, KPMG "*Corporate and Indirect Tax Survey 2012*") and from specialist databases (Bloomberg, Thomson Financial Reuters).

The undersigned also had contact on several occasions, as well as through the appropriate meetings, with the management of both Companies and their consultants for the purpose of obtaining a deeper understanding and discussing the information provided by them.

2. THE VALUATION CRITERIA ADOPTED

2.1 Choosing the valuation criteria

Business doctrine and professional practice have led to the creation of various methods for determining the economic value of the businesses. These include the following:

(a) equity-based methods, which determine the economic value of the company capital based on the current value of the asset and liability elements of the net equity;
(b) income-based methods, which determine the economic value of the company capital as a function of income statements;
(c) mixed equity/income methods, which combine the essential principles of the income-based methods and the equity-based methods. These include the "UEC" method ("Union of European Accounting Experts"), which is used to independently determine the value of goodwill of the total amount to be evaluated according to their income statements and algebraically adds the value to that of the net equity expressed in current values;
(d) financial methods, which are based on the expected cash flows generated by the company and available to shareholders and/or creditors;
(e) the so-called "market" multiples methods, which determine the corporate capital value based on multipliers implicit (i) in the Stock Market prices of the shares in companies comparable to the one subject to the valuation, or (ii) in the remunerations agreed in transactions pertaining to similar (target) companies;
(f) Stock Market direct listing methods, which assess the economic value of companies listed based on the price of their shares reported at significant time intervals, near the valuation reference date.

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In the case in hand, the choice of valuation criteria used as part of the adopted valuation model was oriented, not only by the indications of business doctrine and professional practice in the field, but also by evidence obtained (i) from an analysis of the equity reports recently written by financial analysts monitoring Impregilo securities and the other comparable listed companies active in the construction sector, and (ii) from the fairness opinion issued by the advisers at the time of the PTO undertaken by Salini in relation to Impregilo.

The valuation architecture used here for the purpose of value the exchange ratio of the ordinary shares in the Companies participating in the merger, consists of a principal method and two other methods intended to monitor the results of the principal method.

The unlevered financial method (unlevered discounted cash flow model, or “DCF”, see (d) above) was adopted as a primary valuation reference. The methodological profiles of this criterion are illustrated in § 2.2.1.

The following criteria were used for monitoring purposes:

(i) the market multiples criteria obtained from the Stock Market prices of companies comparable to the one subject to valuation (see (e) above). This criterion is described in detail in § 2.3.1;

(ii) the criterion of multiples implicit in the Stock Market listings of the Impregilo shares (the only listed company among those subject to valuation). This criterion is described in § 2.3.2 in the application details.

The choice to simultaneously use more than one valuation method is preferred in practice and is assessable in methodological terms. The use of several criteria makes it possible to consider, in different and complementary profiles, the attractiveness of the companies subject to valuation and to provide intersecting responses from the obtained results, with the advantage of providing “robustness” to the valuation conclusions.

The use of multiple criteria at the same time encourages better delimitation of a more reasonable range of values attributable to the individual companies and thus the exchange values.

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It is noted that the economic value of Salini is also reflected in its patrtimony of assets, particularly the controlling stake (88.83%) in the ordinary capital of Impregilo.

In this respect, the undersigned has done the following for the purpose of valuation:

1. first of all, determined the economic value of the capital (the equity value) of Impregilo using each of the selected methods;
2. then calculated the economic value of the capital (the equity value) of Salini as a sum of: (a) the economic value of the stake held by Salini in Impregilo, equal to the pro rata value of the subsidiary valued pursuant to 1)[6], and (b) the economic value of Salini's business, net of debt, other than its stake in Impregilo, determined on each occasion using the same criteria as for the Impregilo capital.[7]

With regard to the guidelines adopted for the valuation, it is noted that:

- in light of the nature of the merger valuations, as put forward in § 1.2, the evaluative work was founded on the general principle of homogeneity of the valuation criteria used and the information sources adopted. In particular, according to this principle, the valuation of the exchange ratios was established by using, for each of the companies involved in the merger operation, with respect to the specific characteristics of each one, (i) a standardised information base (industrial plans, financial information, etc.), (ii) uniform valuation methodologies, and (iii) mutually consistent application parameters for each criterion;
- the valuation of the business complexes pertaining to Impregilo and Salini was obtained on a stand-alone basis, that is, disregarding the valuation and attribution of the potential synergies expected from the integration of the two Companies. The integration synergies resulting from the joint contribution of each of the companies involved in the merger and the respective benefits are difficult to attribute to one merger entity or the other[8];

[6] That is to say, excluding the application of mark-ups, see below.

[7] The valuation of Salini's capital takes into account, among other things, the financial debt incurred for the purpose of the PTO undertaken in relation to Impregilo, net of the quota of the debt already repaid following payment of the extraordinary dividend by Impregilo and received by Salini.

[8] As we will specify below (see § 3.1), the economic/financial plans of Impregilo and Salini used for the valuation took into account the commercial and industrial synergies derived from the strategic cooperation agreement entered into between Salini and Impregilo on 27 September 2012. The consideration, for evaluation purposes, of benefits derived from such synergies is not inconsistent with the adoption of the stand-alone logic mentioned above, as long

- considering that the merger is an operation of an organisational nature and not of an acquisitive nature, the exchange ratios do not take into account control premiums;
- by applying only market criteria, the valuation considers the different statuses of the two Companies participating in the merger, one listed and one not listed. The consideration of the different status is explained by the fact that the valuations based on Stock Market multiples express market values that incorporate an implied premium associated with the liquidity of the security.

2.2 <u>The main valuation criterion</u>

2.2.1 The unlevered financial criterion

According to this methodology, the value of a business complex is a function of the expected future cash flows that the said complex is capable of generating independently. The criterion in question, therefore, involves discounting of the "available" annual cash flows (free cash flow) expected for the business complex subject to valuation, at a rate that is representative of the weighted average cost of capital ("WACC" for short).

In particular, in line with the asset-side evaluative perspective of the unlevered financial criterion, the determination of the economic net equity value is obtained by algebraically adding the net financial position (NFP) of the company in question to the net invested capital value (i.e. the Enterprise Value or EV)[9].

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as the benefits in question do not originate from the corporate merger between Salini and Impregilo but are derived from management conditions (i.e. the cooperation agreement) already existing on the date of the merger.

[9] It should also be noted that:

- if the business complex is also constituted by stakes in companies not fully consolidated or proportionally consolidated (equity investments), the enterprise value must be increased by the value of such stakes, as long as the related flows are not included in the consolidated free cash flows;

The net invested capital value (enterprise value of “EV”) of a company is obtained by applying the unlevered financial criterion and the result of the sum of the following elements:

- the current value of the “available” operating cash flows (“CF” in the formula (1) set out below), expected for a limited analytical forecast period of “n” years. These flows, therefore, do not include components of a financial nature (in other words, they are unlevered flows);
- the current terminal value (“TV” in the formula (1) set out below), that is to say, the value assumed by the business complex at the end of the analytical forecast period. This value is a function of the flows that the business complex is capable of generating “in perpetuity”, following the end of the analytical forecast period. The terminal value is determined by capitalising the expected cash flow for the period following the last analytical forecast period (“CF_{n+1}”), over the length of an infinite time interval.

The calculation algorithm that converts the valuation criterion in question in terms of application is as follows:

$$EV = \sum_{t=1}^{n} \left(CF_t \cdot v^t \right) + TV_n \cdot v^n + EI \qquad (1)$$

where:

- **EV** is the enterprise value of the business complex subject to valuation;
- **n** is the number of years making up the analytical forecast period of the “available” cash flows;
- $\mathbf{CF_t}$ is the “available” cash flow of the business complex subject to valuation, expected in the period “t”;
- $\mathbf{TV_n}$ is the terminal value of the business complex at time n (that is, at the end of the analytical forecast period), calculated in mathematical terms by means of the formula $TV_n = CF_{n+1}/WACC - g$);

- if minority shareholders (i.e. minority interests or minorities) are present in subsidiaries or affiliates of the company subject to valuation (and are fully consolidated), the value of the respective shares must be subtracted in order to determine the equity value (belonging to the parent company).

- $\mathbf{v^n}$ is the discounting coefficient, equal to $1/(1+WACC)^n$;
- **WACC** is the weighted average cost of capital and net financial debt;
- **g** is the annual growth rate of the "available" cash flows of the business complex expected in perpetuity;
- **EI** is the value of stakes in companies not fully consolidated or proportionally consolidated (equity investments).

On the other hand, the equity value (or "W") is obtained by applying the following algorithm:

$$W = EV + / - PFN - min \qquad (2)$$

where:
- **W** is the equity value of the business complex subject to valuation;
- **EV** is the enterprise value;
- **NFP** is the net financial position, equal to the financial debt value net of cash and the financial assets that can be readily turned into cash[10];
- **min** is the value of the minority interests, that is, the stake of minority shareholders in the capital of the subsidiaries or affiliates of the company subject to valuation (and which are fully consolidated).

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The discount rate (WACC), in line with the predominant evaluative practice, is calculated by adopting a sector "representative-average" financial structure as reference. In particular, the evaluative formula adopted to determine the WACC is the following:

$$wacc = Ke \cdot \frac{E}{D+E} + Kd \cdot (1-t) \cdot \frac{D}{D+E} \qquad (3)$$

where:

[10] This aggregate is subtracted from the EV to obtain the equity value where the liability entries are of a greater amount than the asset entries (or added if the opposite is true).

- **Ke** and **Kd** are the cost of equity and the pre-tax debt capital respectively;
- **E/(D+E)** and **D/(D+E)** are the sector "representative-average" "weights" related respectively to the equity (E) and debt (D) on the total sources of finance (D+E);
- **t** is the share expressing the tax savings connected to the tax deductibility of the financial charges.

The cost of equity (Ke), the input required for calculation of the WACC according to formula (3), is expressive of the diversifiable specific risk associated with the business complex to be valued. This is quantified according to the Capital Asset Pricing Model ("CAPM") based on the following algorithm:

$$Ke = r_f + \beta \cdot ERP + crp \qquad (4)$$

where:

- **r_f** is the yield of risk-free investments (risk-free rate);
- **β** is the coefficient expressive of the (non-diversifiable) systematic risk of the business complex subject to valuation;
- **ERP** is the premium for the typical risk of equity investments (equity risk premium);
- **crp** is the premium for the risk related to the country in which the company operates (country risk premium).

The operational manifestation of the criterion is presented in § 3.2.1.

2.3 <u>The control valuation criteria</u>

2.3.1 The comparable companies Stock Market multiples criterion

According to this criterion, the value of a business complex is determined based on multipliers calculated by adopting the Stock Market prices of companies comparable to those subject to valuation reported in significant periods.

Doctrine and practice distinguish between “asset side” or “unlevered” (EV/Ebitda, EV/Ebit, etc.) and “equity side” or “levered” (Price/Earnings, Price/Book Value, etc.). The former directly determine the net invested capital value (enterprise value of “EV”) of the business complex, and lead to the calculation of the equity value, by algebraically adding the Net Financial Position (“NFP”), the minority interests and the equity investments to the EV[11].

The equity side multiples, on the other hand, directly lead to the quantification of the equity value. In the case in hand, and also in light of the indications derived from the equity reports written by analysts following listed companies in the construction sector (including Impregilo), reference to the asset side multiples – identified based on the performance of a sample of listed companies deemed comparable to the one subject to valuation – were preferred.

In particular, the multiples adopted are as follows:

(a) EV/Ebitda, which relates the economic value of the net invested company capital (enterprise value) to its gross operating profitability (Ebitda);
(b) EV/Ebit, which relates the enterprise value of the company to operating profit (Ebit).

Once the multipliers are selected, the Stock Market multiplies criterion is applied in the following phases: (i) identification of the comparable listed companies constituting the reference sample; (ii) calculation of the multiples selected for each of the companies in the sample, and development of one or more representative multipliers; (iii) application of the synthetic multiple observed for the sample reviewed to the relevant values of the business complex subject to valuation.

The operational manifestation of the criterion is set out in § 3.3.1.

2.3.2 The criterion of multiplies implicit in the Stock Market listings of Impregilo

Direct Stock Market capitalisation can be considered only for the purpose of determining Impregilo’s market value (Salini currently does not have securities listed on a regulated market).

With respect to the principle of uniformity on which the merger valuation should be based, the Stock Market capitalisation of Impregilo can be used as a reference to determine the economic value of both Companies, adopting for this purpose the parameters reflected in the listings reported for Impregilo. This

[11] Also see note no. 9.

is due to the similarity of the Companies' business activities and their mutually complementary nature. In particular, the approach followed is broken down into the following phases in the case in hand:

(i) determination of the market capitalisation of Impregilo, observed over a significant period prior to the valuation reference date;

(ii) calculation of multipliers (EV/Ebitda, EV/Ebit) implicit in the Impregilo valuation as per (i). It is at this point noted that the multiples expressed by the Impregilo share listings can alternatively be calculated using the following as reference (as denominator of the pre-selected multipliers):

a. the expected income figures (Ebitda, Ebit) expressed in the Impregilo business plan drafted by the Impregilo management;

b. the corresponding Impregilo figures resulting from the valuations (consensus) written by financial analysts who are following the security;

(iii) application of the implicit multiples of Impregilo, calculated in the two variants mentioned in the preceding paragraph, to the income figures (Ebitda, Ebit) taken from the business plans of Salini and Impregilo.

The operational manifestation of the criterion is presented in § 3.3.2.

3. APPLICATION OF THE VALUATION CRITERIA

3.1 The economic/financial plans of Impregilo and Salini

The valuation criteria outlined in chapter 2 were applied by adopting as reference the data derived from the Business Plans ("BP") of the two Companies for the 2013-2016 period, approved by the respective Boards of Directors on 10 June 2013 (Salini) and 11 June 2013 (Impregilo).

The BPs were drafted with the help of a joint strategic consultant (The Boston Consulting Group). The presence of a joint consultant to draft the Business Plans of the two Companies is considered relevant to this valuation analysis as it helps to strengthen the uniformity of the approach to the valuations made by the management bodies of both Companies. The undersigned was able to meet with the management and the consultant in order to obtain a better understanding of the assumptions and valuations underlying the plans.

The BPs considered in the valuation of the swaps are the consolidated ones of each of the two groups involved in the merger. With regard to Salini, the BP separately reports the flows of expected annual dividends (pro rata) generated by Impregilo and the flows generated by the operating activity of the Group. The Balance Sheet pertaining to Salini's BP separately indicates Impregilo's controlling interest.

It is noted that, based on what has been presented by the undersigned, both BPs represent the economic/financial development deemed reasonable by the management of both groups from a stand-alone perspective. The BPs therefore do not incorporate the synergies that the merger could generate. They only include the commercial and industrial synergies expected from the strategic cooperation agreement undersigned by the two Companies on 27 September 2012.

The turnover growth assumptions of the two groups are reasonably comparable. In particular, for the period of the plan, the compounded average growth rate (CAGR)[12] of Impregilo's turnover is 16.4%, while that of Salini is 18.7%. The dynamic of the prospective turnover takes into account both the extent of orders already accepted on the valuation reference date (the so-called backlog) and the value of expected new orders (the so-called new order intake), not yet specified or identified on that date.

The turnover growth assumptions and the profitability assumptions related to the new orders are identical for both groups. Both plans assume that the annual new order intake is € 3.7 billion. The extent of expected annual new orders appears to be greater than that derived from average historic data from Impregilo and Salini (€ 2.6 billion and € 3.2 billion on average respectively). The management bodies believe that the valuations in question are reasonable, also given the effect of the commercial agreement entered into during 2012. The relationship between backlog and new order intake appears to be consistent in the provisional valuations of the two groups. In fact, the percentage of income derived from the backlog accumulated over the period of the plan in relation to the total is about 60% for Impregilo and Salini.

The operating profitability (expressed in terms of Ebitda margin and Ebit margin) of Salini and Impregilo are also essentially aligned. In fact:

- the Ebitda margin targeted for 2016 is 12.5% for Impregilo and 13.0% for Salini;
- similar considerations apply to the Ebit margin in 2016: 8.2% for Impregilo and 8.5% for Salini.

From the asset side, first of all, it is noted that the dynamic and impact on the turnover of the total capex (of the construction sector and the concessions sector) of Salini and Impregilo are consistent.

[12] The compounded average growth rate (CAGR) is equal to the geometric average of the annual growth rates observed in a given period.

- the CAGR 2013-2016 of the capex is sustained by both Companies (26.9% for Impregilo, 38.9% for Salini);
- the impact of the capex on the turnover of Salini and Impregilo tend to converge over the period of the plan. At the end of the plan (2016), such impacts come to 7.2% for Impregilo and 7.3% for Salini.

The dynamic of the investment in net working capital (NWC[13]) is differentiated between the two groups.

The discrepancies can be explained by the specific management characteristics of Salini and Impregilo and the respective backlogs[14]. Furthermore, it is noted that, in relation to new orders, the assumptions concerning investment/disinvestment in net working capital are uniform for the Companies.

3.2 The application of the main valuation criterion

3.2.1 The application of the unlevered financial criterion

The economic values of Impregilo and Salini, calculated based on the unlevered financial criterion, are set out in table 3.1.

Table 3.1 – The economic values of Impregilo and Salini according to the unlevered financial criterion

Unlevered financial criterion		
(expressed in € millions)	**Impregilo**	**Salini**
Enterprise value (EV)	**1,324**	**2,129**
Salini value exc. stake in Impregilo		***848***
Total equity value (W)	**1,469**	**1,426**

With regard to the application aspects, the following should be noted:

[13] Excluding provisions for liabilities, charges and severance pay.
[14] In particular, it is noted that the NWC if Impregilo is influenced by collection of payments already due on the Venezuelan orders in the plan period.

- the current value of the unlevered cash flows of the analytical forecast period is determined by discounting the annual free cash flow expected in the 2013-2018 period, at the weighted average cost of capital (quantified in the terms set forth in the following point), for the business complexes subject to valuation. In particular, (i) the flows related to the 2013-2016 period are determined based on the Salini and Impregilo plans approved by the respective Boards of Directors (described in the basic terms of § 3.1); (ii) the flows for the subsequent period (2017-2018) were determined by extrapolating the plan data in order to achieve a so-called "steady-state" position of both Companies.

  The data for 2017-2018 was extrapolated with the aim of achieving an essential convergence of the economic/financial dynamics of the Companies (at the end of the BP period, 2016, still significantly influenced by the backlogged projects) towards a situation representative of that which is expected in the medium-long term (steady state), also in light of evidence that can be drawn from comparable companies. In fact, in the steady state, the backlog is expected to be completely exhausted and the income flows of both Companies will be generated exclusively from the new order intake[15].

  Following in-depth studies by the Impregilo management, the effects of certain expected events external to everyday activity were considered in the valuation and their risk profile was assessed;
- The weighted average cost of capital (WACC) used to discount the cash flows of the analytical forecast period is 14.6% for Impregilo and 13.2% for Salini. These rates were determined – based on formula (3) reported in § 2.2.1 – by adopting a sector "representative-average" financial structure and market parameters as reference.

  The various values of the rates of the two Companies are associated with the different country risk profiles in which they operate (a measurement differentiated from the "country risk premium".

  The WACC of the companies take into account, among other things, the risk profiles connected to the performance of the business plans (the so-called "execution risk");

[15] In fact, it should be remembered that the strategic agreement of 27 September 2012 (see § 1.1) provides for an equal stake (50% each) of both Companies in all tenders/orders (and in the respective revenues and costs) started and won following the effective date of the agreement.

- the terminal value (TV) is calculated by capitalising the unlevered cash flow expected for the period following the last analytical forecast period, at a rate equal to the weighted average cost of capital (WACC) reduced by the growth rate expected in the long term (g; see below).

  In detail, this flow was determined by adopting as reference the data related to the last analytical forecast year (2018), increased by the growth rate g. For the purposes of capitalising the terminal flow, an equal WACC measurement was adopted for both Companies (corresponding to that which was used for Salini for the analytical forecast period, equal to 13.2%);
- the growth rate g was adopted at 1.75% in line with the inflation rates expected in the long term in the Eurozone[16];
- the equity investments refer to the minority interests (unconsolidated) held by Impregilo and Salini. These entries, whose value is not included in the determination of the enterprise value, were determined at the balance-sheet values (carrying amount) as at 31 December 2012;
- the net financial position (NFP) used for the purposes of determining the equity value of both companies, is calculated based on the book data presented in the pro forma consolidated asset positions of Impregilo and Salini as at 31 December 2012 (whose pro forma components are described in § 1.3). It is noted that the NFP of Impregilo is characterised by asset entries (cash and financial assets that can be readily turned into cash) of a greater amount than the liability entries (financial debts). For this reason, it is added to the enterprise value of Impregilo to obtain the equity value. In Salini's case, however, the NFP is negative (i.e. the financial debts are greater than the above-mentioned asset entries): for the purpose of determining the equity value, this NFP is subtracted from the enterprise value;
- the minorities (third-party interests) express the share of the value of Impregilo and Salini related to minority shareholders in subsidiaries or affiliates of the Companies and fully consolidated in the group balance sheets of the same.

These third-party interests, valued in this case based on the balance-sheet data as at 31 December 2012, were subtracted from the determination of the equity value of Impregilo and Salini;

[16] The expected inflation data are derived from the World Economic Outlook of the International Monetary Fund (IMF), April 2013.

- the economic value of the stake held by Salini in the ordinary capital of Impregilo (88.83%) is equal to the pro rata value of the subsidiary's equity value[17], determined by applying the criterion in question.

[17] For the reasons stated in § 2.1, the determination of the value of the Salini stake in Impregilo has not taken the majority premium into account.

3.3 The application of the control valuation criterion

3.3.1 The application of the comparable companies Stock Market multiples criterion

The economic values of Impregilo and Salini, determined based on the comparable companies Stock Market multiples, are reported in tables 3.2 and 3.3.

Table 3.2 – EV / Ebitda multiple: the economic values of Impregilo and Salini

(data in € millions)	***Extended Sample***				***Restricted Sample***			
	Impregilo		**Salini**		**Impregilo**		**Salini**	
	2013	2014	2013	2014	2013	2014	2013	2014
EV/ Adj. Ebitda multiple	4.3x	3.9x	4.3x	3.9x	4.2x	3.9x	4.2x	3.9x
Total equity value (W)	**1,326**	**1,567**	**1,326**	**1,642**	**1,302**	**1,567**	**1,285**	**1,643**

Table 3.3 – EV / Ebit multiple: the economic values of Impregilo and Salini

(data in € millions)	***Extended Sample***				***Restricted Sample***			
	Impregilo		**Salini**		**Impregilo**		**Salini**	
	2013	2014	2013	2014	2013	2014	2013	2014
EV/ Adj. Ebit multiple	6.6x	6.0x	6.6x	6.0x	7.0x	6.3x	7.0x	6.3x
Total equity value (W)	**1,137**	**1,529**	**1,130**	**1,596**	**1,183**	**1,590**	**1,217**	**1,696**

With respect to the application aspects of the criterion in question, the following is indicated:

– the Impregilo and Salini sample of comparable companies used for the purposes of calculating multiples was created based on (i) information derived from the financial databases of Thomson Financial Reuters and Bloomberg and (ii) on the evidence drawn from the reports of the analysts monitoring Impregilo and other listed companies in the "construction" sector. The panel of comparable companies identified in this manner is composed of 10 companies (in the "Extended

Sample")[18]. These include 4 companies deemed to be significantly comparable (in light of activity carried out, geographic area, and size) in relation to Impregilo and Salini (hereinafter "Restricted Sample")[19];

- with reference to the information used to calculate the multiples (EV, Ebitda, Ebit), it is indicated that, for each company in the sample:
  - the EV is equal to the adjusted, increased, or reduced Stock Market capitalisation (calculated based on the average share prices, weighted by the traded volumes, in the 3 months prior to 11 June 2013), to take into account the values of the NFP, the equity investments, and the third-party interests (minorities). The values of these aggregates are drawn from the most recent available statements of account;
  - the Ebitda and Ebit values used are those determined by the financial analysts for the 2013 and 2014 financial years, derived from the consensus of Thomson Financial Reuters sources[20];
- the average values of the selected multipliers were revised (downwards) to take into account the fact that the multiples of the comparable companies are, in a significant historic period, systematically and steadily higher than those observed for Impregilo[21];
- with regard to the data specific to Impregilo and Salini used to apply the method in question, it should be noted that:
  - the Ebitda and Ebit data for 2013 and 2014 of the BPs were adopted and revised for Impregilo to eliminate the effect of non-recurring items contained therein;
  - the asset figures (equity investments, NFP and minority interests) are calculated based on the accounting data presented in the most recent pro forma consolidated balance sheets of Impregilo and Salini in the terms set out in § 1.3 above;

[18] The companies included in the Extended Sample are: Astaldi, Balfour Beatty, Bilfinger, Bouyges, Hochtief, Koninklijke BAM Groep, Lemminkainen, OHL, Skanska, Strabag.

[19] The Restricted Sample includes the following companies: Astaldi, Hochtief, Skanska, Strabag.

[20] The multiple based on the 2015 consensus was excluded given that the development rates of the plan for both Companies and those considered by the analysts for the comparable companies cannot be compared.

[21] Impregilo's new Business Plan sets out the analytical forecast of the cash flows in greater detail than the one presented in the plan previously approved by the management and known to the markets through the PTO. The new plan, however, does not appear to be characterised by development rates, related to its aggregates, significantly different from those adopted in the previous business plan.

- following the in-depth studies led by the management, the equity value of Impregilo takes into account certain effects associated with expected events external to everyday activities, having assessed the respective risk profiles;
- the net value (obtained through the application of the above-mentioned indicators) of the asset and liability elements of Salini, other than its stake in Impregilo, was revised downwards for the reasons given in § 2.1 above (different status of the securities of both Companies);
- the economic value of the stake held by Salini in the ordinary capital of Impregilo (88.83%) is equal to the pro rata value equity value of the subsidiary, determined by applying the criterion in question.

3.3.2 The application of the criterion of multiples implicit in the Impregilo Stock Market listings

The economic values of the Companies, determined based on the criterion of multiples implicit in the Impregilo Stock Market listings, are reported in tables 3.4 and 3.5[22].

Table 3.4 – Implicit EV / Ebitda multiple: the economic values of Impregilo and Salini

(data in € millions)	***Multiples implicit in the consensus***				***Multiples implicit in the BP***					
	Impregilo		**Salini**		**Impregilo**			**Salini**		
	2013	2014	2013	2014	2013	2014	2015	2013	2014	2015
EV/Adj. Ebitda multiple	3.7x	3.2x	3.7x	3.2x	4.1x	3.0x	2.3x	4.1x	3.0x	2.3x
Total equity value (W)	**1,202**	**1,369**	**1,114**	**1,319**	**1,287**	**1,287**	**1,287**	**1,260**	**1,186**	**1,282**

Table 3.5 – Implicit EV / Ebit multiple: the economic values of Impregilo and Salini

(data in € millions)	***Multiples implicit in the consensus***		***Multiples implicit in the BP***	
	Impregilo	**Salini**	**Impregilo**	**Salini**

[22] The valuation made based on the multiples implicit in Impregilo's BP is extended to 2105 as the development rates of the plans of both Companies are comparable.

	2013	2014	2013	2014	2013	2014	2015	2013	2014	2015
EV/ Adj. Ebitda multiple	6.3x	4.9x	6.3x	4.9x	7.9x	4.7x	3.6x	7.9x	4.7x	3.6x
Total equity value (W)	**1,102**	**1,320**	**1,065**	**1,253**	**1,287**	**1,287**	**1,287**	**1,413**	**1,199**	**1,292**

As put forward in § 2.3.2, the criterion was applied according to the two variants, which differ according to the income figures (Ebitda, Ebit) of Impregilo used to calculate the multipliers implicit in its Stock Market valuation.

In the first variant ("multiples implicit in the consensus"), the income figures used to calculate the implicit multiples are derived from the consensuses determined for Impregilo by the financial analysts; (ii) in the second variant ("multiples implicit in the BP"), the figures are derived from Impregilo's BP.

As such, the main application aspects are summarised below:

- the selected multiples are the EV/Ebitda and the EV/Ebit;
- with reference to the information used to calculate the implicit multiples, it is noted that:
    - the EV is equal to the Stock Market capitalisation (calculated based on the average Impregilo share prices, weighted by the traded volumes, in the 3 months prior to 11 June 2013), revised (i) downwards, in relation to the NFP (active) and equity investments of Impregilo, and (ii) upwards, in relation to the third-party interests (minorities) of the same company. The values of these aggregates are drawn from the most recent available statements of account, established as a pro forma in accordance with § 1.3;
    - the Impregilo Ebitda and Ebit data adopted are: (i) in the first variant ("multiples implicit in the consensus"), those determined by the financial analysts for the 2013 and 2014 financial years, derived from the consensus of Thomson Financial Reuters sources; (ii) in the second variant ("multiples implicit in the BP"), those established in Impregilo's BP for the 2013-2015 period, revised for so-called non-recurring items;
- for the purposes of applying the obtained multiples, the following is noted:
    - the multiples were applied to the Ebitda and Ebit data (2013-2014 or 2013-2015 depending on the variant) derived from the BP of Impregilo or Salini. In line with the choices adopted based on application of the Stock Market multiples, the Impregilo's Ebitdas and Ebits were revised in order to eliminate the effect of the non-recurring items;
    - the asset figures (equity investments, NFP, and minority interests) are calculated based on the accounting data set out in the most recent available consolidated balance sheets of Impregilo and Salini, established as a pro forma in accordance with § 1.3 above;

- in line with the provisions set forth in § 3.3.1, following in-depth studies carried out by the management, the equity value of Impregilo takes into account certain effects associated with expected events external to everyday activity, having assessed the respective risk profiles;
- in line with the provisions set forth in § 3.3.1, the net value of the asset and liability elements of Salini, other than its stake in Impregilo, was revised downwards for the reason described in § 2.1 above (different statuses of the securities of both Companies);
- the economic value of the stake held by Salini in the ordinary capital of Impregilo (88.83%) is equal to the pro rata equity value determined by applying the criterion in question.

4. <u>THE VALUATION SUMMARIES AND EXCHANGE RATIOS</u>

4.1 <u>Capital and number Impregilo and Salini shares</u>

As at the date of this report, the share capital of Impregilo is split into 402,457,937 ordinary shares and 1,615,491 savings shares, without nominal value. The financial instruments in question are listed on the Mercato Telematico Azionario managed by Borsa Italiana SpA. As at the same date, the share capital of Salini is split into 62,400,000 ordinary shares with a nominal unit value of € 1.00. It is also noted that, on the date in question, neither company holds treasury shares in its portfolio.

In addition, it should be noted that the merger in question will take place through the exchange of ordinary Salini shares with ordinary Impregilo shares. The Impregilo savings shares are therefore not subject to exchange.

In this context, the economic unit values of the ordinary Impregilo and Salini shares, relevant to the calculation of the exchange ratio, are determined by separately relating the economic capital values (equity value) of Impregilo and Salini, determined by adopting the criteria described in chapter 2 in accordance with the terms set out in chapter 3, to the shareholder base of each Company.

In particular, for the calculation of the economic unit value of the ordinary Impregilo shares, it is also necessary to consider the simultaneous presence of the savings shares in the share capital of the company. In this respect, according to the most consolidated practice and most authoritative doctrine in the field, the economic unit value of the ordinary share is obtained by dividing the total economic value of the Companies' capital (equity value) by the number of so-called "equivalent ordinary shares". The total number of equivalent ordinary shares is the result of adding together (i) the number of ordinary shares of the company and (ii) the number of savings shares duly restated. The number of savings shares is restated according to the ratio of the average Stock Market prices of the two types of shares calculated over a significant period. In the case in hand, the period adopted for these purposes is 3 calendar months prior to 11 June 2013[23].

Table 4.1 sets out the procedure for calculating the number of "equivalent ordinary shares" of Impregilo.

Table 4.1 – Determining the number of "equivalent ordinary shares" of Impregilo

Calculating the equivalent ordinary shares of Impregilo	
No. of ordinary shares	402,457,937
No. of savings shares	1,615,491
Ratio of average price of savings share and average price of ordinary share	**4.6x**
No. of savings shares restated as ordinary shares	7,450,195
No. of "equivalent ordinary" shares	**409,908,132**

4.2 <u>The share values and exchange ratio</u>

This paragraph establishes the value of the exchange ratio of the Impregilo shares and the Salini shares based on the identified criteria. In particular, table 4.2 reports as follows, separately for each of the criteria (unlevered financial, Stock Market multiples, multiples implicit in the Impregilo Stock Market listings):

– the total economic values (equity values) of the Companies determined as part of the merger approach;
– the economic unit values of the ordinary Impregilo and Salini shares, obtained by relating the equity value of each company to the number of shares (ordinary for Salini and "equivalent ordinary" for Impregilo);

[23] In particular, the ratio in question was quantified by comparing the weighted averages of the exchanged volumes, the reference prices of the two categories of Impregilo shares (savings and ordinary) in the aforementioned period (source: Thomson Financial Reuters).

- the resulting exchange ratio, consisting of the number of ordinary shares of the incorporating company (Impregilo) to be offered in replacement (exchange) of each ordinary share of the incorporated company (Salini), which will be assigned for the purpose of the merger;
- the resulting stake of Salini Costruttori SpA in the ordinary post-merger capital of Impregilo.

The results set out in table 4.2 may be reported in summary form:

- in relation to the Stock Market multiples of comparable companies, by averaging, for each reference year (2013 and 2014) and for each sample considered (extended and restricted), the exchange ratios resulting from the application of the EV/Ebitda and EV/Ebit multiples;
- similarly, in relation to the multiples implicit in the Impregilo Stock Market listings, by averaging, for each reference year (2013-2014 or 2013-2015 depending on the variant) and for each application method (multiples implicit in the consensus and multiplies implicit in the BP), the exchange ratios resulting from the application of the EV/Ebitda and EV/Ebit multiples.

This summary representation is shown in the third from last column of table 4.2.

Table 4.2 – The total and unit economic values of Impregilo and Salini and the resulting exchange ratios obtained following application of the criteria

[illegible]						
	Impregilo		Salini		Exchange Ratio	Post-merger shareholding*
	total (€ millions)	share (€)	total (€ millions)	share (€)		$ Salini Costruttori
Unlevered financial criterion	1,469	3.58	1,426	22.85	6.38x	89.85%

[illegible]										
			Impregilo		Salini		Exchange ratio		Post-merger shareholding*	
			total W (€ millions)	W per share (€)	total W (€ millions)	W per share (€)	Spot	Average	% Salini Costruttori	Average % Salini Costruttori
Extended Sample	2013	EV/Ebit	1,137	2.77	1,130	18.11	6.53x	6.55x	90.07%	90.09%
		EV/Ebitda	1,326	3.23	1,326	21.25	6.57x		90.12%	
	2014	EV/Ebit	1,529	3.73	1,596	25.58	6.86x	6.87x	90.49%	90.51%
		EV/Ebitda	1,567	3.82	1,642	26.32	6.88x		90.53%	
Restricted Sample	2013	EV/Ebit	1,183	2.88	1,217	19.50	6.76x	6.62x	90.37%	90.18%
		EV/Ebitda	1,302	3.18	1,285	20.59	6.48x		90.00%	
	2014	EV/Ebit	1,590	3.88	1,696	27.19	7.01x	6.95x	90.68%	90.60%

		EV/Ebitda	1,567	3.82	1,643	26.32	6.89x		90.53%	
[illegible]										
			Impregilo		Salini		Exchange ratio		post-merger shareholding*	
			total W (€ millions)	W per share (€)	total W (€ millions)	W per share (€)	Spot	Average	% Salini Costruttori	Average % Salini Costruttori
Multiples implicit in the consensus	2013	EV/Ebit	1,102	2.69	1,065	17.07	6.35x	6.22x	89.81%	89.61%
		EV/Ebitda	1,202	2.93	1,114	17.85	6.09x		89.42%	
	2014	EV/Ebit	1,320	3.22	1,253	20.08	6.24x	6.28x	89.64%	89.71%
		EV/Ebitda	1,369	3.34	1,319	21.14	6.33x		89.78%	
Multiples implicit in the BP	2013	EV/Ebit	1,287	3.14	1,413	22.65	7.21x	6.82x	90.92%	90.42%
		EV/Ebitda	1,287	3.14	1,260	20.19	6.43x		89.93%	
	2014	EV/Ebit	1,287	3.14	1,199	19.22	6.12x	6.09x	89.47%	89.42%
		EV/Ebitda	1,287	3.14	1,186	19.01	6.05x		89.37%	
	2015	EV/Ebit	1,287	3.14	1,292	20.70	6.59x	6.57x	90.15%	90.12%
		EV/Ebitda	1,287	3.14	1,282	20.55	6.54x		90.08%	

*: refers to ordinary shares only

4.3 <u>The sensitivity analyses</u>

The undersigned has carried out a sensitivity analysis on the results obtained by applying the main criterion (unlevered financial) in order to produce further valuation data in relation to the relative stability of the economic values and the resulting exchanges in the case of modification of the measurement of the main variables subject to valuation.

In particular, the undersigned intended to test the variations of the economic values and the exchange ratios in the case of modification - subject to reasonable intervals and adopting mutually consistent assumptions - (i) of certain assumptions underpinning the industrial development of the business plans of both Companies, and (ii) of specific evaluative market and related parameters. The variables subject to the sensitivity analysis, according to equal terms for both companies, are as follows:

– the expected annual value of new orders (so-called “new order intake”) and related income. In particular, a variation of +/- 5% for the data on expected income derived from new orders has been assumed for each year of the plan;

- operating profitability (Ebit margin) related to the new order intake. For the purpose of the sensitivity analyses, this profitability was increased/reduced by 0.5% (50 basis points) for each year of the forecast period;
- the weighted average cost of capital (WACC) assumed within a range of +/- 0.5% with respect to the reference measurement (analytical forecast period: 14.6% for Impregilo, 13.2% for Salini; in perpetuity: 13.2% for both Companies);
- the expected long-term growth rate of the cash flows (g) varying by +/- 0.5% with respect to the base assumption (1.75%).

Following the analyses set out above, it is observed that the variability of the exchange ratio (between the ordinary shares of Salini and those of Impregilo), resulting from the application of the unlevered financial criterion in the case of modification of the selected evaluative inputs, moves within a relative restricted range. In particular:

- the joint variation of the incomes and the Ebit margin related to the new order intake, in the terms set out above, defines an inclusive exchange ratio range of between 5.82 and 6.82 ordinary Impregilo shares for each Salini share, with a variance of about +/- 9% for the extremes of the range with respect to the value obtained in the "base" scenario (6.38, see § 4.2);
- the joint variation of the WACC and the growth rate g, in the terms set out above, defines an inclusive exchange rate range of between 6.07 and 6.70 Impregilo shares for each Salini share, with a variance of about +/- 5% for the extremes of the range with respect to the value obtained in the "base" scenario.

4.4 <u>The limits, assumptions, and main evaluative difficulties</u>

This valuation must be assessed in light of the limits and assumptions underpinning the work carried out and the evaluative difficulties faces in the case in hand.

With regard to the limits and assumptions, it is noted that:

- full assurance is given on the truthfulness, accuracy, and completeness of the information provided by the management of both Companies, as well as the data derived from the databases used (see § 1.3). In addition, the management stated to the undersigned that, with respect to the information provided, there are no new facts, events, or circumstances, as at the date of this report, that may significantly modify the information framework submitted to the undersigned. No check was therefore made by the undersigned in relation to such aspects;

- the economic/financial projections of Impregilo and Salini used in the valuation are, by their nature, characterised by elements of randomness and uncertainty. The undersigned has assumed that the projections in question represent the most accurate and plausible valuation of the expected trend for the business complexes subject to the merger. No analyses have been performed in relation to the validity and rationality of the strategic design underlying the economic/financial development of the two Companies. In this respect, it is noted that the economic/financial plans in question were drawn up by the management bodies (and approved by the respective Boards of Directors), with the support of the strategic consultant, The Boston Consulting Group;
- no check was made by the undersigned regarding the correctness and completeness of the pro forma balance sheets of 31 December 2012 and 31 March 2013 used in the valuation, or regarding the conformity of the valuations of the financial statements with accounting standards applicable in this case;
- the use of data (such as the beta coefficients and the Stock Market multiples) derived from market observations is based on the supposition that they are applicable to the business complexes subject to merger, as they relate to situations comparable to those being reviewed. It should nevertheless be underlined that, given the specificity of each business environment considered, such comparability is only partial;
- the analyses carried out did not relate to the identification of potential liabilities that were not reported in the documents made available in the data room. No analysis was carried out regarding the aptitude of both Companies participating in the merger as a going concern.

The following evaluative difficulties encountered in the case in hand are also highlighted:

- with regard to the orders still in place and contracted (the so-called “backlog”), the plans assume, according to the representations of the management, flows (of incomes and costs) and assets (assets and liabilities) consistent with what is established in the agreements with the clients. However, it is not possible to exclude the possibility of future events modifying, even significantly, the quantitative and/or time profiles of the flows and assets derived from such orders;

- as stated in § 3.1, a significant portion of the incomes and operating margins expected in the period of the plan (2013-2016) is associated with orders that are assumed to be acquired (the so-called "new order intake"). Given the nature of the infrastructural construction business (limited number of jobs with a considerable unit value), new acquisitions represent an important random element. The undersigned has assessed this uncertainty profile in the valuation of the discount rates and sensitivity analyses, adopting the most prudential assumptions in relation to expected incomes and profitability from the new orders (see § 4.3);
- the business of Impregilo and Salini takes place from an international perspective and is therefore exposed to significant geopolitical risks. For example, in the case of Impregilo, the Venezuelan jobs and, in the case of Salini, the African jobs (Ethiopia, etc.) are noteworthy. The undersigned has used the unlevered financial criterion (see § 3.2.1) to assess these risks by separately evaluating the activities located in relatively riskier environments and incorporating the greatest country risk related to such environments into the valuations related to the activities in question;
- the Impregilo plan assumes, among other things:
    - the collection, during 2014, of the penalty (€ 97 million, net of taxes) related to the termination of the tender for the construction of the bridge over the Strait of Messina, entered into between the Italian government and the company Eurolink SCpA ("Eurolink") belonging to the group. This aspect is the subject of litigation, in relation to which no decisions have yet been made by the courts or, in general, the reference public entities;
    - the collection of credits derived from the Fibe – CDR Campania lawsuit for € 205 million in 2013 (price of assignment of the CDR assets, net of ancillary charges) and for € 53 million in 2014 (payment for the supply of accounting reporting services). In this respect, it is noted that the Court of Cassation, in its sentence rendered in April 2013, ruled in favour of Impregilo;
    - the sale, during 2013, of some stakes in the Plant Facilities sector (Fisia, Fisia Babcock, Shanghai Pucheng) and of the Italian concessions.

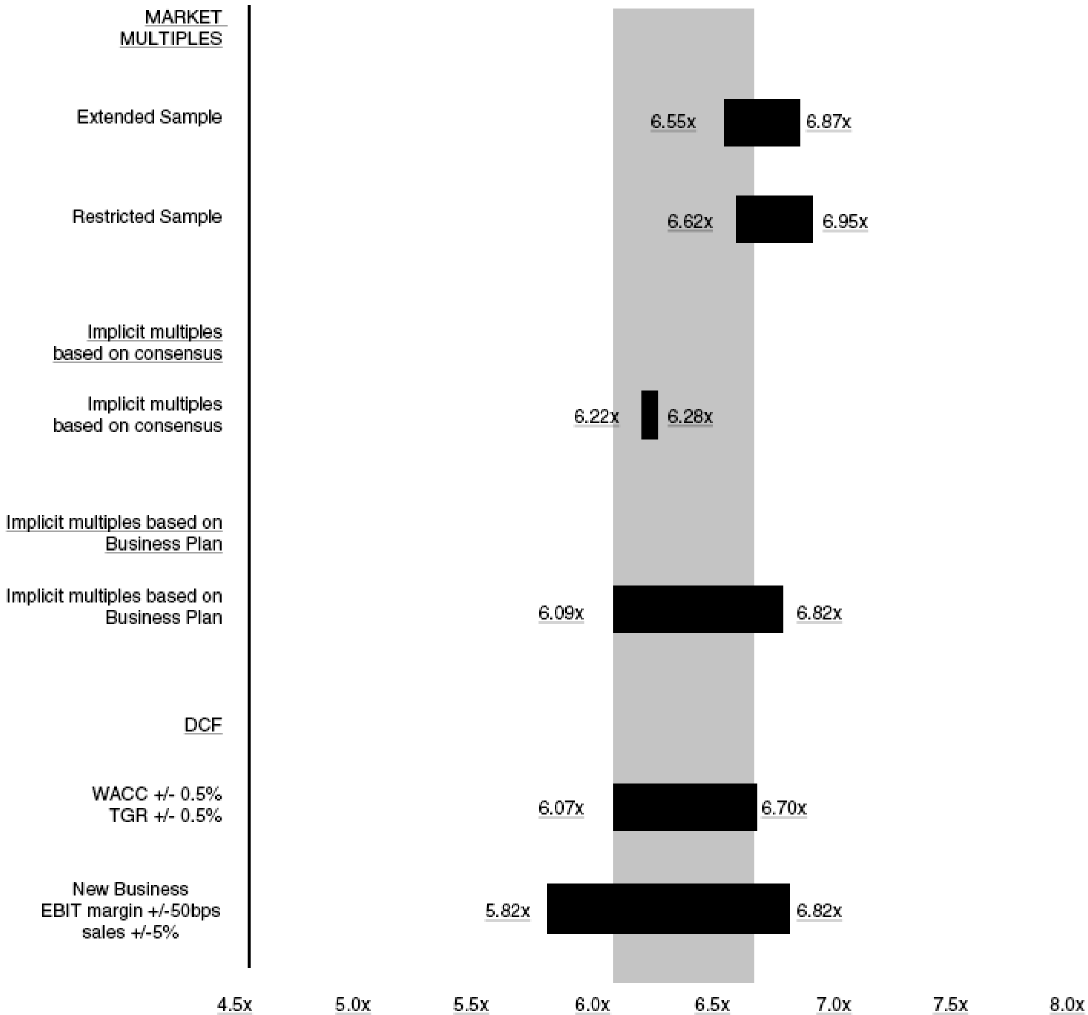
  The framework of the above-mentioned events is, at present, subject to significant uncertainty profiles. Such uncertainty profiles were considered in the valuations;
- the Impregilo valuations present elements of complexity as regards the subdivision of the total value of the company into ordinary shares and savings shares. In particular, since such

subdivision was carried out, as per practice, based on the calculation of the "equivalent ordinary shares", the complexities are connected with the choice of period for calculation of the ratio of savings share and ordinary share market prices.

4.5 Conclusions on the exchange ratio

The analyses carried out led to a definition of significant exchange ratio ranges with the help of the main implementation valuation criterion described in § 3.2.1 and with the help of the control criteria described in § 3.3.1 and § 3.3.2. Such value ranges are represented in table 4.2. § 4.3 describes the outcomes of the sensitivity analyses. The summary of significant exchange rate ranges is reported in figure 4.3, adopting the average values for the Stock Market multiples and the implicit multiples, and the outcome of the sensitivity analysis at its extremes of 6.07 and 6.70 (see § 4.3) for the principal method.

Figure 4.3 – Summary of the exchange ratio.



The data reported in the above figure conclusively demonstrates that:

- the main valuation criterion (unlevered financial) establishes a significant exchange ratio between a minimum of 6.07 and a maximum of 6.70, with a middle reference of 6.38;
- the control method (implicit multiples and Stock Market multiples) confirm, overall, the results obtained by adopting the principal method, although indicating exchange ratios coming close to the upper margin of the range designated by the principal criterion.

***

In conclusion, at the outcome of the valuation process, and in line with the task entrusted to me (see § 1.1), based on the information analysed (see § 1.3), the adopted evaluative methods (both principal and control), and taking into account the limits, assumptions, and evaluative difficulties indicated in § 4.4 and also the sensitivity analyses carried out (the outcomes of which are summarised in § 4.3), the undersigned determines that the inclusive range of between 6.07 and 6.70 ordinary Impregilo shares for each ordinary Salini share describes all the most significant and also appropriate exchange ratios.

Milan, 24 June 2013

Prof. Angela Provasoli
[signature]

ATTACHMENT C

Rome, 24 June 2013

To the members of the Board of Directors
of Impregilo SpA

Re: opinion of the committee of independent directors on the operations with related parties pursuant to the procedure for operations with related parties of Impregilo SpA

Dear Sirs,

We are writing in reference to the proposed merger operation for the merger by incorporation of Salini SpA ("**Salini**" or "**the Incorporated Company**") into Impregilo SpA (the "**Company**" or "**Impregilo**" or "**the Incorporating Company**", and jointly, the "**Merger**").

For this purpose, as established in the procedure for operations with related parties of the Company approved by the Board of Directors at the meeting of 30 November 2010 (as subsequently amended and supplemented, hereinafter the "**RPO Procedure**"), the committee of Independent Directors constituted pursuant to the same RPO Procedure (the "**RPO Committee**" or the "**Committee**") is called on to issue a prior binding opinion on the operation (the "**Opinion**").

This Opinion is formulated below.

1. Terms and conditions of the Merger

This paragraph sets out the main characteristics of the proposed Merger, taking into account the information provided by the management of the Companies and the documentary evidence acquired by the RPO Committee as part of the preliminary inquiry phase of the operation.

The Merger is part of a larger industrial and strategic plan initiated in 2011 by Salini Costruttori SpA ("**Salini Costruttori**"), the current sole shareholder of Salini, aimed at creating a "National Champion" in the complex infrastructures and works construction sector, with shares listed on the Mercato Telematico Azionario, organised and managed by Borsa Italiana SpA ("**MTA**"), able to compete with major international competitors in terms of economies of scale, size and geographical and sectoral complementarity.

In light of the main reasons for the merger operation, that is, the creation of a "National Champion" in the complex infrastructures sector with shares listed on the MTA, the operation that is to be reviewed and approved by the extraordinary shareholders' meeting of Impregilo is the ("reverse") merger by incorporation of Salini into Impregilo.

As a result of the use of financial debt taken out by Salini to conduct the full voluntary public tender offer initiated on 6 February 2013 (the "**PTO**"), art. 2501-bis of the civil code shall apply to the Merger:

Therefore:

(a) pursuant to arts. 2501-bis, paragraph 2 and 2501-ter of the civil code, the financial resources provided to meet the obligations of the company resulting from the Merger have been indicated in the draft Merger project;

(b) pursuant to arts. 2501-bis, paragraph 3 and 2501-quinquies of the civil code, the reasons in support of the Merger have been indicated in the draft Directors' Report, including an economic and financial plan indicating the source of the financial resources and a description of the objectives to be achieved;

(c) pursuant to arts. 2501-bis, paragraph 4, and 2501-sexies of the civil code, jointly with Salini, Impregilo asked the Court of Milan to appoint a joint expert with the task of certifying, in his own report, the reasonableness of the indications contained in the Merger project regarding the financial resources provided to meet the obligations of the company resulting from the Merger (the "**Expert**"); as of the date of this Opinion, we are awaiting the appointment of the Expert by the Court of Milan;

(d) pursuant to art. 2501-bis, paragraph 5 of the civil code, PriceWaterhouseCoopers SpA ("**PWC**"), an auditing company charged with the statutory audit of the Impregilo accounts, has been asked to issue a report to be attached to the Merger project.

The completion of the Merger operation is conditional, in addition to approval by the respective extraordinary meetings of Impregilo and Salini, upon the following conditions:

(a) a negative opinion has not been formulated by the Expert regarding the appropriateness of the exchange ratio;

(b) the certification by the Expert, pursuant to and for the purposes of art. 2501-bis, paragraph 4 of the civil code, has been obtained regarding the reasonableness of the indications contained in the Merger project, on the financial resources provided in order to meet the obligations of the company resulting from the Merger;

(c) non-occurrence - or in the case of non-fulfilment of this condition, the non-waiver of such condition by the merging companies - before the Merger effective date, of extraordinary situations or circumstances of any kind that are not reasonably foreseeable on the date of the Merger Project that, in light of the accounting positions taken into consideration to determine the exchange ratio, negatively affect or are likely to negatively affect substantially one or both of the merging companies and/or the groups controlled by them, and the respective balance sheets, and economic or financial positions, or their economic or financial performance, or their respective future prospects, and provided that the intended effects are not caused by a similarly significant and substantial change to the stock market prices of the Impregilo shares.

When the approval of the Merger is resolved by the Impregilo extraordinary meeting, Impregilo shareholders will be asked to approve - with effect from the effective date of the Merger or thereafter, if the reduction is to be implemented after that date - the reduction of Impregilo's share capital from €718,364,456.72 to €500,000,000.00, that is to say, by an amount equal to €218,364,456.72, with €100,000,000.00 earmarked for the "*Legal reserve*" and €118,364,456.72 for the constitution of a specific reserve of shareholders' equity.

As indicated in the draft Merger project, the share capital reduction operation – which would leave the overall size of the shareholders' equity unchanged – is advisable to achieve a better structure for the equity of the company resulting from the Merger, which will also optimise efficiency in terms of possible operations.

Given the fact that Impregilo's shares have a nominal value of zero, the capital reduction will not cancel any shares.

The exchange ratio, understood to mean the suitable ratio for expressing the mutual weight of the companies participating in the Merger, is established at 6.45 ordinary Impregilo shares for each Salini share (the "**Exchange Ratio**"). Therefore, the sole shareholder of the Incorporated Company (Salini Costruttori), in the case of approval of the Merger, shall receive a total of 402,480,000 ordinary Impregilo shares.

In light of the above-mentioned Exchange Ratio, the Merger therefore consists of the assignment, to the sole shareholder of the Incorporated Company, Salini Costruttori:

(i) of 357,505,246 ordinary Impregilo shares, with zero nominal value, currently in circulation and held by Salini, as well as

(ii) a further 44,974,754 newly issued ordinary shares, with zero nominal value.

The holders of the ordinary Impregilo shares other than the Incorporated Company, and the holders of the Impregilo savings shares, will retain the shares currently that they currently own.

No cash adjustments are envisaged.

As indicated and explained in the draft Merger project, the proposed operation – including the planned capital reduction – shall not be subject to the approval of the special Impregilo savings shareholder meeting, as the privileges granted by the Articles of the Incorporating Company to such class of shares will not be adversely affected.

In light of the Exchange Ratio, and assuming that no changes are made to the current asset base of Impregilo and Salini, at the outcome of the Merger Salini Costruttori will hold a stake of 89.95% of the ordinary share capital in the Incorporating Company.

The Merger operation does not exclude Impregilo shares from being listing.

The Merger shall take effect in accordance with civil law as of 1 January 2014 or a different date to be indicated in the Merger instrument. As of the effective date of the Merger, Impregilo will replace Salini in all relations to which Salini was previously a party, and assume the respective rights and obligations.

For accounting purposes and tax purposes, the operations of the Incorporated Company will be charged to the budget of the Incorporating Company as of the aforementioned date.

2. Relationship between the companies involved in the Merger

The relationship between Salini and Impregilo is derived from the existence of a shareholding relationship between the two companies. In fact, as at the date of this Opinion, following the PTO and subsequent operations on the market, Salini holds 357,505,246 shares, equal to 88.83% in the ordinary share capital of Impregilo.

Furthermore, as a result of its ownership of such shareholding, Salini exercises management and coordination activities at Impregilo.

Pursuant to Annex 1 of the Consob regulation 17221/2010 (as subsequently amended) (the "**RPO Regulations**"), referred to by the RPO Procedure for the definition of related parties, *"a person is a related party of a company if: (a) it directly or indirectly, also through subsidiaries, trustees, or intermediaries: (i) controls the company, is controlled by the company, or is subject to joint control; […].*

As a result, Salini is qualified as a related party of Impregilo as it exercises legal control (and also, as already mentioned, management and coordination activities) over it.

From an objective point of view, the Merger is also a significant "operation" for the purpose of application of the RPO Procedure. In fact, as established by the definition of *"Related Party Operation"* contained in the aforementioned procedure, which transposes the provisions of the RPO Regulations in this respect: *"Operations with Related Parties are considered as: (i) merger operations or split operations by incorporation or by split in a strictly non-proportional sense, where performed with related parties; […]".*

3. Summary of activities performed by the RPO Committee

The RPO Committee was constituted by resolution of the Board of Directors on 18 July 2012. At that time, its members were appointed: the Directors Alberto Giovannini (acting as Chairman), Marina Brogi, Giuseppina Capaldo, and Geert Linnebank. The composition of the RPO Committee has not changed since that time up to the present date.

Following the PTO undertaken by Salini with the aim of conducting the "National Champion" project, the Impregilo Board of Directors, at the meeting of 13 May 2013, decided to start activities to proceed with the corporate merger operation with Salini.

After the adoption of the aforementioned board decision, the ORP Committee initiated activities intended to review the operation.

First of all, the ORP Committee selected the advisers who would provide assistance in the scope of the operation. It selected Lazard Srl ("**Lazard**" or the "**Adviser**") as financial adviser; and the Carbonetti e Associati law firm as legal adviser.

Particular attention was paid to the activity intended to verify the independence of the advisers.

Verification of the actual independence of the advisers was performed by obtaining special statements of independence from these advisers.

The RPO Committee met and/or requested clarifications and in-depth analysis from the management of Impregilo and Salini, from a primary industrial adviser appointed by Impregilo (the "**Industrial Adviser**"), from PWC (as the audit company charged with issuing the report to be attached to the Merger Project) and from the financial advisers used by Impregilo (Partners) and Salini (Vitale e Associati).

The RPO Committee had direct access to the information and documents contained in the data rooms.

The activity of the financial Adviser was performed through participation in meetings with the RPO Committee, at which time Lazard provided the RPO Committee with an update on the information obtained from the virtual data rooms prepared by Impregilo and Salini and on the documents produced from this information. Lazard's activity was completed with the preparation of an opinion on the appropriateness of the Exchange Ratio from a financial point of view.

The legal adviser attended the RPO Committee concerning the verification of the legal profiles of the operation.

The RPO Committee participated in meetings intended to establish the Exchange Ratio. In particular, the Impregilo Board of Directors, at the meeting of 11 June 2013, delegated the Directors Mr Pietro Guindani and Ms Laura Cioli, engineer, as independent Directors of Impregilo (the "**Authorised Independent Directors**"), to contact the Salini representatives as necessary to hold discussions related to the Exchange Ratio of the shares of the companies involved in the Merger project, while making use of the valuations and information on Impregilo and Salini available to the Company and the support of the financial and legal consultants appointed by Impregilo.

Since 13 May 2013, the date of this Opinion, the RPO Committee met ten times and participated, through its members, in a further four meetings of the Authorised Independent Directors.

4. Evaluations of the appropriateness of the operation and the existence of a benefit to the Company

4.1 Reasons of an industrial nature and considerations concerning the debt resulting from the Merger

The reasons and strategy behind the Merger are derived from the National Champion project, which the shareholders have known of for a long time and which the Impregilo Board of Directors, at the time of the PO, deemed to be consistent with the Company's industrial growth strategy, as developed and set out in the industrial plan approved by the same Board of Directors on 6 December 2012.

The Merger is proposed as an essential prerequisite for full realisation of the benefits of the merger between Salini and Impregilo targeted in the "National Champion" project and partially achieved already through the strategic commercial and organisational agreement entered into between Impregilo and Salini on 27 September 2012.

The reasons behind the merger project are based on strengthening competitive positioning through the consolidation of critical success factors that characterise the business segments led by the two Groups; these reasons can essentially be traced to the management objectives of:

- growth on a dimensional scale with the consequent competitive advantages and synergies and improved conditions for access to the capital markets;
- sharing of the best internal practices in the processes and instruments adopted;
- optimisation and enhancement of the internal resources and capability of attracting new talent.

The documentation prepared by the management in relation to the Merger shows that, in addition to the benefits derived from strategic and competitive strengthening, a larger size makes it possible to gain efficiency in the procurement of goods and services for the work sites (materials, subcontracts, insurance, etc.), goods and services to support central office facilities (technical consultancy, utilities, travel, etc.), and machinery and plants (general purpose machines, TBM, crushing plants, etc.); it is noted that most of these synergies can only be achieved through merger because full sharing of the supply strategies and use of all necessary efficiency levers is required without the limitations imposed by the complexity connected with the management of complex service contracts or transfer price systems.

As part of the actual work, the RPO Committee has reviewed the draft economic and financial plan drawn up by the administrative bodies, taking into account the provisions set forth in art. 2501-bis of the civil code (the "**Plan**") and discussed, among other things, the considerations related to the benefits of merger with the Impregilo management and the Industrial Adviser used by Impregilo to draft the stand-alone and combined industrial plans.

Following the meetings held and in light of the documentation reviewed, the RPO Committee acknowledged that, subject to the expected commercial synergies derived from the strategic agreement of 27 September 2012, additional benefits are expected from the merger which can be valued, when at full potential, in the 2016 financial year, at €90-110 million, against a valuation of extraordinary merger costs determined at a total of €25 million, distributed between 2013 and 2014.

The described additional synergies include benefits pertaining to purchases and staff in terms of cost avoidance, and concerning reduced investments through better use of assets.

It has also been illustrated that some of these benefits could be achieved as a result of Salini's management, coordination, and control of Impregilo. It has been determined that this situation, without the Merger, could lead to only a minority share of the above-mentioned potential.

With regard to the considerations of the debt resulting from the Merger, the draft Merger project indicates that, following the Merger and in line with the forecasts of the Plan and the resources to be generated in this respect, the Incorporating Company shall have sufficient assets and financial resources to meet the needs of the financial obligations detailed in the above paragraph. This consideration is also expressed, in the draft Merger project, in the case where the issuance of a new bond loan – proposed in the same draft Merger project – to essentially replace the remaining finance accessed by Salini for the purposes of the PO and expiring in 2018, is not completed.

The RPO Committee has discussed the aforementioned Plan and the main underlying assumptions with the management and advisers of the Company. In particular, the RPO Committee has critically analysed, with the assistance of the Industrial Adviser, the impact of various negative scenarios on the Plan.

4.2 Valuations related to the Exchange Ratio

As already indicated, for the purpose of the financial valuations related to the Merger, the RPO Committee requested an opinion from Lazard on the financial appropriateness, for Impregilo, of the Exchange Ratio proposed by the Board of Directors of the Company at the end of the meeting of 13 May 2013.

In this respect, the discounted cash flows analysis was used as the main valuation methodology. In addition, the comparable companies analysis was used as a control methodology against the above-mentioned main methodology; this includes (i) market multiples of the listed comparable companies and (ii) the implicit Impregilo multiple based on the market value.

The letter from Lazard summarising the valuations and results of the analyses that it conducted is attached to this Opinion.

The RPO Committee discussed the results of the aforementioned valuations with Lazard. From the discussion it emerged that the valuation range established therein reflects the variations of the shareholding values as a result of various assumptions around the medium/long-term discount factors. The various assumptions relating to such factors are justified by various assumptions regarding the debt ratio of the company, by the relative cost and, in general, by a sensitivity analysis of the obtained values.

5. Conclusions

The Committee:

- based on the conduct of the above-mentioned work;
- having acknowledged, through participation in meetings with the Authorised Independent Directors, the process followed in order to establish the Exchange Ratio;
- having reviewed the terms and conditions of the Merger as a whole;
- having analysed the financial valuations made by the Lazard adviser, and having heard the Industrial Adviser in relation to the industrial aspects;
- having acknowledged the Plan drafted pursuant to art. 2501-bis, paragraph 3, of the civil code and having heard the Impregilo management, PWC, and the Industrial Adviser on this matter;
- having reviewed the content of the draft Merger project and the valuations and reasons indicated in the draft directors' report;
- having acknowledged the fairness opinion issued by Lazard;

in light of the above, and within the scope of its authority, unanimously issues a favourable opinion regarding the existence of a benefit to the Company by performing the Merger, based on the terms indicated by the management in the draft Merger project, and regarding the suitability and essential fairness of the aforementioned terms and conditions.

The present Opinion was unanimously approved by the Committee members at the meeting of 24 June 2013.

* * * *

Please do not hesitate to contact us if you require further clarifications with regard to the above.

Best regards

Mr Alberto Giovannini (Chairman)
[signature]

(enc. Lazard opinion)

LAZARD

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Committee for Related Party Operations of
Impregilo SpA
Via dei Missaglia, 97
20142 Milano
Italy

Milan, 24 June 2013

Dear Sirs,

We have been informed of the fact that the Board of Directors of Impregilo SpA ("Impregilo"), on 13 May 2013, reviewed on a preliminary basis the possible operation of a merger by incorporation of Salini SpA ("Salini" and jointly with Impregilo, the "Companies") into Impregilo (the "Operation").

In addition, based on what has been presented to us and particularly in light of the draft merger project received, dated 24 June 2013 (the "Draft Merger Project"), the exchange ratio proposed as part of the Operation has been identified at 6.45 ordinary Impregilo shares for each ordinary Salini share (the "Exchange Ratio").

Although some provisions of the Operation have been summarised in this opinion, the terms and conditions of the said Operation are indicated in greater detail in the Draft Merger Project.

In this respect, in accordance with articles 5 and 8 of Consob Regulation no. 17221 of 12 March 2010, as subsequently amended (the "Related Parties Regulation"), the Impregilo Committee for Related Party Operations (the "Committee") asked Lazard Srl (hereinafter "Lazard") to issue an opinion in relation to the financial appropriateness of the Exchange Ratio for Impregilo.

For the purpose of this opinion, we:

- (i) reviewed the financial terms and conditions set forth in the Draft Merger Project;
- (ii) analysed certain historic commercial and financial information related to the Companies, including the annual reports of the Companies concerning the three years ending on 31 December 2010, 2011, and 2012, the quarterly reports of the Companies as at 30 September 2012 and, for Impregilo, the quarterly report as at 31 March 2013;
- (iii) reviewed the forecasts prepared by the management of the Companies, related to the 2013-2016 period, and other data provided to us by the Company in relation to their activity, including the guidelines provided by the Impregilo management on the growth of business activity post-2016;
- (iv) discussed the activities, forecasts, and prospects of the Companies with the senior managers of the Company and the Committee members;
- (v) reviewed public information related to other companies operating in sectors that we deem to be, in principle, compatible with the activity of the Companies; and
- (vi) conducted other financial studies, analyses, and investigations as we saw fit.

In order to prepare this opinion, we adopted and made assurances on the fairness and completeness of all the information above, without submitting it for independent verification, including but not limited to all financial information, other information and reports provided to us, and all statements given by the Companies. We have not undertaken any independent investigations, evaluations, or expert appraisals of such information, reports, or statements. Any addition, modification, or subsequent update of the above-mentioned information may affect this opinion and the assumptions based on which it was drawn up. We have not provided, obtained, or reviewed any specialist opinion, on your behalf, including but not limited to legal, accounting, actuarial, environmental, IT, or tax opinions and, therefore, our opinion does not take into account the possible implications of such types of opinions.

In addition, we have assumed that the valuation of the assets (including all plant and equipment) and liabilities, and the forecasts related to the profits and cash flows, including forecasts related to future capital account expenses, performed by the management of the Companies, are appropriate and reasonable. We have not conducted any independent investigation, evaluation, or expert appraisal on any assets or liabilities of the Companies, and we have not carried out any evaluation related to the solvency of the any of the Companies. We assume no responsibility, and we do not issue any opinion in relation to such forecasts, projections, guidelines, or the assumptions on which they are based. Furthermore, it is noted that our analyses and financial evaluations do not reflect the possible synergies that could be derived from the Operation.

Lazard has been asked to prepare this opinion prior to approval by the Impregilo Board of Directors of the Operation and to assume and consider that: (i) the Boards of Directors of the Companies, as well as the Committee, will assess the Operation at their sole and independent judgement and discretion, and each separately, and prepare and arrange for approval of the merger project, the statements and respective documentation, which will contain the usual terms and conditions, and also obtain assessments from independent experts, all in conformity with the applicable laws and regulations, (ii) the Operation will be implemented in accordance with the terms and conditions in the Draft Merger Project, without modifications to any essential terms and conditions of the same, and (iii) all the government, regulatory, or other types of approvals and authorisations, required in order to complete the Operation, will be obtained with no significant negative impact on the Company. In addition, we have learned that the Impregilo Board of Directors has appointed PriceWaterhouseCoopers SpA to prepare the report on the merger project on behalf of the party charged with the statutory audit of the accounts, pursuant to article 2501-bis, paragraph 5 of the Civil Code. In the preparation of our opinion, we assumed that the business and financial data indicated in the report prepared by PriceWaterhouseCoopers SpA would not differ from the business and financial data of the Companies used to prepare this opinion. Consequently, it should be stressed that the conclusions contained in this opinion could be subject to changes dependent on many factors, including the terms and conditions actually contained in the merger project and the related documentation prepared and approved by the Boards of Directors of Impregilo and Salini.

The exchange ratio in the scope of the Operation, which will be determined by the Impregilo Board of Directors, shall be the subject of a fairness report by the expert appointed by the Court of Milan, pursuant to article 2501-sexies of the Civil Code. The methodologies and criteria used by us could partially or entirely differ from the methodologies and criteria used by the independent expert appointed pursuant to article 2501-sexies of the Civil Code and the respective results may therefore differ.

In addition, this opinion is naturally based on the economic, monetary, market, and other conditions existing on the date of this opinion, and also on the information provided to us by the same date. Events occurring after this date could affect the assumptions and content of this opinion. However, Lazard does not assume any responsibility for updating, modifying, or confirming the present opinion. Furthermore, the financial forecasts of the Companies could be influenced by changes taking place in the construction and infrastructures market and by laws and regulations applicable to that market and by the outcome of litigation in process and any future litigation of the Companies.

Lazard acts in its capacity as financial adviser of Impregilo and will receive a commission from Impregilo on issuance of this opinion, pursuant to article 7, paragraph 1, subparagraph B) of the Related Parties Regulations.

It should be noted that during 2013, Lazard assisted Impregilo, in accordance with article 39, paragraph 1, subparagraph d) of the Issuers regulations of the Consob as per resolution no. 11971 of 14 May 1999, by issuing an opinion to the Impregilo Board of Directors related to the financial fairness to the Impregilo shareholders (not including Salini) of the payment offered by Salini as part of the voluntary public offering initiated in accordance with articles 102 and 106, paragraph 4 of the consolidated text under Legislative Decree no. 58 of 24 February 1998. This assignment was completed in April 2013.

Lazard also assisted the Impregilo Board of Directors, at the request and instruction of its independent directors, in the assessment of the acquisition of a 40% share in Copenhagen Metro Team. This assignment was completed on 17 June 2013.

Lazard or the other companies belonging to Lazard Group could, in the future, provide financial consultation services to the Companies. In addition, it is noted that the shares and other Impregilo securities could be traded by the companies belonging to Lazard Group on their own behalf and on behalf of their clients. In particular, funds managed by Lazard Asset Management LLC, as well as accounts of clients managed by the latter, hold about 9.981% in ASTM SpA, which in turn wholly owns Igli SpA which, in the last 24 months, held 29.96% in Impregilo. As at 10 May 2013 and according to the "Interim management report – 31 March 2013" of ASTM SpA published by ASTM SpA, Igli SpA holds 0.25% of the ordinary share capital in Impregilo. Lazard Asset Management LLC is a separate and distinct company from Lazard, although both are indirectly controlled by Lazard Group LLC. We therefore declare that the management of the aforementioned stake, on behalf of third parties, by Lazard Asset Management LLC is not in any way detrimental to the independence of Lazard for the purpose of the task entrusted to us by Impregilo in relation to the Operation.

This opinion is issued exclusively for the benefit of the Committee – with full independence of judgement – in relation to and for the purpose of the Operation; it is not issued on behalf of and does not confer rights or remedies on the shareholders or any other person, and cannot be relied upon by the said shareholders or persons, and will not be used for different purposes. This opinion is issued only on the financial fairness of the Exchange Ratio as part of the Operation, and does not assess any other aspect or implication of the Operation.

[initials]

This opinion does not relate to the merit of the Operation with respect to other operations that could be performed or strategies that could be implemented by Impregilo. This opinion does not constitute a recommendation, in relation to any person, to approve the Operation or accept the Exchange Ratio.

Except where expressly provided by laws, regulations, or the specific requirements of a competent government authority and, in particular, the provisions of article 5, paragraph 5 of the Related Parties Regulations and the respective Annex 4, the present opinion is confidential and you cannot use it, disclose it, refer to it, or communicate it (in whole or in part) to any third party for any purpose, without our prior written authorisation.

This opinion is subject to the terms and conditions of the letter of authorisation signed by Impregilo and Lazard on 30 May 2013.

CRITICAL CONDITIONS AND LIMITATIONS

Certain critical conditions and limitations deemed significant for the purpose of the assessments and analyses carried out are identified hereunder. It should be noted that any discrepancies, variations, or differences related to the indications given below could have an impact (possibly significant) on the results of the assessments and analyses.

(i) The assessments and analyses were performed by using prospective economic/financial data prepared by the management of Impregilo and Salini; these data, by their nature, are uncertain and random. Changes to the assumptions underlying the forecast data could have an impact (possibly significant) on the results underlying this opinion;

(ii) The projections prepared by the management of the Companies establish specific hypotheses and assumptions in relation to the realisation times of certain extraordinary events; changes to the expected times of such events could have an impact (possibly significant) on the results underlying this opinion;

(iii) Assessments and analyses are performed by using aggregated projections both for Impregilo and for Salini, since no detailed projections were provided for individual orders, with the exception of the two most important orders (Venezuela for Impregilo and Ethiopia for Salini);

(iv) Assessments and analyses were performed by using asset data valid on 31 December 2012, rectified as necessary based on extraordinary events that occurred during the period from 31 December 2012 to 20 June 2013; Salini's quarterly report of 31 March 2013 was not made available and, for the sake of consistency, the asset data of 31 December 2012 were also taken as reference;

(v) The valuations and projections reported in the forecast data used for the valuations and analyses, and the results derived from the application of the valuation methodologies, depend to a considerable extent on macro-economic, political, and scenario-based assumptions with which the Companies operate; the current macro-economic uncertainty and possible significant changes of contextual variables, could have an impact (possibly significant) on the results underlying this opinion; and

(vi) The financial markets are currently characterised by a high level of volatility, with the resulting volatility of the market values and parameters used in the evaluative analyses carried out, including but not limited to interest rates and share prices.

ASSESSMENT AND ANALYSIS METHODOLOGIES USED

A summary is provided below of the financial analyses and assessment methodologies that Lazard deemed appropriate to use when preparing its opinion. This summary is not a complete description of the analyses on which Lazard's opinion is based. The preparation of an opinion is a complex process, which requires many decisions as to the most suitable and relevant analysis methods and the application of such methods to the circumstances in the specific case and, therefore, does not lend itself to a brief description.

For the purpose of its analysis, Lazard took into account the performance of the reference sector, the general commercial, economic, market, and financial conditions and other factors, many of which lie outside the control of the Companies. No company or activity used as a yardstick for comparison is identical to the Companies, and the assessment of the results of such analyses is not an entirely mathematical exercise. On the contrary, the analyses require complex considerations and judgements relating to the financial, operational and other characteristics that could affect the stock market value or other valuations of the companies or activities used in Lazard's analyses. The valuations contained in Lazard's analyses and the ranges resulting from a specific analysis do not necessarily reflect the real values or represent a forecast of results or future values, which could be significantly more or less favourable than those suggested by Lazard's analyses. In addition, the analyses related to the value of companies, assets, or securities are not intended to determine or reflect the prices at which the companies, assets, or securities could actually be sold. Consequently, the valuations used and the results derived from Lazard's analyses are, by their nature, subject to considerable uncertainty.

Unless specified otherwise, the information and quantitative data, where these are based on market data, were adopted up to 20 June 2013.

Financial Analyses
The main assessment methodology used was that of the discounted cash flows analysis ("Discounted Cash Flow" or "DCF"), while the comparable companies analysis was used as a control method for the main method, including (i) market multiples of comparable listed companies, and (ii) the Impregilo implicit multiple calculated based on the market value.

1) Discounted cash flows (DCF) analysis
As indicated above, we used the discounted cash flows analysis as the main assessment methodology. In particular, we used the projections of the management of the Companies for the 2013-2016 period and mechanically extrapolated the financial projections from 2016 to 2023 in order to achieve the steady state, based on the guidelines provided by the Impregilo management and which were also applied in a consistent manner to the projections prepared by the Salini management.

Impregilo
Lazard carried out an analysis of the operating cash flows derived from Impregilo's construction business ("Impregilo's Construction Business") and the cash flows derived from the Impregilo project in Venezuela. The latter was analysed separately in light of the different risk and profitability profile.

The operating cash flows, net of taxes, and the final value ("Terminal Value") of Impregilo's Construction Business, were discounted at a capital cost calculated based on the capital asset pricing model (CAPM); the range resulting from the application of this methodology is between 12.0% and 14.0% inclusive. In particular:

- (i) the risk-free rate was determined by taking as reference the yield on German risk-free ten-year government bonds;
- (ii) the beta unlevered method of comparable listed companies was used; and
- (iii) the equity risk premium was calculated by taking into account the geographical diversification of the orders portfolio and the respective implicit risk.

The financial structure of Impregilo presents a cash position for the entire period of the plan.

The operating cash flows, net of taxes, of the Impregilo project in Venezuela, were discounted at a capital cost also calculated based on the capital asset pricing model (CAPM); the range resulting from the application of this methodology is between 19.0% and 20.0% inclusive in light of the greater risk associated with the country.

Lazard also calculated the Terminal Value of Impregilo's Construction Business determined according to the Gordon methodology, applying a perpetual growth rate of between 1.75% and 2.25% inclusive.

For the purpose of determining Impregilo's equity value, certain items were algebraically added to the values resulting from the application of the DCF methodology: (i) the net financial position as at 31 December 2012 net of cash for Impregilo operations, stated as a pro forma, for the assignment of the 6.5% share held in Ecorodovias and for the extraordinary dividend deliberated by the Impregilo Shareholders' Meeting of 30 April 2013 and paid out on 23 May 2013, (ii) the book value of the minority interests, (iii) the value of Impregilo's assets other than Impregilo's Construction Business and subject to divestment, (iv) the savings shares, (v) the minority interests, and (vi) a valuation of the possible proceeds from litigation in process with Impregilo.

Salini
Lazard has carried out an analysis of the operating cash flows of Salini's construction business ("Salini's Construction Business") and the cash flows derived from the Salini project in Ethiopia. The latter was analysed separately in light of its different risk and profitability profile.

The operating cash flows, net of taxes, and the Terminal Value of Salini's Construction Business were discounted at a capital cost calculated based on the weighted average cost of capital (WACC), determined based on the capital asset pricing model (CAPM), and the cost of debt net of the respective tax effect; the range resulting from the application of this methodology is between 9.35% and 10.65%. In particular:

- (i) the risk-free rate was determined by taking as reference the yield on German risk-free ten-year government bonds;
- (ii) the beta unlevered method of comparable listed companies was used; and
- (iii) the equity risk premium was calculated by taking into account the geographical diversification of the orders portfolio and the respective implicit risk; and
- (iv) the financial structure was valued by taking as reference the capital structure of comparable listed companies.

The operating cash flows, net of taxes, of the Salini project in Ethiopia, were discounted at a capital cost also calculated based on the capital asset pricing model (CAPM); the range resulting from the application of this methodology is between 14.5% and 15.5% inclusive in light of the greater risk associated with the country.

Lazard also calculated the Terminal Value of Salini's Construction Business determined according to the Gordon methodology, applying a perpetual growth rate of between 1.75% and 2.25% inclusive.

For the purpose of determining Salini's equity value, certain items were algebraically added to the values resulting from the application of the DCF methodology: (i) the net financial position as at 31 December 2012 net of cash for Impregilo operations, stated as a pro forma, for debt taken out to finance the public offering in relation to Impregilo, the extraordinary dividend collected on 23 May 2013, and the proceeds derived from the assignment of the Impregilo securities, (ii) the value of the 357,505,246 ordinary Impregilo shares resulting from the discounted cash flows analysis, (iii) the minority interests, and (iv) the book value of the minority interests.

Result derived from the application of the main methodology – DCF
Based on the results derived from the application of the main methodology, a range is obtained for the values of the exchange ratio equal to 5.67 – 7.01 ordinary Impregilo shares for each ordinary Salini share.

2) Analysis of comparable companies
For the purpose of applying the market multiples methodology, Lazard analysed and assessed a number of listed companies operating in the construction and infrastructures sector that, as far as Lazard is aware in relation to such sectors, are reasonably comparable to the Companies. While carrying out these analyses, Lazard reviewed and assessed the publicly available financial information related to the selected comparable companies and applied the resulting metrics to the respective economic/financial valuations of the same Companies.

Although there are no listed companies that completely coincide (in terms of lines of business, markets, business risks, growth prospects, maturity of the business, size, and size of business) with the Companies, Lazard selected a sample of listed companies that are nevertheless considered to be similar: Astaldi, Hochtief, Skanska and Strabag.

Based on the estimates of financial analysts and other information in the public domain, Lazard reviewed the enterprise value of each selected comparable company as a multiple of the EBIT or of the EBITDA expected in 2013 using the spot price of the securities on 20 June 2013 and the weighted average of the prices in the last 3 months.

Lazard thus obtained the following multiple ranges:

(i) EBIT multiple between 8.6x and 9.0x inclusive, and
(ii) EBITDA multiple between 4.5x and 5.4x inclusive

which was applied to the respective data determined by the Companies for the 2013 calendar year.

With regard to the methodology of the comparable companies analysis, Lazard also took into account the Impregilo implicit multiple as the EBIT and EBITDA multiple expected in 2013 using the spot price of the ordinary shares on 20 June 2013 and the weighted average of the prices in the last 3 months. The EBITDA and EBIT of Impregilo for 2013 taken as reference are derived from projections prepared by the Impregilo management.

Lazard thus obtained the following multiples:

(i) EBIT multiple between 9.1x and 9.2x inclusive, and
(ii) EBITDA multiple between 4.6x and 4.7x inclusive

which was applied to the respective data determined by the Companies for the 2013 calendar year.

For the purpose of determining the equity value of Impregilo, certain items were algebraically added to the values resulting from the application of the market multiples methodology and the Impregilo implicit multiple method: (i) the net financial position as at 31 December 2012 net of cash for Impregilo operations, stated as a pro forma, for the net financial position as at 31 December 2012 net of cash for Impregilo operations, stated as a pro forma, for the assignment of the 6.5% share held in Ecorodovias and for the extraordinary dividend deliberated by the Impregilo Shareholders' Meeting of 30 April 2013 and paid out on 23 May 2013, (ii) the book value of the minority interests, (iii) the value of Impregilo's assets other than Impregilo's Construction Business and subject to divestment, (iv) the savings shares, (v) the minority interests, and (vi) a valuation of the possible proceeds from litigation in process with Impregilo.

For the purpose of determining Salini's equity value, certain items were algebraically added to the values resulting from the application of the market multiples methodology: (i) the net financial position as at 31 December 2012 net of cash for Impregilo operations, stated as a pro forma, for debt taken out to finance the public offering in relation to Impregilo, the extraordinary dividend collected on 23 May 2013, and the proceeds derived from the assignment of the Impregilo securities, (ii) the value of the 357,505,246 ordinary Impregilo shares resulting from the discounted cash flows analysis, (iii) the minority interests, and (iv) the book value of the minority interests.

Results derived from the application of the control methodology
Based on the results derived from:

(i) the application of the market multiples methodology, a range is obtained for the exchange ratio values equal to 5.90 – 7.01 ordinary Impregilo shares for each ordinary Salini share; and

(ii) the application of the Impregilo implicit multiple methodology, a range is obtained for the exchange ratio values equal to 6.03 – 7.32 ordinary Impregilo shares for each ordinary Salini share.

This opinion is governed by Italian law.

* * *

Based on the above and within the established limits, it is our opinion that, on this date, the Exchange Ratio is fair to Impregilo from a financial point of view.

Best regards

Lazard Srl
[signature]

[signature]

[initials]