

**REPORT OF THE INDEPENDENT AUDITORS PURSUANT
TO ARTICLES 2501-SEXIES AND 2501-BIS,
PARAGRAPH 4 OF THE ITALIAN CIVIL CODE**

**To the Shareholders of
Impregilo S.p.A.**

**To the Shareholders of
Salini S.p.A.**

1. Purpose and subject of the mandate

On the basis of the appointment jointly signed by Impregilo S.p.A. (hereinafter “Impregilo”) and Salini S.p.A. (hereinafter “Salini”) by order of 14 June 2013, filed on 25 June 2013, the Court of Milan has appointed Baker Tilly Revisa S.p.A. as joint expert pursuant to and for the purposes of Articles 2501-*sexies* and 2501-*bis*, paragraph 4 of the Italian Civil Code, to prepare the report on the adequacy of the exchange ratio between the shares of Impregilo and those of Salini, set as part of the transaction that provides for the (“reverse”) merger of Salini into Impregilo as well as to confirm the reasonableness thereof in view of the indication of the financial resources provided for to meet the obligations of the company resulting from the merger.

For purposes connected with the performance of our mandate, we have received the following documentation from the Boards of Directors of the two companies involved:

- The plan for the merger of Salini into Impregilo drafted pursuant to and for the purposes of Articles 2501-*bis*, paragraph 2, and 2501-*ter* of the Italian Civil Code, as approved by the Boards of Directors of Impregilo and Salini,

which indicates the exchange ratio and the financial resources provided for to meet the obligations of the company resulting from the merger.

- The report of the independent auditors, PricewaterhouseCoopers S.p.A. (hereinafter “PWC”), drafted pursuant to Article 2501-*bis*, paragraph 5 of the Italian Civil Code.
- The statements of financial position of Impregilo and Salini representing the respective consolidated and separate financial statements at 31 December 2012.
- The drafts of descriptive reports prepared by the Boards of Directors of Impregilo and Salini on the merger plan drafted in accordance with Articles 2501-*bis*, paragraph 3, and 2501-*quinquies* of the Italian Civil Code that will be submitted for approval of the respective Boards of Directors on the 5 and 6 August 2013. These drafts describe the reasons justifying the merger in legal, industrial and economic terms and, in particular, the determination of the exchange ratio, as well as a description of the Economic and Financial Plan of the company resulting from the merger, with an indication of the sources of the financial resources provided for to meet the respective obligations.

2. Transaction summary

2.1 Merging company

The Merging Company is Impregilo S.p.A., with registered office at Via dei Missaglia 97, Milan, fully paid-up capital at the present date amounting to €718,364,456.72 divided into 404,073,428 shares, of which 402,457,937 are ordinary shares and 1,615,491 are savings shares, each without par value, listed on the Mercato Telematico Azionario (the Italian screen-based stock market) organised and managed by Borsa Italiana S.p.A. (“MTA”), a company subject to management and coordination by Salini pursuant to Article 2497-*bis* of the Italian Civil Code.

Impregilo was created in the mid-nineties through the merger of four major Italian construction companies, and is a global player active in the design and construction of major infrastructure projects, having

as its corporate purpose the construction, on its own account as well as on behalf of third parties, of road, port, hydraulic, hydroelectric, construction and rail works, as well as, in general, all kinds of civil engineering construction in Italy and abroad.

The Merging Company operates in more than 30 countries in 5 continents, with an established presence in the Americas and in Italy and with a workforce of 11,890 employees at the end of 2012.

Equipped with extraordinary technical and professional know-how, the Merging Company is today one of the world's leading players in the construction of major hydroelectric plants and large dams (including the Ertan Dam in China, the Tarbela Dam in Pakistan and the Karahnjukar Dam in Iceland) and has built thousands of kilometres of transport lines and infrastructure, including railways (such as, for example, the high-speed Bologna-Florence and Turin-Milan lines in Italy), metro lines in the world's major cities (Rome, Milan, Genoa, Naples, New York, Paris, Singapore, Porto, St Petersburg, Montreal, Athens and Miami), and roads and highways in urban and non-urban areas.

Some of the works completed and in progress are now milestones in the evolution of the Italian engineering tradition worldwide: from rescuing the temples of Abu Simbel in Egypt to the construction of the Gotthard tunnel and the expansion of the Panama Canal.

At 31 December 2012:

- the Impregilo Group's consolidated revenue amounted to €2,281 million. About 77% of this amount came from abroad and mainly reflects development of the Construction sector (+26.3%);
- EBITDA amounted to €84.3 million, for an EBITDA margin on revenue of 3.7%;
- income from discontinued operations was €717 million, almost entirely attributable to the sale of the equity investment in the Brazilian concession-holder EcoRodovias Infraestrutura e Logistica S.A. (€720.7 million);
- consolidated net profit attributable to the Impregilo Group was €602.7 million;
- the Impregilo Group's shareholders' equity totalled €1.8 billion, while the consolidated net financial position was positive at €566.7 million due to the receipt of €750.6 million relating to the sale of the first two tranches of the equity investment in EcoRodovias Infraestrutura e Logistica S.A. as well as

deconsolidation of the debt of this Brazilian subsidiary for approximately €121.6 million;

- the order backlog for construction and plants amounted to approximately €10.6 billion.

2.2. Merged Company

The Merged Company is Salini S.p.A., which has a single shareholder, its registered office at Via della Dataria 22, Rome, and fully paid-up capital, at the date of approval of the Merger Plan, amounting to €62,400,000.00, representing 62,400,000 ordinary shares with a par value of €1.00 each. It is a company subject to management and coordination by Salini Costruttori S.p.A. (“Salini Costruttori”) pursuant to Article 2497-*bis* of the Italian Civil Code.

The Merged Company is an Italian leader in the construction of large and complex infrastructure, specialising in hydroelectric projects and dams, railways, metros, roads and highways and civil and industrial buildings, as well as integrated projects (including water, roads, buildings and industrial works).

In over 75 years of history and experience in the industry, the Merged Company has established itself among the leading global players in the segment of the “turnkey” construction of hydroelectric projects and is positioned at sixth place in the 2012 ENR (Engineering News Record) ranking of Top International Contractors in the hydraulic works segment. Key projects in progress include: the GERD hydroelectric plant in Ethiopia, which, at 6,000 MW, is the largest plant on the African continent in terms of installed capacity; in the transport infrastructure segment, the group headed by Salini (the “Salini Group”) is engaged in the construction of the new Copenhagen metro, which is one of the largest and most advanced urban transport systems in the world; through its subsidiary Todini Costruzioni Generali S.p.A. it has successfully completed, on behalf of Autostrade per l’Italia S.p.A., the “Valico Bypass” section of the A1 motorway, the longest motorway tunnel in Italy; and lastly, the Salini Group is completing the 410-km international corridor linking Europe and China along the ancient Silk Road.

The Merged Company operates in more than 50 countries in 5 continents, with an established presence in regions such as Africa, where the Salini Group has operated for over 50 years, Asia, where it has succeeded in building a solid competitive advantage over the last decade, and Europe, where it is engaged in building major transport

infrastructure. The Merged Company has 19,531 employees and is currently involved in more than 40 projects.

During 2012, the Salini Group achieved a new record in business volumes, continuing the strong growth achieved in recent years (in the 2006-2012 period, revenue grew by an average of over 26% per year), including external lines, enhancing the technical reputation and skills it has developed in the sector.

At 31 December 2012:

- the Salini Group's consolidated revenue totalled €1,838 million, about 88% of which was generated abroad, reflecting the strong competitive position of the Salini Group in regions with high growth potential;
- EBITDA amounted to €189.6 million, with a margin on revenue of 10.3%;
- consolidated pre-tax profit was €369.5 million and benefited from the effects of the valuation of the equity investment in Impregilo (+€274 million) using the equity method;
- consolidated shareholders' equity amounted to approximately €594 million, while net financial debt was approximately €163.2 million (after investments in Impregilo shares for a total of €297 million, including €174 million during 2012);
- the consolidated order backlog amounted to approximately €9.6 billion.

2.3 The context of the merger: the “Campione Nazionale©” project and its two main phases:

The merger is part of a broader industrial and strategic plan, launched in 2011 by Salini Costruttori, currently the sole shareholder of the Merged Company, aimed at the creation of a “National Champion” in the industry of works and complex infrastructure construction, with shares listed on the MTA, able to rival the main international competitors in terms of economies of scale, size and regional and sectoral complementarity.

2.4 The launch of the Salini Group’s investment in Impregilo and the establishment of the Merged Company

Salini Costruttori began investing in Impregilo in September 2011, regarding this investment as strategic and aiming to pave the way for a constructive dialogue to establish an industrial partnership with Impregilo and increase the company’s size so that it could compete

more effectively on the international markets. The investment was carried out in several tranches in October and December 2011. On 20 December 2011, the equity investment held by Salini Costruttori in Impregilo exceeded 15%.

In December 2011, Salini Costruttori created Salini and on 21 December 2011, with effect from 1 January 2012, transferred to it the infrastructure construction business unit, including all associated contracts undertaken directly or indirectly in Italy and abroad, and including the equity investment in Impregilo.

Salini continued to invest in Impregilo, increasing its equity investment to 20% on 15 February 2012 and 25% on 22 March 2012.

2.5 The Strategic Agreement

In this context, and in order to launch a collaboration strategy between the Impregilo Group and the Salini Group with the aim of grasping market opportunities and adding value for both groups, and to obtain cost savings due to operational and industrial synergies, on 27 September 2012, Impregilo and Salini, *inter alia*, signed a strategic agreement for commercial and organisational cooperation (the “Strategic Agreement”) that governs the coordination procedures of the respective organisations, taking into account the individual characteristics, structure, and make-up of each company, in order to: (a) identify, evaluate and propose, to the appropriate bodies of each of the parties, a determination of possible commercial and industrial synergies and (b) select commercial initiatives for infrastructure and complex major works of potential interest to both of parties and organise participation in the relative calls for tenders, i.e. the joint preparation and submission of bids.

2.6 The full voluntary public tender offer and Salini’s achievement of a 92.08% equity investment in the ordinary share capital of Impregilo

On 6 February 2013, the Board of Directors of Salini made the decision to launch a full public tender offer (the “Offer”) for all of the ordinary shares issued by Impregilo and not held, corresponding to approximately 70.16% of the subscribed and paid-up ordinary share capital of Impregilo. As a result of acceptances of the Offer, Salini became the owner of Impregilo ordinary shares totalling 92.08% of the ordinary share capital, for a total disbursement of €1,001,998,160. To cover the total disbursement planned for the

Offer, on 13 March 2013 Salini signed a financing agreement (the “Financing Agreement”) with Banca IMI S.p.A. and Natixis S.A. (Milan Branch) (jointly, the “Financing Banks”), under which the Financing Banks granted Salini a loan for the total amount of €1,410,000,000.00 (the “Loan”), divided into the following tranches:

(a) “Tranche A1”, for a maximum of €1,130,000,000.00, to be utilised for (i) issuing guarantees of complete fulfilment of the payment obligations assumed in connection with the Offer, and (ii) payment of the consideration for the shares contributed to the Offer during the subscription period or, subsequently, during a reopening of the terms: the total amount was therefore €1,001,998,160.00;

(b) “Tranche A2”, for a maximum of €215,000,000.00, to be utilised, *inter alia*, for (i) refinancing the existing loan, in principal equivalent to €130,000,000.00, granted by Natixis S.A. (Milan Branch) under the Financing Agreement signed with Salini on 20 February 2012 (as amended on 7 August 2012 and, most recently, on 20 December 2012) as well as (ii) sustaining the ancillary costs relating to the Offer; and

(c) “Tranche A3”, for a maximum of €65,000,000.00, to be utilised, *inter alia*, for Salini’s disbursement of an intragroup loan of €65,000,000.00 to Salini Costruttori, to enable the latter to repay a portion of its medium-/long-term debt (deriving, in particular, from (i) a financing agreement signed on 5 August 2009 with, *inter alia*, Centrobanca S.p.A., for an initial amount of €63,000,000.00, and total residual debt of €27,562,500.00, and (ii) a financing agreement signed on 29 July 2010 with Intesa Sanpaolo S.p.A. for an initial amount of €50,000,000.00, and total residual debt of €37,500,000.00). The Loan is secured by a pledge by Salini on the Impregilo ordinary shares held by it, including those acquired as a result of the Offer, and a pledge created by Salini Costruttori on all of the Salini shares held by it, as well as the guarantee provided by Salini Costruttori and several wholly owned subsidiaries of Salini.

At the date of this report, the total residual debt of the Loan is €693,483,489.85, due to the utilisations of Tranches A1, A2 and A3 described above and repayments already made to the Financing Banks totalling €588,514,670.15, of which €534,455,916.54 derives from the flow of dividends on ordinary shares of Impregilo held by Salini, approved by Impregilo’s ordinary shareholders’ meeting of 30 April 2013 and paid on 23 May 2013.

2.7 The reduction of the equity investment held by Salini in Impregilo to less than 90%

On 17 May 2013, pursuant to Article 108, paragraph 2, of the TUF, Salini announced that it had carried out transactions to bring its equity investment in the ordinary share capital of Impregilo to less than 90%.

2.8 Approval of the Merger Plan

In light of the positive outcome of the Offer, the Boards of Directors of Impregilo and Salini resolved to undertake all the necessary steps to implement a process of corporate integration with the aim of creating a “National Champion” in the complex infrastructure construction industry, with shares listed on the MTA organised and managed by Borsa Italiana S.p.A. Therefore, the directors, considering a merger to be the most efficient mode of operation, approved the Merger Plan, prepared on the basis of the financial statements for the year ended 31 December 2012 of the companies participating in the merger, approved by the respective shareholders’ meetings, and the financial statements have been used as statements of financial position pursuant to Article 2501-*quater* of the Italian Civil Code.

[Stamps]

3. Nature and scope of this report

In order to provide the shareholders of Impregilo and Salini with adequate information on the exchange ratio, this report indicates the methods used by the directors in calculating the ratio and the valuation difficulties encountered by them; it also contains our assessment of the adequacy of such methods, in terms of the case at hand, with regard to their reasonableness and lack of arbitrariness, the relative importance attributed to each of them by the directors, and their correct implementation.

In examining the valuation methods adopted by the directors of the companies participating in the merger, we have not carried out an economic appraisal of the companies for purposes connected with performing this mandate. The responsibility for these valuations pertains solely to the respective Boards of Directors.

This report certifies the adequacy of the exchange ratio between the shares of Salini and those of Impregilo, as well as the reasonableness of the indications contained in the Merger Plan relating to the financial resources provided for to meet the obligations of the company resulting from the merger.

4. Documentation used

In performing our work, we obtained the information and documents deemed necessary in this case from the two companies involved in the operation.

In particular, we analysed the following documents provided to us:

- the Merger Plan and the draft reports of the Boards of Directors of Impregilo and Salini addressed to the respective extraordinary shareholders' meetings, proposing the following exchange ratio: **6.45 Impregilo ordinary shares for each Salini share, with no cash payment;**
- the appraisal report on the exchange ratio in the merger between Salini and Impregilo prepared by Prof. Angelo Provasoli of Partners Consulenti e Professionisti Associati, consultant to Impregilo (hereinafter, together with the company Vitale ed Associati S.p.A., also the "Consultants");
- an opinion and material supporting the opinion on the appraisal of the exchange ratio prepared by Vitale ed Associati S.p.A., consultant to Salini (hereinafter, together with Prof. Angelo Provasoli, also the "Consultants");
- an opinion on the adequacy of the exchange ratio for Impregilo prepared by Lazard S.r.l., appointed by Impregilo's Committee for Related-Party Transactions;
- the consolidated and separate financial statements of Impregilo at 31 December 2010, 2011 and 2012, accompanied by the respective reports of the directors, statutory auditors and independent auditors;
- the consolidated and separate financial statements of Salini at 31 December 2012, accompanied by the respective reports of the directors, statutory auditors and independent auditors;
- the articles of association of Salini and Impregilo, as well as the draft text of the articles of association of the company resulting from the merger;
- the interim directors' report of Impregilo at 31 March 2013;

- institutional presentations of Salini and Impregilo containing information about the structure of the respective groups, activities performed, target markets and future prospects, competitive positioning, financial structure, etc.;
- the information document relating to the strategic agreement on commercial and organisational cooperation signed between Salini and Impregilo (hereinafter also the “Strategic Agreement”) approved by the respective Boards of Directors of the two companies on 27 September 2012 and accompanied by the relative appendices;
- the report of the independent auditors, PWC, drafted pursuant to Article 2501-*bis*, paragraph 5 of the Italian Civil Code;
- the offer document relating to the full public tender offer (hereinafter the “Offer”) relating to the ordinary shares of Impregilo promoted by Salini and published on 16 March 2013;
- Impregilo’s stand-alone operating plan for the period 2013-2016 approved by the Board of Directors on 11 June 2013 and prepared with the help of the consultant Boston Consulting Group;
- Salini’s stand-alone operating plan for the period 2013-2016 approved by the Board of Directors on 10 June 2013 and prepared with the help of the consultant Boston Consulting Group;
- the consolidated Salini-Impregilo operating plan for the period 2013-2016, prepared with the help of the consultant Boston Consulting Group and approved by the Boards of Directors of the two companies.

Additional data documents and information provided, including verbally, by the management of the two companies, acquired from public domain sources and from specialised databases.

5. Economic and financial plans

The directors of Impregilo and Salini have drawn up, with the support of their Consultants, the economic-financial plans for the two companies relating to the forecasts for the 2013-2016 period. The results of these plans were used to assess the economic capital of Impregilo and Salini, estimated to calculate the exchange ratio and to prepare the economic-financial plan of the company resulting from the merger, based on the provisions of Article 2501-*bis*, paragraph 3 of the Italian Civil Code.

The methods and assumptions used to develop the plans are consistent between the two companies and comply with the relevant accounting standards (IAS/IFRS) for the preparation of the consolidated financial statements of the Impregilo Group and the Salini Group as at 31 December 2012. The statements of financial position used to develop the plans are those reported at 31 December 2012.

5.1 *Impregilo's economic-financial plan*

The economic and financial flows expected for the 2013-2016 period were worked out on the basis of the following assumptions:

- The economic and financial flows related to existing orders at 31 December 2012 (the “backlog”) were determined in detail based on the conditions of the relative contracts and their progress over time. The order backlog in the construction sector at 31 December 2012 amounted to €10.3 billion and generates over 60% of the revenue provided for in the 2013-2016 plan.
- The economic and financial flows related to new orders (“intake”) were estimated on the basis of precise parameters of profitability and cash generation as indicated by the management as achievable objectives for work to be obtained, according to commercial “targets” increasingly orientated towards winning large contracts and strengthening commercial presence in some high-potential markets, taking into account the strategic and commercial agreement existing between Impregilo and Salini. The order intake portfolio, estimated for the entire 2013-2016 period at about €15 billion, was quantified using growth rates (16% average CAGR in the 2013-2016 period) supported by a detailed forecast of the commercial opportunities to be obtained. The operating margin of the

projects in the construction sector (EBIT) on the newly generated contracts was estimated at 10% of the revenue contractually forecast, lower than the 2013-2016 average for the projects in the portfolio as at 31 December 2012.

- General central costs are expected to increase in absolute terms in the 2013-2016 period, also taking into account their greater absorption and therefore a lower gradual incidence over the years than expected revenue.
- Financial expenses have been quantified in a timely manner based on projections of net financial position (NFP) and interest rates consistent with the average conditions applied in the relevant markets.
- Income taxes were estimated by applying a constant annual rate of 33% to EBT.
- An assumed payout ratio of 40% has been forecast.
- The dynamics of invested capital (NWC and CF) and the net financial position are consistent with the evolution of economic and financial flows and with investments specifically forecast on order backlog and intake.

The Impregilo plan is also affected to a significant extent by the effects and forecasts relating to extraordinary transactions and non-recurring items, forecast to generate net proceeds of approximately €551 million in 2013 and about €128 million in 2014, attributable to the following events:

- disposal of equity investments in the “plant” sector, in line with the strategic choice by the management to focus on the core business of construction;
- exploiting several equity investments in the concessions sector, possibly by means of disposal;
- satisfaction of claims for compensation raised by the Impregilo Group against the public administration relating to costs incurred in the past in the Campania region for construction of the former RDF plants and the cancellation of waste disposal contracts;
- collection of Impregilo Group receivables from Campania public administrations related to the management of the former RDF plants for the transitional period of commissioner management.

The plan also provides for two events that occurred in the early months of 2013: i) the sale of the remaining 6.5% equity investment

in EcoRodovias Infraestrutura e Logística S.A., for €187 million, and ii) the distribution of an extraordinary dividend of €602 million in the broader context of Salini's public offer for Impregilo.

Lastly, it was assumed that, during 2014, a penalty of €97 million (net of taxes) will be collected, relating to the cancellation of the tender contract for the construction of the bridge over the Strait of Messina entered into between the company Eurolink S.C.p.A. and the Italian government.

The company's management also considered it appropriate, in support of the overall assessments of the plan, to carry out a variability analysis deriving from the possibility that further opportunities not considered in the plan might be obtained ("upsize") as well as the contrary possibility that some circumstances provided for in the plan might not materialise or might materialise to an extent and/or at times other than those forecast ("downsize"). In particular, the variability analysis involved the following:

- the rate of growth in order intake in the 2013-2016 period;
- the profitability percentage of new acquisitions;
- the dynamics of economic and financial flows on certain backlog contracts in particularly risky contexts;
- the possibility of collection on the Strait of Messina claim;
- the sale of some equity investments in the concessions sector.

5.2 Salini economic-financial plan

The economic and financial flows expected for the plan's 2013-2016 period were worked out on the basis of the following assumptions:

- The economic and financial flows related to existing orders as of 31 December 2012 (the "backlog") were determined in detail on the basis of the conditions of the relative contracts and their progress over time. The order backlog in the construction sector at 31 December 2012 amounted to €9.6 billion and generates about 60% of the revenue provided for by the plan in the 2013-2016 period.
- The economic and financial flows related to new orders ("intake") were estimated on the basis of precise parameters of profitability and cash generation as indicated by the management as achievable objectives for work to be obtained, according to commercial "targets" increasingly orientated

towards winning large contracts and strengthening commercial presence in some high-potential markets, taking into account the strategic and commercial agreement existing between Impregilo and Salini. The order intake portfolio, estimated for the entire 2013-2016 period at about €15 billion, was quantified using growth rates (16% average CAGR in the 2013-2016 period) supported by a detailed forecast of the commercial opportunities to be obtained. The operating margin of the projects in the construction sector (EBIT) on the newly generated contracts has been estimated at 10% of the revenue contractually forecast, lower than the 2013-2016 average for the projects in the portfolio as at 31 December 2012.

- General central costs are expected to increase in absolute terms in the 2013-2016 period, also taking into account their greater absorption and therefore a lower gradual incidence over the years than expected revenue.
- Financial expenses were quantified in a timely manner based on net financial position (NFP) and interest rate projections consistent with the average conditions applied in the relevant markets.
- Income taxes were estimated by applying a constant annual rate of 33% to EBT.
- An assumed payout ratio of 40% was provided for.
- The dynamics of invested capital (NWC and CF) and the net financial position are consistent with the evolution of economic and financial flows and with investments specifically forecast on order backlog and intake.

The plan also reflected the impact of a public tender offer for the ordinary shares of Impregilo, a transaction which was completed on 2 May 2013, the subsequent disposal of 3.1% of the ordinary share capital of Impregilo in order to restore the float to a level above 10%, as well as the financial resources obtained for the purposes of the above transaction. Specifically:

- The equity investment in Impregilo was estimated as constant over the 2013-2016 plan period, with a total investment of €1,260 million, augmented by the revaluation in 2012 amounting to €274 million. A downward adjustment in the equity investment is expected in 2013 due to the distribution of an extraordinary dividend by Impregilo and, in subsequent

years, adjustments resulting from planned distributions of dividends.

- In 2013 the net financial position showed the financing totalling €1,282 million received from Banca IMI S.p.A. and Natixis S.A., which was subsequently repaid in part by virtue of the extraordinary dividend of €533 million (gross) received by Impregilo in March 2013. Account was also taken of the financial resources deriving from a bond issue, estimated at €500 million, then placed in July 2013 for €400 million; these funds were used to make a further repayment of the original financing for the tender.
- Costs connected with financial and advisory fees are expected to total €100 million in 2013, relating to the tender offer's original financing and to subsequent refinancing of the debt with the bond issue.

The company's management also considered it appropriate, in support of the overall assessments of the plan, to carry out a variability analysis deriving from the possibility that further opportunities not considered in the plan might be obtained ("upsize") as well as the contrary possibility that some circumstances provided for in the plan might not materialise or might materialise to an extent and/or at times other than those forecast ("downsize"). In particular, the variability analysis involved the following:

- the rate of growth in order intake in the 2013-2016 period;
- the percentage of profitability of new acquisitions.

5.3 Consolidated economic and financial plan, indicating the financial resources used to meet the financial obligations of the company resulting from the merger

The consolidated economic and financial plan of Impregilo and Salini, drawn up by the management bodies of the two companies on the basis of the provisions of Article 2501-bis, paragraph 3 of the Italian Civil Code, contains information on the sources of financial resources as well as a description of the objectives sought during the 2013-2016 plan period.

The plan was developed from a perspective that assumed execution of the merger, using as reference the stand-alone plans of the

companies involved in it and taking into account the potential synergies resulting from specific actions aimed at improving efficiency in several business areas as well as synergies resulting from the strategic and commercial agreement existing between Impregilo and Salini that had already been reflected in the individual plans of the two companies.

The economic and financial flows and the dynamics of the capital and financial positions in the period of the plan were worked out using the following approach:

- the income statements, balance sheets and the cash flow statements of Impregilo and Salini, as they appeared in the stand-alone economic and financial plans, were combined, in consideration of the assumptions underlying those plans; their details are shown in the relevant sections above;
- the necessary consolidation adjustments involving reciprocal items and overlaps provided for in a shared contract were carried out;
- the plan included economies of scale, estimated for 2016, the last year of the plan, as a saving of €100 million in general costs;
- extraordinary merger expenses between 2013 and 2014 were estimated;
- an assumed payout ratio of 40% in the 2014-2016 period was taken into account.

The approach used and the forecasts made allowed for the estimation of a positive net financial position in financial year 2014, along with a positive NFP of €100 million in 2016, the last year of the plan.

With regard to the variability analysis, not set out in the consolidated plan of the company resulting from the merger, see the analyses carried out separately in the stand-alone plans, as mentioned in the relevant sections above.

6. Valuation methods adopted by the Boards of Directors to calculate the exchange ratio

6.1. Methodological premises

The Boards of Directors of the two companies, also based in part on the analyses made by their own Consultants, found it appropriate to identify which valuation methods, besides having a firm basis in doctrine and implementation, would enable the two companies to be valued in a similar way.

The valuations were carried out by the directors with the aim of expressing a comparative estimate of the values of the companies by giving preference to the consistency and comparability of the methods adopted to determine the absolute value of the two companies considered individually.

In this regard, the directors specified that these valuations were only to be understood in relative terms and with exclusive reference to the merger, and that, in particular, the methods used and the resulting values were estimated only for the purpose of identifying a range for the determination of an exchange ratio considered adequate for the merger, and that in no circumstances were the valuations to be considered as possible indications as to market price or absolute value, whether current or forecast, nor were they to be used as a reference in any context other than the one at hand.

The valuations were performed on the assumption of continuity in the management of the companies and on the basis of forecasting assumptions deemed reasonable by the directors. Moreover, the valuations were performed from a stand-alone perspective, that is, on the basis of the current configurations of the companies, not taking into account possible operating and financial strategies that may result from the merger.

The stand-alone economic and financial plans of Impregilo and Salini did, however, take into account the commercial and industrial synergies arising from the strategic cooperation agreement signed between the two companies on 27 September 2012.

Given the nature of the transaction and the characteristics of the companies involved, in order to determine economic capital the Boards of Directors, with the assistance of their respective Consultants, used the unlevered discounted cash flow method (hereinafter “DCF”) as the main method and the market multiples

method as the control method.

The estimates were based on the results as at 31 December 2012, suitably adjusted to take account of certain events occurring after the date indicated above, with particular reference to:

- the impact of the Salini Offer and of the subsequent sale on the market of Impregilo ordinary shares to reconstitute the float and the dividend earned on the Impregilo shares held;
- the impact of the sale by Impregilo of the last tranche of the equity investment in EcoRodovias Infraestrutura e Logistica S.A. and the distribution of dividends on the ordinary shares and savings shares, as resolved by the shareholders' meeting of 30 April 2013.

6.2 Description of the valuation criteria and methods

6.2.1 Unlevered discounted cash flow (DCF) – Main method

The (unlevered) discounted operating cash flow method is based on the principle that the value of a company is the sum of the following components:

- the free operating cash flows that the company will be able to generate in the future, discounted at an adjustment rate equal to the weighted average cost of capital (WACC); the future cash flows are generally expressed for a specified number of years (explicit period), after which it is assumed that the company will generate a sustainable cash flow beyond the explicit projection period;
- the company's net financial position;
- the market value of any non-operating assets (surplus assets), that is, assets not inherent to core operations or not considered as part of operating cash flows for other methodological reasons.

The application of the method involves the use of the following formula:

$$V = \sum_{i=1}^n \frac{FCF_i}{(1+WACC)^i} + TV + SA \pm NFP - M$$

where:

V = Value of the company

n = Number of years in the explicit forecast period

FCF_i = Free operating cash flows in the explicit forecast period;

WACC = Weighted average cost of capital

TV = Residual value (terminal value)

SA = Non-operating assets (surplus assets)

NFP = Net financial position

M = Minorities (market value of third-party equity)

Free operating cash flows (FCF)

Free operating cash flows refer only to the core business of the entity being valued. They do not include components of a financial nature.

Weighted average cost of capital (WACC)

The weighted average cost of capital is the rate used to discount the net operating cash flows in the explicit period and to determine the residual value; it is calculated as the weighted average cost of own capital and debt, using the following formula:

$$WACC = K_e \times \frac{E}{D+E} + K_d \times (1-t) \times \frac{D}{D+E}$$

where:

D = Debt capital

E = Own capital

K_d *(1-t) = Cost of debt capital, net of tax benefit

K_e = Cost of own capital

The capital structure (net debt/equity ratio) is normally determined on the basis of the valued entity's industry benchmark debt ratio.

The cost of own capital (K_e) is estimated as the rate of return on risk-free assets plus a premium related to the specific sector risk and of

the company being valued; that premium is calculated based on a coefficient (β) that measures the specific risk of the company being valued in relation to the variability of its return compared to the variability of the average return in the market.

The cost of own capital is calculated using the following formula:

$$Ke = Rf + \beta \times (Rm - Rf)$$

where:

Rf	= Rate of return on risk-free assets
β	= Beta coefficient, which expresses the systematic risk (non-diversifiable) of the entity analysed
Rm	= Average return in the market
Rm-Rf	= Indicates the premium, i.e. the return differential demanded by investors for an investment in equities compared to a risk-free investment.

6.2.2. Comparable companies' stock market multiples method – control method

Using this method, the value of a business entity can be estimated on the basis of earnings multipliers (EBITDA or EBIT) determined by referring to the stock market prices of securities of comparable companies in time intervals considered significant.

In summary, this method is divided into three phases:

- identification of comparable companies to constitute the reference sample;
- recognition of the multipliers (the ratio between stock market enterprise value and EBIT/EBITDA) pertaining to the companies constituting the selected sample;
- applying the same multipliers to the earnings figures (EBIT/EBITDA) recorded for the company being valued, obtaining the enterprise value of the company itself and then the equity value by adding certain elements such as the NFP, minorities and surplus assets.

6.3 Valuation carried out by the directors of Salini

6.3.1 Discounted cash flow (DCF) as the main method

The most significant assumptions underlying the valuation carried out by the directors of Salini, supported by the Consultant, were as follows:

- The projection period set out in the operating plan for both companies was considered to be the 2013-2016 four-year period.
- The operating cash flows relating to this projection period were taken from the plans for both companies.
- Forecast operating cash flows, which are used to determine the Terminal Value, were obtained based on the convergence, in the long term, of commercial profiles, geographical presence and profitability resulting from the effects of the Strategic Agreement, while taking into account any possible differences in the financial and economic situation at the end of the plan period as well as the higher profitability of the current residual works backlog at the end of plan, compared with the medium-/long-term forecast.
- The WACC was estimated in the projection period set out in the plan separately for the two companies (9.88% for Impregilo and 10.98% for Salini) based on the weighting of country risk premiums, derived where possible from the yield on government bonds or, alternatively, from third-party sources such as SACE and Damodaran surveys. For the purposes of determining the Terminal Value, taking into account the mentioned convergence, in the long term, of the company profiles of the two companies, a single WACC (9.13%) was identified, calculated using a country risk premium weighting. For both time intervals considered an industry average leverage ratio (D/E) was used, derived from a sample of listed companies operating in the construction sector. Based on the same sample of comparable companies the beta coefficient (0.71) was determined, the relevering process for which was carried out taking into account the estimated tax rate for each country.
- For determining the Terminal Value a long-term growth rate (coefficient g) of 2% was assumed.

- In order to calculate the Equity Values, the Enterprise Values, estimated as described above, were “adjusted” to take into account the net financial debt (NFP), the positive cash flows associated with certain litigation, extraordinary disposals, surplus assets, provisions for risks, minorities and, for Salini, the corresponding value of the equity investment held in Impregilo.

The results of the valuation process described above were then subjected to sensitivity analyses by the directors to assess the effects of possible fluctuations of some of the elements regarded as particularly significant.

Firstly, a test was carried out for the possible impact of worse performance under the plan than forecast for several contracts and the actual ability to execute certain significant disposals and to achieve success in the litigation.

As a result of this valuation process, the directors determined three valuation scenarios, for which a sensitivity analysis was also developed to assess the possible impact of a 0.5% change in the WACC and a 0.25% change in the “g” rate.

The valuation process led to the identification of an exchange ratio range from 6.2 to 7.0, as shown below:

	Base case	Revised case	Conservative case
Salini share unit value	39.07	34.87	25.22
Impregilo share unit value	4.31	3.78	3.13
<i>Exchange ratio range</i>	6.7 – 7.2	6.8 – 7.2	5.9 – 6.5
Exchange ratio*	6.9	7.0	6.2

6.3.2 Control method – Stock market multipliers method

The directors have selected a limited sample of comparables consisting of four companies within a broader sample of seven companies.

The economic figures used (EBIT/EBITDA) refer to the 2013-2014 two-year period and are taken from Bloomberg reports.

As benchmark stock market prices, the directors used the averages for the month preceding 20 June 2013.

As in the DCF, the Enterprise Values calculated in this manner have been adjusted upward or downward to reflect: i) the value of several surplus assets, ii) the value of net financial debt, reserves and minorities, and iii) certain extraordinary items such as litigation and disposals as well as, for Salini, the economic value of the equity investment held in Impregilo.

The outcome of the valuation by this method is shown below for the three scenarios of assumptions already considered in the DCF:

	Base case	Revised case	Conservative case
Salini share unit value	25.4 – 35.2	24.7 – 34.6	22.7 – 31.6
Impregilo share unit value	3.6 – 4.9	3.5 – 4.8	3.2 – 4.4
Exchange ratio	7.0 – 7.2	7.0 – 7.3	6.9 – 7.2

6.4 Valuation carried out by the directors of Impregilo

6.4.1 Discounted cash flow (DCF) as the main method

The directors of Impregilo, supported by their Consultant, developed the DCF method assuming the following:

- The 2013-2016 plan period was extended from 2016 to 2018, the year when there should be a noticeable decline in the effects connected with the contracts already in the order book (backlog), thus enabling, in the calculation of the Terminal Value, the use of cash flows that are consistent between the two

companies since they are influenced by the Strategic Agreement.

- As a result of the above, for the 2013-2016 period the cash flows were derived from the plans, while prudently assessing and valuating the risk associated with some entries relating to expected future events. For the 2017-2018 two-year period, on the other hand, they were calculated based on a derivation from the data for the purpose of converging the plans.
- The WACC was determined during the explicit plan period (2013-2018) separately for each of the two companies (14.6% for Impregilo and 13.2% for Salini), taking into account and weighting the various risk profiles pertaining to the countries where the two companies operate. Moreover, in determining the WACC, the directors of Impregilo saw fit to also assess the risk implicit in the ability of the two companies to achieve the objectives of the plan by adding an “execution risk” of 3%. In determining the Terminal Value, the WACC, in a manner similar to what was done by the directors of Salini, was established at an equal level (13.2%) for the two companies, considering the effects of homogenising the profiles of the companies involved in the Strategic Agreement.
- The nominal growth rate (“g” coefficient) was indicated at 1.75%.
- The Enterprise Value was then adjusted to account for an increase or decrease of certain items, such as: i) the respective Net Financial Positions, ii) minorities, and iii) the economic value of the equity investment held by Salini in the ordinary share capital of Impregilo (88.83%).

As a result of this valuation process, the directors of Impregilo have obtained the following results:

	Salini	Impregilo	Exchange ratio
Share unit value	22.85	3.58	6.38

The valuation process described has been supplemented by the performance of certain sensitivity analyses to test the variations in the exchange ratios by altering – within ranges deemed reasonable –

some of the variables and magnitudes considered relevant, namely: i) a fluctuation of 5% up or down in the revenue expected under the plans, ii) a fluctuation of 0.5% up or down in the expected profitability (EBIT) compared to what is provided for in the plans, iii) a fluctuation of 0.5% up or down in the WACCs used; and iv) a fluctuation of 0.5% up or down in the “g” growth rate in the medium/long term (compared to the 1.75% provided for in the base hypothesis).

As a result of the valuation process carried out, the directors of Impregilo identified an exchange ratio within the range of 6.07 and 6.70.

6.4.2 Control methods (multiples)

With regard to the valuation process followed by the directors of Impregilo, note the following:

- the sample of comparable companies consisted of four companies;
- the stock market value was determined based on the performance of the securities in the quarter prior to 11 June 2013;
- the economic figures (EBIT/EBITDA), as when used by the directors of Salini, were those estimated by analysts for the 2013-2014 two-year period;
- one characteristic element of the application of the method by the directors of Impregilo was the downward adjustment of the multipliers to take into account the fact that the historical series of the comparables display systematically higher values than those of Impregilo;
- another characteristic element of the valuation was the reduction of the multipliers applied to Salini’s economic figures to take into account the different “status” of the two companies concerned and, in particular, the fact that Impregilo, being a listed company, incorporates an implicit premium associated with the liquidity of its securities.

The directors of Impregilo, based on an assumption of the similarity of the businesses of the two companies, used – as an additional

control methodology – the application of Impregilo’s implicit multiples to the earnings figures derived from the plans of both companies.

6.4.3 Summary of the results of the control methods and calculation of the exchange ratio

Overall, the control methods used by the directors of Impregilo led to the following results (considering only the limited sample):

	2013	2014
Stock market multiples	6.62	6.95
Implicit multiples (consensus)	6.22	6.28
Implicit multiples (plan)	6.09	6.82

Identifying a range from a minimum of 6.09 to a maximum of 6.95.

7. Valuation difficulties encountered by the Boards of Directors

The main difficulties and limitations pointed out by the directors in the valuation of the companies participating in the merger, and in indicating the financial resources provided for to meet the obligations of the company resulting from the merger, were as follows:

- With reference to existing orders under contract (“backlog”), the plans assume economic and financial flows and balance sheet figures that are consistent with those established in the agreements with the clients. One cannot exclude the possibility, however, that future events may alter – even significantly – the quantitative profiles and/or time profiles for the flows and amounts deriving from these contracts.
- A significant portion of the operating margins and revenue expected in the 2013-2016 plan period is associated with new contracts presumed to be obtained (“new order intake”). Given the nature of the infrastructure construction business, where there is a limited number of contracts, each of significant value, the new intake represents an important element of risk. This profile of uncertainty has been taken into account in estimating the discount rates and in the sensitivity analyses.
- The business of Salini and Impregilo takes place on an international stage and is therefore exposed to geopolitical risks. In applying the unlevered financial criterion, an assessment of such risks was carried out by separately valuating the assets deployed in relatively more risky contexts and incorporating the greater country risk applicable to such contexts into the estimates relating to the businesses involved.
- Among other things, the Impregilo plan assumes that some major litigation will take place. The context of such events is, at present, characterised by degrees of uncertainty that have been taken into account in the estimates.
- The consolidated Salini-Impregilo plan incorporates the same elements of uncertainty as the underlying stand-alone plans of the two companies and assumes significant economies of scale resulting from the merger.

- The use of market prices presents difficulties in implementation due to the underlying assumption that the market is sufficiently liquid and efficient, especially for Impregilo's limited float. In addition, the market price performance can be characterised by volatility, especially in the short term.
- The use of data such as beta coefficients and stock market multiples drawn from market observations is based on the assumption that they are applicable to merged business entities, as they refer to entities comparable to those under examination. However, it should be pointed out that, in the light of the specific features of each of the business entities under consideration, such comparability is partial in any event.
- It should also be noted that the Strategic Agreement, enabling the medium-/long-term convergence of the Salini and Impregilo company profiles, including in terms of profitability, had a significant impact on the valuations carried out by the directors with the DCF method, leading them to attribute a value to the two business entities that is also convergent.

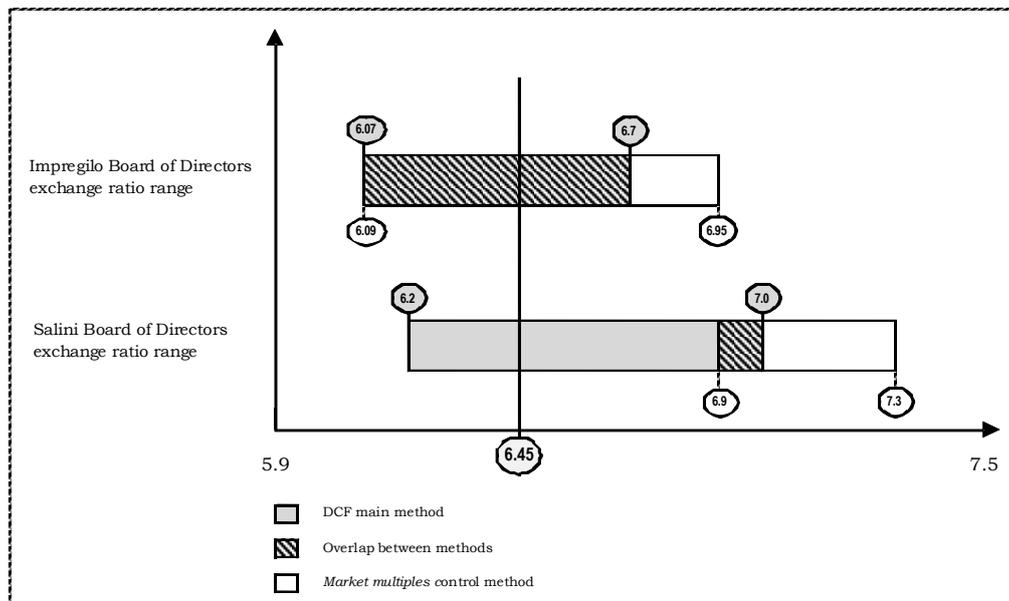
The Boards of Directors, also referring to the valuations of their respective experts, have indicated that, in the course of their analyses and for the purposes of determining the exchange ratio, they have taken such difficulties into account, albeit through making sometimes differing technical and methodological choices as well as through specific sensitivity analyses.

8. Results of the valuation made by the Boards of Directors

The Boards of Directors of the two companies, using the methods mentioned above, identified the range of exchange ratios summarised in the following table:

	Method	Min.	Max.
Impregilo Board of Directors	DCF	6.07	6.7
Salini Board of Directors	DCF	6.2	7.0
Impregilo Board of Directors	Multiples	6.09	6.9
Salini Board of Directors	Multiples	6.9	7.3

At the end of the valuation process, on the basis of a reasoned comparison between the outcomes obtained from applying the different valuation methods, the directors of Salini and Impregilo established an exchange ratio of **6.45 Impregilo ordinary shares for each Salini share** as a value positioned within the ranges identified, as can be seen from the following graph:



9. Work carried out

With regard to the methods adopted by the directors, partly on the basis of the indications from the Consultants, to estimate the value of the Companies and thus the exchange ratio, we carried out a critical review of the following methods, collecting elements useful to ascertain whether such methods were technically suitable, in the specific circumstances, to determine the exchange ratio while preserving the criterion of standardised valuation.

Among other things, we also carried out the following procedures:

- Examination of the Merger Plan and the drafts of the explanatory reports prepared by the Boards of Directors of Impregilo and Salini on the Merger Plan, drawn up pursuant to Articles 2501-*bis*, paragraph 3 and 2501-*quinquies* of the Italian Civil Code.
- Examination of the consolidated and separate financial statements of Impregilo at 31 December 2012 and of the reports of the Board of Directors, the statutory auditors and the independent auditors, also used as statements of financial position pursuant to Article 2501-*quater* of the Italian Civil Code.
- Examination of the consolidated and separate financial statements of Salini at 31 December 2012 and of the reports of the Board of Directors, the statutory auditors and the independent auditors, also used as statements of financial position pursuant to Article 2501-*quater* of the Italian Civil Code.
- Discussion with the independent auditor PWC about the work carried out in relation to the audit of the separate and consolidated financial statements of Impregilo at 31 December 2012.
- Discussion with the independent auditor E&Y about the work carried out in relation to the audit of the separate and consolidated financial statements of Salini at 31 December 2012.

- Discussion with Vitale ed Associati, Consultant to Salini, about the assumptions and methodologies used in the assessments adopted in determining the exchange ratio.
- Discussion with Prof. Angelo Provasoli of Partners Consulenti e Professionisti Associati, Consultant to Impregilo, about the assumptions and methodologies used in the assessments adopted in determining the exchange ratio.
- Discussion with Lazard S.r.l., hired by the Impregilo Committee for Related-Party Transactions, about the opinion on the adequacy of the exchange ratio.
- Examination of the articles of association currently in force for the companies participating in the merger and the draft for the company resulting from the merger.
- Verification of the completeness and consistency of the reasons adopted by the management bodies of the companies participating in the merger and by the Consultants with respect to the valuation methods adopted to calculate the exchange ratio.
- Critical analysis of the methods used by the management bodies of the companies participating in the merger and by the Consultants, as well as any evidence useful for determining whether they were suitable, in the specific circumstances, for calculating the economic values of the companies involved in the Merger Plan.
- Verification of the uniform application of the valuation methods adopted, partly by means of an analysis of the documentary evidence and data provided by the Consultants.
- Verification and performance of independent sensitivity analyses with the aim of verifying how the chosen exchange ratio may be influenced by changes in the assumptions and parameters adopted.
- General verification of the consistency of the data used with the sources of reference and, in particular, with the “documentation used”.

- Analysis and discussion with management of the companies participating in the merger and with the Consultants about the valuation approach, the methods adopted and, in general, the overall work carried out and the results thereof.
- Verification of the accuracy of the mathematical calculations carried out by the directors, assisted by the Consultants, to determine the exchange ratio.
- Examination, in line with the procedures adopted for the examination of prospective information by International Standard on Assurance Engagements (ISAE) 3400, “The Examination of Prospective Financial Information”, issued by the International Federation of Accountants (IFAC), of the forecast data as well as the assumptions and evidence that serve as the basis for the formulation of such data contained in the stand-alone economic-financial plans of Impregilo and Salini.
- Verification of the consistency of the assumptions and of the configuration of the stand-alone plans of the companies through analysis and examination of the planning details and assumptions provided, and comparison with management and with the Consultant Boston Consulting Group that assisted the directors with the drafting of the plans.
- Verification, with the assistance of their own legal counsel, of the main financial contracts and litigation involving Impregilo and Salini.
- Obtaining confirmation from the legal representatives of the two companies participating in the merger that, to the best of their knowledge, at the date of this report no circumstances have arisen so as to alter the data and content of the documents analysed and nor have any events occurred so as to alter the valuations issued by the management bodies for determining the exchange ratio.
- We also gathered, through interviews with the management of the Companies and their respective independent auditors, information on events occurring after the reference date for the statements of financial position referred to above that could

have a significant effect for the purposes of the mandate conferred to us.

- From a different perspective, with reference to the indications contained in the Merger Plan relating to the financial resources provided to meet the obligations of the company resulting from the merger, as they are described in the economic-financial plan, we have performed the following procedures pursuant to Article 2501-*bis*, paragraph 4 of the Italian Civil Code:
 - we discussed the criteria and assumptions used in the preparation of the plan for the company resulting from the merger with the directors of Impregilo and Salini, subject to the uncertainties and limitations associated with any type of forecast valuation;
 - we examined the obligations that would be borne by the company arising from the merger as a result of the proposed transaction;
 - we examined the main financing contracts entered into with the financial institutions by Impregilo and Salini;
 - we considered the overall debt borne by the company arising from the merger as a result of the proposed transaction;
 - we examined, in line with the procedures adopted for the examination of prospective information by International Standard on Assurance Engagements (ISAE) 3400, “The Examination of Prospective Financial Information”, issued by the International Federation of Accountants (IFAC), the forecast post-merger data as well as the assumptions and evidence that serve as the basis for the formulation of such data contained in the post-merger economic-financial plan, including the indications of financial resources provided for to meet the obligations of the company resulting from the merger;
 - we discussed with PWC the contents of the report issued pursuant to Article 2501-*bis*, paragraph 5 of the Italian Civil Code in order to obtain information on the work carried out and the results obtained;
 - we obtained confirmation that, to the best knowledge of the legal representatives of Salini and Impregilo as at the date of this report, no circumstances had arisen so as to alter the assumptions and evidence used in the preparation of the data and information contained in the economic-financial plan and of the documentation in support thereof.

10. Comments on the adequacy of the methods used and on the validity of the estimates produced by the Boards of Directors

In terms of this mandate, it is stressed that the main purpose of the decision-making process followed by the Boards of Directors of Impregilo and Salini was the estimation of the relative values of the companies involved, calculated by applying uniform criteria and aimed at determining exchange ratios.

In assessing merger transactions, the ultimate aim is not so much the determination of the absolute values of the economic capital of the companies involved, but rather the identification of comparable values for determining the exchange ratio.

For this reason, valuations for merger transactions only have meaning within the relative context and they cannot be adopted, especially in the current market environment, as estimates of the absolute value of the companies involved for transactions other than the merger for which the estimates were made.

That said, the main considerations relating to the valuation methods used by the Boards of Directors, in terms of their reasonableness and lack of arbitrariness under the circumstances of this case, are as follows:

- the methods adopted are widely accepted and used in professional and market practice, both nationally and internationally, and are shared by business and finance doctrine in the context of valuating companies that have characteristics comparable to the companies under examination;
- the methods used have been characterised as complying with a general principle of homogeneity and have been applied consistently between the two companies for the purpose of expressing comparable values in order to determine the exchange ratio;
- the circumstance referred to above is not altered either by the fact that the directors of the two companies, even within the

context of the same valuation methods, have used varying quantities and different assumptions or by the fact that, by virtue of the specific purpose of the valuation exercise involved, the two management bodies, although based on differing prudential approaches, have reached consistent conclusions regarding the exchange ratio, while diverging in terms of the absolute value attributable to the two companies;

- the methods were applied with regard to two companies that were considered separately and with an assumption of independence, i.e. regardless of the possible effects of the merger.

11. Specific limitations encountered in performing the mandate

In performing the mandate we encountered the following difficulties inherent to the valuation process carried out by the Boards of Directors:

- To determine the exchange ratios the Boards of Directors used valuation methods based in part on the use of projected economic-financial forecasts.
- By their nature these projected data contain elements of uncertainty and are subject to change, including significant change, in the event of changes in the market environment and in the regulatory and macroeconomic scenario.
- These projections were analysed in terms of overall reasonableness and the continuity and consistency of the accounting principles applied, subject to the uncertainties and limitations associated with any type of forecast valuation.
- In applying the DCF method, the directors of the two companies used somewhat dissimilar figures and assumptions in order to take into account the uncertainties implicit in business forecasts. This resulted in a significant difference in the value attributed to the two business groups in terms of absolute economic values. However, as each of the two management bodies consistently applied their own assumptions to both business groups, the ranges for the exchange ratios determined appear to be consistent.
- In applying market multiples, stock market prices were used which, by their nature, are subject to fluctuations, including significant, due to market volatility.
- The directors asserted that they determined the exchange ratio by means of a reasoned comparison between the outcomes obtained by applying various valuation methods without, however, describing all of the evidence that led them to determine the precise exchange ratio chosen. In particular, the directors, in their respective reports, indicated the exchange ratio spreads resulting from the application of different main valuation and control methods used, without indicating precisely the logic that led to the exact determination of the exchange ratio. However, the exchange ratio chosen is

positioned within the range resulting from the main valuation method.

- The Boards of Directors saw fit to identify the financial resources provided for to meet the obligations of the company resulting from the merger on the basis of the economic-financial plan of the company resulting from the merger. This plan shows an expectation of generating sufficient cash flows to finance the operations and to remunerate and repay the debt capital, subject to the uncertainties and limitations associated with any type of forecast valuation.

These difficulties were taken into careful consideration in the preparation of this report.

12. Conclusions

Based on the documentation reviewed and the procedures indicated above, and taking into account the nature and scope of our work as well as the specific limitations encountered in the performance of this mandate, as outlined in this report, we believe that the valuation methods adopted by the Boards of Directors of Impregilo and Salini are adequate, given that they are reasonable and not arbitrary under the circumstances, and that they were correctly applied to determine the exchange ratio for the shares covered by the Merger Plan.

In addition, based on an examination of the documentation in support of the assumptions and of the evidence used in formulating the forward-looking data contained in the economic-financial plan of the company resulting from the merger, and taking into account the report prepared by PWC pursuant to Article 2501-*bis*, paragraph 5 of the Italian Civil Code, we are not aware of any facts that would lead us to believe, as at this date, that these assumptions and evidence do not provide a reasonable basis for the preparation of the above-mentioned projected data.

In view of the above, pursuant to Article 2501-*bis*, paragraph 4 of the Italian Civil Code, we are not aware of any facts that would lead us to believe that, as at this date, the indications contained in the merger plan relating to the financial resources provided for to meet the obligations of the company resulting from the merger are not reasonable.

All of this assumes the satisfaction of the hypothetical statements relating to future events and actions on the part of the management bodies as described in the aforementioned economic-financial plan.

It should, however, be emphasised that, due to the uncertainty of the occurrence of any future event, both as regards the actual manifestation of an event as well as the extent and timing of such manifestation, deviations between the ultimate values and the values provided for in the economic-financial plan could be significant. This can happen even in the case of the occurrence of the events provided for within the framework of the hypothetical statements described in the economic-financial plan.

This report was prepared solely for the purposes set forth in Articles 2501-*sexies* and 2501-*bis*, paragraph 4 of the Italian Civil Code,

within the scope of the plan for the (reverse) merger of Salini into Impregilo and therefore cannot be used in whole or in part for any different purpose.

We assume no responsibility for updating this report for events or circumstances that may arise after today's date.

Bologna, 5 August 2013

Baker Tilly Revisa S.p.A.

Baker Tilly Revisa S.p.A.

Maurizio Godoli
Chairman

Enzo Spisni
Managing Partner

[Signature]

[Signature]

[Stamps]

AUTHENTICATION OF SIGNATURES

File No 69993

Via Santo Stefano 42, Bologna

I, the undersigned, Dr Federico Rossi, a notary residing in Bologna, enrolled with the Bologna Association of Notaries, certify that the following individuals have signed the above record in my presence:

MAURIZIO GODOLI, born in Forlì (FC) on 4 June 1941, residing at Via Guido Reni 2/2, Bologna (BO),

ENZO SPISNI, born in Chomutov (abroad) on 22 July 1953, residing at Via Rialto 6/5, Bologna (BO),

as to whose personal identities I, the notary, am certain, and who have been cautioned by me as to the consequences under criminal law in the event of false or incomplete statements; they have taken the oath, made statement in the required form, and declared having faithfully carried out the operations of assessment that had been conferred to them, doing so with the utmost care and in adherence to the most stringent criteria in use in the field, also in accordance with Articles 3 and 76 of Presidential Decree No 445 of 28 December 2000.

Bologna, 5 (fifth) August 2013 (two thousand thirteen)

[Signature and stamp]