



INFORMATION MEMORANDUM

prepared in accordance with Article 70, Section 6, and Article 57, Section 1, Letter *d*), of the Regulations implementing Legislative Decree No. 58 of February 24, 1998, adopted by the CONSOB with Resolution No. 11971 of May 14, 1999, as amended

CONCERNING THE

MERGER BY INCORPORATION OF

SALINI S.P.A.

Registered office at 22 Via della Dataria, Rome – Fully paid-in share capital of 62,400,000.00 euros
Tax I.D., VAT and Rome Company Register No. 11664581003 – Listed in Rome's R.E.A. under No. 1319966
Company subject to management and coordination by Salini Costruttori S.p.A., its sole shareholder, pursuant to Article 2497-*bis* of the Italian Civil Code

INTO

IMPREGILO S.P.A.

Registered office at 97 Via dei Missaglia, Milan – Fully paid-in share capital of 718,364,456.72 euros
Tax I.D. and Milan Company Register No. 00830660155
VAT No. 02895590962 – Listed in Milan's R.E.A. under No. 525502
Company subject to management and coordination by Salini S.p.A. pursuant to Article 2497-*bis* of the Italian Civil Code

This Information Memorandum was recognized as equivalent by the CONSOB with a communication dated December 24, 2013, File No. 98769/13, for the purposes of Article 57, Section 1, Letter *d*), of the Regulation approved by the CONSOB with Resolution No. 11971 of May 14, 1999, as amended.

HIGHLIGHTS OF PRO FORMA DATA AND PER SHARE DATA AT JUNE 30, 2013

(amounts in thousands of euros)	Six months ended June 30, 2013		
	Impregilo		Salini
	Historical data	Pro forma data	Historical data
Number of shares	449,048,182	449,048,182	62,400,000
Result from continuing operations	49,606	50,827	140,335
Result from continuing operations per share (in euros)	0.11	0.11	2.25
Group interest in net result	132,892	134,216	155,451
Group interest in net result per share (in euros)	0.30	0.30	2.49
Total Group interest in shareholders' equity	1,338,008	938,661	711,126
Total Group interest in shareholders' equity per share (in euros)	2.98	2.09	11.40

HIGHLIGHTS OF PRO FORMA DATA AND PER SHARE DATA AT DECEMBER 31, 2012

(amounts in thousands of euros)	YEAR ENDED DECEMBER 31, 2012		
	Impregilo		Salini
	Historical data	Pro forma data	Historical data
Number of shares	449,048,182	449,048,182	62,400,000
Result from continuing operations	(114,037)	(102,140)	332,925
Result from continuing operations per share (in euros)	(0.25)	(0.23)	5.34
Group interest in net result	602,659	(114,117)	324,412
Group interest in net result per share (in euros)	1.34	(0.25)	5.20
Total Group interest in shareholders' equity	1,800,954	811,576	566,133
Total Group interest in shareholders' equity per share (in euros)	4.01	1.81	9.07

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DEFINITIONS

A list of the main definitions and terms used in this Information Memorandum is provided below. Unless otherwise stated, these definitions and terms have the meaning stated below. Terms defined in the singular shall have the same meaning in the plural and vice versa, when the context requires it.

Bond Issue	The senior unsecured bond issue floated by Salini on August 1, 2013, for a total face value of 400,000,000.00 euros, maturing on August 1, 2018, with a fixed coupon rate of 6.125%, listed on the Irish Stock Exchange in Dublin (see Chapter 4, Section 4.2.1, of this Information Memorandum and the offering prospectus available on the website www.impregilo.it – “Investor Relations – Salini S.p.A. Tender Offer Documents” page).
Borsa Italiana	Borsa Italiana S.p.A., with head office at 6 Piazza degli Affari, Milan.
Companies Parties to the Merger	Collectively, Impregilo and Salini.
CONSOB	The Commissione Nazionale per le Società e la Borsa, Italy’s securities market regulatory authority, with head office at 3 Via G.B. Martini, Rome
CONSOB Communication	Communication No. DIE/13037777, published by the CONSOB on May 3, 2013, providing guidelines for the preparation of documents to be submitted for equivalency ruling purposes, pursuant to Article 34-ter and Article 57 of the Issuers’ Regulations.

Conveyance	The conveyance to Salini by its sole shareholder, of its business operations in the infrastructural construction sector, including all statutory relationships related to it carried out, directly and indirectly, in Italy and abroad, which was executed on December 21, 2011 effective as of January 1, 2012.
Date of the Information Memorandum	Date of publication of this Information Memorandum.
Deed of Merger	The deed of merger executed by Salini and Impregilo on November 26, 2013, before Notary Carlo Marchetti (Folder No. 5,396; File No. 10,520) for the purposes of Article 2504 of the Italian Civil Code, recorded in the Company Registers of Milan and Rome on December 5, 2013 and December 4, 2013, respectively (see the press release published by the Companies Parties to the Merger on December 5, 2013, which is available on the website www.impregilo.it – “Media” page).
EcoRodovias	EcoRodovias Infraestrutura e Logistica S.A. is a company based in São Paulo, Brazil. The interest that the Impregilo Group held in this company was sold to external parties through separate sales transactions executed in 2012 and at the beginning of 2013, respectively (see the two information memoranda prepared by Impregilo pursuant to Article 71 of the Issuers’ Regulations and available on the “ <i>Governance – Other Governance Documents</i> ” page of the website www.impregilo.it).
Exchange Ratio	The exchange ratio between the Salini common shares and the Impregilo common shares, understood as the ratio suitable to express the mutual weight of the two Companies Parties to the Merger, equal to 6.45

	Impregilo common shares for Each Salini share.
Groups Parties to the Merger	Collectively, the Salini Group and the Impregilo Group.
IFRSs	The International Financial Reporting Standards published by the International Accounting Standards Board (IASB) and endorsed by the European Union.
Impregilo Group or Group	The group headed by Impregilo.
Impregilo or Issuer or Incorporating Company	Impregilo S.p.A., with head office at 97 via dei Missaglia, Milan, subject to management and coordination by Salini pursuant to Article 2497 and following articles of the Italian Civil Code.
Information Memorandum	This Information Memorandum.
Issuers' Regulations	The regulations that implement the TUF, concerning regulations applicable to issuers of securities, adopted by the Consob with Resolution No. 11971 of May 14, 1999, as amended.
Joint Expert or BAKER TILLY REVISA	Baker Tilly Revisa S.p.A., with head office at 2/2 via Guido Reni, Bologna, in its capacity as expert pursuant to Article 2501- <i>sexies</i> of the Italian Civil Code, designated by the Court of Milan with an order dated June 14, 2013, filed on June 25, 2013.
Merger or Transaction	The reverse Merger by Incorporation of Salini into Impregilo, pursuant to Article 2501- <i>bis</i> of the Italian Civil Code, the main characteristics of which are described in Chapter 3.
Merger Information Memorandum	The information memorandum concerning the Merger, prepared pursuant to Article 70, Section 6, and consistent with Annex 3B, Form No. 1, of the Issuers' Regulations, published by Impregilo on August 28, 2013 and made available to the public in the manner described in Chapter 3, Section 3.4.1. below.

Merger Plan	The merger plan pursuant to Article 2501- <i>bis</i> , Section 2, and Article 2501- <i>ter</i> , of the Italian Civil Code approved by the Boards of Directors of Impregilo and Salini on June 24, 2013 and made available to the public in the manner described in Chapter 3, Section 3.4.1 below.
MTA	The Online Securities Market organized and operated by Borsa Italiana.
New Credit Lines	Collectively, the New Facility and the Revolving Facility provided by the New Lender Banks to Salini and Impregilo pursuant to the New Facility Agreements. See Chapter 3, Section 3.2.2.7.
New Facility	Collectively, the credit lines, for a total amount of 425,000,000.00 euros, provided by the New Lender Banks to Salini and Impregilo, respectively, pursuant to the New Facility Agreement for the purpose of refinancing a portion of the financial debt of the Salini Group (including the remaining balance owed pursuant to the TO Loan Agreement) and the Impregilo Group. See Chapter 3, Sections 3.2.1.6 and 3.2.2.7.
New Facility Agreements	Collectively, the New Loan Agreement and the Revolving Facility Agreement. See Chapter 3, Sections 3.2.1.6 and 3.2.2.7.
New Lender Banks	Collectively, Banca IMI S.p.A. (in its capacity as agent bank), Natixis S.A. – Milan Branch, Intesa Sanpaolo S.p.A., UniCredit S.p.A. and BNP Paribas – Milan Branch, Banco Santander S.A. – Milan Branch and Banco Bilbao Vizcaya Argentaria S.A. – BBVA – Milan Branch, in their capacity as lender banks, pursuant to the New Facility Agreements.
New Loan Agreement	The loan agreement signed on December 10, 2013 by Salini, Impregilo and the New Lender Banks, the

purpose of which is to provide the New Facility to the Company Being Incorporated and the Incorporating Company, respectively. See Chapter 3, Section 3.2.2.7.

Opinion

The assessment opinion supporting the determination of the Exchange Ratio issued by Partners S.p.A., in its capacity as financial advisor appointed by Impregilo on June 24, 2013.

Plan

The economic and financial plan prepared by the boards of directors of the Companies Parties to the Plan, pursuant to Article 2501-*bis*, Section 3, of the Italian Civil Code, incorporated into the Merger Plan and the reports prepared by the boards of directors of the Companies Parties to the Plan pursuant to Article 2501-*bis*, Section 3, and Article 2501-*quinquies* of the Italian Civil Code.

Post-Merger Group

The group that, upon the Merger becoming effective, will be headed by the Incorporating Company, called Salini-Impregilo S.p.A. (see Chapter 3, Section 3.2.3.1).

**Pro Forma Consolidated
Financial Statements**

The pro forma consolidated statements of financial position at June 30, 2013 and at December 31, 2012, the pro forma consolidated income statements and the pro forma consolidated statements of cash flows for the six months ended June 30, 2013 and the year ended December 31, 2012 of Impregilo and accompanying notes presented in Chapter 6 of this Information Memorandum, prepared in accordance with Annex 3B to the Issuers' Regulations, Form No. 1, Section 5, and Annex II to Regulation 809/2004/EC.

PwC

PricewaterhouseCoopers S.p.A., with head office at 91 via Monte Rosa, Milan.

**Related-Party Information
Document**

The information document regarding highly material related-party transactions, prepared pursuant to Article 5

of the RPT Regulations and Annex 4 of the RPT Regulations, made available to the public in the manner described in Chapter 3, Section 3.4.1 below.

Revolving Facility

The revolving credit line, in the amount 10,000,000.00 euros, provided by Banca IMI S.p.A. (in its capacity as agent bank), Natixis S.A. – Milan Branch, Intesa Sanpaolo S.p.A., UniCredit S.p.A. and BNP Paribas – Milan Branch, to Salini pursuant to the Revolving Facility Agreement. See Chapter 3, Section 3.2.2.7 below.

Revolving Facility Agreement

A loan agreement signed on December 12, 2013 by Salini and Banca IMI S.p.A. (in its capacity as agent bank), Natixis S.A. – Milan Branch, Intesa Sanpaolo S.p.A., UniCredit S.p.A. and BNP Paribas – Milan Branch, in their capacity as lender banks, for the purpose of providing a Revolving Facility to Company Being Incorporated. See Chapter 3, Section 3.2.2.7.

RPT Committee

Impregilo's Related-party Transaction Committee, appointed by Impregilo's Board of Directors on July 18, 2012 and comprised of the following independent Directors: Alberto Giovannini (Chairman), Marina Brogi, Giuseppina Capaldo (elected from the minority slate) and Geert Linnebank.

RPT Procedure

The procedure governing related-party transactions approved on November 30, 2010 by Impregilo's Board of Directors pursuant to Article 2391-*bis* of the Italian Civil Code and Article 4, Sections 1 and 3, of the RPT Regulations, as most recently amended on May 13, 2013.

RPT Regulations

The regulations governing related-party transactions adopted by the Consob with Resolution No. 17221 of March 12, 2010, as amended.

Salini Costruttori

Salini Costruttori S.p.A., a company with head office at 3

via del Lauro, Milan.

Salini Group

The group headed by Salini, which, following the acquisition of statutory control of Impregilo by Salini as a result of to the Tender Offer, includes the Issuer.

Salini or the Company Being Incorporated

Salini S.p.A., a single shareholder company with head office at 22 via della Dataria, Rome, subject to management and coordination by Salini Costruttori, its sole shareholder, pursuant to Article 2497 and following articles of the Italian Civil Code.

Shared Provided in Exchange

The 44,974,754 newly issued common shares, without par value, of the Incorporating Company that will be awarded to Salini Costruttori on the Merger's effective date, based on the Exchange Ratio.

Strategic Agreement

The strategic agreement for commercial and organizational cooperation signed by the Issuer and Salini Costruttori on September 27, 2012, described in more detail in Chapter 3, Section 3.2.1.6 of this Information Memorandum and the information memorandum prepared by Impregilo pursuant to Article 5 of the RPT Regulations and Annex 4 to the RPT Regulations, available on the website www.impregilo.it – “*Investors Relations – Strategy – Impregilo-Salini Agreement*” page.

Tender Offer (TO)

The voluntary, all-inclusive tender offer, pursuant to Article 102 and Article 106, Section 4, of the TUF, launched by Salini on February 6, 2013 for all common shares issued by Impregilo that Salini did not own as of the abovementioned date (i.e., 282,381,888 common share without par value, equal to about 70.16% of Impregilo's subscribed and paid in share capital).

TO Facility

The credit line provided to Salini by the TO Lender Banks, pursuant to the TO Loan Agreement, to fund,

inter alia, the maximum total outlay projected for the Tender Offer, amounting to 1,129,527,552.00 euros.

TO Lender Banks

Collectively, Banca IMI S.p.A., with head office at 3 Largo Mattioli, Milan, and Natixis S.A. – Milan Branch, with head office at 8 Via Borgogna, Milan, in their capacity as lender banks pursuant to the TO Loan Agreement.

TO Loan Agreement

The loan agreement for a total of 1,410,000,000.00 euros executed by Salini and the TO Lender Banks, which includes the TO Facility.

TUF

Legislative Decree No. 58 of February 24, 1998, as amended.

TUIR

The Uniform Income Tax Code set forth in Presidential Decree No. 917 of December 22, 1986, as amended.

FOREWORD

This Information Memorandum was prepared for the purposes of Article 57, Section 1, Letter *d*), of the Issuers' Regulations and in accordance with the CONSOB Communication concerning the Merger by Incorporation (so-called "reverse merger") of Salini into Impregilo and the listing on the MTA of the 44,974,754 Shared Provided in Exchange that will be awarded to Salini Costruttori, the sole shareholder of the Company Being Incorporated (see Chapter 3, Section 3.2.3.4).

Because indebtedness contracted by Salini was used to carry out the Tender Offer, Article 2501-*bis* of the Italian Civil Code became applicable to the Merger (see Chapter 3, Section 3.1).

Pursuant to Article 2501-*quarter* of the Italian Civil Code, the Merger is being carried out using as financial position data the financial statements of the Companies Parties to the Merger for the year ended December 31, 2012, as approved by the respective Shareholders' Meetings. The Merger Plan, prepared pursuant to Article 2501-*bis*, Section 2, and Article 2051-*ter* of the Italian Civil Code, containing the Plan and listing the financial resources planned to meet the obligations of the company resulting from the Merger, and the explanatory reports, prepared pursuant to Article 2501-*bis* and Article 2501-*quinquies* of the Italian Civil Code setting forth the

rationale for the Transaction and the Plan, were approved on June 24, 2013 by the respective Boards of Directors of the Companies Parties to the Merger and, insofar as Impregilo is concerned, with the prior, unanimous, reasoned, favorable opinion of the RPT Committee regarding: (i) the existence of Impregilo's interest in executing the Merger, in accordance with the terms and conditions specified by management in the draft of the Merger Plan, and (ii) the advantageous nature and substantive fairness of the abovementioned terms and conditions.

On June 28, 2013, the independent auditors PwC issued a report (appended to this Information Memorandum as Annex B) pursuant to Article 2501-*bis*, Section 5, of the Italian Civil Code about the reasonableness of the Plan included in the Merger Plan.

The Merger Plan with its annexes, including the report by PwC, were filed at the head offices of Impregilo and Salini and published on the respective websites (for Impregilo www.impregilo.it – “Investor relations – Salini Impregilo Merger” page) on June 30, 2013. Pursuant to Article 2501-*ter*, Section Three, of the Italian Civil Code, the Merger Plan was submitted for recording in the Milan and Rome Company Registers on July 1, 2013 and was recorded in the Milan Company Register on July 2, 2013 and the Rome Company Register on July 3, 2013.

On August 5, 2013, BAKER TILLY REVISA, in its capacity as the Joint Expert appointed by the Court of Milan pursuant to Article 2501-*sexies* of the Italian Civil Code, submitted its report pursuant to Article 2501-*bis* and Article 2501-*sexies* of the Italian Civil Code, attesting, inter alia, the fairness of the Exchange Ratio and the reasonableness of the information provided in the Merger Plan regarding the financial resources planned to meet the obligations of the company resulting from the Merger.

The Merger was approved by the respective Shareholders' Meetings of the Companies Parties to the Merger, convened in extraordinary session on September 12, 2013. The approval resolutions were recorded in the Company Registers of Milan and Rome on September 27, 2013 and September 16, 2013, respectively. Lastly, on November 26, 2013, none of the events mentioned in the Merger's conditions precedent having materialized and absent any further conditions precedent, the 60-day deadline for the filing of challenges by creditors pursuant to Article 2503 of the Italian Civil Code having elapsed, the Companies Parties to the Merger executed the Deed of Merger pursuant to Article 2504 of the Italian Civil Code. The Deed of Merger was recorded in the Company Registers of Milan and Rome on December 5, 2013 and December 4, 2013, respectively.

The statutory, economic and tax effects of the Merger will be reflected in the financial

statements of the Incorporating Company as of January 1, 2014, as required by Article 2504-*bis* of the Italian Civil Code and the relevant provisions of the TUIR.

For the sake of complete disclosure, please also note the following about the Merger:

- (a) Due to the statutory control relationship that was established between the Company Being Incorporated and the Incorporating Company as a result of the Tender Offer and to the materiality of the Merger, the Merger qualifies as a highly material related-party transaction pursuant to the RPT Regulations and the RPT Procedure (see the Related-Party Information Document published by Impregilo on July 1, 2013, which is available on the website www.impregilo.it – “*Investor Relations – Salini Impregilo Merger*” page and shall be understood to have been incorporated into this Information Memorandum by reference); and
- (b) It is a “material transaction” pursuant to and for the purposes of Article 70 of the Issuers’ Regulations and the general criteria of Annex 3B to said Issuers’ Regulations (see the Information Document published by Impregilo on August 28, 2013, which is available on the website www.impregilo.it – “*Investor Relations – Salini Impregilo Merger*” page).

1 RESPONSIBLE PARTIES

1.1 Parties responsible for the information provided in this Information Memorandum

Responsibility for the data and information contained in this Information Memorandum rests with Impregilo S.p.A., a company with head office at 97 Via dei Missaglia, in Milan, and Salini S.p.A., a company with head office at 22 Via della Dataria, in Rome, each for the items under its respective jurisdiction.

1.2 Declarations by the parties responsible for this Information Memorandum

Impregilo S.p.A., having applied all reasonable diligence for this purpose, declares that the information concerning the Impregilo Group contained in this Information Memorandum, insofar as it applies to items under its jurisdiction and to the best of its knowledge, is consistent with the facts and does not reflect omissions capable of altering its meaning.

Salini S.p.A., having applied all reasonable diligence for this purpose, declares that the information concerning the Salini Group contained in this Information Memorandum, insofar as it applies to items under its jurisdiction and to the best of its knowledge, is consistent with the facts and does not reflect omissions capable of altering its meaning.

1.3 Declaration by the Corporate Accounting Documents Officers

Massimo Ferrari, Corporate Accounting Documents Officer of Impregilo S.p.A., declares, pursuant to Article 154-*bis*, Section 2, of the TUF, that the accounting disclosures regarding the Incorporating Company provided in this Information Memorandum are consistent with the information contained in the supporting documents, books of accounts and other accounting records.

Alessandro De Rosa, Corporate Accounting Documents Officer of Salini S.p.A., declares, pursuant to Article 154-*bis*, Section 2, of the TUF, that the accounting disclosures regarding the Incorporating Company provided in this Information Memorandum are consistent with the information contained in the supporting documents, books of accounts and other accounting records.

2 RISK FACTORS

The main risks affecting the Transaction subject of this Information Memorandum, the Post-Merger Group, the activity sectors in which said Group will continue to operate and the financial instruments issued in connection with the Merger are reviewed below. Additional risks and uncertain events that are currently unforeseeable or are otherwise deemed improbable could also have an impact on the activities, economic and financial conditions and business outlook of the Post-Merger Group.

The risk factors described below should be viewed in conjunction with the additional information provided in this Information Memorandum, including the documents made available to the public (see Chapter 3, Section 3.4.1) and the documents included by reference in this Information Memorandum.

2.1 RISK FACTORS RELATED TO THE ACTIVITY OF THE INCORPORATING COMPANY SUBSEQUENT TO THE MERGER AND THE GROUP HEADED BY IT

2.1.1 Risks related to indebtedness and the sustainability of the financial debt

At September 30, 2013, the consolidated net financial debt of the Salini Group amounted to about 574 million euros (188.3 million euros at December 31, 2012), with liquid assets totaling 1,017.1 million euros (411.7 million euros at December 31, 2012), while the consolidated net financial debt of the Impregilo Group, as monitored by the Impregilo Group directly, was positive by 162.7 million euros (566.7 million euros at December 31, 2012), with liquid assets totaling 672.5 million euros (1,243.1 million euros at December 31, 2012) (see Chapter 6, Sections 6.1 and 6.2). Please note that these amounts are stated on a basis consistent with the configuration of the net financial position adopted by the Groups Parties to the Merger for the purpose of the disclosures provided in Chapter 4 of this Information Memorandum and differ from those required by the ESMA/2013/319 Document due to the inclusion of non-current financial assets totaling about 71 million euros, the full amount of which is attributable to Salini (see Chapter 6, Sections 6.1.1 and 6.2.1).

As described in greater detail in Chapter 4 of this Information Memorandum, during the period between September 30, 2013 and the Date of the Information Memorandum, while the regular business activity of the Groups Parties to the Merger was carried out in a manner substantially consistent with assumptions made when the Plan was prepared, the progress of some

particularly material transactions (i.e., disposal of equity investments) reflected different timing profiles. More specifically, with regard to the effects of the different timing dynamics with which the abovementioned transactions were or will be executed on the net financial position projected for the end 2013, the following can be determined at this point: (i) a negative effect of about 100 million euros for projected but not yet finalized transactions and (ii) a positive effect of about 44 million euros for transactions originally expected in 2014 and completed earlier.

As for the consolidated net financial debt reported by the Salini Group at September 30, 2013, amounting to about 574 million euros and considering the announced target for 2013 (negative by about 269 million euros), in addition to the net effects generated by the different timing with which some nonrecurring transactions mentioned above were executed, the occurrence of negative variances, potentially significant, cannot be excluded, due to the collection cycle dynamics peculiar to the industry of the Companies Parties to the Merger (see Sections 2.3.1, 2.3.2 and 2.3.3 below), which, as such, could make it impossible to absorb the existing, or even larger, variance between the financial debt at September 30, 2013 and the previously provided target for the 2013 reporting year. However, the temporary nature of the abovementioned effects should make it possible to absorb them in the early months of 2014.

The main loan agreements executed by the Salini Group are secured by covenants that require, inter alia, the borrower's commitment to maintain compliance with certain economic/financial and equity indicators, except for the New Facility Agreements and the Bond Issue, which, in any event, call for compliance with specific economic-financial indicators (i.e., financial covenants) consistent with standard market terms for similar financing transactions (see Chapter 3, Section 3.22.7 and Chapter 6, Section 6.2.1).

More specifically, the Bond Issue calls for specific limits on the assumption of financial debt by Salini and its subsidiaries (different from those qualified therein as "Material Subsidiaries") if the ratio of consolidated EBITDA to gross consolidated financial expense (measured in accordance with the provisions of the relevant agreements on March 31, June 30, September 30 and December 31 of each calendar year) is less than 2.5, until repayment of the respective facility and the possibility for the Salini subsidiaries identified as Material Subsidiaries to take on financial debt ("indebtedness" as defined pursuant to the Bond Issue indenture) only to the extent that the amount of the indebtedness in question falls within the "Permitted Indebtedness" categories, pursuant to the Bond Issue indenture. Failure to comply with the abovementioned commitments constitutes an "event of default" pursuant to the Bond Issue

indenture, with the consequence of providing the Trustee with the option of demanding mandatory early repayment of the Bond Issue (see Chapter 6, Section 6.2.1). Lastly, please note that pursuant to the Bond Issue indenture, the abovementioned limitations on the assumption of indebtedness by Salini and its subsidiaries shall not be applicable if:

- (a) the non-subordinate and unsecured debt of Salini (or Impregilo, following the Merger) is awarded by the rating agencies Moody's Investors Service Limited, Standard & Poor's Rating Services or Fitch Ratings Ltd. a rating of at least "Baa3" (for Moody's Investors Service Limited) or "BBB" (for Standard & Poor's Rating Services or Fitch Ratings Ltd.); and
- (b) no event of default pursuant to the Bond Issue indenture has occurred (see Chapter 6, Section 6.2.1).

As for the covenants of the New Facility Agreements, they require Salini to maintain (a) a ratio of consolidated EBITDA to gross consolidated financial expense (computed with the same modalities as those required for the Bond Issue, but verified at June 30 and December 31 of each year) of at least 2.5; and (b) a ratio of Gross Total Borrowings to consolidated EBITDA (for each 12-month period ending on June 30 and December 31 of each year) of not more than (1) 5.5x (up to an including June 30, 2015); (2) 5x (up to an including December 31, 2015); and (3) 4.5x (up to an including June 30, 2016). The violation of any of the abovementioned financial covenants shall constitute in of itself an "event of default" pursuant to the New Facility Agreements, automatically empowering the Lender Banks to demand early repayment of all amounts owed pursuant to the New Facility Agreements (see Chapter 3, Section 3.2.2.7).

With regard to the periods subject of this Memorandum, the covenants for the existing facilities were complied with. Despite the impact of the Merger, based on the analyses of the operating economic-financial results of Salini and Impregilo and the consolidated data for the Salini Group performed at the Date of the Information Memorandum, the ratios and minimum levels applicable to the existing financial commitments both concerning the Bond Issue (starting on December 31, 2013, on a 12-month rolling basis) and pursuant to the New Facility Agreements (starting on June 30, 2014, on a 12-month rolling basis) and certain other minor existing financial transactions involving the Salini Group will continue to be in compliance with contractually defined parameters, except for the "Export Bank" facility agreement of 100,000,00.00 euros executed on May 13, 2013 by various parties including Salini, as borrower, BNP Paribas, Italy Branch, as Agent Bank, and SACE S.p.A., as guarantor, which, as of the

Date of the Information Memorandum was the subject of negotiations aimed at realigning the Interest Cover Ratio (ICR) with those of the Bond Issue and the New Facility Agreements (see Chapter 6, Section 6.2.1).

In the future, the indebtedness of the Post-Merger Group could gradually increase due to various reasons, including possible fluctuations in operating results, investments and potential acquisitions or joint ventures.

Even though the Post-Merger Group is expected to be fully capable of meeting its obligations (see Chapter 4, Section 4.3), if market conditions were to deteriorate or the results of the Post-Merger Group were to decrease, the Post-Merger Group could be forced to request revisions of its financial covenants or limitation clauses set forth in loan agreements. However, the possibility that the Post-Merger Group may be unable to obtain these revisions cannot be excluded. Moreover, any violation of covenants or limitation clauses could constitute a default event under the corresponding contract, resulting in a restriction of borrowing ability or providing the creditors with the option, once certain thresholds are reached, to demand the immediate repayment of the loaned amounts, plus any accrued and unpaid interest, and/or cancel any contractual commitment involving the provision of new credit lines.

The ability of the Groups Parties to the Merger and/or the Post-Merger Group to comply with their financial commitments and any other contractual provisions, repay principal and interest on the scheduled maturities or refinance existing credit lines will depend on the future performance of their activities, which, in turn, is conditioned, inter alia, by economic, financial and competitive factors.

For additional information see Chapter 3, Section 3.2.2.7, Chapter 4, Section 4.3, and Chapter 6, Sections 6.1, 6.2 and 6.4, in this Information Memorandum.

2.1.2 Risks related to foreign exchange rates

Both the Salini Group and the Impregilo Group use the euro as the functional currency of their consolidated financial statements. While a significant portion of the activities carried out by both groups use the euro as the reference currency (at September 30, 2013, about 70% for the two Groups Parties to the Merger) and the corresponding asset and liability entries are to a large extent generated in euros, the Groups Parties to the Merger also engage in activities and recognize certain assets and liabilities in different currencies, some of which are not freely convertible or are subject to governmental restrictions. Consequently, the exposure of the

Groups Parties to the Merger to foreign exchange risks varies depending on various factors, such as the timing of financial transactions and the revenue and expense currency, including capital investments.

Both the Salini Group and the Impregilo Group adopted specific policies aimed at managing their foreign exchange risk and monitor on an ongoing basis their exposure to this risk, so as to minimize and, whenever possible, contain the effects of possible negative fluctuations. Moreover, the contracts and agreements signed by the Groups Parties to the Merger in the regular course of business usually include adequate protections against this specific risk. Nevertheless, the possibility that, over the short term, sudden or unexpected fluctuations in exchange rates could cause a reduction in revenues or an increase in costs computed in euros, with a negative impact on the financial position, income statement and cash flow of the Groups Parties to the Merger and/or the Post-Merger Group cannot be excluded.

For additional information, see also the description of financial risks provided in the consolidated financial statements of the Impregilo Group for the year ended December 31, 2012 (page 324 and following pages) and the consolidated financial statements of the Salini Group for the year ended December 31, 2012 (page 124 and following pages), both made available to the public in the manner described in Chapter 3, Section 3.4.1.

2.1.3 Risks related to interest rates

Both Groups Parties to the Merger use various types of external financing facilities in the form of short- and medium/long-term variable rate debt and, consequently, are exposed to financial expense and interest rate volatility. At September 30, 2013, the total gross financial debt (i.e., including the fixed rate Bond Issue) of the Salini Group amounted to 1,829.0 million euros, including 517.1 million euros attributable to the Impregilo Group. The total variable rate financial debt of the Salini Group amounted to 1,031.6 million euros, including 249.2 million euros attributable to the Impregilo Group. The percentage of total indebtedness represented by variable rate debt positions was thus 56.3% for the Salini Group and 48.2% for the Impregilo Group. Even though both the Salini Group and the Impregilo Group selectively execute hedging transactions using simple derivatives to transform variable rates into fixed rates (interest rate swaps)—transactions outstanding at September 30, 2013 to hedge the interest rate risk with interest rate swaps applied to financial debt totaling 16.6 million euros, including 9.8 million euros attributable to the Impregilo Group—the possibility that these hedging strategies prove to be inadequate in hedging potential interest rate risks cannot be excluded. In view of

the characteristics of the gross financial debt of the Salini Group and the Impregilo Group at September 30, 2013, if the average interest rate for the first nine months of 2013 had exceeded the rate actually recorded by 75 basis points, financial expense would have increased by a total of about 7.4 million euros and about 3.5 million euros for the Salini Group and the Impregilo Group, respectively.

For additional information, see also the description of financial risks provided in the consolidated financial statements of the Impregilo Group for the year ended December 31, 2012 (page 324 and following pages) and the consolidated financial statements of the Salini Group for the year ended December 31, 2012 (page 124 and following pages), both made available to the public in the manner described in Chapter 3, Section 3.4.1.

2.1.4 *Risks related to liquidity needs*

The Groups Parties to the Merger are exposed to liquidity risks, which include the risk entailed by the need to obtain new financing facilities and the possibility that the existing credit lines prove to be insufficient to cover cash requirements or that the need to promptly monetize financial assets causes an loss of values of the assets in question.

The foregoing considerations notwithstanding, both the Salini Group and the Impregilo Group adopted various policies and procedures aimed at making their management of financial resources more effective and efficient and thus mitigate liquidity risks. Moreover, both Groups Parties to the Merger attempt to contain the liquidity risk by negotiating, within the framework of their international contracts, advance payment modalities that are applied as of the signing date, or immediately thereafter, for the purpose of financing the corresponding projects, including the procurement of machinery and equipment and the use of subcontractors, when projects require it.

For additional information, see also the description of financial risks provided in the consolidated financial statements of the Impregilo Group for the year ended December 31, 2012 (page 324 and following pages) and the consolidated financial statements of the Salini Group for the year ended December 31, 2012 (page 124 and following pages), both made available to the public in the manner described in Chapter 3, Section 3.4.1.

2.1.5 *Credit risk*

The credit risk is represented by the exposure to potential losses resulting from the failure to honor commitments undertaken by customers, who in virtually all cases are parties acting on

behalf of sovereign governments or government agencies. At September 30, 2013, the Salini Group held trade receivables totaling 1,679.4 million euros, including 1,103.4 million euros attributable to the Impregilo Group. As of the same date, the percentage of consolidated assets represented by these receivables was 24.7% for the Salini Group and about 27.4% for the Impregilo Group. This being said, (i) even though the financial structure of the contracts executed, respectively, by the Salini Group and the Impregilo Group helps to mitigate the credit risk, as the activities entailed by numerous projects are financed by multilateral development banks, (ii) considering that due to the specific characteristics of the business in which the two Groups Parties to the Merger are engaged a receivable owed by a customer generally arises upon the acknowledgment by the same customer of its obligation for the production completed by the contractor, (iii) considering that the orders in progress are for infrastructures of major social and industrial importance for the countries where the Groups Parties to the Merger operate, and (iv) considering that At September 30, 2013 the abovementioned amounts represented a plurality of customers, with no individual concentrated positions attributable to a specific customer, the possibility of potentially significant defaults by customers and/or lenders cannot be excluded, which would have negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group. However, it is worth mentioning that as an offset to the abovementioned total customer exposure, within the framework of the same orders in progress at September 30, 2013, the Salini Group carried liabilities towards the same customers for work not yet carried out and for contract advances received and refundable for production not yet completed totaling 1,920.00 million euros, including 817.6 million euros attributable to the Impregilo Group.

For additional information, see also the description of financial risks provided in the consolidated financial statements of the Impregilo Group for the year ended December 31, 2012 (page 324 and following pages) and the consolidated financial statements of the Salini Group for the year ended December 31, 2012 (page 124 and following pages), both made available to the public in the manner described in Chapter 3, Section 3.4.1.

2.1.6 *Risks related to ratings*

As of the Date of the Information Memorandum, Impregilo's credit worthiness had not been rated by any rating agency.

Salini's long-term rating is as follows: (i) "BB" with stable outlook, according to Fitch; (ii) "BB"

with stable outlook, according to Standard & Poor's.

More specifically, on July 18, 2013, Fitch assigned to the Company Being Incorporated a Long-term Issuer Default Rating (IDR) of "BB" with stable outlook. This rating was based on the following parameters: (i) the robust industrial profile and solid order backlog resulting from the integration of the Companies Parties to the Merger; (ii) the level of indebtedness, which, despite the increase recorded in 2013 to finance the Tender Offer debt, is destined to decrease quickly in 2014 thanks to an improved operating performance, the divestment of non-strategic assets and the successful outcome of litigation; and (iii) an improved management performance, coupled with the proven reliability of risk management practices, capable of offsetting some additional costs incurred in connection with the highly complex management of some contracts. At the same time, Fitch assigned to the Bond Issue, the placement of which was imminent at that time, and expected rating of "BB," in anticipation of the completion of the Merger. Subsequently, on August 5, 2013, Fitch assigned a final "BB" rating to the Bond Issue, confirming the preliminary rating issued earlier. Lastly, in its Full Rating Report about Salini dated September 10, 2013, Fitch reaffirmed Salini's Long-term Issuer Default Rating ("BB") and again confirmed the rating of the Bond Issue ("BB").

Substantially in line with the developments described above, on July 18, 2013, Standard & Poor's issued its preliminary rating for the Company Being Incorporated. The rationale for the "BB" rating with stable outlook is based on a future increases in revenues (by an amount equal at least to 6%) and the EBITDA margin (up about 8% in 2013 and about 9% in 2014) reported by the Post-Merger Group and, in this case as well, a reduction in the debt level, made possible by divestments of non-strategic assets and the successful conclusion of pending litigation. On the same date, Standard & Poor's assigned a preliminary "BB-" rating to the Bond Issue due both on the foreseeable refinancing of the senior secured debt outstanding at the time, concurrently requalified as unsecured, and an assessment of Salini's financial strength. At the same time, Standard & Poor's assigned to the Bond Issue a recovery rating—computed and assigned to all bond issues placed by parties with a corporate rating of "BB" or lower—of "5" specifically because of its unsecured status. Subsequently, on August 1, 2013, Standard & Poor's authorized Salini to disclose to the market the earlier preliminary ratings of the Bond Issue. As of the Date of the Information Memorandum, Standard & Poor's Rating Committee was expected to meet shortly and issue its final rating of the Company Being Incorporated and the Bond Issue.

As for the presence of rating related clauses, please note that the loan agreements of the Salini Group do not contain any clauses pursuant to which, a downgrading of the credit rating of the borrower and/or the guarantor below a specific threshold could have such negative consequences as a change in the spread, the possibility of mandatory early full repayment or an event of default (see Chapter 3, Section 3.2.2.7).

2.1.7 *Risk related to litigation*

As of the Date of the Information Memorandum, the Issuer and the companies of the Groups Parties to the Merger, as a result of events in the course of their activity, were parties, as plaintiffs and defendants, in civil and administrative judicial proceedings, both in Italy and abroad. More specifically:

- (i) Todini Costruzioni Generali S.p.A., a Salini subsidiary, in its capacity as the party civilly liable, together with its customer Autostrade per l'Italia S.p.A. and other contractors, as well as certain former employees of Todini Costruzioni Generali S.p.A. and other involved companies, are defendants in criminal proceedings initiated by the Public Prosecutor of the Court of Florence for alleged environmental crimes committed in connection with the project to broaden and modernize the base Tunnel of Highway A1 – Lot 9-11 – Valico Bypass. The Ministry of the Environment and the Protection of the Territory and the Sea is the only civil party who joined these proceedings as a plaintiff seeking damages, lodging against all defendants and civil parties a claim for damages “*for asset equivalency*” totaling “*not less than 810,000,000.00 euros, or other amount deemed to be equitable.*” The trial has not yet been held and, consequently, there has been no discovery process or activities to ascertain whether damage had occurred. In that respect, it is in any case impossible to quantify, even on a tentative basis, the portion of the liability attributable to Todini Costruzioni Generali S.p.A., based on the Ministry overall claim, considering that:
- One should take into account the different role played by the customer Autostrade per l'Italia, which holds a concession from the public administration to operate highway infrastructures and was the designer of the project, compared with that of the contractors. In this regard, it is worth mentioning that Todini Costruzioni Generali S.p.A. was merely executing instructions provided by the customer Autostrade per l'Italia.
 - The assessment of the alleged damage resulting from the harm caused to the

streams and the Bilancino Lake must specifically take into account the contribution attributable to each one of the other contractors for the other lots subject of the dispute regarding the alleged pollution of all of the affected streams and the negative impact of each activity on the overall economy of the watershed (extensive and complex).

- The alleged environmental damage claimed by the Ministry of the Environment has to do with the repercussions of extremely heterogeneous activities carried out in accordance with different operational protocols (please note, for example, that Todini Costruzioni Generali S.p.A. obtained an approval for its plan for the management of excavation soil and rocks before the introduction of the applicable guidelines by the customer Autostrade per l'Italia).

The Salini Group denies having any responsibility whatsoever for the disputed issues. In view of the foregoing considerations and comforted by the opinion of counsel, the Salini Group believes that the abovementioned damage claim is devoid of merit and, consequently, that the risk of the claim being granted is remote. As a result the Company Being Incorporated did not find it necessary to recognize a provision in its financial statements.

- (ii) The managers of the C.A.V.E.T. Consortium (which was hired to build the section of the high speed railroad line between Bologna and Florence and in which the Issuer holds an equity stake of about 75%) are defendants in criminal proceedings for alleged violation of the environmental laws. The Consortium itself is a party civilly liable in the same proceedings. As of the Date of the Information Memorandum, the amount of the claim arising from this dispute cannot be accurately quantified because the trial before the Court of Appeals, to which the Court of Cassation returned the proceedings, have not yet started. The Consortium's only liability profile ascertained with a court decision that has become final concerns the harm done to the streams and, by virtue of this decision, the Consortium will be required to pay to the Ministry, the Regional Administration and the affected Provincial and Municipal Administrations an amount that will be quantified in separate proceedings and which, based on expert reports provided by the Public Prosecutor, is expected to range between 400,000.00 euros and 800,000.00 euros, plus a total of 100,000.00 euros for the benefit of third parties. For additional information see Chapter 3, Sections 3.2.1.7 and 3.2.2.8.

Both Groups Parties to the Merger recognized in the respective consolidated financial

statements special provisions to cover any contingent liabilities that may arise from pending judicial proceedings. More specifically, at September 30, 2013, the provision for risks recognized in the consolidated financial statements of the Salini Group totaled about 59.5 million euros, with the corresponding provision recognized by the Impregilo Group amounting to about 52.8 million euros. At September 30, 2013, the claims arising from disputes for which the Salini Group chose to recognize additions to the abovementioned provisions totaled about 226.4 million euros (including about 199.5 million euros attributable to the Impregilo Group). Please note that the data provide above do not reflect the dispute concerning the so-called “RSU Campania” projects (see Section 2.1.8 below and Chapter 3, Section 3.2.1.7 of this Information Memorandum), due to the characteristics and peculiarities of that dispute.

In establishing the provisions, the amount of which is deemed adequate, due consideration was given to the assessments provided by the respective consultants with regard to the risk of an unfavorable outcome and the potential liabilities arising from the disposition of the individual proceedings. Some of the disputes in which the Salini Group and/or the Impregilo Group are involved, for which a negative outcome is unlikely or the respective risk is not quantifiable, were not taken into account when determining the amount of the provisions.

However, the possibility cannot be excluded that the amounts set aside may prove to be in the future insufficient to cover the liabilities arising from an outcome unfavorable beyond expectations or that the proceedings not covered by the provisions may in the future give rise to prior-period charges, with potentially negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3, Section 3.2.2.8.

2.1.8 Risks related to the “RSU Campania” projects

The implementation of the “RSU Campania Project” for the disposal of solid urban waste [*Rifiuti Solidi Urbani* in Italian, hence RSU] in the province of Naples and other provinces in the Campania region, initially entrusted to two companies of the Impregilo Group, FIBE S.p.A. and FIBE Campania S.p.A. (a company later merged by incorporation into FIBE S.p.A.), was characterized by significant problems in the relationships with the public administration. More specifically, FIBE S.p.A. was and currently is a party to numerous civil, administrative and criminal proceedings.

As of the Date of the Information Memorandum, the Impregilo Group was not the subject of

any significant adverse court decision.

Even though (i) the Impregilo Group believes that it can provide evidence, within all of the abovementioned proceedings, of the correctness of its actions and (ii) the assessments made and adjusted in recent years, including those that provided a basis for the recognition of provisions for risks, which amount to about 29.7 million euros at September 30, 2013 (attributable to environmental issues subject of certain judicial and administrative proceedings, within the framework of which the purpose of the petitions is to ascertain obligations to perform actions, for which a monetary claim has not been quantified), were always performed based on reasonableness and prudence criteria, taking into account the applicable legislative and regulatory framework and the opinion provided by the legal consultants used by the Impregilo Group, the complexity and diversity of the pending dispute make it impossible to exclude the possibility that, in the future, new significant events may occur or further critical issues, currently not foreseeable, may arise, resulting in a substantial revision of the abovementioned assessments. A negative outcome of the abovementioned proceedings could have negative impacts on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3, Section 3.2.1.7 below.

2.1.9 Risks related to guarantees provided by third parties on behalf of the Impregilo Group and Salini Group

The construction contracts to which the companies of the Salini Group and the Impregilo Group are parties, usually require the provision of bank or insurance guarantees for the benefit of the customers. These guarantees are required both in the initial phase of a call for tenders, when a bid is submitted (bid bond), and in the subsequent project construction phase to guarantee compliance with the contractual commitments undertaken (performance bond). In this regard, please note that, pursuant to the construction contracts to which the companies of the Salini Group and the Impregilo Group are parties, the average duration for completion of the respective projects is five years.

Any difficulties encountered by companies of the Salini Group and the Impregilo Group in securing the abovementioned guarantees by credit institutions or insurance companies could have a negative effect on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3, Section 3.2.1 and 3.2.2 below.

2.1.10 Risks related to projections, estimates and declarations of preeminence

The Information Memorandum contains forward looking statements and estimates concerning the Companies Parties to the Merger, developed by these Companies based on specific knowledge of the industry in which they operate and available data, taking into account current expectations and projections of the Companies Parties to the Merger with regard to future events, which, by their very nature, are subject to an intrinsic component of risk and uncertainty. Consequently, they cannot be treated as absolutely reliable, as actual results could differ significantly from those contained in the abovementioned statements due to a number of factors beyond the control of the Companies Parties to the Merger, including, but not limited to, changes in macroeconomic conditions, other changes in business conditions and changes in the regulatory framework and the institutional context.

In addition, the Information Memorandum contains declarations of preeminence based on estimates about the size of the reference market and the competitive position of the Groups Parties to the Merger, as well as market valuations and comparisons with competitors developed based on public sources or processing by the Companies Parties to the Merger of public data or financial information published by competitors. These declarations of preeminence could be disproven by the actual evolution of the market.

For additional information, see Section 2.2.2 and Chapters 4, 5 and 8 below.

2.1.11 Risks related to the provision of intragroup guarantees

In the course of their business activities, the companies of the Salini Group and the Impregilo Group issue guarantees on behalf of other companies of the respective groups to which they belong. Any enforcement of said guarantees for material amounts could have a negative effect on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3, below.

2.1.12 Risks related to the differences in the tax systems of the countries where the Impregilo Group and the Salini Group operate

The companies of the Salini Group and the Impregilo Group are subject to taxation in numerous jurisdictions. To determine the extent of their tax burden, the Groups Parties to the Merger use their interpretation of the legislative and regulatory frameworks in effect in the countries where they conduct their business activities.

Any unfavorable change in the tax legislation of the abovementioned countries or changes in the respective interpretation (by way of example, the enactment of new provisions or the adoption of new approaches by virtue of which companies are deemed to be resident for tax purpose in a jurisdiction different from the one in which they were established) could expose the companies of the Salini Group and/or the Impregilo Group to negative consequences from a tax standpoint, including the need to pay unforeseen taxes or pay interest or specific penalties for payments that were not anticipated. These circumstances, if significant, could have a negative effect on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3 and Chapter 9, Section 9.1.1, below.

2.1.13 Risks related to the pursuit of industrial and commercial strategies

The ability of the Groups Parties to the Merger to increase net sales and net operating margins is predicated, inter alia, on their success in pursuing their respective industrial and commercial strategies, including the strategy of functional and geographic expansion in new countries and new markets, which are expected to contribute to the growth and profitability of the Groups Parties to the Merger.

Even though both the Salini Group and the Impregilo Group tend to finance the pursuit of their industrial and commercial strategies mainly through their respective cash flows, without relying on external financing to any significant extent, the implementation of said strategies could place significant pressure on management and difficulties in managing and coordinating operating processes. The impossibility to realize, fully or in part, the abovementioned strategies or to realize them on schedule could have a negative effect on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 4 and Chapter 6 below.

2.2 RISKS FACTORS ENTAILED BY THE IMPLEMENTATION OF THE TRANSACTION AND/OR RELATED TO THE MERGER PROCESS

2.2.1 Risks related to the potential failure to realize the synergies expected from the Merger

The Merger is the prerequisite for the full realization of the benefits from the integration of Salini and Impregilo projected in the “*Campione Nazionale*®” [National Standard Bearer] projects, some of which, specifically with regard to those concerning the commercial development of the two Groups Parties to the Merger, have already been achieved, to the

expected extent, with the Strategic Agreement (see the Chapter 3, Section 3.3, and the Information Document prepared by Impregilo pursuant to Article 5 of the RPT Regulations and Annex 4 to the RPT Regulations, which is available on the website www.impregilo.it – “*Investor Relations – Salini-Impregilo Agreement*” page).

Specifically, the Merger represents the final phase of a broader strategic project, the ultimate purpose of which, since Salini’s acquisition of an interest in Impregilo in 2011, has been the industrial integration of Impregilo and Salini, with the aim of creating a player in the sector of complex infrastructures capable of competing with the main international competitors in terms of economies of scale, size and compatibility at the geographic and sector levels.

However, the Transaction’s success will be predicated on management’s ability to effectively integrate the businesses of the Groups Parties to the Merger and their internal procedures, resources and information management systems, as the Merger is associated with the risks and uncertainties normally entailed by extraordinary transactions of this type, involving mainly commercial, financial and corporate governance issues, but also affecting personnel management, operating systems and, more in general, the activities of the Post-Merger Group. Even though the expectations expressed by the Groups Parties to the Merger, described in greater detail in Chapter 4 later in this Information Memorandum, assume that the cost synergies stemming from programs aimed at optimizing the functionality of some areas—chiefly concerning: (i) construction site purchases, purchases of construction site services and central costs, as well as (ii) purchasing and optimization of the use of machinery and equipment—could achieve, starting in 2016, a total value of about 100 million euros a year and despite the fact that this process is already under way in line with the projections put forth on June 7, 2012 in connection with the publication of the prospectus for the solicitation of proxies pursuant to Article 136 and following article of the TUF and areas requiring corrective actions have been identified, the possibility that, in practice, the abovementioned synergies will be realized to a lesser extent than anticipated and/or that the process of integrating the Companies Parties to the Merger will be longer, more complex and/or more costly than originally anticipated, with a potentially negative effect on the operations and/or future profitability of the Post-Merger Group, cannot be excluded.

2.2.2 *Risks related to estimates and projections*

The valuation process carried out in connection with the Merger and the Plan, which was the subject of an accounting audit pursuant to Section 13.2 of Annex 1 to Regulation No.

809/2004/EC performed by the Independent Auditors PwC, whose report, issued on December 19, 2013 is appended to this Information Memorandum as Annex C, entailed the use of estimates and projections regarding, inter alia, the activities, the results of the activities and the risk factors of Impregilo, Salini and the other companies of the respective groups before and after the Merger.

These estimates and projections, which are summarized in the table below and were presented to the market on June 27, 2013, are based on an analysis of actual data for Impregilo and Salini at the date the Plan was prepared and on the projected evolution of these data over the 2013-2016 period, as well as on additional assumptions and hypotheses described in greater detail in Chapter 4 of this Information Memorandum, which include timing assumption in addition to qualitative-quantitative assumptions.

2016 Objectives of the Industrial Plan			
Revenues	€7.4 bill.	Growth rate (CAGR)	16%
EBITDA	~ €1 bill.	EBITDA margin	>13.5%
EBIT	> €670 mill.	EBIT margin	> 9%
Order backlog	~ €26 bill.	New order intake (yearly average)	€7.5 bill.
Construction capex (yearly average)	~ €325 mill.	Net financial position	~ €110 mill.

Even though at this point all of these assumptions are deemed reasonable, the possibility that the actual results that will be realized over the 2013-2016 period convert by the Plan may differ from those projected at this point cannot be excluded. This may also be the case if the events projected as part of the hypothetical assumptions of the Plan where indeed to occur but with timing only slightly different from those currently projected. Specifically, numerous factors could cause differences in actual development, results or performance of the Post-Merger Group compared with the data explicitly or in implicitly presented in the Plan in terms of estimates and projections. In this area, however, the data implicitly expressed in the Plan refer

to economic/financial variables the projected development of which over the Plan's horizon is directly related to higher-level assumptions explicitly identified.

The actual occurrence of one or more risks or errors in the underlying assumptions developed by the Companies Parties to the Merger could produce results substantially different from those assumed in the estimates and projections set forth in the Plan.

Lastly, please note that on December 16, 2013, within the framework of the strategies implemented by the Salini Group in pursuit of an increasingly efficient allocation of resources through a constant and heightened attention to opportunities to redefine the Group's organizational structure, with the aim of creating a global player in the sector of complex infrastructures capable of competing with the main international competitors, in terms of economies of scale, size and geographic complementarities, Salini's Board of Directors agreed to consider the possibility of realizing the value of the 100% interest held in Todini Costruzioni Generali S.p.A. through its divestment. As of the Date of the Information Memorandum, given the uncertainties affecting the modalities, terms and execution timing of the abovementioned divestment, currently in the process of being defined with this support of a top financial institution, and considering that no binding commitments have yet been undertaken with third parties, it is impossible to supply a reasonably reliable estimate of the effects of the abovementioned divestment on the Plan, taking also into account the possibility that the Post-Merger Incorporating Company may be able to seize opportunities in areas of development in which Todini Costruzioni Generali S.p.A. currently operates through the direct acquisitions of attractive orders. Because, the risks and uncertainties mentioned above notwithstanding, in the Plan the development of the projects currently being handled by Todini Costruzioni Generali S.p.A. does not provide a material contribution to the Plan's principal objectives, while the sales development attributable to this company's area of activity can still easily be achieved by the Post-Merger Incorporating Company, there is no indication that the Plan's objectives cannot be confirmed. For information purposes, please note that the main consolidated income statement and financial position data at June 30, 2013 of Todini Costruzioni Generali S.p.A. can be summarized as follows: (i) Value of Production of 168 million euros; (ii) Negative Operating Result of 14 million euros; (iii) Net Loss of 15 million euros; (iv) Net Financial Position negative by 300 million euros; (v) Shareholders' Equity 41 million euros.

For additional information, see Chapter 4 below.

2.2.3 Risks related to the valuation methods applied to determine the Exchange Ratio

The Boards of Directors of Impregilo and Salini, having reviewed and endorsed the valuations of the respective advisors and, insofar it concerns Impregilo, being cognizant of the reasoned favorable opinion of the RPT Committee (see Chapter 3, Section 3.2.3.3 below), approved the Exchange Ratio, understood as the ratio suitable to express the mutual weight of the two Companies Parties to the Merger, set at 6.45 Impregilo common shares for Each Salini share. No cash adjustments will be provided.

For the purposes mentioned above, the Boards of Directors of Impregilo and Salini adopted as economic company values the average values obtained by comparing the results produced by applying the different valuation methods used by the Boards themselves (see the respective explanatory reports of the Boards of Directors of Impregilo and Salini, the valuation opinion issued by Partners S.p.A. on June 24, 2013 and the report pursuant to Article 2501-*bis* and Article 2501-*sexies* of the Italian Civil Code issued by BAKER TILLY REVISA in its capacity as Joint Expert (page 30), which are appended to this Merger Information Memorandum as Annexes B.1, B.2, D and F, respectively, and are available to the public in the manner described in Chapter 3, Section 3.4.1. below).

In order to arrive at an estimate of the economic value of the common shares of the Incorporating Company and the Company Being Incorporated and the resulting Exchange Ratio between the abovementioned shares, Impregilo relied on generally accepted valuation principles, with special emphasis on those most widely used nationally and internationally in connection with mergers, giving prevalence to the principle of the uniformity of estimating criteria, applied compatibly with the characteristic elements of each of the Companies Parties to the Merger subject of the valuation process and the comparability elements that arise in part by virtue of the Strategic Agreement (see Chapter 3, Section 3.2.3.3, and Sections 4.2 and 4.3 of the explanatory report pursuant to Article 2501-*bis* and Article 2501-*quinquies* of the Italian Civil Code prepared by Impregilo's Board of Directors, appended to this Merger Information Memorandum as Annex B.1 and available to the public in the manner described in Chapter 3, Section 3.4.1. below).

The valuations performed for the purpose of determining the Exchange Ratio highlighted the issues typical of analyses of this type, which include the uncertainties that characterize the use of economic and financial forecast data, and the implementational difficulties and limitations inherent in the market prices method and the market multiples method (see Chapter 3, Section 3.2.3.3 and Section 4.4 of the explanatory report pursuant to Article 2501-*bis*

and Article 2501-*quinquies* of the Italian Civil Code prepared by Impregilo's Board of Directors, appended to this Merger Information Memorandum as Annex B.1 and available to the public in the manner described in Chapter 3, Section 3.4.1. below).

No mechanism for adjusting the Exchange Ratio before the Merger's effective date has been provided. The market price of the shares of the Incorporating Company have been and are subject to volatility and fluctuations, due in part to the general trend in the capital markets. The possibility cannot be excluded that, while the Exchange Ratio may continue to be fair based on the methods used to determine it, the market value of the Shares Provided in Exchange upon the closing of the Merger may be lower than the market value of these securities on the date when the Exchange Ratio was determined.

For additional information, see Chapter 3, Section 3.2.3.3 below.

2.2.4 Risks related to the preparation of pro forma accounting data

Chapter 7 of this Information Memorandum presents Impregilo's Pro Forma Consolidated Financial Statements, comprised, respectively, of the pro forma consolidated statements of financial position at June 30, 2013 and December 31, 2012, the pro forma consolidated income statements and the pro forma consolidated statements of cash flows for the six months ended June 30, 2013 and the year ended December 31, 2012, and the accompanying notes.

These Pro Forma Consolidated Financial Statements were prepared to present the main effects, respectively, on the consolidated statements of financial position at June 30, 2013 and December 31, 2012, the consolidated income statements and the pro forma consolidated statements of cash flows for the six months ended June 30, 2013 and the year ended December 31, 2012 of the Impregilo Group resulting from: (i) the Merger; (ii) the Bond Issue floated by Salini, including the use of the resulting cash flows by the Company Being Incorporated; (iii) the refinancing of the financial debt of the Impregilo Group and the Salini Group; and (iv) the divestment of the interest held by Impregilo in the share capital of EcoRodovias (collectively the "**Transactions**").

More specifically, the Pro Forma Consolidated Financial Statements, audited by the Independent Auditors PwC, which issued a report on December 18, 2013 (see Section 7.3 below and Annex A to this Information Memorandum), were prepared for the purpose of simulating, in accordance with valuation criteria consistent with historical data and compliant with the applicable regulations, the main effects of the Transactions on the

financial position, cash flow and income statement of the Impregilo Group as if the abovementioned Transactions had virtually occurred on June 30, 2013 and December 31, 2012, respectively, with regard to the equity effects presented, respectively, in pro forma consolidated statements of financial position at June 30, 2013 and December 31, 2012 and, exclusively with regard to the economic effects presented in the pro forma consolidated income statements and the pro forma consolidated statements of cash flows for the six months ended June 30, 2013 and the year ended December 31, 2012, as if they occurred on January 1, 2013 and January 1, 2012, respectively.

However, please note that, as mentioned above, the information contained in the Pro Forma Consolidated Financial Statements represent a simulation of the potential effects of the Transactions, provided exclusively for illustration purposes.

More specifically, because the pro forma data are constructed to reflect retrospectively the effects of subsequent transactions, despite efforts to comply with generally accepted rules and use reasonable assumptions, there are limits inherent in the very nature of pro forma data. Therefore, had the Transactions actually occurred on the hypothetical dates, the results obtained would not necessary have been the same as those presented in the Pro Forma Consolidated Financial Statements. Moreover, because of the different purposes of pro forma data compared with historical data and the different methods used to calculate the effects of the Transaction on the pro forma consolidated statement of financial position, pro forma consolidated income statement and pro forma statement of cash flows, these documents should be read and interpreted without seeking accounting linkages between them.

Lastly, please note that the Pro Forma Consolidated Financial Statements should not be construed in any way as representing a projection of future results of the Impregilo Group and, consequently, should not be used for such purpose.

2.2.5 Risks related to the nature of the Merger as a “highly material” related-party transaction

As a result of the statutory control relationship held by Company Being Incorporated over the Incorporating Company, which arose due to the outcome of the Tender Offer, and in view of the materiality of the Merger, the Merger qualifies as a “highly material” related-party transaction pursuant to the RPT Regulations and the RPT Procedure. Consequently: (a) Impregilo’s RPT Committee was involved during the Merger’s preliminary phase and approval phase and, on June 24, 2013, rendered a unanimously favorable reasoned opinion about (i) the existence of Impregilo’s interest in executing the Merger, in accordance with the terms and

conditions specified by management in the draft of the Merger Plan, and (ii) the advantageous nature and substantive fairness of the abovementioned terms and conditions; (b) on July 1, 2013, Impregilo published the Related-Party Information Document, which is available on the Company website www.impregilo.it - “Investor Relations – Salini Impregilo Merger” page, and shall be understood to have been incorporated into this Information Memorandum by reference.

A description of the related parties with whom the Transaction was executed and information about the nature of the relationship and the scope of the interest of those parties in the Transaction is provided in Section 2.2 of the abovementioned Related-Party Information Document.

As for the compositions of the Boards of Directors of Impregilo and Salini and the posts held by some members of Impregilo’s Board of Directors in the Company Being Incorporated, see the information provided in Section 1.1 of the abovementioned Related-Party Information Document.

For a description of the activities carried out by the RPT Committee in connection with the Transaction, please see Section 2.8 of the abovementioned Related-Party Information Document.

2.3 RISK FACTORS RELATED TO THE SECTORS IN WHICH THE POST-MERGER INCORPORATING COMPANY AND THE GROUP HEADED BY IT WILL OPERATE

2.3.1 Risks related to the fact that the main customers of the Impregilo Group and the Salini Group are public entities

The sectors in which the Groups Parties to the Merger operate are affected to a significant extent by the level of public spending. In other words, the profitability of the Salini Group and the Impregilo Group is directly related to the spending ability of public administrations and, consequently, to the spending and development policies adopted by government in the countries in which the Groups Parties to the Merger operate. Moreover, the possibility cannot be excluded that the governments and authorities in these countries could change their investment policies or the allocation of public funds earmarked for infrastructural projects, a circumstance that could produce an increase in commercial risks or reduce profits, with potentially negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

Lastly, please note that in some countries where the Groups Parties to the Merger conduct their respective activities, the collection of amounts owed and unpaid by public administrations either through payment injunctions or the subsequent collection enforcement phase, could prove to be more complex when compared with the same type of disputes between private parties.

For additional information, see Chapter 3 below.

2.3.2 Risks related to the international activity of the Impregilo Group and the Salini Group

The companies of the Salini Group and Impregilo Group carry out a preponderant portion of their activities abroad.

More specifically, at September 30, 2013:

- (a) with regard to the Salini Group, activities carried out outside Italy represented about 73.7% of the consolidated order backlog in the construction sector and about 84.3% (about 2,270 million euros) of total consolidated revenues was generated abroad;
- (b) with regard to the Impregilo Group, the consolidated order backlog for international projects in the construction and facilities sector accounted for about 69.1% of the total backlog, while the aggregate value of consolidated revenues generated outside Italy was equal to about 71.4% of the total amount (about 1,242.5 million euros).

The Groups Parties to the Merger are exposed to a series of risks related to activities carried out in foreign countries, including possible changes in government policies and/or the regulatory framework, possible introduction of restrictions, also in terms of monetary policy and capital circulation, situations of political, economic and social instability at the national, international and transnational level (by way of example, possible national security issues, criminal activities, turmoil and riots, terrorist acts and embargoes and seizures of equipment and facilities).

In making decisions regarding the opportunity to establish and/or maintain a strategic presence in foreign markets, both of the Salini Group and the Impregilo Group carefully assess the political, economic and financial risks existing in those markets, as well as the reliability of customers and the development opportunities over the medium and long term. Nevertheless, significant changes in the macroeconomic, political, tax or legislative framework in the countries in question could jeopardize the international operations and determine negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3 and Chapter 6 below.

2.3.3 Risks related to the activities of the Impregilo Group and the Salini Group in Italy

The companies of the Salini Group and the Impregilo Group carry out a portion of their respective businesses in Italy.

More specifically, at September 30, 2013:

- (c) with regard to the Salini Group, activities carried out in Italy represented about 26.3% of the consolidated order backlog in the construction sector and about 15.7% (about 424 million euros) of total consolidated revenues was generated in the domestic market;
- (a) with regard to the Impregilo Group, the consolidated order backlog for the domestic market in the construction and facilities sector accounted for about 30.9% of the total backlog while the aggregate value of consolidated revenues generated in Italy was equal to about 28.6% of the total amount (about 497.2 million euros).

The current situation of political uncertainty that characterizes Italy, coupled with the financial difficulties incurred in recent years by some public administrations, expose the Groups Parties to the Merger to the risk of suffering delays in payments and having to pursue lengthy litigation proceedings in order to collect the unpaid amounts. While the Salini Group and the Impregilo Group make every effort to mitigate these risks by, inter alia, negotiating adequate contractual safeguards (through clauses that, for example, call for the automatic interruption of work whenever a customer fails to promptly comply with its payment obligations), the possibility cannot be excluded, taking also into account the significance of the individual projects in question, that nonperformance by customer public administrations could have negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3 and Chapter 6 below.

2.3.4 Risks related to the potential loss of value of projects developed by the Impregilo Group and the Salini Group

A significant portion of the activities carried out by the Groups Parties to the Merger is governed by contracts calling for the payment of sums corresponding to services that must be provided over a relatively long time arising, the amount of which, however, is determined on the date the contract is awarded. In this regard, please note that pursuant to the construction

contracts to which the companies of the Salini Group and their Impregilo Group are parties, the average length of time for completion of the project is five years.

Consequently, the profit margins on contracts of this type can be affected by subsequent reductions from the original estimates developed during the call for tenders phase or by unanticipated increases in the costs and expenses that the companies of the Salini Group and/or the Impregilo Group may have to incur during the performance of the abovementioned contracts, which circumstances, in view of the importance and value of the individual projects in question, are capable of having possible negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3, Chapter 6 and Chapter 8 below.

2.3.5 Risks related to the performance of activities through consortia, joint ventures and minority equity interests

The Groups Parties to the Merger perform some of their activities through partnerships, consortia, joint ventures and other forms of equity participation jointly with other top sector operators. If any of the individual partners should become insolvent or should be unable to perform its obligations within a specific project, the companies of the Salini Group and or the Impregilo Group, as the case may be, would find themselves in the position of having to find other partners to replace the previous ones or, otherwise, perform the abovementioned obligations themselves.

Even though the agreement executed by the participating companies usually include specific provisions aimed at mitigating potential risks deriving from the allocation of roles and responsibilities among the individual parties, this operating modality exposes the Groups Parties to the Merger to the risk of nonperformance by the other partners, a circumstance that could entail the performance of unanticipated work, with a resulting increase in costs or delays in the completion of the work and payment of penalties to the customer.

In view of the importance and value of the individual projects in question, such circumstances could have potentially negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3, Chapter 4 and Chapter 6 below.

2.3.6 Risks related to the performance of activities using subcontractors

For the performance of some contracts, both the Salini Group and the Impregilo Group use

the services of subcontractors. However, nonperformance by a single subcontractor could determine specific responsibilities towards customers for the companies belonging to the Groups Parties to the Merger.

Even though the agreements signed with subcontractors usually include an obligation for the subcontractors to pay specific compensation for noncompliance, the possibility that, upon the occurrence of such circumstances, the subcontractors prove to be insolvent cannot be excluded.

In view of the importance and value of the individual projects in question, such circumstances could have potentially negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, please see Chapter 3 below.

2.3.7 Risks related to the regulations governing the sectors of activity in which the Impregilo Group and the Salini Group operate

The activity of the Salini Group and the Impregilo Group is concentrated primarily in the public sector and, consequently, is exposed, both in Italy and abroad, to changes in the regulatory framework concerning, inter alia, the rules applicable to public works projects, tax laws, labor laws, real estate and urban development regulations, fire prevention, public safety and environmental protection. Often, the laws and regulations governing the abovementioned areas, both at the national and regional level, are characterized by complexity and inconsistency profiles and, in some cases, are interpreted by the relevant authorities in a contradictory or otherwise unpredictable manner. These circumstances can create difficulties and uncertainties for companies that operate in this sector and result in disputes. The determination of violations of laws, regulations or policies or changes in said laws, regulations or policies or their respective interpretation criteria could have the effect of delaying the performance of a project or increase its costs, exposing the companies of the Groups Parties to the Merger to the risk of penalties, fines, civil or criminal proceedings or other unforeseen costs with potentially significant negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

More specifically, the activity of the Salini Group in the Impregilo Group is subject to a broad range of laws and regulations in the environmental area, which may require, inter alia, the performance of environmental impact studies in anticipation of future projects, the issuance of permits and authorizations and subsequent compliance with them. The main environmental

risks to which the Groups Parties to the Merger are exposed include the management of excavation materials, effluents and emissions and the preservation of land in the proximity of industrial facilities and construction sites, as well as the management of waste and reduction of noise pollution. These risks are governed by national and international laws that are particularly strict and are continuously monitored by government authorities.

Each of these risks can result in claims for damages and/or penalties, which, in addition to causing potential delays in the performance of the work, are capable of damaging the image and reputation of the Groups Parties to the Merger. In addition, the applicable laws and regulations can be made more stringent or otherwise amended as a result of E.U. regulations and international agreements and the costs required to comply with them can be, in some cases, considerable. Even though the Salini Group and the Impregilo Group makes significant investments to ensure compliance with environmental laws, any violations of these laws or any amendment that make them more stringent and/or requirements to adopt additional measures to avoid environmental damages could also have substantial negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3 below.

2.3.8 Risks related to potential damages to persons and equipment and environmental damages

The activities carried out by the Groups Parties to the Merger is subject to risks typical of the sector in which they operate. These risks include, inter alia, the risk that employees could be injured as a result of accidents (which, in the most serious cases, can be fatal) and the risk of causing damage to the environment, goods and equipment. In addition to the direct consequences deriving from potential damages caused to objects or persons, these events are also capable of causing work delays and/or interruptions due to temporary closings of construction sites.

The Groups Parties to the Merger could be held liable, should it be determined that the abovementioned events were due to professional negligence, and the liability charges could become more serious if the abovementioned events where to cause the injury or death of one or more employees of the Groups Parties to the Merger or subcontractors involved in the projects or of third parties or damage the environment and/or the property of third parties. Specifically, these accidents can expose the companies of the Groups Party to the Merger to lawsuits for personal injuries, involuntary manslaughter, property damage or disputes with customers,

subcontractors, public administrations, employees or third parties in general that could result in the obligation to pay damages, potentially substantial, and cause significant reputational damages and, in the most serious cases, the ban from doing business with the public administration.

The companies of the Salini Group and the companies of the Impregilo Group have adopted measures believed to be capable of preventing these risks while complying with current laws and regulations governing occupational health and safety and environmental issues. In addition, they had taken out insurance policies that, based on experience acquired over time and a conservative assessment of the respective risk thresholds, are deemed to be adequate for the purpose of covering these risks. Nevertheless, the possibility cannot be excluded that individual risks may exceed the scope of the policy or that the insurance coverage may later prove to be insufficient to cover the risks that may arise from time to time, exposing the Groups Parties to the Merger to the payment of a portion or, in extreme cases, the full amount due for each accident. The occurrence of such circumstances could thus have substantially negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3 below.

2.3.9 Risks related to the construction of projects due to operational problems

During the performance of construction work, the companies of the Salini Group and the Impregilo Group can be faced with operational problems or difficulties, including, merely by way of example, technical-engineering issues in areas characterized by significant geological and geotechnical problems (specifically in connection with the construction of tunnels), prolonged adverse weather conditions, possible discovery of soil contaminations not identified at the planning stage and the unexpected discovery of archaeological assets during construction. In such cases, the companies of the Salini Group and the companies of the Impregilo Group may be unable to complete the project and may be forced to request the approval of contract changes.

Even though the construction contracts and agreements executed by companies of the Groups Parties to the Merger often include specific provisions aimed at handling operational risk, which usually are the responsibility of the customer, any slowdown in the performance of the work could result in delays in the final delivery of the project, cost increases and the need to engage in often complex negotiations with customers for the signing of specific addenda for the purpose of extending delivery deadlines and possibly increase the consideration.

In view of the importance and value of the individual projects in question, these circumstances could have potentially negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3 below.

2.3.10 Risks related to so-called “Nimby” events

The possibility cannot be excluded that local communities or trade associations may object to the construction of major infrastructural projects and/or project to improve the transportation system (such as new roads, railway lines, energy facilities, bridges and highways). The reasons for opposition can be many, including environmental and noise pollution caused by the construction, the loss of value for adjoining properties, the risk of eminent domain expropriation, expectations of additional economic burden for the residents or damage to the surrounding landscape. This situation is usually called “Nimby” effect (acronym for “Not In My Backyard”).

The occurrence of a “Nimby” effect you agree to design or project construction phase could cause delays or bring the project to a standstill, which in some cases could continue over an extended period of time, causing possible repercussions on the delivery deadline of the project and increases in the costs incurred by the affected companies of the Groups Parties to the Merger.

In view of the importance and value of the individual projects in question, these circumstances could have potentially negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3 below.

2.3.11 Risks related to the global construction sector

In recent years, the construction market has been characterized by a high degree of uncertainty, even though demand for the development of infrastructures remains high at the global level, due in part to an increase in urbanization trends affecting emerging economies and developing countries. The persistent volatility of the global economy has seriously affected certain segments of the construction sector, including the residential segment and the commercial segment, which forced major players to focus on projects in the areas of energy, transportation and communications. This situation also fostered integration between companies active in the engineering and construction field, creating larger businesses with diversified competencies,

capable of developing more technologically complex and more profitable project.

Moreover, the construction companies in developing countries have grown in size and significantly expanded in their respective domestic markets, in addition to penetrating the international construction market. For example, numerous Korean, Chinese and Indian companies have succeeded as some of the main construction companies at the global level (see ENR Report, August/September 2013).

Consequently, the companies of the Salini Group and the Impregilo Group are exposed to a steadily growing level of competition in the sectors that represent their core business. In order to compete successfully in this context, the Groups Parties to the Merger will have to rely to an increasing extent on their technical competencies, the experience they have gained and a solid financial structure, in addition to being constantly capable of attracting new resources with professional skills. Any difficulties in maintaining a high level of competitiveness in the global construction sector could cause substantially negative effects on the financial position, income statement and cash flows of the Groups Parties to the Merger and/or the Post-Merger Group.

For additional information, see Chapter 3 below.

2.4 RISK FACTORS RELATED TO THE FINANCIAL INSTRUMENTS THAT WILL BE ISSUED IN CONNECTION WITH THE MERGER

2.4.1 Risks related to the investment in shares

The Shares Provided in Exchange, like all other Impregilo common shares outstanding, entail risk factors typical of an investment in publicly traded shares of a similar type. The holders of the common shares of the Incorporating Company can liquidate their investment on the MTA.

The securities could be subject to price fluctuations, significant in some cases, and could present common and generalized liquidity problems, irrespective of the company and the amount of the securities, and offers to sell may not find adequate and timely counterparts.

For additional information, see Chapter 9 below.

2.4.2 Risks related to the volatility of share prices

Based on the Exchange Ratio and assuming no change in the current stock ownership of Impregilo and Salini, subsequent to the Merger: (i) Salini Costruttori, currently the sole shareholder of the Company Being Incorporated, will hold a total of 402,480,000 common shares of the Incorporating Company (i. e., the 357,505,246 Impregilo common shares, without

par value, currently outstanding and held by Salini, and the additional 44,974,754 Shares Provided in Exchange), equal in the aggregate to 89.95% of the abovementioned company's common share capital; and (ii) the remaining 44,952,691 common shares of other shareholders will be equal to 10.05% of the common share capital of the Company Being Incorporated.

Without prejudice to the Issuer's commitment to restoring the share float subsequent to the Merger, utilizing if necessary the powers of attorney granted to the Board of Directors by the Shareholders' Meeting of September 12, 2013 (see Chapter 3, Section 3.2.1.2), if the share float level of the Incorporating Company should fail to increase compared with the percentage expected after the Merger, a price volatility risk could develop for the Issuer's common shares, with possible resulting difficulties for shareholders to sell their investment at the prices set by the market when sell orders are issued.

For additional information, See Chapter 9 below.

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For a review of the risks related to the valuation methods used to determine the Exchange ratio, See Section 2.2.3 above.

3 INFORMATION ABOUT THE MERGER

3.1 Brief description of the Transaction

The Transaction subject of this Information Memorandum is the Merger (so-called “reverse merger”) by incorporation of Salini into Impregilo. The Merger will be carried out based on the financial statements for the year ended December 31, 2012 of the Companies Parties to the Merger, approved by the respective Shareholders’ Meetings (both made available to the public in the manner described in Chapter 3, Section 3.4.1, below), which will be used as statements of financial position pursuant to Article 2501-*quarter* of the Italian Civil Code, and results in the dissolution of the Company Being Incorporated, with the Incorporating Company changing its name to “Salini Impregilo S.p.A.” (see Section 3.2.3.1 below for a description of the proposed amendments to the Bylaws).

Because of the financial debt incurred by Salini to carry out the Tender Offer in connection with the Merger, Article 2501-*bis* of the Italian Civil Code became applicable. Consequently, the Boards of Directors of Impregilo and Salini:

- (a) pursuant to Article 2501-*bis*, Section 2, and Article 2501-*ter* of the Italian Civil Code, listed in the Merger Plan the financial resources planned to meet the obligations of the company resulting from the Merger;
- (b) asked PwC, Impregilo’s statutory independent auditors, to issue their report required pursuant to Article 2501-*bis*, Section 5, of the Italian Civil Code, which was issued in June 28, 2013 and is appended to this Information Memorandum as Annex B;
- (c) pursuant to Article 2501-*bis*, Section 3, and Article 2501-*quinquies* of the Italian Civil Code, prepared and published a report specifying the rationale for the Transaction and included an economic and financial plan listing the source of the financial resources and describing the objectives that are being pursued;
- (d) pursuant to Article 2501-*bis*, Section 4, and Article 2501-*sexies* of the Italian Civil Code, jointly requested and obtained from the Court of Milan the appointment of BAKER TILLY REVISA as Joint Expert, tasked with attesting, in its report issued pursuant to Article 2501-*bis*, Section 4, and Article 2501-*sexies* of the Italian Civil Code, the fairness of the Exchange Ratio and the reasonableness of the information provided in the Merger Plan regarding the financial resources planned to meet the obligations of the company

resulting from the Merger. The Joint Expert issued its report on August 5, 2013.

As a result of the statutory control relationship that was established between the Company Being Incorporated and the Incorporating Company as a result of the Tender Offer and due to the materiality of the Merger, the Merger qualifies as a highly material related-party transaction pursuant to the RPT Regulations and the RPT Procedure (see the Related-Party Information Document published by Impregilo on July 1, 2013 and available to the public in the manner described in Chapter 3, Section 3.4.1, below).

For the sake of complete disclosure, please also note that the Merger is a “material transaction” pursuant to and for the purposes of Article 70 of the Issuers’ Regulations and the general criteria of Annex 3B to said Issuers’ Regulations (see the Information Document published by Impregilo on August 28, 2013, which is available on the website www.impregilo.it – “*Investor Relations – Salini Impregilo Merger*” page).

The Merger was approved the respective Shareholders’ Meetings of the Companies Parties to the Merger, convened in extraordinary session on September 12, 2013.

The closing of the Merger transaction is conditional on the non-occurrence by the date of execution of the Deed of Merger, of extraordinary situations or circumstances of any type not reasonably foreseeable on date of the Merger Plan that, considering the financial statements used to determine the Exchange Ratio, would have had or would have been likely to have a material negative impact on one or both Companies Parties to the Merger and/or the Groups Parties to the Merger and their respective statements of financial position, income statements and statements of cash flows, or their respective operating or financial performance, or their respective future outlook, and provided that the effects in question were not determined by a change, potentially significant and substantial, in the market price of Impregilo shares. On November 26, 2013, none of the events mentioned in the Merger’s conditions precedent having materialized and absent any further conditions precedent, the 60-day deadline for the filing of challenges by creditors pursuant to Article 2503 of the Italian Civil Code having elapsed, the Companies Parties to the Merger executed the Deed of Merger pursuant to Article 2504 of the Italian Civil Code. The Deed of Merger was recorded in the Company Registers of Milan and Rome on December 5, 2013 and December 4, 2013, respectively.

The statutory, economic and tax effects of the Merger will be reflected in the financial statements of the Incorporating Company as of January 1, 2014, pursuant to Article 2504-*bis* of the Italian Civil Code and the applicable provisions of the TUIR (see Section 3.2.3.5 below).

The parties who served as advisors in connection with the Merger do not hold any equity stakes in companies of the Salini Group and did not enter into any loan agreements with said companies.

3.2 Description of the Companies Parties to the Merger

3.2.1 Incorporating Company

3.2.1.1 Main company data

The Incorporating Company is Impregilo S.p.A., with head office at 97 Via dei Missaglia, Milan, Tax I.D. and Milan Company Register No. 00830660155, VAT No. 02895590962, entered in Milan's R.E.A. under No. 525502, a company subject to management and coordination by Salini pursuant to Article 2497-*bis* of the Italian Civil Code, with share listed on the MTA.

Pursuant to Article 5 of the Bylaws, the company's duration is until December 31, 2050 and may be extended one or more times by a resolution approved by the Shareholders' Meeting.

3.2.1.2 Share capital

As of the Date of the Information Memorandum, the Issuer's approved and fully subscribed and paid-in share capital amounted to 718,364,456.72 euros, comprised of 404,073,428 shares, including 402,457,937 common shares and 1,615,491 savings shares. The Extraordinary Shareholders' Meeting held on October 12, 2004 eliminated the par value of the common shares and savings shares.

The Issuer did not issue any bonds convertible into shares nor has it undertaken any commitment to issue bonds or other financial instruments. Lastly, the Issuer has not established any stock options plans, does not hold any treasury shares and the Shareholders' Meeting has not authorized the purchase of any such shares.

The Shareholders' Meeting, convened in extraordinary session on September 12, 2013, approved, inter alia, (i) the issuance of up to 44,974,754 (forty-four million nine hundred seventy-four thousand seven hundred fifty-four) new common shares earmarked for implementation of the merger, without increasing the company's share capital; and (ii) a reduction of the company's share capital, pursuant to Article 2445 of the Italian Civil Code, by the amount of 218,364,456.72 euros, without cancelling any of the outstanding shares, both transactions being implemented in compliance with the provisions of Article 2445 of the Italian Civil Code (see Chapter 3, Section 3.2.3.1).

The abovementioned Extraordinary Shareholders' Meeting of September 12, 2013, resolved to delegate to the Board of Directors the following powers:

- ✓ pursuant to Article 2443 of the Italian Civil Code, the power to increase in one or more installments the Company's share capital, for consideration and on a fractionable basis, pursuant to Article 2439 of the Italian Civil Code, until September 11, 2018, with exclusion of the preemptive right of shareholders pursuant to Article 2441, Section 4, second sentence, of the Italian Civil Code, through the issuance, in one or more tranches, of a number of common and/or savings shares equal to not more than 10% of the total number of Impregilo shares outstanding on the date the Delegation of Powers is actually exercised and, in any case, for a maximum face value of 50,000,000.00 (fifty million) euros, with the Board of Directors retaining the right to determine the amount of any additional paid-in capital.

For the purpose of exercising the abovementioned Delegation of Powers, the Board of Directors is also granted all powers to: *(a)* determine for each tranche the number of shares, the issue price per share (including any additional paid-in capital) and the dividend ranking date of the common and/or savings shares, subject only to the limitations set forth in Article 2441, Section 4, second sentence, and/or Article 2438 and/or Article 2346, Section 5, of the Italian Civil Code, it being understood that the abovementioned issue price may be lower than the preexisting book value of the shares, statutory restrictions notwithstanding; *(b)* determine the deadline for subscription of the Company's common and/or savings shares; and *(c)* implements the delegated powers mentioned above including, for example, the power to make the pertinent and needed amendments to the Bylaws that may be necessary on each occasion.

- ✓ **(i)** Pursuant to Article 2443 of the Italian Civil Code, the power to increase in one or more installments the Company's share capital, for consideration and on a fractionable basis, pursuant to Article 2439 of the Italian Civil Code, until September 11, 2018, for a maximum face value of 100,000,000.00 (one hundred million) euros, with the power to determine the amount of any additional paid-in capital, through the issuance of common and/or savings shares, which may have attached warrants (conveying the right, at the discretion of the Board of Directors, to receive common and/or savings shares and/or bond, including convertible bonds, of the Issuer that may have been

issued by the Board of Directors pursuant to a delegation of powers, free of charge or for consideration, including newly issued securities) offered to eligible parties through a rights offering or with full or partial exclusion or limitation of the preemptive right of shareholders pursuant to Section 4, first sentence, Section 5 and Section 8 of Article 2441 of the Italian Civil Code, also earmarked for use in connection with:

- 1) the exercise of the abovementioned warrants, and/or
- 2) convertible bonds (possibly with warrants attached) also issued in accordance with a delegation of powers pursuant to Article 2420-ter of the Italian Civil Code; and/or
- 3) warrants (conveying the right to receive common and/or savings shares and/or convertible bonds of the Company issued by the Board of Directors pursuant to a delegation of powers, free of charge or for consideration, including newly issued securities) allocated together with bonds issued pursuant to Article 2410 of the Italian Civil Code and/or convertible bonds issued in accordance with a delegation of powers granted pursuant to Article 2420-ter of the Italian Civil Code and/or independently.

For the purpose of exercising the abovementioned Delegation of Powers, the Board of Directors is also granted all powers to: *(a)* determine for each tranche the number of shares, the issue price per share (including any additional paid-in capital) and the dividend ranking date of the common and/or savings shares, possibly with warrants to be issued from time to time, subject only to the limitations set forth in Article 2438 and/or Article 2346, Section 5, of the Italian Civil Code; *(b)* set the deadline to acquire through subscription common and/or savings shares of the Issuer; *(c)* determine the number, modalities, terms and exercise conditions and all other characteristics (including the allocation and conversion ratios and, if applicable, the exercise price) and the corresponding regulations for any warrants issued in the exercise of this delegation of powers; *(d)* carry out all of the activities that may be necessary or appropriate to secure the listing on regulated markets in Italy or abroad of the warrants issued in the exercise of this delegation of powers, to be exercised at the Board's discretion for the entire duration of the warrants, taking into account market conditions; and *(e)* implement the delegated powers mentioned above including, for example, the power to make the pertinent and needed amendments to the Bylaws that may be necessary on each occasion.

(ii) Pursuant to Article 2420-ter of the Italian Civil Code, the power to issue convertible bond, possibly with attached warrants (conveying the right to receive, at the discretion of the Board of Directors, common and/or savings shares and/or bonds including convertible bonds of the Company issued by the Board of Directors pursuant to a delegation of powers, free of charge or for consideration, including newly issued securities) in one or more installments, also on a fractionable basis, until September 11, 2018, offered to eligible parties through a rights offering or with full or partial exclusion or limitation of the preemptive right of shareholders pursuant to Section 4, first sentence, Section 5 and Section 8 of Article 2441 of the Italian Civil Code, for a maximum amount of 100,000,000.00 (one hundred million) euros.

For the purpose of exercising the abovementioned Delegation of Powers, the Board of Directors is also granted all powers to: *(a)* determine for each tranche the number, issue price per bond and the interest accrual date of the convertible bonds (possibly with warrants attached having the same characteristics as above) to be issued, and the number of financial instruments earmarked to accommodate the conversion or exercise of the of the bonds, subject only to the limits set forth in Article 2412 and/or Article 2420-bis of the Italian Civil Code, as applicable, and to allow the exercise of any warrants attached to the bonds; *(b)* determine the modalities, terms and conversion and exercise conditions (including the allocation and conversion ratios and, if applicable, the exercise price and any additional paid-in capital for the shares that need to be issued for that purpose) and all other characteristics and the regulations governing the convertible bonds (possibly with warrants attached having the same characteristics as above); *(c)* determine the number, modalities, terms and exercise conditions and all other characteristics (including the allocation and conversion ratio and, if applicable, the exercise price and any additional paid-in capital for the shares that need to be issued for that purpose) and the regulations governing any warrants attached to the bonds in question; *(d)* carry out all of the activities that may be necessary or appropriate to secure the listing on regulated markets in Italy or abroad of the warrants issued in the exercise of this delegation of powers, to be exercised at the Board's discretion for the entire duration of the warrants, taking into account market conditions; and *(e)* implements the delegated powers mentioned above including, for example, the power to make the pertinent and needed amendments to the Bylaws that may be necessary on each occasion.

For the resolutions adopted by the Board of Directors in implementation of the preceding delegations of powers pursuant to Articles 2443 and/or 2420-ter of the Italian Civil Code, the Board of Directors shall abide by the following criteria:

(A) The issue price, including any additional paid-in capital, of the new common and/or savings shares to be issued, in one or more installments, in implementation of the delegation of powers pursuant to Article 2443 of the Italian Civil Code (or to each of its tranches), including for use in connections with warrants and/or compensation plans based on the award of financial instruments, pursuant to Article 114-bis of the TUF and the conversion of convertible bonds (including bonds with warrants) issued in implementation of the delegation of powers pursuant to Article 2420-ter of the Italian Civil Code (or to each of its tranches), shall be determined by the Board of Directors taking into account, *inter alia*, the shareholders' equity, the conditions prevailing in the financial markets at the time the transaction is actually launched, the stock market prices of the Impregilo shares and possibly the offering of a discount in line with market practice for similar transactions, and may be lower than the preexisting book value of the shares, without prejudice to the formalities and limits referred to in Section 4, first sentence, Section 5 and Section 6, of Article 2441 of the Italian Civil Code, when applicable.

(B) For resolutions concerning compensation plans pursuant to Article 114-bis of the TUF based on the award of financial instruments, the unit subscription price (including any additional paid-in capital) of the Issuer's common shares, including the shares into which the abovementioned financial instruments may be convertible or exercisable, will be determined at the time the options are awarded, taking into account the exercise price of the plan's options and the plan's regulations, within the limits of Section 4, first sentence, Section 5 and Section 6, of Article 2441 the Italian Civil Code, when applicable.

(C) For resolutions pursuant to Section 4, first sentence, and/or Section 5 of Article 2441 the Italian Civil Code, the preemptive rights of shareholders may be excluded or limited when such exclusion or limitation appears, even just reasonably, more beneficial to the Company's interest, it being understood that, in any case, for the purposes of the requirements of Article 2441, Section 6, of the Italian Civil Code, by virtue of the reference cited in Article 2443, Section 1, of the Italian Civil Code:

- (1) the exclusion of the preemptive right of shareholders pursuant to the first sentence of Section 4 of Article 2441 of the Italian Civil Code will be allowed only if the newly issued shares are paid-in through the conveyance, by outsiders, of business operations, companies or facilities functionally organized to carry out activities consistent with the Issuer's corporate purpose and receivables, equity investments, listed and unlisted financial instruments and/or other assets that the Board of Directors believes to be instrumental for the pursuit of the corporate purpose;
- (2) the exclusion or limitation of the preemptive right of shareholders pursuant to Section 5 of Article 2441 of the Italian Civil Code will be allowed only if the newly issued shares are offered for subscription to qualified parties, specifically banks, institutions, finance companies and investment funds or operators who engage in activities synergistic with and/or functional to those of the Issuer and/or have a purpose analogous or similar to that of the Issuer or otherwise functional to the development of its activity.

In any event, the sum of the face value of the share capital increase approved in the exercise of the Delegation of Powers referred to in Section (i) above and the amount of the convertible bonds issued in the exercise of the Delegation of Powers referred to in Section (ii) above, shall not exceed the aggregate maximum face value amount of 100,000,000.00 (one hundred million) euros. Likewise, the sum of the face value of the share capital increase approved in the exercise of the Delegation of Powers referred to in Section (i) above and the amount of the face value of the share capital increase carried out to allow the conversion of the convertible bonds issued in the exercise of the Delegation of Powers referred to in Section (ii) above and/or the exercise of any warrant issued in the exercise of the abovementioned Delegations of Powers shall not exceed under any circumstances the aggregate maximum face value of 100,000,000.00 euros.

For additional information about the content of and the rationale for the resolutions, please see the text of explanatory reports prepared by Impregilo's Board of Directors on the second and third item on the agenda of the Extraordinary Shareholders' Meeting of September 12, 2013, which are available on the "Governance – Shareholders' Meeting" page of the www.impregilo.it website.

3.2.1.3 Main shareholders

As of the Date of the Information Memorandum, based on communications received, no party held a number of Impregilo common shares representing an equity stake greater than 2% of the share capital of the Incorporating Company, except for Salini, which held directly 88.83% of Impregilo common share capital and consequently, has statutory control and, as mentioned earlier in this Memorandum, exercises a management and coordination activity over the Issuer, pursuant to Article 2497-*bis* of the Italian Civil Code.

Salini's sole shareholder is Salini Costruttori, a company that exercises a management and coordination activity over the Company Being Incorporated, pursuant to Article 2497-*bis* of the Italian Civil Code. As of the Date of the Information Memorandum, Salini Simonpietro e C. S.a.p.a. held 56,555,725 Salini Costruttori shares, equal to about 47.12% of this company's share capital and 52.23% of its voting shares, due to the existence of 11,708,900 treasury shares. The managing and controlling partners of the limited stock partnership Salini Simonpietro & C. S.a.p.a. is Simonpietro Salini, who, consequently, is the final shareholder in the chain of control.

As of the Date of the Information Memorandum, based also on the communications submitted to the CONSOB pursuant to Article 122 of the TUF and the applicable provisions of the Issuers' Regulations, there were no shareholders' agreements in effect concerning the shares of the Incorporating Company.

To the extent that it is relevant, please note that on March 12, 2012, Argo Finanziaria S.p.A., Autostrade per l'Italia S.p.A., Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l. announced that the shareholders' agreement they executed on June 12, 2010, which governed the relationship between the parties, in their capacity as shareholders, directly of IGLI and indirectly of Impregilo, expired on March 8, 2012 due to the purchase by ASTM S.p.A. (formerly Autostrada Torino Milano S.p.A.; "**ASTM**") of the entire share capital of IGLI. On that occasion, it was specified that the sales agreements contained the following stipulations:

- (a) The commitment of each seller (hence, specifically, of Autostrade per l'Italia S.p.A., Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l., collectively the "**Sellers**"):
 - (i) to ensure, should ASTM requested it, that the members of the Boards of Directors of IGLI and Impregilo designated by the Sellers would irrevocably resign from the

posts held;

- (ii) to do everything in their powers, should ASTM requested it, to ensure that the members of the Board of Statutory Auditors of IGLI and Impregilo designated by the Sellers would irrevocably resign from the posts held.
- (b) ASTM's commitment not to pursue liability actions against IGLI and/or Impregilo Directors and/or Statutory Auditors designated by the Sellers whose resignation ASTM may have asked the Sellers to obtain or, should such actions be pursued by other shareholders to vote against it at the Shareholders' Meeting of IGLI and Impregilo.
- (c) The commitment of Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l. not purchase, directly or indirectly or through any third party or nominee, for any reason, any Impregilo shares for a period of 12 (twelve) months from the date of March 8, 2012.
- (d) The commitment of Autostrade per l'Italia S.p.A. not purchase, directly or indirectly or through any third party or nominee, for any reason, any Impregilo shares for a period of 24 (twenty-four) months from the date of March 8, 2012.

By a notice published on June 16, 2013, ASTM announced that as of that date the only stipulations still in effect were those concerning ASTM's commitments listed in Letter (b) above and the commitment of Autostrade per l'Italia S.p.A. listed in Letter (d) above. By the abovementioned notice, ASTM specified that, on the same date, due to its acceptance of the Tender Offer through IGLI, ASTM held an interest in Impregilo equal to 0.248% of the common share capital of the Absorbing Company, while the Sellers did not own any Impregilo shares.

3.2.1.4 Corporate governance bodies

3.2.1.4.1 Board of Directors

As of the Date of the Information Memorandum, the Incorporating Company was managed by a Board of Directors comprised of 15 Directors, whose term of office will last until the date of the Shareholders' Meeting that will be convened to approve the financial statements at December 31, 2014.

First and last name	Post held	Place and date of birth
Claudio Costamagna *	Chairman	Milan, April 10, 1956

Pietro Salini *	Chief Executive Officer	Rome, March 29, 1958
Marina Brogi *** / ****	Independent Director	Rome, July 15, 1967
Giuseppina Capaldo ** / ****	Independent Director	Rome, May 22, 1969
Mario Giuseppe Cattaneo **	Independent Director	Genoa, July 24, 1930
Roberto Cera	Director	Milan, June 24, 1955
Laura Cioli	Independent Director	Macerata, July 10, 1963
Alberto Giovannini * / ****	Independent Director	Bologna, December 4, 1955
Nicola Greco ***	Independent Director	Rome, October 15 1949
Pietro Guindani **	Independent Director	Milan, January 11, 1958
Giacomo Marazzi *	Independent Director	Rottofreno (PC), December 17, 1940
Geert Linnebank *** / ****	Independent Director	Gravenhage (Netherlands), March 22, 1956
Franco Passacantando **	Independent Director	Rome, August 7, 1947
Laudomia Pucci ***	Independent Director	Florence, September 16. 1961
Simon Pietro Salini *	Director	Rome, March 29, 1965

* Executive Committee

** Control and Risk Committee

*** Compensation and Nominating Committee

**** Related-party Transaction Committee

No change to the composition of the Board of Directors of the Incorporating Company is expected as a result of the Merger.

For the purpose of their office, all members of the Board of Directors are domiciled at the Company's registered office, located at 97 Via dei Missaglia, in Milan.

Please note that the Independent Directors Nicola Greco, Giacomo Marazzi and Franco Passacantando were elected by the Shareholders' Meeting, convened in ordinary session on September 12, 2013, as replacements for Giorgio Rossi Cairo (Independent Director), Massimo Ferrari and Claudio Lautizi (both Directors of Impregilo and members of its Executive Committee) (see the press releases issued on July 9, 2013 and August 5, 2013, respectively, which are available on the website www.impregilo.it – “Media” page). More specifically, the Independent Director Franco Passacantando was elected effective as of December 15, 2013, in order to enable him to complete his term of office at the Bank of Italy.

To the best of Impregilo's knowledge, no member of the Board of Directors holds private interests that are in conflict with his/her obligations arising from the office held at the Issuer.

The foregoing considerations notwithstanding, the following members of the Board of Directors of the Incorporating Company serve concurrently on the Boards of Directors of the Company Being Incorporated and Salini Costruttori.

- Pietro Salini serves concurrently as (i) Chief Executive Officer of Impregilo and Chairman of its Executive Committee; (ii) Chief Executive Officer of Salini and member of its Executive Committee; and (iii) General Manager, Director and member of the Executive Committee of Salini Costruttori;
- Roberto Cera serves concurrently as (i) Director of Impregilo; (ii) Director of Salini; and (iii) Director, member of the Compensation Committee and member of the Internal Control and Corporate Governance Committee of Salini Costruttori;

To the extent that it may be relevant, please also note that Roberto Cera is an associate of the Bonelli Erede Pappalardo law firm, which has a consulting relationship both with Salini and Impregilo and served as transaction counsel to the Companies Parties to the Merger within the framework of the Transaction;

- Simon Pietro Salini serves concurrently as (i) Director of Impregilo and member of its Executive Committee; (ii) Director of Salini and member of its Executive Committee; and (iii) Director of Salini Costruttori and member of its Executive Committee.

See Section 1.1 of the Related-Party Information Document published by Impregilo on July 1, 2013 and available to the public in the manner described in Chapter 3, Section 3.4.1, below.

The necessary tests have been performed to ascertain that all members of the Board of Directors currently in office meet the integrity, professionalism and independence requirements of current laws.

Please note that the Chief Executive Officer Pietro Salini and the Director Simon Pietro Salini are related by kinship in the fourth lateral line, pursuant to Article 74 and following articles of the Italian Civil Code. Aside from the disclosure provided above, none of the members of the Board of Directors, the members of the Board of Statutory Auditors and the key executives referred to in Section 3.2.1.4.3 below are related by kinship.

Except as noted below, to the best knowledge of the Incorporating Company, over the past five years, no members of the Board of Directors was convicted of fraud-related crimes and in

the performance of assignments received was involved with bankruptcies or receiverships or liquidations and, lastly, where officially indicted and/or fined by public or regulatory authorities (including designated professional associations) or banned by a court from serving as a member of the Board of Directors and management and oversight entities of the Issuer or from performing any management or oversight activity of any issuer.

Within the framework of the proceedings launched in June 2011 by the Office of the Public Prosecutor of the Court of Florence against certain former employees of Todini Costruzioni Generali S.p.A., no longer in office, with regard to alleged environmental crimes committed in the performance of the construction contract, Pietro Salini, initially charged, was later found to have been not involved in this issue, as he held no position at Todini Costruzioni Generali S.p.A. at the time when the alleged crimes were committed (see Section 3.2.2.8 below).

In 2005 and 2009, respectively, Alberto Giovannini and other parties were the targets of sanctioning proceedings launched by the CONSOB for alleged violation committed when he served, respectively, as Manager of the Finance Line for Banca di Roma S.p.A. (from 2000 to 2001) and as Director of Pirelli & C. Real Estate SGR S.p.A. (from 2006 to 2009)⁽¹⁾. These

¹ More specifically:

- (1). By sanctioning decree No. 18922 of February 24, 2005, adopted pursuant to a recommendation by the Consob, by the Ministry of the Economy and Finances – Treasury Department – Directorate IV – Office II, Alberto Giovannini, in his capacity as Manager of the Finance Line from 5/18/2000 to 7/2/2001 of Banca di Roma at the time of the events for which is was being charged, was ordered to pay fines totaling 25,100.00 for the following violations:
- Article 26, Section 1, Letter *e*), of Consob Regulation No. 11522/1998 (adopted pursuant to Article 6, Section 2, of Legislative Decree No. 58/1998), for the fact that the intermediary failed to gain a knowledge of the financial instruments adequate for the type of service provided, i.e., proprietary trading, which immediately made available to the customers issues of securities with peculiar characteristics, such as the Cirio Group bonds;
 - Article 28, Section 2, of Consob Regulation No. 11522/1998 (adopted pursuant to Article 6, Section 2, of Legislative Decree No. 58/1998), for the fact that the intermediary executed transactions with retail customers without providing investors with adequate information about the nature, risks and implications of the specific transaction;
 - Article 29 of Consob Regulation No. 11522/1998 (adopted pursuant to Article 6, Section 2, of Legislative Decree No. 58/1998), for the fact that the intermediary did not refrain from executing transactions not suitable for the investors' profile;
 - Article 27 of Consob Regulation No. 11522/1998 (adopted pursuant to Article 6, Section 2, of Legislative Decree No. 58/1998), for the fact that the intermediary failed to disclose to retail customers conflict of interest situations deriving from existing financing transactions with the Cirio bonds being traded or with companies belonging to the same group as the issuer, and that the bank was retained as lead manager or manager for some Cirio bond issues.
- (2). By Consob Resolution No. 16791 of 2/12/2009 entitled *“Imposition of administrative fines on officers of the Pirelli Group and, in its capacity as jointly liable party, Pirelli & C. Real Estate SGR S.p.A. pursuant to Articles 190 and 195 of Legislative Decree No. 58/1998,”* Alberto Giovannini, in his capacity as Director of Pirelli & C. Real Estate SGR S.p.A. at the time of the events for which is was being charged, was ordered to pay a fine of 50,500.00 euros for violations of the following provisions:
- Article 40, Section 1, Letter *b*), of the TUF, for the fact that Pirelli & C. Real Estate SGR S.p.A. failed to adopt an organization *“capable of minimizing the risk of conflicts of interest and, in conflict situations, failed to act in a manner that would have provided a fair treatment for OICR investors”*;
 - Article 49, Section 1, of Consob resolution No. 11522/1998, for the fact that Pirelli & C. Real Estate SGR S.p.A. violated its duty to monitor and identify conflicts of interest, including those arising from intragroup

proceedings, which as mentioned above also involved other officers of the companies involved and the companies themselves, as jointly liable parties, ended with the imposition of administrative penalties, which Mr. Giovannini promptly appealed in the appropriate jurisdictional venues. Merely for the sake of complete disclosure, please note that the abovementioned penalties had no effect whatsoever at the criminal law level and that, at the Date of the Information Memorandum, the appellate proceedings are still pending before the Supreme Court of Cassation and the Rome Court of Appeals, respectively.

A brief curriculum is provided below for each Director, showing his/her competencies and experience in the business management area.

Claudio Costamagna was born in Milan in 1956 and has been Chairman of Impregilo's Board of Directors since July 2012. After earning a Degree in Business Economics from the "Luigi Bocconi" Commercial University in Milan, he began his career at Citibank S.A., where between 1981 and 1985 he served as Financial Controller. In 1985, he joined Montedison S.p.A. as Corporate Finance Manager of the holding company. In 1988, he began his professional career at the Goldman Sachs Group, first as Investment Banking Manager for Italy and later as manager for Italy and Chairman of Goldman Sachs SIM S.p.A.; in 2001, he was named Co-Head of the Investment Banking Division for Europe, the Middle East and Africa and served, from 2004 to 2006, as President of the Investment Banking Division for Europe, the Middle East and Africa. He is currently Chairman of the Boards of Directors of CC&Soci S.r.l. and Advanced Accelerator Applications S.A. He is a Director of FTI Consulting Inc. and Virgin Group Holding Ltd and serves on the International Advisory Council of Bocconi University.

Pietro Salini was born in Rome in 1958 and has been Impregilo's Chief Executive Officer since July 2012. He earned a Degree in Economics and Business Administration from "La

transactions, and, in conflict situations, failed to act in a manner that would have provided a fair treatment for OICR investors;

- Article 36, Section 4, of the TUF, for the fact that Pirelli & C. Real Estate SGR S.p.A. violated its obligation to act *"independently and in the interest of the fund investors;"*
- Article 40, Section 1, Letter a), of the TUF, for the fact that Pirelli & C. Real Estate SGR S.p.A. violated its obligation to *"act diligently, fairly and transparently in the interest of the fund investors and the integrity of the market;"*
- Article 48, Section 1, Letter a), of Consob resolution No. 11522/1998, for the fact that Pirelli & C. Real Estate SGR S.p.A. violated its duty to operate in the interest of OICR investors and the integrity of the securities market, *"in an independent manner and consistent with the TUF's principles and general rules."*

- (3). By Consob Resolution No. 16798 of 2/19/2009 entitled *"Imposition of administrative fines on officers of Pirelli & C. Real Estate S.p.A. and Pirelli & C. Real Estate SGR S.p.A. and on the abovementioned companies as jointly liable parties, pursuant to Articles 192 and 195 of Legislative Decree No. 58/1998,"* Alberto Giovannini, in his capacity as Director of Pirelli & C. Real Estate SGR S.p.A. at the time of the events for which is was being charged, was ordered to pay a fine of 200,000.00 euros for a *"violation of the fairness obligation required by the combined provisions of Article 103, Section 4, Letter b), of Legislative Decree No. 58/1998 and Article 42, Section 1, of Regulation No. 11971/99, with regard to a press release published by the issuer Pirelli & C. Real Estate SGR S.p.A. regarding the offering of shares in the Tecla and Berenice funds."*

Sapienza” University in Rome. From 1987 to 1994 he was General Manager for International Operations of Salini Costruttori, becoming the company’s Chief Executive Officer in 1994, a capacity in which he continues to serve today. He has served as Chief Executive Officer of Todini Costruzioni Generali S.p.A. since 2010 and Chief Executive Officer of Salini since 2011. Pietro Salini also holds important posts at other companies, including: Chairman of the Board of Directors of Co.Ge.Ma S.p.A.; Deputy Chairman of the Board of General Partners of Salini Simonpietro e C. S.a.p.a. (in his capacity as legal representative of Pietro Salini & C. S.r.l.) and Sole Director of Pietro Salini & C. S.r.l. In addition to the above, he is a member of the Managing Council of AGI – Associazione Imprese Generali and General Representative on the Board of UNI – Unindustria. On May 31, 2013, Pietro Salini was honored with the title of *“Knight of Labor,”* an honor bestowed on entrepreneurs who excelled in various sectors of the economy, contributing to social, occupational and technological development and boosting the prestige of “Made in Italy” products.

Marina Brogi was born in Rome in 1967 and has been an Impregilo Director since 2012. She earned a Degree in Political Economics from the “Luigi Bocconi” Commercial University in Milan in 1988. Subsequently, from 1993 to 1998, she was Researcher in Economics of Credit Institutions at the abovementioned University; from 1998 to 2007, was Adjunct Professor of Economics of the Financial Markets at “La Sapienza” University in Rome; since 2007 she has been and currently continues to serve as Tenured Professor of Information Technology, Governance and Controls at Banks and Insurance Companies and of International Banking at the same university. In addition, she has been Deputy Dean of the School of Economics since 2011. Marina Brogi has held and currently holds important posts at private and publicly traded companies, including: Supervisory Director of A2A S.p.A. and Unione di Banche Italiane S.c.p.A.; Independent Director of Prelios S.p.A.; Chairperson of the Board of Statutory Auditors of Fratelli Branca Distillerie S.r.l.; Statutory Auditors of Branca International S.p.A. and Chairman of the Oversight Committee of Credito Cooperativo Fiorentino Campi Bisenzio Cape Natixis SGR S.p.A., both in mandatory administrative liquidation.

Giuseppina Capaldo was born in Rome in 1969 and has been an Impregilo Director since 2012. She earned a Degree in Economics from “La Sapienza” university in Rome in 1991 and a Law Degree from the same university in 1993. She is licensed to exercise the profession of certified public accountant since 1992, is qualified to practice law since 2003 and is listed in the Register of Independent Auditors. In addition, Giuseppina Capaldo is Tenured Professor of Private Law at the School of Economics of “La Sapienza” University in Rome, where she also

serves in numerous important capacities. She is the author of monographs and numerous essays in the fields of civil and commercial law and in the areas of banking contracts and financial derivatives. She collaborated with the Macchi di Celler and Gangeni law firm from November 2004 to May 2007, in the practice concerning the sectors of Banking and Finance, Corporate, Insurance, Contract Law and M&A. She is a member of numerous organizations, entities and committees. Lastly, she serves on several Boards of Directors, including those of Exor S.p.A. (where is also Chairperson of the Control and Risk Committee); ARISCOM Compagnia di Assicurazione S.p.A., Istituto Pasteur - Fondazione Cenci Bolognetti.

Mario Giuseppe Cattaneo was born in Genoa in 1930 and has been an Impregilo Director since July 2012. He earned a Degree in Economics and Business Administration from the “Luigi Bocconi” Commercial University in Milan in 1953. He is licensed to exercise the profession of certified public accountant and is listed in the Register of Independent Auditors. Mario Giuseppe Cattaneo, who is Professor Emeritus of Corporate Finance at the Sacro Cuore Catholic University in Milan, holds important posts at companies (including publicly traded companies) and entities, including: Director of Luxottica S.p.A. and Bracco S.p.A., Chairman of the Board of Statutory Auditors of SIA S.p.A., Statutory Auditor of Michelin Italiana S.p.A. and Chairman of the Board of Auditors of Fondazione Teatro alla Scala.

Roberto Cera was born in Milan in 1955 and has been an Impregilo Director since July 2012. He earned a Law Degree from the Statale University in Milan in 1978 and is licensed to practice law and is qualified to serve as counsel before higher-level court jurisdictions. Roberto Cera is a senior partner of the Bonelli Erede Pappalardo law firm, where he provides clients with consulting services and support in out-of-court transactions, specifically including M&A transactions. In that area, he has handled extraordinary finance transactions and, in the course of his long experience, was involved with top level financial market transactions in Italy and internationally. In addition, he worked on the main stock underwritings in Italy, as a consultant both to the underwriters and the issuers, and is an expert in regular and structured debt transactions and acquisition financing in particular. He worked on share tender offers and the subsequent reorganization and restructuring of the target companies. He followed and managed the most important real estate spinoff and sale and leaseback transactions recently completed in the Italian market. He served on the Board of Directors of Autostrade S.p.A., Atlantia S.p.A., the parent company Schemaventotto S.p.A. and Beni Stabili S.p.A. After a ten-year experience at the most important law firm of that period in Milan, he founded in 1989 the Cera Cappelletti law firm, a professional association active in Milan in extraordinary finance

transactions and, in 1995 contributed to the establishment of the Erede e Associati law firm. Lastly, he was a founding partner of the Bonelli Erede Pappalardo law firm in 1990.

Laura Cioli was born in Macerata in 1963 and has been an Impregilo Director since 2012. She earned a Degree in Electronic Engineering from the University of Bologna in 1988 and in 1990 earned a Master in Business Administration from SDA Bocconi – School of Management. Laura Cioli served in numerous positions at important companies, including: Industrial Analysts at ITP Automazione (from 1988 to 1989); Partner of Bain & Co. (from 1991 to 1998); Manager of various departments at Vodafone Italia (from 1999 to 2006); Senior Vice President of Eni Gas & Power (from 2006 to 2008); and General Manager of Sky Italia (from 2008 to 2012). She also serves as Chief Executive Officer of CartaSi S.p.A. and is a member of the Advisory Board of the Bocconi Alumni Association and of the International Advisory Board of the Politecnico University in Milan.

Alberto Giovannini was born in Bologna in 1955 and has been an Impregilo Director since July 2012. He earned a Degree in Economics and Business Administration from the University of Bologna in 1978 and a Ph.D. in Economics from the Massachusetts Institute of Technology (United States of America) in 1983. Professor of Economics and Finance at Columbia University – Graduate School of Business from 1983 to 1995, he served in important positions both at the corporate and institutional level. More specifically, he was Co-Chairman of the Council of Experts at the Ministry of the Treasury (from 1992 to 1994); Senior Advisor e Senior Strategist of the Long Term Capital Management fund (from 1995 to 1999); Deputy General Manager for Finance of Banca di Roma S.p.A. (from 1999 to 2001); and CEO of Unifortune Investment Management Ltd. (from 2004 to 2009). The posts he currently holds include: Chairman of the Board of Directors of MTS S.p.A.; Director of Unifortune Investment Management Ltd.; and Chief Executive Officer of Asset Management SGR S.p.A.

Nicola Greco was born in Rome in 1949 and has been an Impregilo Director since September 2013. He earned a Degree in Chemical Engineering from the University of Rome in 1973 and began his professional career in 1974 at Technipetrol (TPL) S.p.A., where he served in various capacities, including Project Engineer and Project Manager, and was later named Deputy General Manager and, in 1994, CEO of the company. now called Technip Italy S.p.A. He also served on the Executive Committee of the Technip Group. In the course of his thirty-year career at Technip Italy S.p.A., he was involved in a considerable number of projects in the facilities construction and infrastructural sectors, mainly in the oil and gas segment. Since 2007, he has

been the CEO of the Permasteelisa Group, an organization with a global leadership position in the design, production and installation of architectural envelopes, continuous facades and equipment for large buildings and internal systems in the Contract and Retail sectors. Since 2011, he has a Director of Saipem S.p.A. From 2008 to 2012 he was Chairman of Permasteelisa Interiors S.r.l.; he is a member of the Supervisory Board of Josef Gartner GmbH. From 1998 to 2000 he served as a National Directors of ANIMP and, from 2003 to 2008, President of OICE, Associazione Nazionale delle Società di Ingegneria ed Architettura, which is a member of Confindustria. Lastly, he is Professor of Economics and Business Management at the Biomedical Campus University in Rome – School of Chemical Engineering for Sustainable Development.

Pietro Guindani was born in Milan in 1958 has been an Impregilo Director since July 2012. He earned a Degree in Business Economics from the Commercial University “Luigi Bocconi” in Milan in 1982 and held important posts at top companies, at the national and international level, including: Relationship Manager at Citibank N.A. (from 1982 to 1986); International Finance Manager at Edison S.p.A. and Enimont S.p.A. (from 1986 to 1992); Group Finance, Budget and Reporting Manager at European Vinyls Corporation S.A. and N.V. (from 1992 to 1993); International Finance Manager at Olivetti S.p.A. (from 1993 to 1995); General Manager Administration, Finance and Control (from 1995 to 2004) and, subsequently (from 2004 to 2008), Chief Executive Officer of Vodafone Omnitel N.V., a company where he currently serves as Chairman of the Board of Directors. A Director of Assonime and Confindustria, Pietro Guindani is also a Director of Pirelli & C. S.p.A. and member of the Executive Committee of Istituto Italiano di Tecnologia.

Geert Linnebank was born in Gravenhage (The Hague, Netherlands) in 1956 and has been an Impregilo Director since July 2012. He worked as a reporter at Agence Europe S.A. for two years (from 1979 to 1981) and subsequently (from 1981 to 1983) was Correspondent for Belgium and EU Affairs at AP Dow Jones. From 1983 to 2006 he served in various top positions at Reuters Group Plc, including, among the most recent, Global Head of Content, Chairman of the Reuters Foundation and Senior Advisor to the CEO. In 2009, he was Acting CEO of ITN – Independent Television News and, in 2008, was named Trustee and Director of the Thomson Reuters Foundation, a post that he still holds. Geert Linnebank currently serves in additional capacities as a Director of corporation, including Co2 Benchmark and ITN – Independent Television News. In addition, he is a member of Reuters’ Steering Committee and of the Reuters Institute for the Study of Journalism at Oxford University.

Giacomo Marazzi was born in Rottofreno (PC) in 1940 and has been an Impregilo Director since September 2013. He earned a Degree in Economics and Business Administration from the University of Parma in 1966 and, in the ensuing eight years, worked at companies in the consumer goods sector (De Rica, W.R. Grace, Economics Laboratory). From 1974 to 1992, he held important posts at the IVECO/FIAT Group, first as Manager of International Activities and later as General Manager of Iveco's Military Vehicle Division and Chief Executive Officer of Astra Veicoli Industriali S.p.A. He also served as Chief Executive Officer of Industria Cementi Giovanni Rossi S.p.A., Chairman of AITEC (Associazione Tecnico Economica del Cemento) and President of Fondazione Cassa Risparmio Piacenza e Vigevano. He is currently a Director of several corporations, including Beni Stabili Siiq S.p.A.

Franco Passacantando was born in Rome in 1947 and was elected to Impregilo's Board of Directors in September 2013, effective as of December 15, 2013. He earned a Degree in Statistics at the University of Rome in 1971 and, during the following two years, specialized in economics at Stanford University, in the United States of America, where he earned a Master of Arts in Economics. Until the effective date of his appointment as an Impregilo Director, he served as Central Manager for Relations with International Institutions at the Bank of Italy. More specifically, Franco Passacantando joined the Research Department of the Bank of Italy in 1976, where he continued his career eventually becoming Manager of the Monetary and Financial Sector. During those years he performed economic analyses of banks, the institutional structure of the financial markets, and monetary policy tools and procedures. He also handled research assignments at University of California Berkeley and taught at the University of Rome. In 1986 and 1987, he coordinated the preparation of a white paper on the settlement system in Italy and later a task force for the development of projects to reform the settlement system. Acting on behalf of the Bank of Italy, he was a member of work groups at the OECD and the BIS. From 1995 to 2003, he was Executive Director of the World Bank Group, representing the governments of Albania, Greece, Italy, Malta, Portugal, San Marino and East Timor. During this period, he served first as Chairman of the Budget Committee and later of the Audit Committee of the World Bank. Starting in 2002, as the Dean of the Board, he chaired the Steering Committee. He returned to the Bank of Italy in 2003 where he was named manager of the Asset Fund Management Service and in 2006 was appointed Central Manager of the Central Bank, Markets and Settlement Systems areas, which were merged into a single area in 2008. Since in December 2011, he coordinates as Chairman the activities of a work group for the revision of the IMF Guidelines on Foreign Exchange Reserve Management.

Since March 1, 2012, he serves as Central Manager for Relations with International Institutions, such as the G20, the EFC, the OECD (WP3). Lastly, he was named supervisor of the T2 Securities macro-projects and infrastructural projects in the settlement systems field. He is the author of essays and books on monetary and financial policy, the settlement system and issues related to international financial institutions.

Laudomia Pucci was born in Florence and has been an Impregilo Director since 2012. She earned a Degree in Political Sciences from the “LUISS - Guido Carli” University in Rome in 1985. Since 1985, she held important posts at Emilio Pucci S.r.l., a brand acquired by the French group LVMH in 2000. More specifically, from 1985 to 1989, she was an assistant to the company’s founding shareholder; from 1989 to 2000, she was Chairperson of the Board of Directors and Chief Creative Officer; from 2000 to the present date, she has been serving as Deputy Chairperson and Image Manager. From 1985 to 1989, she also held the post of International Customer Manager for the Hubert De Givenchy fashion house. She is currently a member of the Steering Committee of Ente Cassa di Risparmio di Firenze and a Director of Pitti Immagina S.r.l., the Camera Nazionale della Moda Italiana, the Fondazione Altagamma, Polimoda and the Palazzo Strozzi Foundation (United States of America).

Simon Pietro Salini was born in Rome in 1965 and has been an Impregilo Director since July 2012. He earned a Degree in Economics and Business Administration from “La Sapienza” University in Rome in 1992. The same year, he began is working in the real estate department of Salini Costruttori, becoming Chairman of the Board of Directors in 1996, a post he still holds today. Simon Pietro Salini also holds important posts at other companies, not all members of the Groups Parties to the Merger, including: Director and member of the Executive Committee of Salini and Salini Costruttori; Chairman and Chief Executive Officer of ZEIS S.r.l.; and Deputy Chairman of the Board of Directors of Imprebanca S.p.A.

* * *

For additional information about the curricula of Impregilo’s Directors, see the website www.impregilo.it – “Governance – Board and Committees” page.

* * *

Pursuant to Article 24 of the Bylaws of the Incorporating Company, “*the Board of Directors is granted the widest powers for the ordinary and extraordinary management of the Company, none excepted, and may perform all acts deemed appropriate for all of the activities constituting the corporate purpose or instrumental*”

to the corporate purpose, except only those that are mandatorily reserved for the Shareholders' Meeting, pursuant to law.

The Board of Directors may therefore resolve to establish or close branch offices with permanent representatives in Italy and abroad, reduce the share capital in the event of a shareholder withdrawal, amend these Bylaws to comply with changes in legislation, transfer the registered office within Italy and carry out the merger by absorption of a wholly owned subsidiary or a company in which at least a 90% ownership stake is held, all of the above in compliance with the provisions of Articles 2505 and 2505 bis of the Italian Civil Code.

In compliance with the procedures for related-party transactions adopted by the Company, in urgent cases or in connection with business crisis situations, related-party transactions may be carried out using the simplified methods permitted by current regulations.”

The following Article 25 of the Bylaws further states that *“the Board of Directors may delegate part or all of its powers, except for those reserved for its jurisdiction pursuant to law, to an Executive Committee, which shall be comprised of a number of members of less than half the number of members of the Board of Directors, including the Chief Executive Officer who shall act as Chairman of the Executive Committee.*

The members of the Board of Statutory Auditors shall attend the meetings of the Executive Committee, which may be called by the Committee's Chairman whenever he deems it appropriate, or at the request of another member of the Executive Committee or a Statutory Auditor.

The Board of Directors may furthermore delegate part of its powers to one or more Directors. It may also appoint managers and agents, who need not be members of the Board of Directors, and define their powers.”

Lastly, pursuant to Article 28 of the Bylaws, *“the Chairman and the Chief Executive Officer separately or, in absence or impediment of the Chairman, each of the Deputy Chairmen, if appointed, shall be the legal representatives of the Company and shall have the power to execute documents on its behalf in transactions with third parties and in legal proceedings. Subject to the above provision, the Board of Directors may grant the legal representation and signature power also to other Directors.”*

The abovementioned articles of the Bylaws will not be amended as a result of the Merger and, consequently, each one will remain unchanged, as to its numbering and text, within the Bylaws of the Incorporating Company after the Merger (for information about the amendments to the Bylaws approved by the Shareholders' Meetings of the Companies Parties to the Merger, see Section 3.2.3.4 below and the text of the Impregilo Bylaws, which will go into effect on the effective date of the Merger, annexed to the Merger Plan and available to the public in the manner described in Chapter 3, Section 3.4.1, below).

The table below lists the posts held by member of the Board of Directors in administration, management and oversight bodies and/or the status as shareholder or partner of corporations and partnerships external to the Impregilo Group, currently and over the five years preceding the Date of the Information Memorandum.

First and last name	Company	Post held	Status
Claudio Costamagna	Luxottica Group S.p.A.	Director	Current
	CC&Soci S.r.l.	Chairman of the Board of Directors	Current
		Partner	Current
	Tre A S.r.l.	Partner	Current
	Enervit S.p.A.	Shareholder	Current
	Il Sole 24 Ore S.p.A.	Director	Past
	Value Partners S.r.l.	Director	Past
	DEA Capital S.p.A.	Director	Past
	Advise Only SIM S.p.A. in liquidation	Chairman of the Board of Directors	Past
	Autogrill S.p.A.	Director	Past
Bulgari S.p.A.	Director	Past	
Pietro Salini	Salini Costruttori S.p.A.	Chief Executive Officer	Current
		Member Executive Committee	
		General Manager	
	Salini S.p.A.	Chief Executive Officer	Current
		Member Executive Committee	
	Todini Costruzioni Generali S.p.A.	Chief Executive Officer	Current
	Co.Ge.Ma. S.p.A.	Chairman of the Board of Directors	Current
	Salini Simonpietro & C. S.a.p.a.	Deputy Chairman of the Board of General Partners (<i>in his capacity as legal representative of Pietro Salini & C. S.r.l.</i>)	Current
Pietro Salini & C. S.r.l.	Sole Director	Current	
AGI - Associazione Imprese Generali	Member Managing Council	Current	
UNI - Unindustria	General Board Representative	Current	
Marina Brogi	Unione di Banche Italiane S.c.p.A.	Supervisory Director	Current
	A2A S.p.A.	Supervisory Director	Current
	Credito Cooperativo Fiorentino Campi Bisenzio	Chairperson Oversight Committee of company in mandatory administrative liquidation	Current
	Fratelli Branca Distillerie S.r.l.	Chairperson Board of Statutory Auditors	Current
	Prelios S.p.A.	Independent Director	Current
	Branca International S.p.A.	Statutory Auditor	Current
	Cape Natixis SGR S.p.A.	Chairperson Oversight Committee of company in mandatory administrative liquidation	Current
	CFA S.r.l.	Partner	Current
	UBI Pramerica SGR S.p.A.	Director	Past
	Banco di Desio e della Brianza S.p.A.	Director	Past
PMS S.p.A.	Director	Past	
Icoisa S.r.l.	Partner	Past	
Giuseppina Capaldo	Exor S.p.A.	Director	Current
	Ariscom - Compagnia di Assicurazioni S.p.A.	Director	Current
	AdiR Assicurazioni di Roma S.p.A.	Director	Past
Mario Giuseppe Cattaneo	Bracco S.p.A.	Director	Current
	Luxottica Group S.p.A.	Director	Current
	SIA S.p.A.	Chairman Board of Statutory Auditors	Current
	Michelin Italiana S.A.M.I. S.p.A.	Statutory Auditor	Current
	Sara Immobili S.p.A.	Chairman Board of Statutory Auditors	Past

	UBI Banca S.c.p.A.	Supervisory Director	Past
	Banca Sella Holding S.p.A.	Director	Past
	Compagnia Italiana di Previdenza Assicurazioni e Rassicurazioni S.p.A.	Chairman Board of Statutory Auditors	Past
	Euromobiliare Asset Management SGR S.p.A.	Chairman Board of Directors	Past
	Sara Assicurazioni S.p.A.	Chairman Board of Statutory Auditors	Past
Roberto Cera	Salini Costruttori S.p.A.	Director Member of the Compensation Committee Member of the Internal Control and Corporate Governance Committee	Current
	Salini S.p.A.	Director	Current
	Atlantia S.p.A.	Director	Past
Laura Cioli	Cofide - Gruppo De Benedetti S.p.A.	Director	Current
	World Duty Free S.p.A.	Director	Current
	CartaSi S.p.A.	Chief Executive Officer	Current
	Help Line S.p.A.	Director	Current
	Visa Italia	Chairperson Board of Directors	Current
	Sky Italia S.r.l.	Director	Past
	Sky Italia Network Services S.r.l.	Director	Past
Alberto Giovannini	DTCC Deriv/Serv LLC	Director	Current
	Warehouse Trust Company LLC	Director	Current
	DTCC Derivatives Repository Limited	Director	Current
	M.T.S. S.p.A.	Chairman Board of Directors	Current
	Unifortune Investment Management Ltd	Director	Current
	Prelios Deutschland GmbH	Director	Past
	Prelios Netherlands B.V.	Director	Past
	Pirelli RE SGR S.p.A.	Director	Past
Nicola Greco	Saipem S.p.A.	Director	Current
	Permasteelisa S.p.A.	Director	Current
	Joseph Gartner GmbH	Member of the Supervisory Board	Current
	Aurora 2010 S.r.l.	Partner	Current
	Permasteelisa Interiors S.r.l.	Director	Past
	Sitie Impianti Industriali S.p.A.	Director	Past
Pietro Guindani	Vodafone Omnitel N.V.	Chairman Board of Directors	Current
	irelli S.p.A.	Director	Current
	Istituto Italiano di Tecnologia	Member Executive Committee	Current
	Fondazione Civita	Director	Current
	Nuovi Orizzonti S.r.l.	Partner	Current
	Newton Immobiliare S.r.l.	Partner	Current
	Carraro S.p.A.	Director	Past
	Sorin S.p.A.	Director	Past
	SFR S.A. (France)	Director	Past
Giacomo Marazzi	Beni Stabili Siiq S.p.A.	Director	Current
	Cementi Rossi S.p.A.	Director	Current
	Sirap Gema S.p.A.	Director	Current
	Sirap Insulation S.r.l.	Director	Current
	Valtrebbia Acque Minerali S.p.A.	Shareholder	Current
	Fondazione Cassa di Risparmio di Piacenza e Vigevano	President	Past
	Valtrebbia Acque Minerali S.p.A.	Chairman Board of Directors	Past
	Sorgenti Italiane S.r.l.	Chairman Board of Directors	Past
	Banca del Monte di Parma	Director	Past
Geert Linnebank	Independent Television News LTD (UK)	Director	Current
	CO2 Benchmark Ltd (UK)	Director	Current
	Asia new International Pvt. Ltd (India)	Director	Past
Franco Passacantando	Società Italiana Di Iniziative Edilizie e Fondiarie SIDIEF S.p.A.	Director	Past

	Centrale dei Bilanci S.r.l.	Deputy Chairman Board of Directors	Past
Laudomia Pucci	Emilio Pucci S.r.l.	Director	Current
	Fondazione Altgamma	Deputy Chairperson	Current
	Ente Cassa di Risparmio	Director	Current
		Member Steering Committee	Current
	Pitti Immagine S.r.l.	Director	Current
	Associazione Polimoda	Director	Current
	Fondazione Angeli del Bello	Director	Current
	Sotheby's	Director	Current
	LPStudio S.p.A.	Shareholder	Current
	Fashion Florence International S.r.l.	Partner	Current
		Chairperson Board of Directors	
	Castelli di Cerreto e Granaiole S.a.s.	General Partner	Current
	Fattoria di Cerreto S.a.s.	General Partner	Current
	Agricola Montebeni S.a.s.	General Partner	Current
Porta San Frediano S.r.l.	Sole Director	Current	
Immobiliare Collina S.a.s.	Limited Partner	Current	
Simon Pietro Salini	Salini Costruttori S.p.A.	Director	Current
	Salini S.p.A.	Director	Current
	ZEIS S.r.l.	Member Executive Committee	
		Chairman Board of Directors	Current
	Plus S.r.l.	Chief Executive Officer	
		Chairman Board of Directors	Current
	Consorzio Tiburtino	Chairman Board of Directors	Current
	Nores S.r.l.	Chairman Board of Directors	Current
	Galla Placidia S.c.ar.l.	Chairman Board of Directors	Current
	Corso del Popolo S.p.A.	Chairman Board of Directors	Current
	Corso del Popolo Engineering S.c.ar.l.	Chairman Board of Directors	Current
	Piscine dello Stadio S.r.l.	Chairman Board of Directors	Current
	Piscine dello Stadio S.c.ar.l.	Chairman Board of Directors	Current
CEDIV S.p.A.	Chairman Board of Directors	Current	

3.2.1.4.2 *Board of Statutory Auditors*

As of the Date of the Information Memorandum, Impregilo's Board of Statutory Auditors was comprised of the following three Statutory Auditors and two Alternates, whose term of office will last until the date of the Shareholders' Meeting that will be convened to approve the financial statements at December 31, 2013.

First and last name	Post held	Place and date of birth
Alessandro Trotter	Chairman of the Board of Statutory Auditors	Vimercate (MB), June 9, 1940
Nicola Miglietta	Statutory Auditor	Turin, October 27, 1967
Fabrizio Gatti	Statutory Auditor	Tortona (AL), February 12, 1961
Pierumberto Spanò	Alternate	Rome, May 25, 1961
Marco Tabellini	Alternate	Rome, May 19, 1967

No change to the composition of the Board of Statutory Auditors of the Incorporating

Company is expected as a result of the Merger.

However, please note that:

- following the resignation of Giuseppe Levi from the post of Chairman of the Board of Statutory Auditors on July 13, 2012, the Statutory Auditor Alessandro Trotter and the Alternate Fabrizio Gatti agreed to take over the posts of Chairman of the Board of Statutory Auditors and Statutory Auditor, respectively;
- following the resignation of Michela Zeme from the post of Alternate on November 19, 2012, in order to fill the vacancies for both Alternate posts (in addition to that of Michela Zeme, as mentioned above, that of Fabrizio Gatti, who became Statutory Auditor as a replacement for Giuseppe Levi, who resigned), the Shareholders' Meeting of April 30, 2013 elected Pierumberto Spanò and Marco Tabellini.

For the purpose of their office, all members of the Board of Statutory Auditors are domiciled at their respective professional locations.

None of the members of the members of the Board of Statutory Auditors are related by kinship to each other or to members of the Board of Directors or the key executives referred to in Section 3.2.1.4.3 below.

Except as noted below, to Impregilo's best knowledge no member of the Board of Statutory Auditors:

- either holds private interests that are in conflict with his/her obligations arising from the office held at the Issuer; nor
- over the past five years, was convicted of fraud-related crimes and in the performance of assignments received was not involved with bankruptcies or receiverships or liquidations and, lastly, was not officially indicted and/or fined by public or regulatory authorities (including designated professional associations) or banned by a court from serving as a member of the Board of Directors and management and oversight entities of the Issuer or from performing any management or oversight activity of any issuer.

In 2013, Nicola Miglietta, together with other parties, was the target of penalty proceedings launched by the CONSOB for alleged administrative violations committed while he served as Statutory Auditor of Fondamenta SGR S.p.A. (from June 23, 2010 to December 31, 2011).⁽²⁾

² More specifically, by Consob Resolution No. 18721 of 11/27/13 entitled "*Imposition of administrative fines on officers of*

These proceedings, which, as mentioned above, also involved other officers of the company involved and the company itself, as jointly liable parties, ended with the imposition of fines, pursuant to a resolution issued on November 27, 2013. Merely for the sake of complete disclosure, please note that the abovementioned penalties had no effect whatsoever at the criminal law level and that, at the Date of the Information Memorandum, the deadline for appealing this decision is still pending.

A brief curriculum is provided below for each Statutory Auditor and Alternate, showing his competencies and experience in the company management area.

Alessandro Trotter was born in Vimercate (MB) in 1940 and was elected to the post of Statutory Auditor of Impregilo in April 2011. Subsequently, following the resignation of Giuseppe Levi in July 2012, he took over the post of Chairman of the Board of Statutory Auditors. Alessandro Trotter earned a degree in Economics and Business Administration from Università Cattolica in Milan in the 1965-1966 academic year, he has been licensed to practice as a certified public accountant since 1967 and is listed in the Register of Independent Auditors. In January 1974, Alessandro Trotter founded his own professional services firm in Milan. This firm, called Trotter Studio Associato, provides consulting services to Italian and international clients in the industrial, banking and services sectors. As part of his activity he handled high responsibility and confidence assignments for the Courts of Milan and Monza and the Ministry of the Treasury. He served and continues to serve as Statutory Auditor and Chairman of the Board of Statutory Auditors of numerous companies and banks, including Atlantia S.p.A., Autostrade per l'Italia S.p.A., PGAM S.p.A. - (Pioneer) and EuroTix S.p.A. He was a Director of Banca Agricola Milanese, Banca Popolare di Milano and Deputy Chairman of Centrobanca S.p.A. and Chairman of Italfondario S.p.A. until the end of 2000, as well as Statutory Auditor and Managing Director of Mediobanca S.p.A. Until November 2010 he served as Chairman of the Board of Statutory Auditors of Unicredit Banca S.p.A. Lastly, he was Chairman of the Board of Monza's Board of Certified Public Accountants from 1989 to 1998.

FONDAMENTA SGR S.p.A. and the company itself as a jointly liable party," Nicola Miglietta, in his capacity as member of the Board of Statutory Auditors of FONDAMENTA SGR S.p.A. at the time of the facts subject of the proceedings, was ordered to pay a fine totaling 20,000.00 euros for the violation of the following provisions:

- Article 40, Section 1, Letter *a*), of the TUF and Articles 65 and 66 of Consob Resolution No. 161190 of 2007, for the inadequacy of the decision-making process of the SGR in each of the phases in which said process should have been structured, with regard to all of the funds established and managed by the SGR, in violation of the criteria of diligence and fair conduct in the provision of collective investment management service.
- Article 40, Section 1, Letter *b*), of the TUF and Articles 37, 38, 39 and 40 of the Bank of Italy – Consob joint regulation of October 29, 2007, for the failure to identify and manage conflict of interest situations in connection with the provision of collective investment management service, shortcomings having been detected both at the procedural level and in terms of the implementation of the corresponding procedures.

Nicola Miglietta was born in Turin in 1967 and has been an Impregilo Statutory Auditor since April 2011. He earned a degree in Economics and Business Administration from the University of Turin in 1991 and has been licensed to practice as a certified public accountant since 1992. He is also listed in the Register of Independent Auditors. Adjunct Professor of Economics and Company Management and Corporate Finance at the School of Economics of the University of Turin, Nicola Miglietta currently holds and held in the past highly prestigious posts in the academic and university world, both in Italy and at foreign institutions, including the Universidad Nacional de Cordoba (Argentina) and the Belgrade Banking Academy (Serbia). He is also particularly active in the scientific and research fields and is the author of numerous publications on the subjects in which he specializes. After serving as Assistant and Operational Manager at the independent auditors Price Waterhouse from 1992 to 1994, he established a practice as certified public accountant, independent auditor and business consultant in such areas as corporate finance, tax planning and strategic management. Since 1996, he has also engaged in the provision of corporate and professional training services. He has served and currently serves on the Boards of Statutory Auditors of numerous industrial, financial and service companies and cooperative. Lastly, he served as receiver and judicial liquidator for the Court of Turin and is a financial consultant to the Office of the Prime Minister pursuant to Prime Minister's Decree of July 30, 2008.

Fabrizio Gatti was born in Tortona (AL) in 1961 and was elected Alternate Statutory Auditor of Impregilo in April 2011. Subsequently, following the resignation of Giuseppe Levi in July 2012, he took over the post of Statutory Auditor. Fabrizio Gatti earned a degree in Economics and Business Administration from the University of Pavia in 1986. He has been licensed to practice as a certified public accountant since 1987 and is listed in the Register of Independent Auditors. Since 1989, he has engaged in the profession of certified public accountant at the firm Gatti De Nicolò – Commercialisti Associati in Tortona.

Pierumberto Spanò was born in Rome in 1961 and was elected Alternate Statutory Auditor of Impregilo in 2013. He earned a degree in Economics and Business Administration from the "LUISS Guido Carli" University in Rome in 1985. Licensed to practice as a certified public accountant since 1987 and listed in the Register of Independent Auditors, he developed in-depth experience in the fields of business, corporate and tax consulting services, specifically in connection with extraordinary transactions. He has held and continues to hold important posts at numerous companies (both privately owned and publicly traded), including that of Chairman of the Board of Statutory Auditors at Snam Rete Gas S.p.A. and Astaldi S.p.A. He teaches

courses on business, corporate and tax issues at some postgraduate development schools (including LUISS School of Management, CUOA and Istituto Tagliacarne) and is an occasional contributor to *Il Sole24 Ore*, in the regulations and taxation section, and is a member of the Corporate Governance study group at Assogestioni.

Marco Tabellini was born in Rome in 1967 and was elected Alternate Statutory Auditor of Impregilo in 2013. He earned a degree in Economics and Business Administration from “La Sapienza” University in Rome in 1993. He is licensed to practice as a certified public accountant since 1995 and listed in the Register of Independent Auditors. He developed considerable experience as a consultant in the fields of business, administration, contract law and taxation, providing support to medium and large businesses, particularly with regard to construction companies in the public works sector, focusing on the solutions of issues related to the restructuring and reorganization of corporate groups and extraordinary transactions. He also supports clients in connection with tax disputes, through all levels of the proceedings, including support to the reference legal counsel before the Court of Cassation. He served as a member of the VAT Commission of the Board of Certified Public Accountants and Accounting Experts of Rome until 2012 and since 2012 has been a member of the Corporate Law Commission of the Board of Certified Public Accountants and Accounting Experts of Rome. He has held and continues to hold important posts on the management and control entities of numerous corporations.

* * *

For additional information about the curricula of Impregilo’s Statutory Auditors, see the website www.impregilo.it – “Governance – Board of Statutory Auditors” page. The table below lists the posts held by member of the Board of Statutory Auditors in administration, management and oversight bodies and/or the status as shareholder or partner of corporations and partnerships external to the Impregilo Group, currently and over the five years preceding the Date of the Information Memorandum.

First and last name	Company	Post held	Status
Alessandro Trotter	Autostrade per l'Italia S.p.A.	Chairman Board Statutory Auditors	Current
	ePIC SIM S.p.A.	Chairman Board Statutory Auditors	Current
	Gilead Sciences S.r.l.	Chairman Board Statutory Auditors	Current
	EuroTLX S.p.A.	Chairman Board Statutory Auditors	Current
	IGLI S.p.A.	Statutory Auditor	Current
	Infoblu S.p.A.	Chairman Board Statutory Auditors	Current
	Petraco S.p.A.	Chairman Board Statutory Auditors	Current
	Rotolito Lombarda S.p.A.	Chairman Board Statutory Auditors	Current
	Società Autostrada Tirrenica	Statutory Auditor	Current

	S.p.A.		
	Centurione 2007 S.r.l. in liquidation	Liquidator	Current
	Value Transformations Services S.p.A.	Chairman Board Statutory Auditors	Current
	TLX S.p.A.	Statutory Auditor	Current
	Autostrade Sud America S.r.l.	Statutory Auditor	Past
	UniCredit Servizi Retail Uno S.p.A.	Chairman Board Statutory Auditors	Past
	Siena Mortgages 001 S.p.A.	Statutory Auditor	Past
	Schemaventotto S.p.A.	Statutory Auditor	Past
	Adriaoil S.p.A.	Chairman Board Statutory Auditors	Past
	Mediobanca S.p.A.	Managing Director	Past
	Sitech S.p.A.	Chairman Board Statutory Auditors	Past
	Ulisse S.p.A.	Statutory Auditor	Past
	Equitalia Esatri S.p.A.	Director	Past
	Radiall Elettronica S.r.l.	Chairman Board Statutory Auditors	Past
	KME Group S.p.A.	Statutory Auditor	Past
	UniCredit Clarima Banca S.p.A.	Statutory Auditor	Past
	Sistemi Tecnologici Holding S.p.A.	Statutory Auditor	Past
	E.N. Group S.p.A.	Statutory Auditor	Past
	Fraser Edilizia S.p.A.	Chairman Board Statutory Auditors	Past
	Faro S.p.A.	Chairman Board Statutory Auditors	Past
	GreenenergyCapital S.p.A.	Statutory Auditor	Past
	UniCredit Banca S.p.A.	Chairman Board Statutory Auditors	Past
	Stablifin Holding S.p.A.	Chairman Board of Directors	Past
	PGAM S.p.A.	Chairman Board Statutory Auditors	Past
Nicola Miglietta	Atmos Wind Due S.p.A.	Chairman Board Statutory Auditors	Current
	F2i Sistema Aeroportuale Campano S.p.A.	Chairman Board Statutory Auditors	Current
	Hines Italia Capital S.r.l.	Chairman Board Statutory Auditors	Current
	Inbetween SGR S.p.A.	Chairman Board Statutory Auditors	Current
	E&S Energy S.r.l.	Chairman Board Statutory Auditors	Current
	Rotomors S.p.A.	Chairman Board Statutory Auditors	Current
	Telit Communications S.p.A.	Chairman of the Oversight Board	Current
	Royal and Sun Alliance Ltd	Chairman of the Oversight Board	Current
	Edilibro Boccato S.r.l. in Extraordinary Administration	Chairman of the Oversight Committee	Current
	Ravelli S.r.l.	Statutory Auditor	Current
	F.A.G. Artigrafiche S.p.A.	Statutory Auditor	Current
	Metroweb S.p.A.	Statutory Auditor	Current
	Atmos Wind S.p.A.	Statutory Auditor	Current
	First Capital S.p.A.	Statutory Auditor	Current
	Bimbo Store S.p.A.	Statutory Auditor	Current
	TRM V S.p.A.	Statutory Auditor	Current
	Elledi S.r.l.	Statutory Auditor	Current
	PRO.MA. Italia S.c.p.A.	Alternate	Current
	Magna Electronics Italy S.r.l.	Alternate	Current
	Witt Italia S.p.A.	Alternate	Current
	Telit Communications Plc	Director	Current
	Parmilizia Società Semplice	Managing Partner	Current
	Centro Elaborazione Dati Piemonte S.a.s. di Andrea Miglietta & C.	Limited Partner	Current
	Energia & Servizi S.p.A.	Chairman Board Statutory Auditors	Past
	Profilo Asset Manager SGR S.p.A.	Chairman Board Statutory Auditors	Past
	Funivie Piccolo San Bernardo S.p.A.	Statutory Auditor	Past
	Fondamenta SGR S.p.A.	Statutory Auditor	Past
	S.I.E. S.p.A.	Director	Past
	Milano Assicurazioni S.p.A.	Director	Past

	GE.S.E.T.T. S.p.A.	Statutory Auditor	Past	
Fabrizio Gatti	Gavio e Torti - Casa di Spedizione S.p.A.	Alternate	Current	
	Autosped G S.p.A.	Alternate	Current	
	Impresa Grassetto S.p.A.	Chairman Board Statutory Auditors	Current	
	Lugano Leonardo S.r.l.	Alternate	Current	
	Montaruccio S.r.l.	Alternate	Current	
	Appia S.r.l.	Alternate	Current	
	Itinera S.p.A.	Statutory Auditor	Current	
	Argo Finanziaria S.p.A.	Statutory Auditor	Current	
	Euroimpianti Electronic S.p.A.	Alternate	Current	
	Castelnuovo S.c.ar.l.	Alternate	Current	
	Collegamenti Integrati Veloci - C.I.V. S.p.A.	Alternate	Current	
	Marcallo S.c.ar.l.	Alternate	Current	
	Società Iniziative Nazionali Autostradali - S.I.N.A. S.p.A.	Alternate	Current	
	Sineco S.p.A.	Alternate	Current	
	Cerri Cantieri Navali S.p.A.	Alternate	Current	
	L.I.R.A. S.r.l.	Alternate	Current	
	S.A.BRO.M. S.p.A.	Alternate	Current	
	Autocamionale della Cisa S.p.A.	Alternate	Current	
	Milano Logistica S.p.A.	Alternate	Current	
	Taranto Logistica S.p.A.	Chairman Board Statutory Auditors	Current	
	Tecnositaf S.p.A.	Alternate	Current	
	Edilvie S.p.A.	Alternate	Past	
	Brandizzo S.c.ar.l.	Alternate	Past	
	Residenza Sanitaria Integrata S.r.l.	Statutory Auditor	Past	
	Biandrate S.c.ar.l.	Alternate	Past	
	Agognate S.c.ar.l.	Alternate	Past	
	T.C.C. S.c.ar.l.	Alternate	Past	
	DEC S.r.l. in liquidation	Alternate	Past	
	Villamaggiore Sviluppo S.r.l.	Alternate	Past	
	Baglietto S.p.A.	Alternate	Past	
	Aurelia S.r.l.	Chairman Board Statutory Auditors	Past	
	Pierumberto Spanò	STOGIT S.p.A.	Statutory Auditor	Current
		Iniziative Immobiliari S.r.l. in liquidation	Chairman Board Statutory Auditors	Current
SNAM Rete Gas S.p.A.		Statutory Auditor	Current	
SETEAP S.p.A.		Chairman Board Statutory Auditors	Current	
Autogrill S.p.A.		Alternate	Current	
Danimarca S.r.l. Piumini Danesi		Sole Auditor	Current	
Retail Group S.p.A.		Statutory Auditor	Current	
RAL GEST S.p.A.		Alternate	Current	
Astaldi Concessioni S.r.l.		Chairman Board Statutory Auditors	Current	
Aria Energia S.p.A.		Statutory Auditor	Current	
Russell Bedford S.r.l.		Partner	Current	
International Services S.r.l.		Partner	Current	
Metalcastello S.p.A.		Chairman Board Statutory Auditors	Past	
IAS S.a.s di Pierumberto Spanò e Nicola Paglietti		General Partner	Past	
Demanio Servizi S.p.A. in liquidation		Alternate	Past	
Consorzio Elawind in liquidation		Liquidator	Past	
Elektron Sigma Sistemi S.r.l. in liquidation		Alternate	Past	
Retail International S.r.l.		Statutory Auditor	Past	
Mahindra Metalcastello S.r.l.		Chairman Board Statutory Auditors	Past	
SAB Aviation S.r.l.		Director	Past	
Metalcastello S.p.A.		Chairman Board Statutory Auditors	Past	
E.S.T.R.A. Elettricità S.p.A.		Alternate	Past	
Ferrotramviaria S.p.A.		Director	Past	

	Astaldi S.p.A.	Chairman Board Statutory Auditors	Past
	Autocentri Balduina S.r.l.	Sole Auditor	Past
	Pratesi Service S.r.l.	Alternate	Past
	Rino Pratesi S.p.A.	Statutory Auditor	Past
	Hauswagen S.r.l.	Sole Auditor	Past
	Lori S.p.A.	Statutory Auditor	Past
	T-Systems Spring Italia S.r.l.	Statutory Auditor	Past
	ACEA Luce S.p.A.	Alternate	Past
	INTEC Telecom Systems Italia S.p.A.	Statutory Auditor	Past
	Capital S.r.l.	Sole Auditor	Past
	Luxman S.p.A.	Statutory Auditor	Past
	ACEA Energia S.p.A.	Statutory Auditor	Past
	ACEA Reti e Servizi Energetici S.p.A.	Alternate	Past
	Rino Immobiliare S.p.A.	Statutory Auditor	Past
	Russell Bedford S.r.l. in liquidation	Director	Past
	Retail Sport S.r.l.	Statutory Auditor	Past
	TCL RE S.r.l.	Chairman Board Statutory Auditors	Past
	IVER S.p.A. in liquidation	Statutory Auditor	Past
	Di Veroli Costruzioni dal 1927 S.r.l. in liquidation	Chairman Board Statutory Auditors	Past
	E.&M. Finance S.p.A. in liquidation	Statutory Auditor	Past
	GDF Suez Rinnovabili S.p.A.	Alternate	Past
	Mahindra Graphic Research Design S.r.l.	Alternate	Past
	Internazionale Service S.r.l. in liquidation	Director	Past
	ECR S.p.A.	Statutory Auditor	Past
	Naspetti S.p.A. in liquidation	Alternate	Past
	The Club S.r.l. in liquidation	Alternate	Past
	Snam S.p.A.	Chairman Board Statutory Auditors	Past
	Elga Sud S.p.A.	Statutory Auditor	Past
Marco Tabellini	Todini Finanziaria S.p.A.	Chairman Board Statutory Auditors	Current
	Finpagest S.r.l.	Chairman Board Statutory Auditors	Current
	Metro B S.r.l.	Chairman Board Statutory Auditors	Current
	Corso del Popolo S.p.A.	Chairman Board Statutory Auditors	Current
	Corso del Popolo Engineering S.c.ar.l.	Chairman Board Statutory Auditors	Current
	Todini Costruzioni Generali S.p.A.	Chairman Board Statutory Auditors	Current
	Cediv S.p.A.	Chairman Board Statutory Auditors	Current
	Marina di San Vincenzo S.p.A.	Chairman Board Statutory Auditors	Current
	SEI S.p.A.	Chairman Board Statutory Auditors	Current
	Agricola Immobiliare Amatriciana S.p.A.	Chairman Board Statutory Auditors	Current
	Virgo Romana Immobiliare S.r.l.	Chairman Board Statutory Auditors	Current
	Italpol Vigilanza Roma S.r.l.	Chairman Board Statutory Auditors	Current
	Famifin S.p.A.	Statutory Auditor	Current
	Clodia S.c.ar.l.	Statutory Auditor	Current
	Eurolink S.c.p.A.	Statutory Auditor	Current
	Lipari Porto S.p.A.	Statutory Auditor	Current
	CGS S.p.A.	Statutory Auditor	Current
	Thetis S.p.A.	Statutory Auditor	Current
	Inso S.p.A.	Statutory Auditor	Current
	Sales S.p.A.	Statutory Auditor	Current
	Condotte Investimenti Infrastrutturali C2i S.r.l.	Statutory Auditor	Current
	Cossi Costruzioni S.p.A.	Alternate	Current
	Piscine dello Stadio S.r.l.	Alternate	Current

Elatos Immobiliare S.p.A.	Alternate	Current
Demetra S.r.l.	Chairman Board of Directors	Current
Condotte Vega S.r.l.	Chairman Board of Directors	Current
Primium S.r.l.	Sole Director	Current
M.A.S.A. ADV S.r.l.	Sole Director	Current
Big Fish S.r.l.	Sole Director	Current
I.M. Intermetro S.p.A.	Liquidator	Current
Freedrink Water S.r.l.	Liquidator	Current
Scav S.c.ar.l.	Chairman Board Statutory Auditors	Past
RC Scilla S.c.p.A.	Chairman Board Statutory Auditors	Past
Italservizi 2007 S.r.l.	Chairman Board Statutory Auditors	Past
Tiesse Holding S.r.l.	Statutory Auditor	Past
San Matteo Fiduciaria S.p.A.	Statutory Auditor	Past
Cediv S.p.A.	Statutory Auditor	Past
Nuova Domina S.c.ar.l. in liquidation	Statutory Auditor	Past
Centro Ricerche Applicate S.p.A.	Alternate	Past
M.A.S. S.p.A.	Alternate	Past

3.2.1.4.3 Key executives

The table below provides information about key executives of the Impregilo Group in office on the Date of the Information Memorandum, listing for each one the date and place of birth and the function performed at the Incorporating Company.

First and last name	Place and date of birth	Function
Massimo Ferrari	Rome, August 31, 1961	General Manager Finance & Corporate Corporate Accounting Documents Officer
Claudio Lautizi	Rome, November 26, 1960	General Manager International Operations
Michele Longo	Bari, October 26, 1963	General Manager Domestic Operations
Alessandro De Rosa	Naples, March 11, 1958	Administration, Finance and Planning Manager and Deputy General Manager

All of these executives are expected to continue serving in the same capacity in the Incorporating Company after the Merger.

None of the key executives are related by kinship with the members of the Board of Directors and/or the Board of Statutory Auditors.

To the best of Impregilo's knowledge, no key executive holds private interests that are in conflict with his/her obligations arising from the post held at the Issuer.

Except as noted below, to the best knowledge of the Incorporating Company, over the past five years, no key executives was convicted of fraud-related crimes and in the performance of assignments they received was involved with bankruptcies or receiverships or liquidations and, lastly, was officially indicted and/or fined by public or regulatory authorities (including

designated professional associations) or banned by a court from serving as a member of the Board of Directors and management and oversight entities of the Issuer or from performing any management or oversight activity of any issuer.

In 2012 and 2013, Michele Longo, in his capacity as legal representative, respectively, of Pedelombarda S.c.p.A. and S.G.F. I.N.C. S.p.A., was served with a notice of prescription and fine for violation of Legislative Decree No. 81 of April 9, 2008 by the ASL of Varese; two complaints pursuant to Article 12 of Presidential Decree No. 1124 of June 30, 1965 by the INAIL; and an administrative violation pursuant to Article 163, Section, Letter b), of Legislative Decree No. 152 of April 3, 2006 by A.R.P.A. Lombardia. Following the prompt payment by Mr. Longo of the fines (incidentally of a modest amount) listed in the respective communications, both the fines and the violations were extinguished or, otherwise, slated for extinguishment in the immediate future. In addition, Michele Longo is a defendant in two proceedings: one pending before the Court of Busto Arsizio (VA), concerning the alleged crime of negligent injury (Article 590 Penal Code) suffered by an employee, for which he is being charged in his capacity as Chief Executive Officer of Pedelombarda S.c.p.a., the first hearing of which is scheduled for January 24, 2014; and another one pending before the Florence Court of Appeals, to which the Court of Cassation returned the proceedings by a decision handed down on March 18, 2013, setting aside the previous decision by the Florence Court of Appeals that found Michele Longo not guilty of all of the crimes for which he was charged in his capacity as Technical Director of the C.A.V.E.T. consortium (see Section 3.2.1.7 below). For the sake of complete disclosure, please note that Mr. Longo, in his capacity as Chief Executive Officer of the Cav.To.Mi. Consortium, was charged with the crime of unauthorized waste management pursuant to Article 256 of Legislative Decree No. 152/2006. However, by a decision handed down on October 29, 2010, the Preliminary Hearing Judge at the Court of Milan dismissed the charges against Michele Longo because he was innocent of all charges.

Brief curricula of the abovementioned key executive, showing their competencies and the business management experience they developed are provided below.

Massimo Ferrari was born in Rome in 1961. He earned a Degree in Economics and Business Administration from the “LUISS Guido Carli” University in Rome in 1986 and, starting in 2000, was a Contract Professor at the abovementioned university. He served in various management capacities at important companies in the banking and finance fields, including the following: Chief Executive Officer, General Manager and Investment Manager of Capitalia

Asset Management SGR (from 1997 to 2004); General Manager and member of various internal committees of Fineco Group (from 2002 to 2004); Senior Vice President and Secretary to the Internal Control and Risk Committee of UniCredit Group (from 2008 to 2011). He also served as portfolio manager and investment manager at some of the top investment management companies (Capitalfondi SGR; Fondinvest SGR; Gestifondi SGR). Massimo Ferrari also held important posts in the public sector, including Central Codirector and Manager of the Issuers Division of the CONSOB (from 2004 to 2007); founder of the Corporate Governance Committee of Assogestioni (in 1994); member of the “Preda” Commission for the development of the Corporate Governance Code of Listed Companies (from 1999 to 2003); Managing Director of Borsa Italiana S.p.A. (from 2001 to 2003); member of the Executive Committee of Assoreti and Assogestioni (from 2000 to 2003); Deputy Chairman of Assosim (from 2010 to 2012); member of ESMA – European Securities and Markets Association (from 2010 to 2012) and, earlier, member of the Consultative Working Group of CESR’s Secondary Markets Standing Committee. Author of several essays and publications, he joined Salini Costruttori S.p.A. in October 2011 as Manager General Affairs and Strategic Projects. In July 2012, he was elected to the Board of Directors and appointed to the Executive Committee of Impregilo S.p.A., a post that he relinquished in August 2013 upon his appointment as General Manager Group Finance & Corporate, a post that he continued to hold on the Date of the Information Memorandum.

Claudio Lautizi was born in Rome in 1960 and earned a degree in civil engineering from the University of Rome in 1986. His professional career is closely tied to the group headed by Salini Costruttori S.p.A., a company where he served in various positions, including Construction Site Manager and Branch Manager in Ethiopia, Somalia, Zimbabwe, Sierra Leone and Jordan (from 1988 to 1994); Middle East Sub-Sahara Africa Area Manager (from 1994 to 1999); International Production Manager (from 1999 to 2001); and General Manager International Operations (from 2001 to 2011). Since 2010, he also serves as General Manager International Operations of Todini Costruzioni Generali S.p.A., a Salini Group Company. In addition, he is a member of the Board of Directors of Salini Nigeria Ltd. and, as of the date of the conveyance of the business operations of Salini Costruttori S.p.A. to the newly established Salini S.p.A., which occurred on December 21, 2011 effective as of January 1, 2012, General Manager International Operations of Salini S.p.A. From July 17, 2012 until August 28, 2013 he served on the Board of Directors of Impregilo S.p.A. Lastly, in July 2013, he was named General Manager International Operations of Impregilo S.p.A., a post he will continue to hold

in the company resulting from the Merger.

Michele Longo was born in Bari in 1963 and earned a Degree in Engineering, Transportation Section, from the University of Florence in 1989. Since the beginning of his career he held important positions in the design and contraction of large-scale, complex projects. Accordingly, after serving as Project Design Manager at Rocksoil S.p.A. Italia (from 1991 to 1995), he was first named Technical Office Manager (from 1995 to 1997) and, later, Construction Site Manager (from 1997 to 2002) of Consorzio Alta Velocità Emilia-Toscana. At Consorzio Alta Velocità Torino-Milano, he served as Segment Manager (from 2003 to 2007), rising to General Manager, Operations Manager for Italy and, ultimately, Chief Executive Officer, a post he still holds today. He also served as Project Manager, Operations Manager and Chief Executive Officer of Pedelombarda S.c.p.A. (from 2008 to 2012). At Impregilo S.p.A. he was named Construction Manager for Italy in 2011 and was appointed Group General Manager Domestic Operations in August 2013, a post in which he will continue to serve in Company resulting from the Merger.

Alessandro De Rosa was born in Naples in 1958 and earned a Degree in Economics and Business Administration in 1982 from the University of Naples with the grade of 110/110 cum laude. He is licensed to practice as a certified public accountant since 1984 and is listed in the Register of Independent Auditors. After beginning his career as an independent auditor and financial analyst, he held numerous prestigious posts at top corporations, including: Senior Consultant and Financial Analyst at Fidimi Consulting S.p.A. – I.M.I Group (from 1985 to 1987); executive at Sigma-Tau Finanziaria (from 1988 to 1991); Administration, Finance, Control and Personnel Manager at Avantgarde S.p.A. (from 1992 to 1994); Administration and Control Manager at Sigma-Tau Industrie Farmaceutiche (from 1994 to 1999); Finance Manager at Thomson-CSF Electronic Systems Italia S.p.A. (from 1999 to 2000); CFO of Marconi Communications Italia S.p.A. (from 2000 to 2003), CFO of AMS S.p.A. Italia, a joint venture of Finmeccanica S.p.A. and BaeSystem Limited (from 2003 to 2005), a company where he also served as joint venture controller, and CFO of Telespazio S.p.A., a joint venture of Finmeccanica S.p.A. and Thales S.A. (from 2005 to 2011). CFO of the Group headed by Salini Costruttori S.p.A. since May 2011, in August 2013 he was also named Administration, Finance and Planning Manager and Deputy General Manager of Impregilo S.p.A., a post that he will continue to hold in the company resulting from the Merger. He also serves as the Corporate Accounting Documents Officer of Salini S.p.A.

The table below lists the posts held by key executives in administration, management and oversight bodies and/or the status as shareholder or partner of corporations and partnerships external to the Impregilo Group, currently and over the five years preceding the Date of the Information Memorandum, it being understood that Massimo Ferrari does not serve, and has not served during the past five years, on any corporate governance body and is not, and was not during the past five years, a partner or shareholder in any partnership or corporation, except solely for the post of Director and member of the Executive Committee of the Issuer, which he relinquished in August 2013.

First and last name	Company	Post held	Status
Claudio Lautizi	Todini Costruzioni Generali S.p.A.	General Manager International	Current
	Salini S.p.A.	General Manager International	Current
	Salini Nigeria Ltd.	Director	Current
	LPB Immobiliare S.r.l.	Partner	Past
	Gammamoto S.r.l.	Partner	Past
	Impregilo	Director	Past
Michele Longo	Consorzio COCIV	Chairman of the Board of Representatives Chairman of the Executive Committee	Current
	Pedelombarda S.c.p.A.	Chairman	Current
	Consorzio Pedelombarda 2	Chief Executive Officer Chairman of the Executive Council	Current
	Consorzio Costruttori Teem (CCT)	Consortium President Chairman of the Management Council	Current
	Consorzio MM4	Chairman of the Board of Representatives	Current
	S.G.F. I.N.C. S.p.A.	Chief Executive Officer	Current
	Salerno-Reggio Calabria S.c.p.A.	Chairman	Current
	Reggio Calabria-Scilla S.c.p.A.	Director	Current
	Consorzio Alta Velocità Torino-Milano (CAV.TO.MI.)	Chairman	Current
	Consorzio C.A.V.E.T.	Chief Executive Officer Consortium Manager	Current
	Consorzio IRICAV Due	Alternate Director of the Management Council	Current
	Metro Blu S.c.ar.l.	Permanent Director of the Management Council	Current
	S.A.Bro.M. S.p.A.	Director of the Management Council	Current
	Tangenziale Esterna S.p.A.	Director	Current
	Consorzio Miteco	Director	Current
	Consorzio NOG.MA	Consortium President	Current
Lambro S.c.ar.l.	Permanent Member of the Meeting of Representatives Chairman of the Board of Directors	Past	
Alessandro De Rosa	CO.GE.MA. S.p.A.	Director	Current
	ZEIS S.r.l.	Director	Current
	Metro B S.r.l.	Director	Current
	Piscine dello Stadio S.r.l.	Director	Past

Plus S.r.l.	Director	Past
Piscine S.c.ar.l.	Director	Past
Corso del Popolo S.p.A.	Director	Past
Corso del Popolo	Director	Past
Engineering S.c.ar.l.		
Telespazio France S.a.s.	Director	Past
Telespazio Argentina S.a.s.	Deputy Chairman of the Board of Directors	Past
Telespazio Brasil S.A.	Director	Past
e-GEOS S.p.A.	Director	Past
GAF AG	Member of the Supervisory Board	Past
	Deputy Chairman	
Fileas S.A.	Director	Past
Aurensis SL	Director	Past
Telbios S.p.A.	Director	Past
Spaceopal GmbH	Member of the Shareholders	Past

3.2.1.4.4 Agreements with the Issuer's main shareholders, customers or suppliers or other agreements with an impact on the election of members of the Board of Directors or the Board of Statutory Auditors and/or key executives

(a) Board of Directors

Impregilo is not aware of any agreements or arrangements with the Issuer's main shareholders, customers or suppliers with an impact on the election of the current members of the Board of Directors.

(b) Board of Statutory Auditors

The members of Impregilo's Board of Statutory Auditors currently in office were elected by the Shareholders' Meeting on April 28, 2011.

On that date, as may be gleaned from various sources, including the minutes of the abovementioned Shareholders' Meeting (available on the website www.impregilo.it – "Governance – Shareholders' Meeting" page), a Shareholders' Agreement was in effect between Argo Finanziaria S.p.A., Autostrade per l'Italia S.p.A., Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l., concerning all the common shares of which the share capital of IGLI S.p.A. was comprised and all Impregilo common shares held by IGLI S.p.A., an abstract of which was most recently published in the June 17, 2010 issue of *Italia Oggi*. Based on the text of the abstract (available on the CONSOB website – www.consob.it), the provisions of the Agreement included, inter alia, a voting syndicate, covering the Impregilo shares, pursuant to which all of the parties agreed to adopt "a conduct suitable to ensure that the Board of Statutory Auditors is comprised of 3 Statutory Auditors (taking into account the right of the minority

shareholders to nominate the Chairman pursuant to Article 148 of the Uniform Financial Code) and 2 Alternates designated as follows: 1 Statutory Auditor designated by Autostrade; 1 Statutory Auditor designated by Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l.; 1 Alternate designated jointly by Autostrade, Immobiliare Fondiaria-SAI S.r.l. and Immobiliare Milano Assicurazioni S.r.l.; 1 Alternate designated jointly by Argo Finanziaria, Autostrade, Immobiliare Fondiaria-SAI S.r.l. e Immobiliare Milano Assicurazioni S.r.l., unless otherwise designated pursuant to law or the Bylaws.”

In the course of the abovementioned meeting of April 28, 2011, two Statutory Auditors (Nicola Miglietta and Alessandro Trotter) and two Alternates (Michela Zeme e Fabrizio Gatti) were drawn from the only slate filed by the shareholder IGLI S.p.A. the Chairman of the Board of Statutory Auditors, Giuseppe Levi, was elected upon a motion by the shareholder Giacomo Valle.

However, please note that, based on publicly available information, the abovementioned Shareholders' Agreement was terminated on March 8, 2012. For additional information, see Section 3.2.5.

Lastly, as mentioned in Section 3.2.1.4.2 above, the Alternates Pierumberto Spanò and Marco Tabellini were elected by the Shareholders' Meeting of April 30, 2013 to replace Giuseppe Levi (formerly Chairman of the Board of Statutory Auditors) and Michela Zeme (formerly an alternate) had resigned. Moreover, Impregilo is not aware of any agreement of any type whatsoever concerning the election of the abovementioned Alternates.

(c) Key executives

Impregilo is not aware of any agreements or arrangements with the Issuer's main shareholders, customers or suppliers with an impact on the appointment of the key executives referred to in Section 3.2.1.4.3 above,

3.2.1.4.5 Restrictions stipulated with members of the Board of Directors and the Board of Statutory Auditors concerning the sale within a specific period of time of the Issuer's securities which said members may hold

On the Date of the Information Memorandum, Impregilo was not aware of any restrictions pursuant to which the members of the Board of Directors and the Board of Statutory Auditors and/or the key executives referred to in Section 3.2.1.4.3 above agreed to restrict their rights to sell within a certain period of time, common or savings shares of the Issuer which they may hold.

3.2.1.4.6 Independent Auditors

By a resolution adopted by its Shareholders' Meeting on May 3, 2006, the Issuer awarded to PricewaterhouseCoopers S.p.A., a company with registered office at 91 Via di Monte Rosa, Milan, the engagement to audit its financial statements, as well as the assignment to perform limited audits of its interim financial reports, for the period from 2006 to 2011. Subsequently, the Shareholders' Meeting convened on May 3, 2007 extended the engagement of the independent auditors to include the period from 2012 to the date of the Shareholders' Meeting convened to approve the financial statements at December 31, 2014.

3.2.1.5 Description of the main activities of the Impregilo Group

The Absorbing Company, which was established in the mid-nineties through the merger of four major Italian construction companies, is a global player active in the design and construction of large-scale infrastructural projects. Its corporate purpose is the construction, for its own account and for third parties, of projects involving highway, ports, hydraulic facilities, buildings, railways and, in general, any civil engineering construction project in Italy and abroad.

Impregilo operates in more than 30 countries, on 5 continents, with a consolidated presence in the Western Hemisphere and Italy and a staff of about 11,600 employees at September 30, 2013.

Thanks to its considerable technical and professional knowhow, the Issuer believes that it is today one of the world's leading players in the construction of important hydroelectric power plants and large dams (including, for example, the Ertan Dam in China, the Tarbela Dam in Pakistan and the Karanjukar Dam in Iceland) and is the proud developer of thousands of kilometers of road networks and transportation infrastructures: railways (the Bologna-Florence and Turin-Milan high speed rail lines in Italy, for example), subways in major cities worldwide (Rome, Milan, Genoa, Naples, New York, Paris, Singapore, Porto, Saint Petersburg, Montreal, Athens and Miami) and roads and highways both within and outside urban areas.

The Issuer believes that some of the projects it completed in the past or currently under development represent milestones in the development of Italy's engineering tradition worldwide: from the project to save the Abu Simbel temples in Egypt to the construction of the Saint Gotthard Tunnel and now the expansion of the Panama Canal.

These are major infrastructural projects in Italy and worldwide that bear witness to the

leadership and established reputation of excellence in implementation of the Impregilo Group, which can boast to have constructed over 200 dams and hydroelectric power plants with total installed capacity of 25,000 MW, completed more than 1,000 kilometers of tunnels, built over 5,700 kilometers of new railroad lines, more than 30 kilometers of roads and, in the past 10 years, 56 kilometers of bridges and viaducts.

At September 30, 2013:

- The Impregilo Group reported consolidated revenues of 1,739.7 million euros. This amount, about 71.4% of which was generated outside Italy, reflects primarily the growth of the “Construction” sector (+3.3%);
- The result from discontinued operating activities was positive by 83.4 million euros and reflects primarily the results of the RSU Campania projects; the consolidated net profit attributable to the Impregilo Group amounted to 136.6 million euros;
- The shareholders’ equity of the Impregilo Group totaled 1,357.5 million euros and its consolidated net financial position was positive by 162.7 million euros
- The construction and facilities order backlog amounted to about 17.3 billion euros.

For additional information, please see Chapter 6, Section 6.1 below.

3.2.1.6 Significant Contracts

New Loan Agreement

On December 10, 2013, Salini, Impregilo and the New Lender Banks executed the New Loan Agreement the purpose of which is to refinance a portion of the indebtedness of the Salini Group (including the remaining balance owed pursuant to the TO Loan Agreement) and the Impregilo Group.

Specifically with regard to Impregilo, pursuant to the New Loan Agreement, the New Lender Banks provided the Incorporating Company with a credit line for a total of 75,000,000.00 euros, earmarked for the purpose of refinancing the indebtedness of the Impregilo Group under the loan agreement of June 28, 2011 with UniCredit S.p.A.

Moreover, it is worth noting that the abovementioned loan agreement contained a clause pursuant to which the lender bank, because of the Merger, would have had the right to deprive Impregilo of the benefit of deferral with regard to all or part of the payment obligations set forth in the abovementioned loan agreement or terminate or cancel the agreement, with the consequence that any amount owed pursuant to the agreement would have become

immediately due. However, the abovementioned loan agreement is no longer in effect due to the repayment of the entire amount of 75,000,000.00 euros made by Impregilo using a credit line of the same amount it received from the New Lender Banks pursuant to the New Loan Agreement.

For additional information about the main term and conditions of the New Loan Agreement, see Section 3.2.2.7 below.

Strategic agreement between Impregilo and Salini Costruttori of September 27, 2012

On September 27, 2012, the Issuer and Salini Costruttori, a company that owns the entire share capital of the Company Being Incorporated, executed the Strategic Agreement for the purpose of implementing a collaborative strategy between the two parties to the agreement and the companies that each one of them controls, pursuant to Article 2359, Section 1, of the Italian Civil Code, aimed at seizing market opportunities and increasing value for both groups involved, while achieving cost savings thanks to operational and industrial synergies.

More specifically, the Strategic Agreement governs coordination procedures in their respective organizations, without changing the individuality, structure and size of the individual companies, in order to: (a) map, assess and submit to the competent entities of each party the definition of potential commercial and industrial synergies; and (b) select commercial initiatives targeting infrastructures and large-scale, complex projects potentially of interest for both parties and govern the submission of bids in response to the respective calls for tenders, i.e., the joint preparation and submission of bids.

See also the information document prepared by Impregilo pursuant to Article 5 of the RPT Regulations and Annex 4 to the RPT Regulations, available on the “*Investor Relations – Strategy – Impregilo-Salini Agreement*” page of the website www.impregilo.it.

For the sake of complete disclosure, please note that the Strategic Agreement will lapse upon the completion of the Merger.

3.2.1.7 Judicial and arbitration proceedings

In the normal course of its business, the Impregilo Group is a party to various civil, administrative, criminal and tax-related proceedings, as well as arbitration proceedings. In connection with these proceedings, the Group recognized in its consolidated financial statements a provision for risks to cover contingent liabilities that may arise in the event of an unfavorable outcome of the abovementioned proceedings. The amount of this provision was

determined based on analyses and discussions with consultants about the probability of a negative outcome and to quantify the resulting liabilities. Consequently, the abovementioned provision does not take into account certain proceedings for which the risk of defeat is not quantifiable or appears to be remote.

An overview is provided below of the proceedings in progress on the Date of the Information Memorandum that the Incorporating Company considers material or otherwise worthy of disclosure, due to the amount or the subject of the claims lodged against the Group companies involved.

Dispute related to the “Rifiuti Solidi Urbani – RSU [Solid Urban Waste] Campania” Project

The Impregilo Group began activities related to the project for the disposal of solid urban waste in the province of Naples and other provinces of the Campania region in the late 1990s through its subsidiaries FIBE S.p.A. and FIBE Campania S.p.A. (for the purpose of this Section, “**FIBE**” and “**FIBE Campania**,” respectively, and collectively, the “**Companies**”).

Between 2000 and 2003, the Companies completed the facilities for the production of fuel from waste (*combustibile da rifiuti* “**CDR**”), which were built by other Impregilo Group companies, including FISIA Impianti S.p.A. (“**FISIA Impianti**”), for the electromechanical part of the projects, and Impregilo Edilizia e Servizi S.p.A. for the civil engineering part of the projects, and began producing CDR and temporarily storing it, while waiting for construction of the waste-to-energy facilities.

Over the years, the project began to be affected by growing problems, the most significant of which are summarized below:

- failure to implement in the Campania region the planned volumes of waste from recycling collection programs;
- insufficient landfill volumes made available by the Government Commissioner;
- delay in the start of construction of the Acerra waste-to-energy facility, due to strikes and protests by the local communities;
- seizure of the CDR facilities ordered on May 12, 2001 by the Public Prosecutor of the Court of Naples, as part of proceeding in which the Directors of Group companies involved in the project were also being investigated;
- failure by a growing number of municipalities, companies and inter-municipal consortia to pay the fees owed to the Companies for the disposal of the conveyed waste, causing

the Companies to incur a growing receivable exposure, with the resulting financing stress;

- interruption of any further disbursements by the banks that provided FIBE with project finance facilities for the 173,5 million euros originally budgeted for the construction of the CDR facilities and the Acerra waste-to-energy facility; in addition, against this background, negotiations aimed at setting up a similar financing structure for CDR facilities and a waste-to-energy facility in S. Maria La Fossa (Caserta) were interrupted. These circumstances further deteriorated the economic-financial condition of the Companies and the entire Impregilo Group.

In view of the situation described above, early in 2005, actions and measures were implemented—including at the highest institutional level following the direct intervention of the central government—aimed at bringing the project back to its original equilibrium and normal operating conditions. More specifically:

- the past-due receivables for the conveyance of waste through December 31, 2004 should have been recovered due to the enactment of Decree Law No. 14 of February 17, 2005 (converted into Law No. 53 of April 15, 2005), pursuant to which the Cassa Depositi e Prestiti was expected to proceed with payment after completing a specific procedure lasting about 60 days;
- the recovery of past receivables beyond the abovementioned date was to have been carried out through the appointment of *ad acta* Commissioners by an Extraordinary Government Commissioner;
- the problems related to the court ordered seizures of facilities were to have been resolved through the implementation of a “program of structural and operational activities concerning CDR facilities” prepared by the Commissioner and, four certain issues, submitted for approval to the Public Prosecutor of the Court of Naples, which were supposed to allow with minimum delay the lifting of the seizure in accordance with the terms of a document (so-called “*Submission Instrument*”) signed by the Companies;
- as for the availability of landfill sites, the Government Commissioner issued an order for the “Montesarchio” landfill on December 7, 2004 and an order for the “Campagna” landfill on April 1, 2005; basically, according to his orders, upon the closing of the landfills currently used, two new facilities would have been prepared and used for the Campania region suitable for ensuring one year of regular operations for the project, while at the same time making it possible to reasonably assume that the

landfill problem would be handled successfully even beyond this time horizon.

Based on these assurances, the Boards of Directors of FIBE and FIBE Campania then approved an economic and financial plan for the duration period of the service that projected conditions of normal business continuity. However, in subsequent months, a series of events took place that produced a substantially negative change in the assurances provided by the abovementioned regulatory and administrative measures. More specifically:

- several months after the enactment of the abovementioned Decree Law No. 14/2005 (converted into Law No. 53/2005), the Cassa Depositi e Prestiti had not taken any action worth of notice to implement the provisions set forth therein and, consequently, the receivables outstanding at December 31, 2004 were basically frozen, while problems continue with the collection of the receivables generated in 2005;
- moreover, the Government Commissioner, further to social and political agreements, had delayed the possibility of using one of the two previously authorized landfills and had not agreed to the construction of the second one. As a result of this, in order to avoid interrupting the service, the Companies were forced to begin using private landfills outside the Campania region, defraying the full amount of extremely high and unforeseen disposal and transportation costs starting in April, unsuccessfully asking to be reimbursed by the Government Commissioner;
- on the other hand, by a summons served in May 2005, the Government Commissioner sued for damages the Companies and FISIA Italimpianti seeking compensation for alleged costs incurred previously by the Commissioner for transporting waste outside the region;
- the banks that had disbursed the first installment of 173.5 million euros not only confirmed that any further disbursement will be frozen, but officially demanded the cancellation of the project financing structure, which was no longer deemed compatible, considering the crisis conditions of the RSU Campania project.

In this situation, on November 30, 2005, the government enacted Decree Law No. 245 (converted into Law No. 21 of January 27, 2006), which went into effect on December 15, and:

- (a) by force of law canceled, as of December 15, 2005, the existing contracts between FIBE and FIBE Campania and the Extraordinary Government Commissioner for the Waste Emergency in Campania, but “*without prejudice to any rights arising from the cancelled contractual relationships*” (Article 1.1);

- (b) entrusted to the abovementioned Commissioner the task of:
- (i) identifying “*with the utmost urgency*” and with “*accelerate EC evidence*” procedures the new contractors of the waste disposal services in the Campania region to replace FIBE and FIBE Campania;
 - (ii) building the “*service landfills ... continuing the projects for the construction of the Acerra and Santa Maria la Fossa waste-to-energy facilities*”;
- (c) ordered that, while a new contractors of the waste disposal services in the Campania region was being identified (so-called “*transitory period*”), up until the award of the contract and, in any case, by the May 31, 2006 deadline (Article 1.6), FIBE and FIBE Campania would be required to ensure the continuation of the service, specifically complying with the coordination instructions of the Government Commissioner in exchange for the right to be reimbursed by the Commissioner Entity for the expenses and costs incurred in this regard;
- (d) set forth specific provisions to:
- (i) “*accelerate the procedures to collect*” the waste disposal fee; and
 - (ii) “*ensure that the recycling collection targets are met ... and the current emergency conditions are resolved.*”

In March 2006, in order to facilitate the implementation of the competitive bidding procedures set forth *sub* “(b) (i),” the Companies accepted the request of the Extraordinary Government Commissioner for the Waste Emergency in Campania for executing an official promise to sell, through which FIBE e FIBE Campania agreed to sell to the Commissioner or two parties designated by the Commissioner upon the conclusion of the competitive bidding process the following assets:

- the Acerra waste-to-energy facility;
- the land belonging to FIBE Campania upon which the S. Maria La Fossa waste-to-energy facility is scheduled for construction;
- various equipment used to operate the waste processing facilities and the CDR storage facilities, belonging to FIBE, FIBE Campania and FISIA Italimpianti;
- the CDR storage facilities and the stored materials, belonging to FIBE and FIBE Campania.

The calls for tenders published on March 31, 2006 also required the new contractors to pay to

the two Companies, as consideration for acquiring the right to use the CDR facilities (belonging to the Government Commissioner), the “*unamortized cost incurred by the previous contractors of the service until December 15, 2005.*” The call for tenders, launched with notices published on March 31, 2006, and without any award, as bids were submitted only by two parties, one of whom was later found to lack the necessary qualifications.

Faced with this situation, the public institutions involved in this issue indicated their desire to continue implementing a new call for tenders with EC evidence, agreeing to ensure that this call for tenders would be carried out over a significantly shorter time period than the previous one, and asking FIBE and FIBE Campania to renew their “*promise to sell statements*” described above. This request was accepted in the validity of the statements in question was extended until March 31, 2007.

Consequently, a new call for tenders was launched in August 2006 for the award of solid urban waste disposal services in the Campania region, which maintained unchanged both the scope of the assets to be sold and their respective values compared with the previous call for tenders.

As the waste emergency critical situation continued in Campania, the government issued to subsequent decree laws aimed at addressing and resolving this emergence. Specifically:

- (a) Decree Law No. 263 of October 9, 2006 (converted into Law No. 290 on December 6, 2006) which, inter alia:
 - (i) appointed a new delegated Commissioner;
 - (ii) voided the call for tenders launched in August 2006;
 - (iii) entrusted to the new Commissioner the task of defining “*the conditions for the award of the waste disposal service in the Campania region*”;
 - (iv) amended Law No. 21/2006, stating that the current contractors are required to continue providing the waste disposal service until the award of the call for tenders “*due to the requirements for transferring the service to the new contractors, including the issues concerning personnel and any equipment and property that may be useful to transfer, taking into account their actual functionality, age and maintenance conditions*”;
 - (v) require the adoption of systems to ensure the actual recycling collection of solid urban waste; and
 - (vi) extended to December 31, 2007 the waste state of emergency in Campania and the so-called “*transitory period*”;

- (b) Decree Law No. 61 of May 11, 2007 (converted into to Law No. 87 of July 5, 2007) which, inter alia:
- (i) activated “*also for the purpose of avoiding the occurrence of new state of emergency situations*” new locations that can be used as landfills (Article 1.1);
 - (ii) ordered the Commissioner to identify “*with the utmost urgency ... including through direct awards to parties other than the current contractors ... optimum solutions to process and dispose of waste and, if necessary, the disposal of waste bales.*”
 - (iii) ordered the Commissioner to adopt “*a plan for the implementation of an integrated waste cycle for the Campania region.*”

On July 5, 2007, concurrently with the enactment of the abovementioned law, the Prefect of Naples was appointed as the new Extraordinary Commission for the Waste Emergency in Campania.

On August 10, 2007, further to specific requests by FIBE and FIBE Campania, the new Commissioner ordered both an acceleration of the procedures aimed at reimbursing FIBE and FIBE Campania for the costs incurred to operate the service, owed to them and not yet paid, and the direct disbursement through advances of payments for personnel costs and costs owed to subcontractors deemed strategic, who operate on behalf of the Companies in managing disposal services.

In the fall of 2007, the Commissioner’s office resumed the activities for the preparation of a new call for tenders aimed at identifying a new contractor to whom the RSU disposal service could be awarded.

Lastly, in December 2007, a new call for tenders was issued to award the RSU disposal service only for the province of Naples, while by the Prime Minister Decree of December 28, 2007 the waste state of emergency in Campania was extended to November 30, 2008.

Early in the first quarter of 2008, the Commissioner’s office received indications of interest from two large industrial groups that operate in the waste treatment and energy production sector. However, these parties, after requesting and receiving an extension of the call for tenders deadline to the end of January 2008, withdrew from the procedure, as both of them indicated concerns regarding the lack of adequate guarantees by the awarding Administration concerning the availability of locations for the disposal of CDR processing byproducts and adequate certainties regarding the availability for the facility to be built in Acerra of the benefits

provided under the so-called “CIP6” resolution for the sale of energy produce by the abovementioned facility at subsidized rates.

Faced with this situation and with a further deterioration of the emergency situation in the region, the Prime Minister issued orders No. 3656 of February 6, 2008 and 3657 of February 20, 2008:

- (i) the first one confirmed the benefits provided by the so-called “CIP6” resolution for the Acerra facility: these benefits were confirmed by Law No. 31 of February 28, 2008, which, upon conversion of the so-called “*Milleproroghe Decree*,” states that “*for the facility ... in Acerra ... there shall be awarded ... the public financing facilities and incentives provided by the government pursuant to the Resolution No. 6 of April 29, 1992 by the Interministry Price Committee*”;
- (ii) the second one authorized the disposal in the yet-to-be built waste-to-energy facility of all of the waste processed at the CDR facilities and stored in the Region.

The CIP6 resolution issued by the Interministry Price Committee on April 29, 1992 represents an incentive for the development of projects for the production of electric power from renewable sources and other sources specifically identified in the resolution, which also provides for subsidized rates for the sale of this electric power.

Moreover, Prime Minister Order No. 3653 on January 30, 2008:

- (i) appointed a Delegated Commissioner for the termination as of January 31, 2007 of the Commissioner managed process, so as to accelerate the transition to regular management of the activities related to the integrated waste cycle in the Campania region;
- (ii) ordered the Delegated Commissioner to proceed with a review of all receivable positions accrued as of December 31, 2007; and
- (iii) established an institutional conference the members of which included the Delegated Commissioner, the President of the Campania Regional Administration and the Presidents of the Provincial Administrations, with the aim of allowing a gradual transition to the relevant entities and administrations on a regular basis and guide the transitional management period and procedures for the final transfer of the projects.

The Delegated Commissioner appointed pursuant to Prime Minister Order No. 3563/08 then took the following actions:

- (a) by Order No. 001/08 of February 1, 2008, established the obligation for the Companies to *“guarantee until further notice the operation on a continuous cycle basis of the former CDR facilities (still operating) in Campania”*;
- (b) by the subsequent Order No. 048/08 of March 14, 2008, established the obligation for the Companies to:
 - (i) *“ensure the continuation of the waste disposal service in the Campania region until the abovementioned service is awarded to new contractors and, in any case, not later than November 30, 2000”*;
 - (ii) *“execute the necessary contracts with all parties whose activity may be necessary for the proper performance of the waste disposal service;*
 - (iii) *“ensure, within the facilities that they operate, strict compliance with occupational safety regulations.”*

In exchange for these obligations, payment for the services provided by FIBE e FIBE Campania for the performance of this order should have been ordered by the Delegated Commissioner pursuant to the provision of Article 1, Section 4, of the Prime Minister Order No. 3479 on December 14, 2005.

FIBE e FIBE Campania challenged these orders before the Regional Administrative Court of Latium – Rome, which handed down final decision No. 7280/08 on July 23, 2008 finding that the challenge was not admissible due to an intervening lack of standing, in view of the legislation enacted in the interim to govern the entire sector, the declaratory portion of which was of particular significance and importance for the Companies and satisfied the interest subject of the challenge.

Subsequent to the publication of the abovementioned orders, the government again intervened directly, adopting important measures aimed at resolving the existing problems, including the attribution of the function performed up to that point by the Extraordinary Commissioner for the Waste Emergency in the Region to the Undersecretary of State at the Office of the Prime Minister, which function was assigned to the Head of the Civil Protection Department.

More specifically, the following measures were enacted:

- (a) Decree Law No. 90 of May 23, 2008 and Decree Law No. 107 of June 17, 2008, both converted into Law No. 123 of July 14, 2008. Inter alia, the conversion law:
 - (i) confirmed FIBE’s obligation to complete the Acerra waste-two-energy facility;

- (ii) expressly authorized “*the operation of the Acerra waste-to-energy facility*” and the burning of the “*eco-bales*” and the said facility;
 - (iii) authorized “*the construction of the Santa Maria La Fossa waste-to-energy facility*” and the “*construction of a waste-to-energy facility in the territory of the city of Naples*”;
 - (iv) provided the option of awarding CIP6 benefits “*for waste-to-energy facilities located in territories of the Salerno, Naples and Santa Maria La Fossa municipalities*”;
 - (v) permanently recognized the removal of the Impregilo Group from the waste disposal activities, transferring to the provinces the ownership of the CDR facilities “*located in the respective territories*” and called for “*use of the Armed Forces for the technical and operational management of the abovementioned facilities*”;
 - (vi) ordered that a Commission comprised of five technical experts appointed by the Chief Judge of the Court of Appeals of Naples be tasked with “*developing an assessment of the value*” of the CDR facilities and the Acerra waste-to-energy facility, taking into account “*the actual functionality, age and maintenance state of said facilities*”;
 - (vii) provided that, in exchange for the services that FIBE and FIBE Campania may be asked to provide in connection with activities for which the Commissioner is responsible, the Commissioner may proceed with the direct payment of the amounts owed to third parties (with respect to the former contractors), thereby relieving the Companies from financial obligations;
 - (viii) extends to December 31, 2009 the state of emergency.
- (b) Decree Law No. 97 of June 3, 2008, converted into Law No. 129 of August 2, 2008, which, inter alia, delegates to the Minister of Economic Development, in concert with the Minister of the Environment, the task of defining “*the modalities for awarding the public incentives due by the government in accordance with Interministry Committee Resolution No. 6 of April 29, 1992 to the waste-to-energy facilities located in the provinces of Salerno, Naples and Caserta*”;
- (c) Prime Minister Order No. 3685 of June 19, 2008, which, inter alia, calls for:
- (i) transfer to the provincial administrations that obtained ownership of the CDR facilities of the “*instrumental resources existing at each facility*”;

- (ii) hiring by the abovementioned provincial administrations, with contracts for a specific length of time, of personnel (other than executives) employed at the CDR facilities;
- (d) Decree No. 3299 of June 30, 2008 and Letter No. 1882 of the same date, both by the Undersecretary of State, which, inter alia, contain instructions concerning:
 - (i) completion by FIBE of the Acerra waste-to-energy facility;
 - (ii) transfer the provincial administrations of the management of the CDR facilities;

The measures described above are of fundamental importance because it was thanks to them that, basically, the following occurred:

- (a) work on the Acerra waste-to-energy facility was gradually reactivates starting in July 2008 and completed on September 11, 2009;
- (b) the burning at this waste-to-energy facility of the so-called “*eco bales*” produced was expressly authorized;
- (c) the construction of two additional waste-two-energy facilities that, together with the Acerra waste-to-energy facility, will enjoy the CIP6 benefits was authorized;
- (d) FIBE and FIBE Campania were permanently relieved from the obligation of operating the CDR facilities, the ownership of which was transferred to the provinces of the Campania region and the management of which was entrusted to the Armed Forces.

Subsequent to the enactment of the abovementioned measures and under the coordination of the relevant Commissioner, FIBE and FIBE Campania began to take action to fully implement the planned activities. More specifically:

- (a) the transfer of title to all facilities and related ancillary equipment to the relevant Commissioner was completed, with minutes of the corresponding meetings signed on July 30, 2008 and August 7, 2008;
- (b) starting in July 2008, with regard to the completion of the Acerra waste-to-energy facility, the relevant authority began an assessment process aimed at identifying both the costs already incurred and not yet paid to third parties for activities carried out subsequent to a cancellation of the contracts and the activities currently in progress that have to be completed to startup the facility;

- (c) following the required discussions with union the representatives, the FIBE staff downsizing procedure was completed with the staff in question rehired by the relevant *ad acta* commissioners of the provinces of Campania.

Please also note that in December 2008, as part of the procedure for the award of the service to operate the waste-tool-energy facility under construction, a new contractor was identified.

Subsequently, by Communications No. 0021331, No. 0021332, No. 0021333, No. 0021334 and No. 0021335, the Head of the Technical-Operational Mission established pursuant to Prime Minister Order No. 3705 of September 18, 2008 ordered that the individual assets taken over by the *ad acta* Commissioners be returned to the Companies based on an assessment that the assets in question were not operational, as required by Prime Minister Order 3693/2008. The Companies responded to these Communications with FIBE Letter No. U/08/462 of November 18, 2008 challenging their content and emphasizing that they had been completely excluded from the integrated disposal system, as they no longer had any operational responsibility with regard to the facilities and assets unquestionably used as part of the integrated disposal system.

This was followed by Order No. 0022743 November 21, 2008 by the office of the Head of the Technical Operational Mission established pursuant to Prime Minister Order No. 3705 of September 18, 2008, which substantially reiterated the content of the previous determination that the assets should be returned and contested the role of FIBE and FIBE Campania as mere implementers from December 15, 2005, with the related implied continued obligation for them to manage offices, sites and facilities that, however, were found to be not operable for the overall performance of the waste treatment service as part of the assessment carried out by the Administration subsequent to the “temporary” takeover by the *ad acta* Commissioners.

These orders were challenged before the relevant Regional Administrative Court of Latium – Rome, which handed down its final decision No. 2537 on March 13, 2009 upholding the challenge and voiding the orders. This decision was appealed by the Undersecretary, with FIBE and FIBE Campania filing a cross appeal.

On 26 January 2010, the Council of State handed down its ruling on the appeal filed by the Undersecretary with Decision No. 290/2010, concurring with the arguments put forth by the Impregilo Group and, consequently, dismissing the claims put forth by the Undersecretary regarding the alleged inoperability of the sites under dispute. Pending this decision, on July 22, 2009, the Undersecretary, acting through the *ad acta* Commissioners, again ordered the

Companies to take back control of the sites. FIBE and FIBE Campania challenged these order as well before the Regional Administrative Court of Latium.

On 18 March 2009, the Prime Minister issued Order No. 3748, which, while stating that its intent was to “*fully settle all aspects related to the conveyance of waste to the Acerra waste-to-energy facility,*” specified that only waste produced and stored from the date on which the service contracts with the Companies were terminated (December 15, 2005) could be conveyed to this facility. No provision was included in the order regarding the treatment of the waste produced before this date.

This Prime Minister Order was promptly challenged before the Regional Administrative Court of Latium.

Also in 2009, in view of the regulatory provisions described above, pursuant to which FIBE’s only obligation is to complete the construction of the Acerra waste-to-energy plant, FIBE Campania was merged by incorporation into FIBE. The merger became effective vis-à-vis third parties as of November 1, 2009, with accounting effect as of January 1 of the same year.

Moreover, in August 2009, the *ad acta* Commissioner appointed by the Regional Administrative Court for the purpose of recovering the receivables owed to the former contractors by the local administrations of Campania for the waste disposal service provided until December 15, 2005, began the enforcement process of a collection action from the delinquent local administrations of Campania and, at the same time, submitted to the Regional Administrative Court of Latium the issue of the offsetting charges claimed by the Administration against FIBE for a total of about 38 million euros.

In view of the end of the state of emergency for the waste sector in Campania, which the abovementioned Law No. 123/2008, previously set for December 31, 2009, Decree Law No. 195/2009, converted with amendments into Law No. 26 of February 26, 2010, was enacted on December 30, 2009. This law includes, inter alia, some significant developments, as summarized below:

- (a) the mission organizations, established within the framework of the state of emergency by Law No. 123/2008, are being replaced by two units: an Operating Unit and an Emergency Unit. These units will operate “*within the scope of activity of the Office of the Prime Minister – Department of Civil Protection*”;
- (b) the task of the Emergency Unit is to identify all of the assets and liabilities “*arising from*

the activities carried out while the waste state of emergency was in effect in Campania and attributable to the organizations of the Commissioners and the Undersecretary of State for the Waste Emergency,”, organize all of these assets and liabilities in accordance with a principle similar to that used for composition with creditors proceedings and allocate the limited financial resources earmarked by the government for this Unit in accordance with the abovementioned principle;

- (c) with regard to the valuation of the Acerra waste-to-energy facility, it was determined to be 355 million euros. Transfer of title to the Acerra facility by the Impregilo Group to the Campania Regional Administration (or the Office of the Prime Minister – Civil Protection Department or a private entity) shall take place by December 31, 2011, in accordance with a new Prime Minister Decree and after the required financial resources have been appropriated. Until that time, the former service contractor will be paid a monthly rent of 2.5 million euros for 15 years. The rent for the 12 months preceding the transfer of title will be deducted from the consideration for said transfer, together with the amounts advanced to the former service contractor, pursuant to Article 12 of Decree Law No. 90/2008, as payments on account for the construction of the facility;
- (d) also with regard to the Acerra facility, the ultimate deadline for testing the facility is set at February 28, 2010 and, pursuant to this law, it cannot be sold, pledged or otherwise encumbered nor can other registrations or other damaging actions be taken with regard to this facility until title is transferred;
- (e) lastly, additional burdens are placed on the former service provider, who is required to provide a series of guarantees that are different and considerably more costly than those required by current best practices for the facility construction sector. Moreover, the facility is to be operated by a new contractors starting in 2010, despite the presence of the required guarantee and the fact that FIBE still retains title to the property.

The preliminary work for the final testing of the Acerra facility was performed in the first two months of 2010 and the respective certificate was issued on July 16, 2010, confirming the successful completion of the testing procedure.

Early in 2010, pending conversion of Decree Law No. 195/2009 into law, the Group companies affected by the Decree promptly challenged it in administrative proceedings filed before the Regional Administrative Court of Latium.

The challenge filed before the Regional Administrative Court of Latium claims that the Decree

injured FIBE's property rights with regard to the Acerra waste-to-energy facility by requiring the purchase and mandatory lease of the facility without immediate compensation to the parties arbitrarily deprived of the ownership of the asset. The complaining parties also requested (in addition to the referral of the proceedings to the Court of Strasburg or the Constitutional Court) an injunction against any acts of disposition of the waste-to-energy facility and the amounts already collected and to be collected by the Department from the Electrical System Operator (GSE) for the sale of electric power generated by the abovementioned facility, which the Decree itself allocates to the Civil Protection Department.

Following a hearing on November 24, 2010, the Regional Administrative Court:

- (a) by Order No. 5032/2010, filed the next day, denied the motion for a protective injunction, noting that *“at present, the assumption of potential damage while the proceedings are in progress would not seem to apply, as Decree Law No. 195/2009, as amended by Conversion Law No. 26/2010, quantified the consideration for the transfer of title to the waste-to-energy facility to be 355 million euros payable by 31 December 2011 and, in the interim, provided for a monthly rent of 2,500,000 euros for the use of the facility.”* FIBE challenged this order with a complaint currently pending as RG No. 10469/2010, which will be combined with another complaint being prepared against the interim decision referred to below;
- (b) lastly, by order No. 1992/2010, referred to the Constitutional Court the issue of the unlawfulness of Article 6 and Article 7, Sections 1, 2 and 3, of Decree Law No. 195/2009 based on the property protection principles set forth in the in the European Convention on Human Rights. Specifically because:
 - (i) the value of the facility is tied to the law's conversion date, February 28, 2010, but it is based on an estimate by the Italian National Authority for Alternative Energy (ENEA), which clearly valued the asset as of 2005 and 2006;
 - (ii) the value of the facility thus estimated is unlawfully decreased by the rent paid in the first 12 months preceding the transfer of title;
 - (iii) the time when the expropriated owner's right to a receivable arises is not specified;
 - (iv) the party to whom the asset is to be transferred is not identified;
 - (v) the time when the transfer occurs is not specified;
 - (vi) basically, the necessary financial resources that must be appropriated beforehand for the asset's transfer are not identified.

Based on the arguments stated above, the exception of the unconstitutionality of the law was deemed to be not manifestly devoid of merit and the proceedings were forwarded to the Constitutional Court for a decision on the issues in question;

- (c) by interim Decision No. 39180/2010, found inadmissible the “*complaint in the section challenging the failure to allocate to the complainant the revenues from the sale of electric power generated by the Acerra waste-to-energy facility and, as a result, ruled that the issue of constitutionality to be irrelevant with respect to Article 7, Section 5, of Decree Law No. 195/2009 converted, with amendments, into Law No. 26/2010*”; lastly, it ruled that “*the issue of the constitutionality of Article 7, Sections 4 and 6, of Decree Law No. 195/2009 converted, with amendments, into Law No. 26/2010 is patently devoid of merit.*”

With regard to the appeal against the abovementioned interim decision, the Council of State, by Order No. 5117 of June 14, 2011, forwarded to the Constitutional Court the issue of the constitutionality of Article 7, Sections 4, 5 and 6, of Decree Law No. 195/2009 (overturning the Regional Administrative Court’s decision), which is as to whether the public administration can retain the availability, use and benefits of the Acerra waste-to-energy facility in exchange for the possible and optional execution of a lease agreement, which, moreover, would be subject to vexatious and unlawful conditions and guarantees. In this regard, the Council of State noted that the lack of an automatic relationship between acquisition of access to the facility and payment of the corresponding consideration “*makes the violation of constitutional and international provisions (EU Treaty and the European Convention of Human Rights) on property rights patently clear.*”

A hearing for both constitutional proceedings was scheduled for April 18, 2012. On that date, the hearing was adjourned to July 3, 2012 and then to September 18, 2012, when the proceedings were again adjourned to a hearing schedule for November 19, 2013; at the end of this hearing, the Court agreed to verify whether constitutionality issues are applicable.

A date for a hearing before the European Court of Human Rights to review the complaint filed on June 22, 2010, case No. 36485/10 filed on 22 June 2010 has not yet been set.

However, it is worth noting that, in the closing months of 2011, the public counterparties against which the actions described above were activated, namely the Civil Protection Department of the Prime Minister’s Office, proposed a number of meetings with the Company, supported by the central departments of its parent company and comforted by the advice of external counsel, as a result of which an agreement was reached to settle the dispute concerning

the Acerra waste-to-energy facility. This solution, the key terms and conditions of which were specifically defined before the end of 2011, calls, on the one hand, for the recognition of the legitimate compensation owed to FIBE, in its capacity as owner of the facility, for (i) the disposal of the asset – determined by the challenged provisions of Decree Law No. 195/2009 – and (ii) the use of the asset while the administrative procedures required to transfer title are being finalized, for an all-inclusive amount of 355,550,240.84 euros and, on the other hand, for the discontinuation of the respective disputes and any related enforcement actions that FIBE may have initiated in the interim to protect its rights. The financial terms of this agreement, compared to the previously recognized assessments of this dispute, resulted in the recognition of a profit of 68.8 million, net of tax effects, from discontinued operations at 31 December 2011. Completion of this procedure, which, in accordance both with the provisions of Decree Law No. 195/2009 and the agreements proposed in 2011 by the Civil Protection Department for the issues entailed by the requisite complex administrative procedures, should have taken place before December 32, 2011, was postponed to the early part of 2012 due to the provisions of Decree Law No. 216/2011 (se-called “*Milleproroghe Decree*”).

In the meantime, a Prime Minister Decree issued on February 16, 2012 transferred title to the facility to the Campania Regional Administration and appropriated (in combination with the subsequent Decree Law No. 16 of March 2, 2012 converted into Law No. 44/2012 of April 26, 2012) the financial resources needed to pay to FIBE the abovementioned amount.

Lastly, it is worth mentioning that:

- (a) by Article 12, Sections 8-10, of Decree Law No. 16 of March 2, 2012, converted with amendments into Law No. 44 of April 26, 2012:

“8. The Campania Regional Administration is authorized to use the resources of the 2007-2013 Development and Cohesion Fund available for the Regional Implementation Plan to purchase the Acerra waste-to-energy facility, pursuant to article 7 of Decree Law No. 195 of December 30, 2009, converted with amendments into Law No. 26 of February 26, 2010. The necessary funds of 355,550,240.84 euros shall be transferred to the abovementioned Regional Administration.

9. As a result of the purchase referred in Section 8 above, the resources that, pursuant to Article 18 of the abovementioned Decree Law No. 195/2009, were already earmarked to pay the rent referred to in Article 7.6 of the same Decree Law decree shall be transferred to the abovementioned Regional Administration as government aid.

10. For tax purposes, the payment by the Campania Regional Administration of the amount referred to in Section 8 above is to be treated as an out-of-court compensation payment between the interested private and public parties, as it was made in settlement of all claims of the owner of the facility, as referred to in Article 6 of the abovementioned Decree Law No. 195 of 2009. Any instrument executed as part of the provision set forth above shall be exempt from taxation”;

- (b) Decree No. 17226 of the Ministry of the Economy and Finances amending the budget was adopted on 14 March 2012;
- (c) Article 3, Section 4, of Decree Law No. 59 of May 15, 2012, converted into Law No. 100 of July 12, 2012, provided as follows:

“4. Considering the Council of Ministers’ resolution of February 16, 2012, adopted at the meeting held on February 14, 2012, pursuant to Article 61, Section 3, of Decree Law No. 5 of February 9, 2012, converted with amendments into Law No. 35 of April 4, 2012, and registered by the Court of Auditors on March 23, 2012, concerning the transfer of title to the Acerra waste-to-energy facility to the Campania Regional Administration, and the related Decree No. 17226 of March 14, 2012 of the Ministry of the Economy and Finances amending the budget, the resources of the 2007-2013 Development and Cohesion Fund appropriated for the Regional Implementation Plan, needed to purchase the abovementioned waste-to-energy facility, amounting to 355,550,240.84 euros, as per article 12, Section 8, of Decree Law No. 16 of March 2, 2012 converted with amendments into Law No. 44 of April 26, 2012, shall be transferred directly to the creditor company, formerly the owner of the Acerra waste-to-energy facility, in settlement of any and all claims, by the relevant Department of the Ministry of Economic Development. In view of the fact that the transfer is being performed on behalf of the Campania Regional Administration, the provisions of article 12, Section 10, of the abovementioned Decree Law No. 16 of 2012, converted with amendments into Law no. 44 of 2012, shall also apply to the authorities for tax purposes. The Campania Regional Administrations, in its capacity as purchaser of the plant, shall enjoy all of the guarantees provided for by the Italian Civil Code. The effects arising from the implementation of this Section, in terms of appropriation and net indebtedness, shall be offset in accordance with the provisions of Section 4-bis”;

- (d) pursuant to the provisions of the Decree listed above, the amount specified above was paid to FIBE.

As for the determination of the liabilities incurred by Commissioners appointed to manage the waste emergency in Campania (procedure provided for in Decree Law No. 195/2009 in connection with end of the state of emergency), Prime Minister Decree No. 903 published in

the *Official Gazette of the Italian Republic* on December 7, 2010, in setting forth a public notice for information about the existing liabilities set a deadline of 60 days after the publication of the Decree for filing the related claim applications. The Emergency Unit (which has since been replaced by the Technical-Administrative Unit), set up for this purpose by the abovementioned Decree Law No. 195/2009, received claims for a total of 2,403,801,269.74 euros. The titles for the claims filed are the same as those already put forth in the court proceedings (including receivables for fees prior to December 2005, receivables for 2006/2007 actual expenses and receivables for the CDR facilities) and claims for damages (damage arising from greater costs and loss of profits from the ex lege termination of the service contracts and damage as per the counterclaim already presented in the civil proceedings pending before the Court of Naples). No claim was filed for the payment of the consideration for the Acerra waste-to-energy facility, as it does not fall within the responsibility of the Emergency Unit (now the Technical-Administrative Unit) and was resolved in the manner described above

Litigation currently pending for the RSU Campania projects

Administrative litigation

(A) In October 2006, FIBE and FIBE Campania took legal action before the Regional Administrative Court Latium in a complaint stating that the Commissioner failed to comply with his obligations pursuant to the abovementioned Decree Law No. 245/2005 (converted into Law No. 21/2006), with regard to: (i) recovering the amounts owed by local administrations for the fees charged for waste disposal services up to the date of termination of the contracts (December 15, 2005); and (ii) identifying the disposal sites for stabilized organic waste and stockpiles generated by the CDR facilities and preparing and implementing a maintenance plan for the facilities.

On April 27, 2007, having granted the precautionary motion filed by FIBE and FIBE Campania (by its ruling of October 11, 2006, upheld by the Council of State on November 7, 2006), the Administrative Court of Latium handed down Decision No. 3790 finding that:

- (i) FIBE and FIBE Campania did in fact provide the waste disposal service entrusted to them under the 2000 and 2001 contracts up until December 15, 2005 and thus had the right to request completion of the legally-provided for procedure for the collection of accrued receivables by the Administration;
- (ii) due to the statutory termination of the service contracts, FIBE and FIBE

Campania, effective as of December 15, 2005 became mere implementers of the waste disposal service on the Commissioner's behalf, having permanently lost title to this service;

- (iii) the Commissioner's organization was expected to complete within 45 days the procedure aimed at meeting the requests of the complainants;
- (iv) in the event of a protracted failure of the Administration to comply with its obligations, an *ad acta* Commissioner would be appointed as a replacement to take the necessary measures within a further 45-day deadline.

The Commissioner challenged this decision in an appeal filed with the Council of State, which, by Decision No. 6057 of November 28, 2007, denied the appeal, fully upholding the decision of the Regional Administrative Court of Latium.

In the interim, the newly introduced regulations mentioned above eliminated the interest of the companies in completing the procedure for the identification of the disposal sites for stabilized organic waste and stockpiles generated by the CDR facilities and preparing and implementing a maintenance plan for the facilities, given that they are to be transferred to the relevant administrations, but the companies continued to have an interest in completing the procedure for the recovery of their accrued receivables for services provided until December 31, 2005.

As described earlier in this Memorandum, the *ad acta* Commissioner appointed by the Regional Administrative Court to recover the receivables owed to the former contractors by local administrations in Campania for the waste disposal services provided until December 15, 2005, after filing an initial report in August 2009, submitted a second report in June 2013, based on a more detailed investigation and assessment of the abovementioned receivables through subsequent adversarial audits of the accounting records and documents submitted by the parties, which while containing a review of the receivables owed to FIBE for the activities performed pursuant to contract, submitted to the Regional Administrative Court the issue of the offsets claimed by the Administration for the relevant jurisdictional considerations and the respective decisions. The regional Administrative Court scheduled for June 25, 2014 a hearing for the discussion of these issues.

- (B) By Decision No. 7280 handed down on July 23, 2008, the Regional Administrative Court of Latium reaffirmed the findings of the abovementioned Decision No.

3790/2007.

This decision, which is has become final not having been appealed by the Administration, is particularly important for the Companies because, in the rationale section, it reconstructs the role and responsibilities attributable to the former service contractors after December 15, 2005—by then “mere implementers” of the Commissioner’s orders—and to the Delegated Government Commissioner, solely responsible for the waste disposal service and the coordination activities required to identify the best waste disposal solutions. At the same time, the decision points out that all obligations imposed on the former contractors pursuant to law lapsed on December 31, 2007, as the challenged extension orders were in conflict with the previous provisions governing the conditions and limits of the specific emergency measures. In any event, the Regional Administrative Court pointed out that subsequent regulations also affected the challenged orders because this applied to past contractual relationships involving the complainants, of whom “no further activities are requested except those needed to allow the Provincial Administrations and the Armed Forces” to take over management of the facilities, employees and equipment, as well as existing transactions with third parties.” In light of the above, the Regional Administrative Court concluded that “*it is therefore logical to believe that the Delegate Commissioner is responsible for the assumed obligations...*”

- (C) In December 2008, FIBE and FIBE Campania challenged before the Regional Administrative Court of Latium a number of orders by which the parties appointed by the Government Commissioner to handle technical and operating activities required the Companies to re-acquire possession of certain areas and storage sites, which such parties had acquired in August 2008, as these areas and storage sites were not deemed operable for the delivery of the service.

By Decisions No. 2357/09 handed down on March 13, 2009, the Regional Administrative Court upheld the challenge filed by FIBE and FIBE Campania, voiding the challenged orders.

The Administration appealed this decision to the Council of State in a complaint notified on July 8, 2009.

In joining these proceedings, FIBE and FIBE Campania filed, in turn, an incident appeal against the same decision asking that the challenges deemed to have been

covered by the lower court decision be reviewed and allowed, specifically as they relate to the non-existence of the assumptions about the alleged inoperability of the sites for the purposes of the waste management service in general; the requested of finding that the Companies had not obligation whatsoever to manage the offices, sites and facilities used at any time for the integrated waste treatment system in Campania in line with the sector regulations; and the existence of the Administration's obligation to comply with Decisions No. 3790/07 by the Regional Administrative Court of Latium, as upheld by the Council of State with Decision No. 6057/07 and Decision No. 7280 handed down by the Regional Administrative Court of Latium on July 23, 2008.

In the interim, on July 22, 2009, the Undersecretary of State, acting through the *ad acta* Commissioners of the provinces served FIBE and FIBE Campania with notices of new orders to take back control of the abovementioned sites. These orders were also duly challenged before the Regional Administrative Court.

Lastly, on January 26, 2010, the Council of State handed down Decision No. 290/2010 definitively confirming the voiding of the orders issued in December 2008, releasing FIBE and FIBE Campania from any obligation to manage the sites, which according to the Administration were not suitable for its activities.

Specifically, the Council of State based its assessment of the operability of the sites on the basic rule of Article 183, Section 1, Letter D), of Legislative Decree No. 152/2006, which expressly defines the concept of waste management as the collection, transportation, recycling and disposal of waste, including monitoring these activities and the landfills after they have been closed.

This led to confirmation of the operability of the assets, the return of which had been ordered, for the waste management service as a whole, which resulted in the finding that the challenged orders were unlawful.

Despite this outcome, the party responsible under Law No. 26/2010 for managing the sites in the Province of Caserta and, subsequently, those responsible for managing the sites in the Provinces of Naples and Benevento took new action aimed at assigning to FIBE S.p.A. responsibility for the custody of the sites and the related costs. The Company responded to this action by filing a motion to void these orders with the relevant judicial authority, but the motion was denied on October 25, 2010. Following a request for clarifications about the custodian's obligations, the Fifth Criminal Part of

the Court of Naples, in its order of November 24, 2010, ruled that a court appointed custodian has “*as its sole prerogative and responsibility that of ensuring the integrity of the seals, safeguarding the value of the seized property and reporting any dangers to the judicial authority.*” This ruling, with which the Company’s counsel concurs, is consistent with the Company’s argument that a court appointed custodian is exempt from any liability, provided it diligently and promptly informs and/or reports to the relevant authority any events that could in any way compromise the integrity of the seized asset, and that this is the conduct that is being followed by the persons designated as custodians.

Other developments occurring within this context included the civil proceedings filed before the Court of Naples Court by S.A.P.NA. S.p.A., a local company established by the Naples Provincial Administration that, with about 40 legal actions, contested the decision to transfer to it title to certain temporary and permanent areas and storage sites that the *ad acta* Commissioners had already found to be inoperable in their orders of December 2008 challenged by FIBE, with regard to which the Regional Administrative Court of Latium and the Council of State handed down Decision No. 2357/09 and Decision No. 290/10, respectively, and requested that it be reimbursed and held harmless by FIBE S.p.A. and/or the Government Commissioner from the operating costs incurred in the interim and those that may be incurred in the future for environmental remediation.

FIBE S.p.A. responded in each of these proceedings, which are still in progress.

- (D) The Companies filed a new complaint with the Regional Administrative Court of Latium on April 30, 2009 (R.G. No. 3770/2009) with regard to the apathy shown by the Administration in completing the administrative procedures for the recording and recognition of the costs incurred by the former service contractors for activities carried out pursuant to law and the work ordered by the Administration and performed by the Companies during the transitional management period (December 16, 2005 to December 31, 2007). They thus requested that the Regional Administrative Court rule that such inaction was unlawful and verify the obligation of the respondent Administrations to complete the abovementioned procedure within an adequate timeframe, with the concurrent appointment of an *ad acta* Commissioner who, should the abovementioned timeframe elapse without results, would take the necessary action in lieu of the defaulting Administrations. Further to the oral arguments hearing of June

24, 2009, the Regional Administrative Court handed down Decision No. 7070/2009 finding that the complaint was inadmissible, noting that because the complaint dealt with the “*verification of financial claims, albeit based on obligations assumed pursuant to law*,” the Companies should not have already activated the special silence procedure but should have filed a specific action for declaration and satisfaction before the Regional Administrative Court on an exclusive jurisdictional basis.

Upon learning of the decision by the Regional Administrative Court, the Companies filed a new complaint with the Regional Administrative Court of Latium (RG No. 7338/2009), on an exclusive jurisdictional basis pursuant to Article 4 of Decree Law No. 90/2008, asking the Court to hand down the necessary verification decisions ordering the Public Administration to pay the requested amounts, including on an admonitory basis. The admonitory motion was denied as the Regional Administrative Court did not find that there was a justification for issuing a payment injunction. The merit hearing is currently pending. While waiting for the oral argument hearing to be scheduled, a discovery motion was notified and subsequently filed on April 8, 2010 asking for the designation of a court-appointed technical consultant who, after examining the documents included in the record of the proceedings, shall determine the following amounts:

- (a) the debt owed by the Administration for the management activities reported by the companies starting on December 16, 2005;
- (b) the amount already paid by the Administration for the abovementioned service;
- (c) the amount of indebtedness already verified and acknowledged but not yet paid by the Administration in accordance with administrative measures issued and included in the record of the proceedings;
- (d) the amount not yet verified or paid by the Administration for the services reported by the abovementioned Companies;
- (e) the debt owed by the Administration for the services entrusted to the abovementioned Companies and provided by them since December 16, 2005;
- (f) the amount already paid by the Administration for the services referred to in item (e) above;
- (g) the amount of indebtedness already verified and acknowledged but not yet paid by the Administration in accordance with administrative measures issued and included in the record of the proceedings;

- (h) the amount not yet verified or paid by the Administration for the services provided by FIBE and FIBE Campania at the Administration's request, based on documents included in the record of the proceedings;
- (i) the amount, as identified and specified by the appointed consultant based on the verification of the documents included in the record of the proceedings, owed by the Administration for all of the activities imposed on and carried out by FIBE and FIBE Campania for the benefit of the Administration, starting on December 16, 2005, net of the amount already paid for such services and any other question that the Court may wish to ask.

The Companies then filed a motion for accelerated proceedings, asking for the prompt scheduling of an oral argument hearing, after which the Regional Administrative Court issued its interim ruling No. 3669 ordering an auditing of the accounting documents submitted for reporting purposes, in order to ascertain whether the claims lodged in the proceedings are grounded, reserving its merit decision until this procedure is completed. To that effect, the Court designated *La Sapienza* Rome University as the entity selected to perform the audit, based on the queries stated in decision. An expert opinion was then filed and the proceedings were adjourned to December 17, 2013. At that hearing, the judge requested a supplement to the expert opinion, to be filed by March 31, 2014, reserving the right to schedule the next hearing.

- (E) With a complaint notified on May 18, 2009 (RG No. 4189/09), the Companies again petitioned the Regional Administrative Court of Latium, challenging Prime Minister Order No. 3748/09 insofar as it ordered that only waste produced and stored after the date of termination of the service contracts with the Companies (after December 15, 2005) could be conveyed to the Acerra waste-to-energy facility. A date for a merit hearing has yet to be set.

While they are convinced that the obligation to dispose of all of the bales produced and stored in the Campania region (regardless of the solution selected by the Public Administration as to which waste was to be disposed of first and which one later) rests solely with the Administration, the Companies challenged this order before the Regional Administrative Court of Latium – Rome as a precaution.

- (F) It is also worth mentioning that, on May 5, 2011, the Regional Administrative Court of Latium, acting in response to a motion filed by FIBE (R.G. No. 9942/2009) asking for

a determination that the Public Administration was in default with regard to the obligation to pay FIBE's unamortized costs at December 15, 2005 for the Campania CDR facilities, handed down Decision No. 3886 granting FIBE's motion and ordering the Public Administration to pay FIBE the sum of 204,742,665.00 euros, plus statutory and delinquent interest from 15 December 2005 until settlement. This decision correctly reconstructs the transactions between the parties as per the reference contractual and legislative framework, confirming that, due to the termination of the contracts, the Administration regained control of the CDR facilities and is therefore obliged to pay to the former contractors the unamortized costs at the contract termination date (December 15, 2005), as expressly stated by the Administration. As to the amount of the claim, the Regional Administrative Court based its ruling, in addition to the accounting records submitted by the complainant, on acknowledgments provided by the Public Administration in previous calls to tender for the award the service, in which the corresponding amounts are stated and acknowledged.

It is important to point out that the Public Administration appealed this decision with a motion notified on July 11, 2011. This motion (R.G. 6313/11) was heard at a hearing on December 13, 2011, after which the Council of State handed down Decision No. 868/2012 on February 20, 2012, denying the motion filed by the Administration and ordering that the parties bear their own legal costs.

The Government Solicitor's Office appealed the Council of State's decision to the Supreme Court of Cassation claiming lack of jurisdiction by the administrative judge. FIBE, in turn, filed a counter-motion and incidental motion, on the one hand disagreeing with the Administration's arguments and, on the other hand, challenging on an incidental basis the part of the abovementioned decision in which the Council of State held that it had first to rule about its jurisdiction (even though the ruling was in the affirmative) rather than acknowledging the tardiness of the appeal and, therefore, invalidating it. The Government Solicitor's Office then filed a counter-motion in response to FIBE's incidental motion and the Supreme Court of Cassation, after a hearing held on March 26, 2013, handed down Decision No. 8363 on April 5, 2013 denying the motion filed by the Government Solicitor's Office. The decision thus became final and was followed by an enforcement procedure aimed at forcefully collecting the entire amount awarded.

- (G) By Order No. 292 of February 23, 2012, handed down in response to Complaint R.G. 301/2012, the Regional Administrative Court of Campania denied the motion by the complainant S.A.P.NA. to stay the Ministry order requesting that the provincial company provide the results of the characterization plan and the implementation of emergency safety measures for the contaminated aquifer at the Settecainati landfill, in the Municipality of Giugliano, owned by FIBE. The complainant sued FIBE for its alleged liability for the contamination and its obligation to carry out the characterization and implementation of emergency safety measures. The court order denying the motion offset the charges for the precautionary phase. A merit hearing has not yet been scheduled. S.A.P.NA. S.p.A. challenged the order of the Regional Administrative Court of Campania before the Council of State, which upheld the lower court's decision.
- (H) The Regional Administrative Court of Latium, by Decision No. 5831 of June 26, 2012, handed down in response to Complaint R.G. 7434/2008 and subsequent additional arguments filed by FIBE asking the Court to void the Commissioner and Ministry orders mandating the communication of the results of the characterization and emergency safety measures for the soil and aquifer, under penalty of the activation of substitute damaging procedures, recognition of the actual cost and assessment and recovery of the environmental damage at the landfill located at Cava Giuliani in the Municipality of Giugliano, ruled that it lacked jurisdiction in favor of the Superior Court of Public Waters, as the abovementioned orders constituted administrative measures concerning public waters. The proceedings were transferred to the Superior Court of Public Waters and the preliminary hearing was initially scheduled for October 9, 2013 and later, due to the execution, on September 9, 2013, of an agreement with the Delegated Government Commissioner involving, inter alia, the characterization of the Cava Giuliani landfill, postponed to June 25, 2014.
- (I) By Decisions No. 6033/2012, published on July 3, 2012 and notified on September 13, 2012, the Regional Administrative Court of Latium combined and denied complaints R.G. 10397/2007, 10398/2007 and 2770/2012 and related additional arguments by which FIBE asked the Court to void the Commissioner and Ministry orders requiring the characterization plan and urgent safety measures, under penalty of the implementation of substitute damaging procedures for the Pontericcio site, the CDR production facility and storage area, and the Cava Giuliani site and storage area. The company challenged this decision in appeal to the Council of State (R.G. 7313/2012)

arguing that the decision appeared to be adversely affected by an obvious misrepresentation of the facts as it was based on contamination found at a site different to those subject of the proceedings. Specifically, reference was mistakenly made to contamination at the Cava Giuliani landfill (as shown in the report by court-appointed technical consultant to the Naples Public Prosecutor, prepared for the criminal proceedings R.G.N.R. 15968/2008), subject of Complaint R.G. 7434/2008 reviewed in Letter H) above. On November 12, 2012, the Council of State denied FIBE's precautionary motion to stay the enforcement of the decision and the parties are currently waiting for a merit hearing to be scheduled.

Following the denial of the precautionary motion by Decision No. 6033/2012, FIBE, in a letter dated December 13, 2012, informed the Ministry of the Environment and other relevant authorities that it was willing to voluntarily implement Decision No. 6033/2012 and asked for a meeting in order to finalize an agreement governing the mutual relationships. All of the above without admitting any responsibility and without any effect on pending litigation for merit purposes, and reserving the right to reimbursement for the costs of performing the abovementioned activities. This agreement was signed on September 9, 2013 by FIBE and the delegated Government Commissioner. Under the agreement, FIBE agreed to comply with the requests of the delegated Government Commissioner with regard to characterization and environmental surveying activities, excluding any liability with regard to any issues that may be identified upon completions of these activities and confirming that its actions were being carried out exclusively in implementation of the abovementioned Decision No. 6033/2012 by the Regional Administrative Court.

Civil litigation

By a summons served in May 2005, the Government Commissioner filed an action requesting compensation from FIBE, FIBE Campania and FISIA Italimpianti for alleged damages of about 43 million euros. In the course of the proceedings, the Government Commissioner increased its damage claims to over euro 700 million, plus a further to claim for damages to its image quantified at 1 billion euros.

The Companies joined the proceedings and, in addition to disputing the claims made by the Government Commissioner, filed a counterclaim requesting compensation for damage and sundry charges determined in the initial filing at more than 650 million euros, plus a further to

claim for damages to their image quantified at 1.5 billion euros. More specifically, the respondent Companies complained about the significant delay (compared with the schedule of the 2000 and 2001 contracts) in issuing the permits required to build the waste-to-energy facilities and the resulting delay in the construction of such facilities. These delays led both to a lengthening of the temporary storage period of the so-called “eco-bales” produced and an increase in the volume of stored “eco-bales,” which resulted in the need to find bigger storage areas: circumstances that caused the contractors FIBE and FIBE Campania to incur greater costs.

In the same proceeding, the banks that issued FIBE and FIBE Campania’s performance bonds to the Government Commissioner also moved for the Commissioner’s claim to be denied and, in any case, asked to be held harmless by Impregilo from the commissioner’s claims. Impregilo joined the proceedings contesting the request of the guarantor banks.

The proceedings were concluded with Decision No. 4253 of April 11, 2011, which found that jurisdiction rested with the administrative court and not with the ordinary court. The Government Solicitor’s Office appealed this decision and FIBE duly joined the proceedings concerning R.G. 686/12. The hearing for closing arguments before the Naples Court of Appeals was scheduled for December 11, 2014.

By a “reactivation brief” filed on August 1, 2012, the Ministry of Justice and the Cassa Ammende reactivated the before the Court of Milan the proceedings concerning the enforcement of sureties totaling 13,000,000.00 euros provided by some large credit institutions to guarantee the performance of the orders issued by the Public Prosecutor of Naples in connection with the seizure of the CDR facilities.

The Impregilo Group companies joined the proceedings before the Court of Milan challenging the substance of the claims from various standpoints, objecting, *inter alia*, that the policy was invalid, having been activated after its expiration date and the lack of grounds for its enforcement, and, in turn, sued the Government Commissioner.

At the initial hearing of January 17, 2013, the proceeding were adjourned and a hearing for closing arguments was scheduled for December 5, 2013.

Also worth mentioning at civil court level are some lawsuits recently filed by public administrations that, under various titles, have standing in contesting FIBE’s activities with respect to the complex management of the receivables and payables arising from the “contractual management” period. Although these proceedings are separate from those

described above, they refer to the same issues subject of the claims filed by FIBE in the administrative courts, with regard to which the activities of the *ad acta* commissioner is still in progress. Accordingly and comforted by the advice of counsel that supports it in this complex context, the Impregilo Group believes that FIBE's fully compliant conduct during the "contractual" period can reasonably be confirmed and that the risk of a negative outcome of these proceedings is merely possible.

Specifically, FIBE's counsel believes that the public administration's claims can reasonably be resisted considering the counterclaims and, moreover, the admissibility in these proceedings of a court ordered offsetting process.

Lastly, pending proceedings include a lawsuit in opposition to a payment injunction issued by FS Logistica (formerly Ecolog) against the Office of the Prime Minister for the payment of consideration owed for assignments it received from 2001 to 2008 by the then Government Commissioner for shipment of waste outside Italy. The claim, made through a summary procedure, was lodged against the Office of the Prime Minister which turned to FIBE as guarantor.

FIBE, on the one hand, objected pointing out that this request for guarantee was the same as the one already subject of lawsuit filed by the Office of the Prime Minister/Government Commissioner before the Court of Naples and concluded with Decision No. 4253/11, as mentioned above, in which the Court found that it lacked jurisdiction, and, on the other hand and with regard to the counterclaims lodged by the Office of the Prime Minister, noted both the inadmissibility of the counterclaims due to the totally different titles compared with the original claim of FS Logistica and the fact that these counterclaims had already been put forth by the Office of the Prime Minister in numerous other proceedings that are still pending.

Following a hearing held on July 11, 2013, the judge adjourned the proceedings and scheduled a discovery hearing for January 24, 2014.

Criminal Litigation

In September 2006, the Public Prosecutor of the Court of Naples served Impregilo, Impregilo International Infrastructures N.V., FIBE, FIBE Campania, FISIA Italimpianti and Gestione Napoli in liquidation with a "*Notice of the completion of the preliminary investigation about the administrative liability of legal entities*" related to the alleged administrative crime pursuant to Article 24 of Legislative Decree No. 231/2001, within the framework of criminal proceedings against

some former Directors and employees of the abovementioned companies, who were being investigated in connection with the contracts for management of the urban solid waste disposal cycle in the Campania region. Following the preliminary hearing of February 29 2008, the Preliminary Hearing Judge at the Court of Naples granted the motions for indictment made by the Public Prosecutor.

On November 4, 2013, the Court of Naples handed down its decision acquitting, in the broadest terms possible, all defendants in these proceedings.

It is also worth noting that, at a hearing held on June 15, 2011, the public prosecutors Messrs. Noviello and Sirleo filed an additional charge pursuant to Article 517 of the Code of Criminal Procedure against just the individuals involved for the crime subject of Article 110 of the Criminal Code, Article 81 of the Criminal Code and Article 53-*bis* of Legislative Decree No. 22/97, now Article 260 of Legislative Decree No. 152/06.

Within the framework of these proceedings, the Public Prosecutor requested the following precautionary measures relating to:

- “property,” pursuant to Article 19 of Legislative Decree No. 231/2001 (attachment of: the CDR production facilities and Acerra waste-to-energy facility; approximately 43 million euros belonging to Impregilo Group companies; receivables of 109 million euros owed to FIBE and FIBE Campania by municipalities in the Campania region); and
- “interdiction,” pursuant to Article 9 of Legislative Decree No. 231/2001 (alternatively: ban on contracting with the public administration; exclusion from subsidies, financing and similar benefits; ban on advertising goods and services)

By an order issued on June 26, 2007, the Judge for Preliminary Investigations ordered, as an interdiction measure, that the companies be banned from contracting with the public administration for one year. This order, which was limited exclusively to the disposal, waste treatment and energy recovery, ended in June 2008. The precautionary attachment ordered by the Judge for Preliminary Investigations did not entail the expropriation of the assets but merely their “freeze,” as they continued to be owned by the parties to whom they “belonged” and could only be expropriated after the relevant rulings had been issued by the Court of Naples, the Court of Appeals and, ultimately, the Court of Cassation. However, the precautionary measure was partially enforced with the attachment of liquid assets totaling about 124.8 million euros held by

Impregilo, FISIA Italimpianti, FIBE and FIBE Campania at several credit institutions, as well as receivables amounting to about 190 million euros owed to FIBE and FIBE Campania by local administrations for activities performed prior to December 15, 2005.

A motion challenging the precautionary order of attachment was filed on July 7, 2007, but the Review Court denied the motion on July 24, 2007. The precautionary order of attachment upheld by the Review Court was then challenged in a motion filed with the Court of Cassation on November 5, 2007.

Section II of the Supreme Court, charged with hearing the challenge, referred the relevant ruling to the Joint Sections of the Court, which, on March 27, 2008, set aside the order of attachment and returned the proceedings to the lower court:

- on one hand, affirming the principle whereby *“the profit from the crime ... is the economic benefit directly and immediately derived from the crime and can be accurately calculated net of the effective benefit obtained by the injured party, as part of the bilateral relationship with the entity”*;
- on the other hand, noting that neither the Judge for Preliminary Investigations nor the Naples Review Court correctly applied this principle. Specifically, as the Joint Sections noted that: *“the reasoning on which [the Review Court’s decision] is based, while considering the peculiar factual issues of the events in question, develops partial and simplistic legal arguments with respect to the concept of ‘profit,’ does not take into account its true meaning, as specifically set out above, and, based solely on the serious breach of contractual obligations by the contractor companies, ends up identifying the assets that can be seized in an abstract manner, without actually verifying the existence of the necessary cause-and-effect relationship between the unlawful act and the benefit obtained.”*

The Court of Cassation also analyzed in detail the individual items subject to the precautionary seizure, concluding that:

- (i) none of the above items, except for the fee charged, net of VAT, constitute *“profit from crime”*;
- (ii) the fee charged (net of VAT) that could legitimately be attached should be determined by deducting from it the value of the services provided by FIBE and FIBE Campania for the benefit of the Administrations. In this respect, it is important to keep in mind that:
 - the Court of Cassation recognized that *“the service provided”* by FIBE and

FIBE Campania “*was not always characterized by illegality and took place over a long period of time without being formally contested by the beneficiary Administration*”;

- the Regional Administrative Court of Latium and the Council of State (with the mentioned Decisions No. 3790/2007 and 6057/2007) recognized that the Companies effectively provided the waste disposal service entrusted to them under the 2000 and 2001 contracts up until December 15, 2005.

Following this decision by the Court of Cassation, the Naples Review Court, by an order filed on August 7, 2008, ordered that the attachment order be lifted and the assets actually seized be immediately returned. On August 18, 2008, the Public Prosecutor of the Court of Naples filed an appeal with the Court of Cassation that was assigned to the Second Section, which, following a hearing held on April 16, 2009 “*void(ed) the challenged order except for the part relating to the attachment of the sum of 301,841,238.98 euros and ordered that the record of the proceedings be forwarded to the Court of Naples for a new review.*”

The hearing concerning the issues returned by the Court of Cassation to the lower court for review concerning the receivables other than those included in the 301,841,238.98 euros, for which the lifting of the attachment was confirmed, was held on October 20, 2009 before the Naples Review Court. A decision was handed down on February 2, 2010, more than three months after the hearing. Further to this decision, the Review Court further revised the items listed by the Naples Judge for the Preliminary Investigations in the original order of July 2007, which, in the abstract, could be subject to seizure. This revision excluded from the items that, in the abstract, could be subject to attachment in addition to the fee collected by the former contractors until December 15, 2005, the exclusion of which had already been ordered by the abovementioned Supreme Court decision, about 103 million euros for work performed on the Acerra waste-to-energy facility until December 15, 2005, 53 million euros for advances provided by the Commissioner to build CDR facilities outside the Province of Naples, about 26 million euros of receivables for waste processing byproducts as well as sundry items totaling about 182 million euros, which, added to the amount of about 301 million subject of the second decision by the Court of Cassation, reduced the total amount that, in the abstract, could be subject to attachment to about 483 million euros. However, the same court ruled that the following items could be subject to attachment:

- documents representing receivables totaling 115.5 million euros (equal to the value of uncollected receivables at December 15, 2005, which the Judge for Preliminary

Investigations had calculated to be 141.7 million euros in July 2007, less about 26 million related to receivables for waste processing byproducts, as allegedly deemed to be “*benefits generated collectively through the activities of the ATP*”);

- about 99 million euros of costs allegedly incurred by the Commissioner to dispose of the waste outside the region; and
- about 52 million euros for a security deposit that can be seized in the event of non-performance by the ATI.

In the days immediately following the decision by the Review Court, the attachment order was again enforced.

The Companies of the Impregilo Group again challenged the decision of the Review Court before the Supreme Court and filed an enforcement objection pursuant to Article 666 of the Code of Criminal Procedural with the Court of Naples claiming that, in their opinion and in the opinion of counsel who is advising them in these complex proceedings, the enforcement proceeding were vitiated by defects both of substance and form. The second proceedings ended with a decision handed down on October 29, 2010 in which the Supreme Court’s First Section found that the Naples Ordinary Court had jurisdiction over the enforcement of the requested attachment, contrary to the argument that it rested with the Judge for Preliminary Investigations at the Court of Naples. As for the proceedings before the Supreme Court, following a hearing held on June 17, 2010, the Court of Cassation granted the motion filed by the Group’s companies, voiding, without further referral for review, the attachment of the sums of about 99 million euros and about 52 million euros, setting aside, with referral for review, the attachment of documents representing receivables of 115 million euros, so that the Review Court may ascertain whether the receivables owed to FIBE are certain, liquid and collectible and, furthermore, verify whether these receivable can actually be seized, in accordance with Article 19, Section 1, of Legislative Decree No. 231/2001 which excludes seizure of the portion of profit that can be returned to the injured parties.

The Supreme Court also denied the challenge put forth by the Public Prosecutors.

The hearing in which the Review Court was supposed to rule, as the Review Judge, on the part related to the receivables was also scheduled for November 26, 2010 and February 2, 2011. Please note that, in connection with these proceedings the counsel to the Impregilo Group filed motions for the disqualification of two judges. Following the hearing held to discuss these

motions, held on October 25, 2011 before the Naples Court of Appeals, the disqualification motions were denied and the review hearing was set for January 11, 2012. The Court reserved its decision at this hearing.

On June 15, 2012, the Review Court filed its order stating that *“accepting the review motions filed in the interests of FISIA Italimpianti S.p.A., FIBE S.p.A., FIBE Campania S.p.A. and Impregilo S.p.A. against the precautionary attachment decree issued on June 26, 2007 by Rosanna Saraceno, Preliminary Investigations Judge at the Court of Naples, voids the abovementioned attachment decree for the documents representing receivables owed to the ATI by the municipalities for the disposal of solid urban waste and amounting to 115,521,757.27 euros, which figure is equal to the difference between amount of the fee for waste disposal not yet collected by the ATI (141,701,456.56 euros) and the benefits generated collectively through the recoveries made (26,179,69.29 euros).”* The Naples Public Prosecutors did not challenge this order before the Court of Cassation and, consequently, the decision has become final also with respect to this last released item (receivables).

As part of the same proceeding, which, having completed the precautionary stage with the decision becoming final for all items making up the original seizure request, is currently in the oral arguments phase, in the days immediately following the end of the second quarter of 2010, notice was served on Impregilo, FISIA Italimpianti and FIBE of a new challenge filed with the Review Court by the Naples Public Prosecutor regarding a new precautionary action activated by the abovementioned Public Prosecutor. Specifically, in addition to the challenge filed against the Review Court’s decision about the new attachment measure, which was rejected by the Supreme Court with the decision described above, the Naples Public Prosecutor commenced a new precautionary attachment action for the portion of the alleged profit from the crime for which the Supreme Court had already issued its final decision on April 16, 2009, amounting to about 300 million euros and representing the waste disposal fee collected by FIBE and FIBE Campania before December 15, 2005 and with regard to which the Supreme Court, in the last of the abovementioned final decision, upheld the Review Court’s previous decision, which stated that this amount could not be attached (see above).

The notice served showed that an initial request made by the Public Prosecutor was denied by the Fifth Section of the Court of Naples, because the judge in the proceedings did not identify any “new” issues compared to the situation that led to the original attachment. However, please note that the Public Prosecutor’s new motion also recalculated at 245,915,263.98 euros the amount to be attached, compared with the 301,641,238.98 euros listed on the earlier

motions. Further to the appeal concerning the collected fee filed by the Public Prosecutors, at the hearing of May 19, 2010, the Review Court adjourned oral argument hearing for the request of the Public Prosecutors to November 26, 2010 and then to February 2, 2011, handing down, on May 11 2011, a decision denying the appeal motion filed by the Public Prosecutors. The Public Prosecutor of the Court of Naples appealed this decision to the Supreme Court of Cassation. Subsequent to a hearing held on September 29, 2011, Section II of the Court of Cassation voided the order issued by the Naples Review Court, returning the proceedings to the same court “*so that the review judge may proceed with a new analysis of all of the evidence, including that acquired through questioning in other proceedings and wrongly held to be unusable, provided it was already produces when the order was requested.*” An additional hearing before the Naples Review Court was scheduled for November 15, 2011.

Following this hearing, by an order issued on February 6, 2012, the Naples Review Court again denied the Public Prosecutor’s appeal, stating that—consistent with the guidance provided in the Supreme Court’s referral—the Public Prosecutor’s motions did not appear to include elements useful to overcome the final decision in the precautionary proceedings already used in opposition and confirmed the denial of the attachment motion made by the Public Prosecutor. This last ruling, challenged again by the Public Prosecutor, who filed an appeal with the Court of Cassation to be heard by the Sixth Section of the Supreme Court at a hearing scheduled for May 17, 2012, represents a breakthrough in the complex and multifaceted litigation process described above.

In the conclusions section of the text of the decision it is stated that “*in order to overcome the final decision in the precautionary proceedings [editor’s note: which had previously excluded that the amounts requested by the public prosecutor under various title could be attached], it would have been necessary to:*

- *differentiate on the basis of specific and exact assessments the amount that in the regular performance of the contract represented the consideration for regular services (without determining at this point whether mere noncompliance had occurred) from the profit from the crime (based on specific and exact assessments), the financial advantage directly obtained from the crime (attachable profit) and the consideration received for lawful services ...);*
- *... only after having specifically identified the profit from the crime, separate from the consideration for regular services from a criminal standpoint (without considering any civil law implications with regard to total or partial noncompliance) it is thus necessary to calculate any benefit received by the public entity as consideration for the disposition of the asset arising from the fraud.”*

However, no such information was provided as there is no new evidence differentiating the fraudulent conduct from mere contractual noncompliance.

Following the abovementioned hearing of May 17, 2012, the Sixth Criminal Section of the Court of Cassation handed down a decision ruling that the complaint of the Public Prosecutors was inadmissible, upholding the decisions of the Naples judges and denying the existence of new evidence that could overcome the final decision in the precautionary proceedings that resulted, insofar as the fee is concerned, from the decision handed down by the Second Section of the Supreme Court on April 16, 2009.

Also in 2008, as part of a new investigation by the Court of Naples into waste disposal and related activities in the region carried out after the statutory termination of the contracts (on December 15, 2005), the Preliminary Investigations Judge, upon a request by the Public Prosecutor issued preventive measures against some managers and employees of FIBE, FIBE Campania and FISIA Italimpianti and managers in the Commissioner's office.

As part of this investigation, which in the record is described both as a continuation of an earlier investigation and as separate proceedings based on new charges, the former contractors and FISIA Italimpianti are again charged with the administrative liability attributable to legal entities pursuant to Legislative Decree No. 231/01.

The preliminary hearing was completed on January 29, 2009 with the indictment of all defendants. In the pre-trial hearing, the civil actions brought against the companies involved were found to be inadmissible. Moreover, on December 16, 2009, the Court of Naples ruled that it lacked jurisdiction and ordered that the record of the proceedings be forwarded to the Rome Public Prosecutor. The Court of Rome Court scheduled a preliminary hearing for October 27, 2010, at which time the Preliminary Hearing Judge adjourned the proceedings to December 13, 2010, due to errors in the process by which FIBE's counsel was served with a notice of the hearing. At a subsequent hearing held on January 10, 2011, the Preliminary Hearing Judge at the Court of Rome Court decided to address separately with regard to some charges the position of the Chief Executive Officer of the Companies in office when the events took place and adjourned the proceedings first to a hearing scheduled for March 23, 2011, then to a hearing scheduled for September 21, 2011, again to a hearing scheduled for December 14, 2011 and, lastly, to a hearing scheduled for March 28, 2012. As for the other defendants and the remaining charges, the Preliminary Hearing Judge deferred to the Supreme Court for a decision about the negative conflict in territorial jurisdiction, finding again that the

Court of Naples Court was competent to rule on these issues. On July 6, 2011, the related hearing was held before the First Section of the Supreme Court, which, however, adjourned the proceedings while waiting for guidance from the Joint Sections of the Court of Cassation. However, further to a decision by the Chief Justice of the Supreme Court, the “*similar but related to another event?*” issue was not addressed by the Joint Sections and, consequently, the decision was left to Second Section of the Supreme Court, which, on March 2, 2012, ruled that the Preliminary Hearing Judge at the Court of Rome had jurisdiction with respect to all defendants and all charges. Consequently, the proceedings resumed with a preliminary hearing before the Preliminary Hearing Judge at the Court of Rome, originally scheduled for May 16, 2012 and postponed by the Court to September 26, 2012, as the case was assigned to a different Preliminary Hearing Judge replacing Mr. Mancinetti, who was transferred to a different assignment.

At the abovementioned hearing, the new Judge, Mr. Saulino, having combined the different segments of the proceeding, scheduled extraordinary hearings for January 10 and 31, 2013 and March 14, 2013 as a continuation of the preliminary hearing. Subsequent to these hearings, the Preliminary Hearing Judge issued an order ruling the inadmissibility of the only civil party who asked to join the criminal proceeding as a plaintiff. The Public Prosecutor asked for the indictment of all defendants and legal entities involved pursuant to Legislative Decree No. 231/2011. Upon the conclusion of the hearing of March 21, 2013, the Preliminary Hearing Judge indicted all defendants and legal entities involved pursuant to Legislative Decree No. 231/2011 for all of the charges in the proceedings before the Court of Rome scheduled for July 16, 2013.

At that hearing, the Court of Rome, upon being informed of a defect in the process by which a notice of the decree ordering the trial was served on numerous defendants, adjourned the trial to a hearing scheduled for April 1, 2014.

The companies of the Impregilo Group involved in the new proceedings firmly believe that their actions were lawful, because their activities were not only expressly mandated by Law No. 21/2006 but were also carried out “merely at the behest” of the Delegated Commissioner.

In January 2011, FIBE joined as an injured party the proceeding No. 61604/10 RGNR against the member of Parliament Nicola Cosentino pending at the Santa Maria Capua Vetere Court. The alleged charges to be examined during the trial, which legitimize FIBE’s position as a “party injured by the crime” is that Mr. Cosentino provided a decisive input “*in the planning and implementation of the project aimed—specifically through the consortium company [...], the consortium [...]*

and other consortia in the Province of Caserta controlled by him—at establishing in Campania an integrated cycle in competition with the one lawfully managed by the FIBE-FISLA Italimpianti system, thus boycotting the contractor companies in order to take sole control of the entire management of the related financial cycle and thus create an unlawful independent management system at the provincial level (so-called ‘provincialization’ of the waste disposal cycle, directly controlling the landfills where the waste is ultimately disposed of, becoming involved in the construction and operation of a waste-to-energy facility and manipulating for his own benefit the activities of the Government Commissioner for the Waste Emergency).”

On January 27, 2011, an order for immediate judgment of the defendant was issued and FIBE was specifically identified as a “party injured by the crime.” As mentioned above, this trial is currently in the oral argument phase.

On December 23, 2011, FIBE, in its capacity as the legal entity involved pursuant to Legislative Decree No. 231/01, was served with a notice of completion of the preliminary investigations related to another investigation by the Naples Public Prosecutor. The charges are based on a violation of Article 24 of Legislative Decree No. 231/01, as it applies to the occurrence of the crime subject of Article 81, Section Two, Article 110 and Article 640, Sections 1 and 2, of the Criminal Code, committed jointly and with the prior agreement of the defendants (individuals) and other parties to be identified, in connection with the management of an urban wastewater purification service based on treatment facilities.

Specifically, certain individuals from the Commissioner’s Office and FIBE allegedly actively encouraged and induced other competitors to implement stratagems and tricks to hide and conceal the very poor management of the abovementioned wastewater treatment facilities.

FIBE S.p.A. is a defendant because it allegedly submitted expense reports that, among the other items related to the disposal of RSU, included the cost of transporting leachate, while failing to mention the fact that the leachate was transported to facilities without the requisite proper permit and lacked the technical qualifications and residual treatment capacity.

In all likelihood, the Public Prosecutor will ask for an indictment before the Preliminary Hearing Judge at the Court of Naples. However, because in this case as well the events in question occurred during the period following the cancellation of the contracts—during which the Companies’ activities were not only specifically dictated by Law No. 21/2006 but were also carried “merely at the behest” of the Delegated Commissioner—FIBE is fully convinced that its conduct was lawful.

Investigation by the judiciary – Court of Milan (proceedings activated before the Court of Monza)

Further to the proceedings activated by the Public Prosecutor of the Court of Monza for the crimes covered by Articles 81 and 110 of the Criminal Code and Articles 2621 and 2637 of the Civil Code, in which the former Chairman of the Board of Directors and the former Chief Executive Officer of Impregilo in office at time of the alleged crimes are under investigation, Impregilo and Imprepar S.p.A. were the targets of a preliminary investigation in connection with an alleged administrative violation related to the crimes subject of Article 25-ter, Letters a) and r), and Articles 5 and 44 of Legislative Decree No. 231/2001.

The charges against the targets of the investigation were announced by the relevant Public Prosecutor with a notice dated October 13, 2005.

The alleged charge against Impregilo is to have “*prepared and implemented an organizational model unsuitable to prevent the crimes*” allegedly attributed to the officers target of the investigation, from which the Company is alleged to have benefited.

At a hearing held on July 12, 2007, concurring with the objections that the counsel for the defendants and the companies involved had already raised during the preliminary hearing, the Court of Milan, ruling on a preliminary basis, “*set aside the decision handed down by the Preliminary Hearing Judge at the Court of Milan in the course of the hearing of February 21, 2007, pursuant to Article 416 of the Code of Criminal Procedure*” and ordered that the record of the proceedings be sent back to the Public Prosecutor.

Subsequently, the Milan Public Prosecutor reactivated the proceedings filing with the Judge for Preliminary Investigations a motion to dismiss in November 2007. On February 13, 2009, the Judge for Preliminary Investigations granted the motion of the Public Prosecutor for a portion of the charges, which were dismissed. As a result, all proceedings targeting Imprepar S.p.A. ended. At the same time, the judge sent the record of the proceedings back to the Public Prosecutor for a mandatory filing of charges for the portion of the motion that had not been granted. Specifically with regard to these charges, Impregilo filed a motion for summary judgment. Lastly, at the hearing of September 21, 2009, the Public Prosecutor requested a decision dismissing the remaining charges.

At the hearing of November 17, 2009, Impregilo was found not guilty both of the first charge, due to the lack of an element of the crime, and of the second charge, as it was not punishable pursuant to Article 6 of Legislative Decree No. 231/01, having adopted adequate

organizational models.

On March 21, 2012, the Milan Court of Appeals denied the appeal motion filed by the Public Prosecutor against the lower court's decision, by which found Impregilo not guilty of the charge of violating Legislative Decree No. 231/01, and fully confirmed the abovementioned decision by the lower court judge, finding, inter alia, that the organizational model adopted by the Issuer was adequate. The Public Prosecutor then appealed to the Court of Cassation, where the proceedings are currently pending.

Criminal proceedings related to the Bologna-Florence high-speed railway line

The C.A.V.E.T. Consortium, in which Impregilo holds an interest of about 75%, was responsible for building the high-speed railway line between Bologna and Florence. As of the Date of the Information Memorandum, construction work had been completed and virtually the entire project tested. During construction, the Court of Florence charged some officers of the Consortium with a series of crimes that can be summarized as follows: (a) alleged illegal disposal of waste (including excavation materials), unauthorized landfill and failure to provide site remediation; (b) alleged pollution of streams adjacent to the construction site and failure to provide site remediation; and (c) alleged removal (through the excavation tunnels) of significant quantities of water from the area's natural watershed, with a severe impact on the ecosystem. The C.A.V.E.T. Consortium was held liable under civil law for the damages caused by the abovementioned crimes.

On March 3, 2009, the lower court found all the defendant guilty of the crimes listed in Letters (a) and (b) above, but not guilty of the crimes listed in Letter (c) above due to a lack of malicious intent. On that occasion, the C.A.V.E.T. Consortium, in its capacity as party liable under civil law, was ordered to pay compensation for the damage caused, provisionally quantified at 150,160,000.00 euros, payable to the Ministry of the Environment, the Regional Administration of Tuscany and the Provincial Administration of Florence. While the appellate proceedings were in progress, the C.A.V.E.T. Consortium asked and was granted by the Court of Appeals a stay of enforcement of the provisional damage claim.

On June 27, 2011, the Court of Appeals overturned the lower judge's decision, finding the defendants not guilty of the more serious crimes and applying the statute of limitation to the lesser crimes. As for the crimes listed under Letter (c) above, the verdict of not guilty was upheld because the fact did not constitute a crime (thereby excluding any charge at the criminal level for the C.A.V.E.T. Consortium). Moreover, with regard to the C.A.V.E.T. Consortium, the Court of

Appeals: (i) recognized that no remediation was required, with regard both to soil and streams, given the appropriate certified release issued by the relevant authorities, but (ii) because the statute of limitations does not apply to the liability in question, ordered the C.A.V.E.T. Consortium to pay the damage amounts owed to the Ministry and the affected regional, provincial and municipal administrations, in an amount to be determined separately. The amount that the C.A.V.E.T. Consortium was ordered to pay to other interested parties (such as environmental associations) was set at 20,000.00 euros for each party.

The Public Prosecutor, the defendants and the C.A.V.E.T. Consortium challenged this decision before the Court of Cassation. On March 18, 2013, the Court of Cassation granted in part the prosecution's motion, overturning in part the decision of the Court of Appeals. The Court of Appeals will thus be required to hand down a new decision that reflects the guidance provided by the Court of Cassation. As for the party responsible under civil law, the C.A.V.E.T. Consortium was held liable for failure to provide remediation only for part of the area where the excavated earth was deposited. The decision by the Court of Appeals thus became final for the portion concerning the liability of the C.A.V.E.T. Consortium for the damage caused to the watershed and, consequently, the C.A.V.E.T. Consortium is required to pay to the Ministry and the affected regional, provincial and municipal administrations an amount to be determined separately, which, according to expert reports requested by the Public Prosecutor, is estimated to range between 400,000.00 euros and 800,000.00 euros, plus 20,000.00 euros to each of the affected environmental associations.

The C.A.V.E.T. Consortium always firmly believed that its actions in connection with the Bologna-Florence high-speed railway line were lawful and proper and is reasonably confident that it will obtain, possibly after further investigation by the Court, a final decision relieving the party liable under civil law of any remediation obligation.

3.2.2 *Company being incorporated*

3.2.2.1 *Main company data*

The Company Being Incorporated is Salini S.p.A., a company with registered office at 22 Via della Dataria, Rome, Tax I.D., VAT and Rome Company Register No. 11664581003, entered in Rome's R.E.A. under No. 1319966, a company subject to management and coordination by Salini Costruttori, its sole shareholder, pursuant to Article 2497-*bis* of the Italian Civil Code.

Salini was established on December 6, 2011 and, on December 21, 2011, became the

beneficiary of the Conveyance, effective as of January 1, 2012.

Pursuant to Article 4 of the Bylaws, the duration of the Company Being Incorporated is currently set until December 31, 2050, subject to extension or early dissolution pursuant to a resolution approved by the Extraordinary Shareholders' Meeting.

3.2.2.2 Share capital

Salini's fully subscribed and paid-in share capital amounts to 62,400,000.00, divided into 62,400,000 shares, par value 1 euro each. The shares of the Company Being Incorporated are not listed on any regulated market.

3.2.2.3 Major shareholders

Salini's entire share capital is owned by Salini Costruttori, a company that, as mentioned earlier in this Memorandum, exercises management and coordination over the Company Being Incorporated, pursuant to Article 2497-*bis* of the Italian Civil Code.

As stated in Section 3.2.1.3 above, as of the Date of the Information Memorandum, Salini Simonpietro e C. S.a.p.a. owned 56,555,725 shares of Salini Costruttori, equal to about 47.12% of its share capital and about 52.23% of the voting shares, with 11,708,900 shares held as treasury shares. The general and controlling partner of Salini Simonpietro & C. S.a.p.a., with a stake of 50.9% in the partnership and, thus, the ultimate shareholder in the chain of control is Simonpietro Salini.

There are no shareholders' agreements covering the Salini shares.

3.2.2.4 Corporate governance bodies

3.2.2.4.1 Board of Directors

As of the Date of the Information Memorandum, the Incorporating Company was managed by a Board of Directors comprised of the following nine members:

First name	Last name	Post held
Simonpietro	Salini	Chairman
Pietro	Salini	Chief Executive Officer
Roberto	Cera	Director
David	Morganti	Independent Director
Francesco	Perrini	Independent Director

Gianluca	Piredda	Independent Director
Alessandro	Salini	Director
Simon Pietro	Salini	Director
Luisa	Todini	Director

3.2.2.4.2 *Board of Statutory Auditors*

As of the Date of the Information Memorandum, Salini's Board of Statutory Auditors was comprised of the following three Statutory Auditors and two Alternates:

First name	Last name	Post held
Roberto	Parasassi	Chairman of the Board of Statutory Auditors
Federico	Parasassi	Statutory Auditor
Claudio	Volponi	Statutory Auditor
Francesco	Farina	Alternate
Roberto	Melluso	Alternate

3.2.2.4.3 *Independent Auditors*

On December 6, 2011, upon the establishment of the Company Being Incorporated, the engagement to perform statutory, independent audits and accounting reviews, pursuant to Article 2409-*bis* of the Italian Civil Code, was assigned to Reconta Ernst & Young S.p.A. for the three-year period from 2012 to 2014.

3.2.2.5 *Description of the main activities of the Salini Group*

The Company Being Incorporated is a leader in the development of large-scale, complex infrastructural projects, specialized in the segment of hydroelectric projects and the construction of dams, railways, subways, roads and highways, residential and industrial buildings and integrated projects (that include hydrological, roadway, building construction and industrial components).

Thanks to the experience developed over the more than 75 years of its history, the group to which the Company Being Incorporated belongs established itself as one of the top global players in the development of turnkey hydroelectric projects. The main projects currently being

developed include the GERD hydroelectric power plant in Ethiopia, which, with its 6,000 MW, is the largest facility in the African continent in terms of installed capacity; in the transportation infrastructure area, the Salini Group is engaged in the construction of the new Copenhagen subway, which represents one of the largest and most advanced urban transportation systems in the world; through its Todini Costruzioni Generali S.p.A. subsidiary, it successfully completed, for Autostrade per l'Italia S.p.A., the “Valico Bypass” section of the A1 Highway, which is the longest highway tunnel in Italy; lastly, the Salini Group is completing 410 kilometers of the international corridor linking Europe and China along the ancient Silk Road.

The Company Being Incorporated operates in more than 50 countries, on 5 continents, with a consolidated presence in geographic regions such as Africa, where the Salini Group has been present for over 50 years, Asia, where it succeeded in developing a solid competitive advantage during the past decade, and Europe, where it is engaged in the development of the most important transportation infrastructures. At December 31, 2012, the Company Being Incorporated had over 22,000 employees and was involved in the construction of over 40 projects.

In 2012, the Salini Group reported record revenues, showing that the strong growth rate of recent years is continuing (during the 2006-2012 period revenues grew on average by more than 26% a year) also through acquisitions, leveraging the technical skills and the competencies developed in its industry.

At September 30, 2013:

- The consolidated revenues of the Salini Group amounted to 2,695 million euros, with about 84.3% of the total generated outside Italy, as evidence of its international focus, which translates into a solid competitive position of the Salini Group in geographic regions with a high growth potential;
- The consolidated profit before taxes grew to 160 million euros and net profit from discontinued operations amounted to 24 million euros, for a total of 184 million euros, thanks in part to the effect of Impregilo's consolidation;
- Consolidated shareholders' equity totaled about 912 million euros, while consolidated net financial debt amounted to about 574 million euros (an amount that reflects investments in Impregilo shares, which in the period from January 1, 2013 to September 30, 2013 reflected purchases for about 1,002 million euros and sales for about 54 million euros, including a net gain of about 8 million euros);

- the consolidated order backlog amounted to about 36 billion euros.

For additional information, see Chapter 6, Section 6.2 below.

3.2.2.6 Credit rating of the Company Being Incorporated

In anticipation of the placement of its Bond Issue, Salini obtained from Fitch and Standard & Poor's a rating both for the abovementioned issue and its credit worthiness in general (taking into account the integration with Impregilo. The long-term rating assigned to Salini was: (i) "BB" with stable outlook by Fitch; and (ii) "BB" with stable outlook by Standard & Poor's.

More specifically, on July 18, 2013, Fitch assigned to the Company Being Incorporated a Long-term Issuer Default Rating (IDR) of "BB" with stable outlook. This rating was based on the following parameters: (i) the robust industrial profile and solid order backlog resulting from the integration of the Companies Parties to the Merger; (ii) the level of indebtedness, which, despite the increase recorded in 2013 to finance the Tender Offer debt, is destined to decrease quickly in 2014 thanks to an improved operating performance, the divestment of non-strategic assets and the successful outcome of litigation; and (iii) an improved management performance, coupled with the proven reliability of risk management practices, capable of offsetting some additional costs incurred in connection with the highly complex management of some contracts. At the same time, Fitch assigned to the Bond Issue, the placement of which was imminent at that time, and expected rating of "BB," in anticipation of the completion of the Merger. Subsequently, on August 5, 2013, Fitch assigned a final "BB" rating to the Bond Issue, confirming the preliminary rating issued earlier. Lastly, in its Full Rating Report about Salini dated September 10, 2013, Fitch reaffirmed Salini's Long-term Issuer Default Rating ("BB") and again confirmed the rating of the Bond Issue ("BB").

Substantially in line with the developments described above, on July 18, 2013, Standard & Poor's issued its preliminary rating for the Company Being Incorporated. The rationale for the "BB" rating with stable outlook is based on a future increases in revenues (by an amount equal at least to 6%) and the EBITDA margin (up about 8% in 2013 and about 9% in 2014) reported by the Post-Merger Group and, in this case as well, a reduction in the debt level, made possible by divestments of non-strategic assets and the successful conclusion of pending litigation. On the same date, Standard & Poor's assigned a preliminary "BB-" rating to the Bond Issue due both on the foreseeable refinancing of the senior secured debt outstanding at the time, concurrently requalified as unsecured, and an assessment of Salini's financial strength. At the same time, Standard & Poor's assigned to the Bond Issue a recovery rating—computed and

assigned to all bond issues placed by parties with a corporate rating of “BB” or lower—of “5” specifically because of its unsecured status. Subsequently, on August 1, 2013, Standard & Poor’s authorized Salini to disclose to the market the earlier preliminary ratings of the Bond Issue. As of the Date of the Information Memorandum, Standard & Poor’s Rating Committee was expected to meet shortly and issuer its final rating on the Company Being Incorporated and the Bond Issue.

3.2.2.7 Significant contracts

New Facility Agreements

On December 10 and 12, Salini executed the New Facility Agreements, which include the New Loan Agreement and the Revolving Facility Agreement, which covered the New Credit Lines described later in this Memorandum.

(A) New Loan Agreement

The New Loan Agreement was executed on December 10, 2013, by Salini and Impregilo, each in its capacity as borrower limited to its credit lines, on the one hand, and Banca IMI S.p.A. (in its capacity as agent banks), Natixis S.A. – Milan Branch, Intesa Sanpaolo S.p.A., UniCredit S.p.A., BNP Paribas – Milan Branch, Banco Santander S.A. – Milan Branch and Banco Bilbao Vizcaya Argentaria S.A. - BBVA – Milan Branch, in their capacity as the New Lender Banks, on the other hand. The New Loan Agreement was executed by the Companies Parties to the Merger and the New Lender Banks as an instrument amending and supplementing the TO Loan Agreement, originally executed on March 13, 2013 by Salini Costruttori, Salini and the TO Lender Banks in connection with the Tender Offer.

Pursuant to the New Loan Agreement, the New Lender Banks provided the New Facility, comprised of the credit lines listed below, for a total maximum amount of 425,000,000.00 euros, broken down as follows:

- a credit line provided to Salini, for a total amount of 298,575,489.85 euros, representing the consolidated amount of the remaining debt owed by the Company Being Incorporated to the TO Lender Banks pursuant to the TO Loan Agreement
- another credit line, also provided to Salini, for a total amount of 51,424,510.15 euros, earmarked for the purpose of refinancing a portion of Salini’s outstanding financial

debt;³⁾ and

- a third credit line provided to Impregilo, for a total amount of 75,000,000.00 euros, earmarked for the purpose of refinancing financial debt owed under a loan agreement dated June 28, 2011 between Impregilo and UniCredit S.p.A., maturing on June 26, 2014.

All credit lines provided pursuant to the New Loan Agreement will have a three-year maturity.

The New Facility is not secured by any collateral or guarantee and, consequently, all collateral and guarantees originally provided by Salini, Salini Costruttori and other companies of the Salini Group in accordance with the TO Loan Agreement were released. More specifically, the pledge granted by Salini Costruttori on Salini's entire share capital, the pledge granted, in turn, by the Company Being Incorporated on the Impregilo common shares held by Salini at any given time and, lastly, the pledge granted by Salini on certain bank accounts established pursuant to the TO Loan Agreement were permanently cancelled. The same was true for the sight guarantees granted to the TO Lender Banks by Salini and some companies of the Salini Group pursuant to the TO Loan Agreement.

Moreover, it is worth noting that the loan agreement signed by Impregilo and UniCredit S.p.A. on June 28, 2011 contained a clause pursuant to which the Lender Bank, because of the Merger, would have had the right to deprive Impregilo of the benefit of deferral with regard to all or part of the payment obligations set forth in the abovementioned loan agreement or terminate or cancel the agreement, with the consequence that any amount owed pursuant to the agreement would have become immediately due. However, the abovementioned loan agreement is no longer in effect due to the repayment of the entire amount of 75,000,000.00 euros made by Impregilo using a credit line of the same amount it received from the New Lender Banks pursuant to the New Loan Agreement.

The interest rate applicable to the New Facility is equal to the Euribor for the corresponding interest period (with a duration of three or six months, as the discretion of the debtor company) plus a spread of 435 basis points per annum. However, the spread will decrease to 350 basis points per annum if:

- (c) Salini's (or Impregilo's, subsequent to the Merger) unsubordinated and unsecured debt is

³ These are short-term facilities, including: (i) a loan to Salini from Credit Suisse – Milan Branch (amounting to 25,000,000.00 euros); (ii) a loan to Salini from UBI Banca Popolare di Bergamo (amounting to 15,000,000.00 euros); (iii) some credit lines provided to Todini Costruzioni Generali S.p.A. by Unicredit S.p.A. and Intesa Sanpaolo S.p.A. (amounting to 14,608,036.10 euros).

rated by at least two of three rating agencies, Moody's Investors Service Limited, Standard & Poor's Rating Services or Fitch Ratings Ltd., as "investment grade," i.e., not lower than "Baa3" (by Moody's Investors Service Limited) or "BBB-" (by Standard & Poor's Rating Services or Fitch Ratings Ltd); and

- (d) no default event is in progress pursuant to the New Loan Agreement.

The New Loan Agreement also includes clauses that are standard for contracts of this type and involving similar amounts, including:

- provisions concerning the full or partial repayment of the New Facility if the event of, inter alia, subsequent illegality of the New Facility, change of control, receipt of proceeds from the sale of assets or compensation in connection with statutory reserves (for amounts greater than predetermined thresholds) or capital market transactions (such as placements of bond issues, except for issued earmarked for financing or refinancing the Group's regular business operations);
- representation and warranties concerning, inter alia, capacity and powers, absence of conflict, document validity, pari passu with other financial debt of the Group, compliance with laws and regulations, absence of misleading information, title to the assets;
- obligations to act or refrain from it, including, merely by way of example, maintaining permits in effect, negative pledge clauses, restrictions on disposal of assets, assumption of financial debt and provision of guarantees, lack of segregation of assets;
- financial commitments concerning maintaining the consolidated coverage ratio (i.e., the ratio of consolidated EBITDA to gross consolidated financial expense) and leverage ratio (i.e., the ratio of total gross borrowings to consolidated EBITDA) at certain levels;⁽⁴⁾ and
- default events, including failure to make payments, violations of representations and warranties, violation of cross default obligations with regard to other financial debt greater than a given materiality threshold, insolvency, actions by creditors, termination of business activities, occurrence of events and circumstances with a material negative

⁴ More specifically, Salini is required to maintain a ratio of (a) consolidated EBITDA to consolidated gross financial expense (determined with the same method as the one used for the Bond Issue, but computed at June 30 and December 31 of each year) of at least 2.5; and (b) total gross borrowings to consolidated EBITDA (for each 12-month period ending on June 30 and December 31 of each year) not greater than (1) 5.5x (until June 30, 2015, included); (2) 5x (until December 31, 2015 included); and (3) 4.5x (until June 30, 2016 included).

effect on the income statement, financial position and cash flows and operating performance of the Groups Parties to the Merger (so-called material adverse change).

(B) Revolving Facility Agreement

Pursuant to the Revolving Facility Agreement executed on December 12, 2013 by Salini (in its capacity as the borrower), on the one hand, and Banca IMI S.p.A. (in its capacity as agent bank), Natixis S.A. – Milan Branch, Intesa Sanpaolo S.p.A., UniCredit S.p.A., BNP Paribas – Milan Branch (in their capacity as the Lender Banks), on the other hand, the Lender Banks provided the Company being incorporated with a revolving credit line for up to 100,000,000.00 euros, earmarked for funding Salini’s working capital needs.

Like the New Facility, the Revolving Facility is not secured by any collateral or guarantee and is governed by terms and conditions substantially similar to those of the New Loan Agreement (by way of example, regarding interest rates, mandatory early repayment, representations and warranties, commitments and default events).

Despite the impact of the Merger, based on analyses of operating and financial results of Salini and Impregilo and the corresponding consolidated amounts of the Salini Group, performed at the Date of the Information Memorandum, the data for the ratios and the minimum thresholds as per the financial commitments in effect pursuant to the New Facility agreements (starting on June 30, 2014, on a 12-month rolling basis) will continue to be in compliance with contractually defined parameters, except for the “Export Bank” facility of 100,000,00.00 euros executed on May 13, 2013 by various parties including Salini, as borrower, BNP Paribas, Italy Branch, as Agent Bank, and SACE S.p.A., as guarantor, which, of the Date of the Information Memorandum was the subject of negotiations aimed at realigning the Interest Cover Ratio (ICR) with those of the Bond Issue and the New Facility Agreements (see Chapter 6, Section 6.2.1).

3.2.2.8 Judicial and arbitration proceedings

Proceedings against some managers of Todini Costruzioni Generali S.p.A.

In June 2011, the Florence Public Prosecutor, further to the completion of investigations launched in 2005, charged Todini Costruzioni Generali S.p.A., a Salini subsidiary, in its capacity as the civilly liable party, together with its customer, Autostrade per l’Italia S.p.A., other contractor companies and some former employees of Todini Costruzioni Generali S.p.A. (namely, the former Chief Executive Officer and some technical managers) and other companies involved with certain environmental crimes allegedly committed in the

implementation of the project to broaden and modernize the base Tunnel of Highway A1 – Lot 9-11 – Valico Bypass.

In addition to the abovementioned officers of Todini Costruzioni Generali S.p.A., Pietro Salini was also listed in the register of parties under investigation, in its capacity as Chief Executive Officer of Todini Costruzioni Generali S.p.A. on the date the charges were filed.

By a decision handed down on November 5, 2012, the Preliminary Hearing Judge:

- dismissed the charges against the Chief Executive Officer Pietro Salini, who was found not to have committed the crime;
- for all defendants, found that the statute of limitations had run out on the crimes for which they were being charged regarding bodies of water and effluents; and
- indicted the abovementioned defendants for the crimes for which they were being charged regarding the handling of excavated soil and rocks and damage to the environment.

On March 26, 2013, before the Court of Florence, the Ministry of the Environment joined the proceedings as a civil plaintiff, lodging a damage claim for “*financial equivalent*,” for an amount of not less than 810 million euros or a different amount determined by the court, against the parties held civilly liable, including Todini Costruzioni Generali S.p.A.

The trial has not yet been held and, consequently, no discovery activity has been carried out nor has the occurrence of the conduct, or indeed the existence of the damage, been verified. With regard to the damage it is in any event impossible to quantify, even on a tentative basis, the portion of the liability attributable to Todini Costruzioni Generali S.p.A., based on the Ministry overall claim, considering that:

- one should take into account the different role played by the customer Autostrade per l'Italia, which holds a concession from the public administration to operate highway infrastructures and was the designer of the project, compared with that of the contractors. In this regard, it is worth mentioning that Todini Costruzioni Generali S.p.A. was merely following instructions provided by the customer Autostrade per l'Italia;
- the assessment of the alleged damage resulting from the harm caused to the streams and the Bilancino Lake must specifically take into account the contribution attributable to each one of the other contractors for the other lots subject of the

dispute regarding the alleged pollution of all of the affected streams and the negative impact of each activity on the overall economy of the watershed (extensive and complex);

- The alleged environmental damage claimed by the Ministry of the Environment has to do with the repercussions of extremely heterogeneous activities carried out in accordance with different operational protocols (please note, for example, that Todini Costruzioni Generali S.p.A. obtained an approval for its plan for the management of excavated soil and rocks before the introduction of the applicable guidelines by the customer Autostrade per l'Italia).

The Salini Group denies having any responsibility whatsoever for the disputed issues, emphasizing that all of its actions were lawful and contesting the grounds for the charges lodged against it. It also objects to the absolute abnormality of the damage claim lodged by the Ministry of the Environment, which, in addition to being presented without first demanding the implementation of any required environmental remediation measures, is also inconsistent with Italian law and European Directive No. 2004/35/EC. Specifically in this regard, the European Commission activated infraction proceedings against Italy as far back as 2007 (No. 2007/4679), confirmed on January 27, 2012 with a supplemental reasoned opinion, that recently resulted in the introduction, with Law No. 97 of August 6, 2013, of certain amendment to the Uniform Environmental Code enacted with Legislative Decree No. 152 of April 3, 2006, including the elimination from the provisions of Article 31 of the abovementioned Legislative Decree No. 152/2006 of the reference to the action for damages “*for financial equivalent,*” as an environmental damage must first be compensated specifically with appropriate remediation actions.

In view of the foregoing considerations and comforted by the opinion of counsel, the Salini Group believes that the abovementioned damage claim is devoid of merit and, consequently, that the risk of the claim being granted is remote.

3.2.3 *Merger modalities, terms and conditions*

3.2.3.1 *Naming and reduction of the share capital of the Incorporating Company*

The Merger will result in the dissolution of Salini, the Company Being Incorporated.

Within the context of the Merger, the Incorporating Company will change its name to “Salini Impregilo S.p.A.”

On September 12, 2013, Impregilo’s Extraordinary Shareholders’ Meeting, convened to vote

on a resolution to approve the Merger, also approved—effective as of the effective date of the Merger or later, should the reduction be carried out after that date—a reduction of the share capital of the Incorporating Company by the amount of 218,364,456.72 euros, allocated as follows: 100,000,000 euros to the “*Statutory reserve*” and 118,364,456.72 euros to establish a separate shareholders’ equity reserve called “*Other reserves*.”

The share capital reduction transaction is advisable to improve the structure of the shareholders’ equity of the company resulting from the Merger and to optimize efficiency in terms of potential operational purposes, without changing the total amount of the shareholders’ equity of the company resulting from the Merger. Pursuant to Article 2445 of the Italian Civil Code, this motion may be carried out starting on December 26, 2013, i.e., 90 days after the resolution by the Shareholders’ Meeting is recorded in the Company Register (which occurred on September 27, 2013), provided no creditor with a claim that predates the recording date objected.

Due to the fact that Impregilo’s shares are without par value, the capital reduction will not result in the cancellation of any shares (see Section 3.2.3.4 below about the allocation modalities adopted to execute the exchange).

For the sake of complete disclosure, please note that Impregilo’s capital reduction transaction was not submitted for approval to the Special Meeting of the holders of savings shares, because the privileges provided under the Bylaws of the Incorporating Company to this class of shares are not indexed to the portion of the share capital’s par value represented by the savings shares (see Section 3.2.3.4 below).

3.2.3.2 Exchange Ratio

As already mentioned, the Merger Plan was prepared based on the financial statements of Impregilo and Salini for the year ended December 31, 2012.

On June 24, 2013, the Boards of Directors of Impregilo and Salini, having reviewed and, concurring with the methods applied, the criteria adopted and the conclusions reached, endorsed the valuations of the respective advisors and, insofar it concerns Impregilo, being cognizant of the reasoned favorable opinion of the RPT Committee (see Section 3.2.3.3 below), in light of the value intervals defined, albeit with the limitations inherent in each of the methods adopted (see Section 3.2.3.3 below) approved the exchange ratio, understood as the

ratio suitable to express the mutual weight of the two Companies Parties to the Merger, as follows:

6.45 Impregilo common shares for Each Salini share

For the purposes mentioned above, the Boards of Directors of Impregilo and Salini, adopted as economic company values the average values obtained by comparing the results produced by applying the different valuation methods adopted by the Boards themselves (see the valuation opinion issued by Partners S.p.A. on June 24, 2013 and the report issued by BAKER TILLY REVISA, in its capacity as Joint Expert, page 30, appended to the Merger Information Memorandum as Annex D and annex F, respectively).

No cash adjustments will be provided.

See Section 3.2.3.4 for a description of the modalities for the distribution of the shares of the Incorporating company attributed in exchange.

As mentioned earlier in this Information Memorandum, on August 2013, BAKER TILLY REVISA, in its capacity as the Joint Expert appointed by the Court of Milan upon a joint request by the Companies Parties to the Merger, issued its report attesting, inter alia, the fairness of the Exchange Ratio and the reasonableness of the information provided in the Merger Plan regarding the financial resources available to meet the obligations of the company resulting from the Merger, as required by Article 2501-*bis*, Section 4, and Article 2501-*sexies* of the Italian Civil Code. No events capable of undermining the accuracy of the assumptions underlying the determination of the Exchange Ratio occurred subsequent to the abovementioned date and until the Date of the Information Memorandum.

3.2.3.3 Valuation criteria and methods applied to determine the Exchange Ratio

Impregilo's Board of Directors reached the determination of the Exchange Ratio after a careful valuation of the Companies Parties to the Merger, adopting valuation methods commonly used, both nationally and internationally, for transactions of this type and for companies operating in the same sectors and suitable for the characteristics of each of the Companies Parties to the Merger.

For the purposes of the analysis and definition of the transaction's rationale and structure, the Boards of Directors of Impregilo and Salini relied on the support of financial and industrial advisors with proven professional expertise. More specifically, to assess the Exchange Ratio, the Issuer's Board of Directors relied on the support of Partners S.p.A., represented by Angelo

Provasoli, who was asked to estimate a fair interval of exchange ratios between the Salini common shares and the Impregilo common shares within the framework of the planned Merger, and summarize the results of the estimates in his Opinion.

Subsequent to the meeting held on May 13, 2013, during which the Issuer's Board of Directors resolved to begin the activities functional to the Merger, the RPT Committee also began the activities aimed at reviewing the transaction, in accordance with the requirements of the RPT Procedure, in turn appointing Lazard S.r.l. as financial advisor. On June 24, 2013, having completed its activities, the RPT Committee unanimously agreed to render a favorable opinion regarding: (i) the existence of Impregilo's interest in executing the Merger, in accordance with the terms and conditions specified by management the draft of the Merger Plan, and (ii) the beneficial nature and substantive fairness of the abovementioned terms and conditions (for additional information, see the Related-Party Information Document, available to the public in the manner described in Section 3.4.1 below, which includes, inter alia, the opinion of the RPT Committee, with annexed the fairness opinion issued by the financial advisor Lazard S.r.l.).

In order to arrive at an estimate of the economic value the Impregilo common shares and the Salini common shares and the resulting exchange ratio between the abovementioned shares, Impregilo's Board of Directors gave prevalence to the principle of the uniformity of estimating criteria, applied compatibly with the characteristic elements of each of the Companies Parties to the Merger subject of the valuation process and the comparability elements that arise in part by virtue of the Strategic Agreement. Taking into account the characteristics of Salini and Impregilo, criteria based on fundamentals (expected cash flows) and "synthetic" criteria (market multiples) were both taken into account. More specifically, the Board used the following criteria:

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

Unlevered financial criterion

According to this criterion, the value of a business entity is a function of the expected future cash flows that it is able to generate independently. Consequently, this criterion discounts, at a

rate representative of the weighted average cost of capital (abbreviated as WACC), the “available” annual cash flows (free cash flow) expected for the business entity being valued.

Specifically, consistent with the asset-side valuation approach of the unlevered financial criterion, an estimate of the economic equity value is obtained by algebraically adding to the value of the net invested capital (Enterprise Value or EV) of the business entity in question its net financial position (NFP).

The Enterprise Value is equal to the sum of the following factors:

- present value of the free cash flow from operations, expected for a limited analytical forecast period of “n” years. These flows do not include financial components and, thus, are unlevered flows;
- present value of the terminal value, i.e., the value of the business entity at the end of the analytical forecast horizon. This value is a function of the cash flows that the business entity is able to generate “in perpetuity,” after the end of the analytical forecast period. The terminal value is estimated by capitalizing over an infinite time horizon the cash flow expected for the period following the last analytical forecast period.

Market multiple criterion

(i) Market multiples of comparable companies

According to this criterion, the value of a business entity is estimated based on multipliers calculated using as a reference the stock market prices of the shares of companies comparable to the one being valued, as recorded in relevant periods.

Both in the literature and in practice, a distinction is made between “asset side” or “unlevered” multiples (e.g., EV/EBITDA, EV/EBIT) and “equity side” or “levered” multiples (e.g., Price/Earnings, Price/Book Value). the former directly estimate the value of the net invested capital (enterprise value or “EV”) of the business entity and compute the equity value algebraically by adding to the EV the net financial position, the minority interest and the equity investments. On the other hand, the equity side multiples directly quantify the equity value.

In the case in point and taking into account the indications derived from the equity reports prepared by analysts who follow listed construction companies (including Impregilo),

preference was given to the use of asset side multiples, identified based on the performance of a sample of listed companies deemed comparable to those subject of the estimation process.

More specifically, the following multiples were adopted:

EV/EBITDA, which is the ratio of the economic value of an entity's net invested capital (enterprise value) to its gross operating earnings (EBITDA);

EV/EBIT, which is the ratio of an entity's enterprise value to its operating earnings (EBIT).

Once the multipliers are selected, the stock market multiples criterion is developed as follows:

- (a) identifying the comparable listed companies included in the reference sample;
- (b) computing the chosen multipliers for each of the companies in the sample and development of one or more representative multipliers;
- (c) applying the synthetic multiple observed for the analyzed sample to the relevant data of the business entity subject of the valuation process.

(ii) Multiples implied by the stock market price of Impregilo shares

Stock market capitalization can be taken into consideration directly only to estimate Impregilo's market value (Salini's shares are not listed on a regulated market). In accordance with the principle of uniformity that must guide merger valuations, Impregilo's stock market capitalization can be used as a reference to estimate the economic value of both Companies Parties to the Merger, using for this purpose the parameters implied in the prices recorded for Impregilo. This is possible because of the similarities of the businesses of the Companies Parties to the Merger and their mutual complementarities.

More specifically, the approach chosen includes the following phases:

- (a) determining Impregilo's market capitalization, observed of a significant time period preceding the estimate reference date;
- (b) computing the multipliers (EV/EBITDA, EV/EBIT) implied in Impregilo valuation as per (a). The implied multiples reflected in the price of Impregilo shares were computed assuming as a reference (as the denominator of the chosen multipliers):
 - the earnings data (EBITDA, EBIT) projected in Impregilo's business plan;
 - the corresponding Impregilo data resulting from the consensus estimates of financial analysts who follow the Impregilo stock;

- (c) applying Impregilo's implied multipliers, computed in accordance with the two variants mentioned above, to the earnings data (EBITDA, EBIT) taken from the business plans of Salini and Impregilo.

In any event, additional information about the valuation criteria applied by Impregilo's Board of Directors to determine the Exchange Ratio is provided in the Opinion by Partners S.p.A., which is appended to the Merger Information Memorandum as Annex D.1 and is available to the public in manner described in Section 3.4.1 below.

For additional information about the activities carried out by the RPT Committee in connection with the Transaction, please see the Related-Party Information Document, which is available to the public in manner described in Section 3.4.1 below.

Difficulties and limitations encountered in the valuation of the Exchange Ratio

Pursuant to Article 2501-quinquies of the Italian Civil Code, for the purpose of performing the evaluation analysis described above, the following factors were taken into account: (i) the specific characteristics of the Companies Parties to the Merger and (ii) the challenges faced when applying the chosen valuation methods to determine the Exchange Ratios.

More specifically:

- The valuation methods were applied using projected economic-financial data produced by Impregilo and Salini. By their very nature, these data entail uncertainty and vagueness issues, particularly given the current market environment, characterized by uncertainty about macroeconomic conditions in Italy and Europe as a whole. Please also note the following:
 - With regard to orders currently in existence and under contract (i.e., the "backlog"), the plans assume flows (revenue and cost flows) and amounts (assets and liabilities) consistent with the stipulations of contracts with customers. However, the possibility that future events could change, even significantly, the quantitative and/or timing profiles of the flows and amounts deriving from such orders cannot be ruled out.
 - A significant portion of the revenues and operating margins projected for the Plan's period (2013-2016) is associated with orders the acquisition of which is presumed (new order intake). Given the nature of the infrastructural construction business (limited number of orders having a significant unit value), the new order intake can be a major cause of unpredictability. This uncertainty profile was taken into account when estimating discount rates and in the sensitivity analyses.

- The businesses of Impregilo and Salini are carried out at the international level and, consequently, are exposed to significant geopolitical risks. When applying the unlevered financial criterion, such risks were taken into account by valuing separately activities located in relatively riskier environments and incorporating in the estimates for these activities the increased country risk applicable to such environments.
- The Impregilo plan assumes, inter alia, the collection of some substantial claims and the sale of specific assets in a context currently characterized by uncertainty profiles that 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 efficient and liquid, particularly in view of Impregilo's limited share float. In addition, trends in market prices can be volatile, particularly over 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 are applicable to the business entities being merged because they refer to organizations similar to those under consideration. However, it must be emphasized that, in light of the specificity that characterizes each business entity in question, such comparability is only partial.

In any event, additional information about the difficulties and limitations encountered in assessing the Exchange Ratio is provided in the Opinion by Partners S.p.A., which is appended to the Merger Information Memorandums as Annex D.1.

3.2.3.4 Method for the allocation of the shares of the Incorporating Company and dividend ranking date of the shares

As mentioned in Section 3.2.3.2 above, the Exchange Ratio was set at 6.45 Impregilo common shares for each Salini share.

As a result of completion of the Merger, all Salini common shares will be cancelled and exchanged for Impregilo common shares, in accordance with the abovementioned Exchange Ratio. Consequently, Salini Costruttori, the sole shareholder of the Company Being Incorporated, will be entitled to receive a total of 402,480,000 common shares of the Issuer, equal to 89.95% of the Issuer's common share capital.

The exchange between Salini shares and Impregilo shares will be implemented on the basis of the abovementioned Exchange Ratio, with no increase in the par value of the share capital of

the Incorporating Company, but with the allocation to Salini Costruttori, the sole shareholder of the Company Being Incorporated, in addition to the 357,505,246 Impregilo common shares, without par value, currently outstanding and held by Salini, of an additional 44,974,754 newly issued common shares, without par value, which, it is worth repeating it, will not result in an increase in the share capital of the Incorporating Company.

The holders of Impregilo common shares, other than the Company Being Incorporated, and the holders of Impregilo savings shares will continue to own the share they currently hold, but their percentage interest in Impregilo’s share capital will be reduced.

No cash adjustments will be provided.

As a result of the share capital reduction detailed in Section 3.2.3.1 above and the allocation transactions, Impregilo’s share capital will amount to 500,000,000,00 (*five hundred million*) euros, divided into 449,048,182 (*four hundred forty-nine million forty-eight thousand one hundred eighty-two*) shares without par value, including 447,432,691 (*four hundred forty-seven million four hundred thirty-two thousand six hundred ninety-one*) common shares and the current 1,615,491 (*one million six hundred fifteen thousand four hundred ninety-one*) savings shares.

The table provided below shows the amendments to Article 1 (*Company name*) and the first paragraph of Article 6 (*Share capital*) of Impregilo’s Bylaws that will go into effect as explained in Section 3.2.3.1 above and due to the exchange transactions (for a description of the additional amendments made to Article 6 of the Bylaws approved by Impregilo’s Extraordinary Shareholders’ Meeting on September 12, 2013, please see Chapter 3, Section 3.2.1.2 above, entitled “Major shareholders”).

CURRENT TEXT	AMENDED TEXT
<p style="text-align: center;">Article 1 (Name)</p> <p>A corporation is hereby established with the name: “IMPREGILO S.p.A.”.</p>	<p style="text-align: center;">Article 1 (Name)</p> <p>A corporation is hereby established under the name of: “SALINI IMPREGILO S.p.A.”</p>
<p style="text-align: center;">Article 6 (Share capital)</p> <p>The share capital shall amount to 718,364,456.72 (<i>seven hundred eighteen million three hundred sixty-four thousand four hundred fifty-six point seventy-two</i>) euros, divided into 404,073,428 (<i>four hundred four million seventy-three thousand four hundred twenty-eight</i>) shares,</p>	<p style="text-align: center;">Article 6 (Share capital)</p> <p>The share capital shall amount to 500,000,000.00 (five hundred million) euros, divided into 449,048,182 (<i>four hundred forty-nine million forty-eight thousand one hundred eighty-two</i>) shares without par value, including 447,432,691 (four hundred forty-</p>

including 402,457,937 (<i>four hundred two million four hundred fifty-seven thousand nine hundred thirty-seven</i>) common shares and 1,615,491 (<i>one million six hundred fifteen thousand four hundred ninety-one</i>) savings shares.	<i>seven million four hundred thirty-two thousand six hundred ninety-one</i> common shares and 1,615,491 (<i>one million six hundred fifteen thousand four hundred ninety-one</i>) savings shares.
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The text of Impregilo's new Bylaws, which will go into effect on the effective date of the Merger, is appended to the Merger Plan. If the share capital reduction of the Incorporating Company is implemented subsequently to the effective date of the Merger, the corresponding amendment to the Bylaws will go into effect on the effective date of the share capital reduction.

The proposed transaction was not submitted for approval to the Special Meeting of the holders of Impregilo savings shares, because the privileges provided under the Bylaws of the Incorporating Company for this class of shares are not adversely affected. Specifically, the privilege provided under Article 33, Letter b), remains absolutely unchanged, since it is stated exclusively in absolute terms and depends only on the number of savings shares held, which, as stated above, does not change. There is also no prejudice to the privilege provided under Article 33, Letter c), of the Bylaws, since the dilution on a percentage basis of the savings shares versus all of the shares included in the share capital after the Merger depends merely from the implementation of the Exchange Ratio and thus reflects the physiological impact of the Merger on all shareholders, including both common and savings shareholders.

The common shares of the Incorporating Company allocated and issued for exchange purposes will be listed in the same way as the shares of the Incorporating Company already outstanding and will be included in centralized management system of Monte Titoli S.p.A. in dematerialized form, pursuant to law.

The common shares of the Incorporating Company allocated for exchange purposes will be made available starting on January 2, 2014, which is the first stock market trading day following the effective date of the Merger.

All common shares of the Incorporating Company that will be allocated or issued for exchange purposes will have the same dividend ranking date as the Impregilo common shares outstanding on the effective date of the Merger and will convey to their holders the same right as those attributed to the common shares currently outstanding.

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

3.2.3.5 Date when the Merger will become effective and date of recognition of the transactions of the Company Being Incorporated in the financial statements of the Incorporating Company

The Merger will produce civil law effects as of January 1, 2014. As of the effective date of the Merger:

- Impregilo shall be subrogated to Salini in all transactions to which Salini was previously a party, thereby assuming its rights and obligations; and
- for accounting and tax purposes, the transactions of the Company Being Incorporated will be recognized in the financial statements of the Incorporating Company.

3.2.3.6 Tax consequences of the Merger for the Issuer

From a tax standpoint, the transaction is “neutral” in terms of income tax liability. Pursuant to Article 172 of the TUIR, the Merger does not cause the recognition of positive or negative components of taxable income for the parties to the transaction (Incorporated company, Incorporating company and shareholders).

More specifically, for the Incorporated company, the transfer of its shareholders’ equity does not cause it recognize unrealized gains or losses in the transferred assets and liabilities, including goodwill.

Symmetrically, the assets received by the Incorporating company are recognized by it with the same taxable base with which they were carried by the Incorporated company (principle of the continuity of the “recognized tax values”).

The income of the Incorporating company is determined without taking into account the surplus or deficit recognized due to the effect of the share exchange ratio and any higher values recognized due to the effect of the allocation of the deficit to balance sheet components, including goodwill, are not taxable to the Incorporating company, unless it opts for payment of the substitute tax provided under Article 176, Section 2-ter, of the TUIR or Article 15 of Decree Law No. 185 of November 29, 2008 (converted with amendments into Law No. 2 of January 28, 2009). Reserves on which taxation has been suspended carried in the latest financial statements of the Incorporated company must be reconstituted in the financial statements of the Incorporating Company.

3.2.4 Projections about the presence of significant shareholders and control structure of the Incorporating Company following the Merger

As of the Date of the Information Memorandum:

- based on the communications received pursuant to laws and regulations, no party hold a number of Impregilo common shares representing an interest greater than 2% of the share capital of the Incorporating Company, except for the Company Being Incorporated, which holds directly 88.83% of the Impregilo's common share capital and, consequently, it statutorily owns a controlling interest;
- the entire share capital of the Company Being Incorporated is owned by Salini Costruttori.

Based on the Exchange ratio and assuming that no change will occur in the current stock ownership of Impregilo and Salini, the stock ownership of the Incorporating Company resulting from the Merger will be as follows:

- ✓ Salini Costruttori, 402,480,000 common shares, equal to 89.95% of the common share capital;
- ✓ other shareholders the remaining 44,952,691 common shares, equal to 10.05% of the common share capital.

No change for the 1,615,491 savings shares.

As explained above, upon completion of the Merger, Salini Costruttori will have statutory control of the Incorporating Company. For information about major shareholders of Salini Costruttori, please Sections 3.2.1.3 and 3.2.2.3 above.

Please also note that, as of the Date of the Information Memorandum:

- (a) the Incorporating Company issued exclusively common shares and savings shares and consequently, there are no shares that convey voting rights different from those of the common shares; and
- (b) there are no shareholders' agreements that could produce a change in the control structure of the Incorporating Company.

3.2.5 *Effects of the Merger on any shareholders' agreements*

As of the Date of the Information Memorandum, based also on the communications submitted to the Consob pursuant to Article 122 of the TUF and the applicable provisions of the Issuers' Regulations, there are no shareholders' agreements in effect concerning the shares of the Companies Parties to the Merger.

See also Section 3.2.1.3 above.

3.3 Rationale and purpose of the Merger

3.3.1 *Rationale for the Merger specifically regarding the Issuer's operational objectives*

The Merger constitutes the final phase for the full realization of the benefits from the integration of Salini and Impregilo called for in the “*Campione Nazionale*®” project and achieved only in part through the Strategic Agreement (see the Information Memorandum prepared by Impregilo pursuant to Article 5 of the RPT Regulations and Annex 4 to the RPT Regulations, available on the website www.impregilo.it – “*Investor Relations – Strategy – Impregilo-Salini Agreement*” page).

The Merger has been since the very beginning the objective of a broader industrial and strategic plan, promoted in 2011 by the Group headed by Salini Costruttori with the aim of establishing a “*Campione Nazionale*®” in the sector of the construction of complex projects and infrastructures, within the context of which Salini launched a Tender Offer for Impregilo that was completed in May 2013 (see the corresponding Offering Memorandum and the press releases of April 12, 2013 and April 30, 2013 about the results for the Tender Offer acceptance period and the extended deadline period, available on the website www.impregilo.it – “*Investor Relations – Documents Tender Offer Salini S.p.A.*” page) and as a result of which Salini achieved a statutory control relationship over Salini.

The ultimate goal of this project was to implement, as quickly as possible, the industrial integration of Impregilo and Salini, with the aim of creating a player in the field of complex infrastructures capable of competing with the main international competitors in terms of economies of scale, size and geographic and sector complementarities.

As noted also in the Offering Memorandum, the “*Campione Nazionale*®” project pursues a three-pronged strategy:

- (i) continued focus by Impregilo on the core business of complex infrastructures with a high value added;
- (ii) further divestments of non-core assets, such as Fisia Italmontedati S.p.A. and Fisia Babcock GmbH;
- (iii) continuation of the revision of the governance system, through assessment of the recommendations produced by the Impregilo’s Corporate Governance Advisory Board.

3.3.2 *Programs developed by the Incorporating Company specifically with regard to industrial opportunities and possible restructuring and/or reorganization programs*

The Merger is part of a strategic and industrial and strategic project aimed at creating a single important group capable of operating at the global level in the area of large-scale civil engineering projects and expected to rank among the top industry operators worldwide and one of the main industrial players in Italy. The rationale that underpins the integration project entails strengthening the Group's competitive position by consolidating the critical success factors that characterize the business segments in which the Groups Parties to the Merger operate.

More specifically, this rationale is essentially reflected in the following objectives:

- (a) Increasing size, with resulting competitive advantages and synergies; improving the terms to access the capital markets.

Size is a critical success factor in the segment of large-scale works in that it is a necessary condition to manage the complexities entailed by the development of large-scale projects and manage the inherent risk more efficiently.

As is well known, large-scale civil engineering projects (meaning by this term those valued at more than 1 billion euros) are usually handled through] calls for tenders that restrict the bidding to companies that exceed certain dimensional and shareholders' equity thresholds. These issues become even more relevant when one considers that, on average, large-scale works are significantly more profitable than small or medium-size projects due both to the obvious economies of scale achievable at the jobsites and the limited number of players capable of meeting the more stringent requirements imposed by customers and managing the complexity of the projects.

As further evidence of the strong advantages deriving from a larger size, it is worth mentioning that the construction industry has been going through a concentration phase for several years: in 2004, the top 225 construction companies in the world controlled 25% of the global construction market; by 2011, this percentage had risen to 32% (source: ENR, Global Insight).

In addition to the benefits derived from a stronger strategic and competitive position, a larger size also makes it possible to achieve efficiencies in the procurement of goods and services for jobsites (materials, subcontracting, insurance, etc.), goods and services to support central departments at headquarters (technical consulting services, utilities, travel, etc.) and machinery and equipment (general purpose machinery, TBM, crushing equipment, etc.).

Most of these synergies are realizable only through a merger because they require a full sharing of the same procurement strategies and the deployment of all necessary efficiency tools without

the limitations entailed by the implementation of structured service contracts or transfer price systems.

The increased size of the business operations and the expected significant improvement in the industrial growth profile of the new organization will facilitate access to the international capital markets and on more advantageous terms due to the lower level of risk perceived for a large-size group.

(b) Sharing of best internal practices in processes and adopted tools.

Impregilo and Salini can offer specialized competencies in the construction of complex infrastructural projects and, over the past decades, they developed their sales networks in over 50 countries, with limited overlap, with the aim of monitoring the individual markets in terms both of industrial development and customer relations, focusing on customer satisfaction, with the aim of consolidating their competitive advantage in the respective target markets.

(c) Optimizing and enhancing the contribution of internal resource and ability to attract new talent.

Another benefit of the Merger derives from the possibility of allocating human resources to the various projects in an efficient manner (e.g., designers, project managers, jobsite managers, etc.), benefiting as much as possible from the experience and competencies of individual employees to enhance the operating and commercial result of the Post-Merger Group. This goal requires the utmost flexibility in the movement of human resources existing within the organization, who, as a result of the merger, will have greater opportunities to develop their specific competencies over a range of projects much broader than the one offered by the individual companies.

Moreover, one of the goals of the Merger is to create a national center of excellence to foster the growth and development opportunities for young talent with a college degree in engineering or economics.

The Merger will also allow the achievement of substantial cost benefits thanks to a better use of capital goods. For example, once integrated, the Companies Parties to the Merger will be able to increase the opportunities to reuse machinery, equipment or spare parts, which, after a project is completed, can easily be used at neighboring jobsites instead of being disposed of or sold on the local market at prices that are not always competitive. Another example derives from the ability to handle the planned strong growth by in effect using the same staff currently

employed by the two companies without having to deal with the time delays and costs entailed by the recruitment in the market of qualified resources.

In any case, Impregilo e Salini have developed for some time coordination procedures for their respective organizations aimed at realizing and monetizing operational and industrial synergies, primarily generated by the effect the Strategic Agreement. For the sake of complete disclosure, please note that the Strategic Agreement is destined to end once the Merger is completed.

Aside from the considerations provided in Section 3.3.1 above with regard to the main objectives of the “*Campione Nazionale*®” project and even though, consistent with the strategies of the Salini Group constantly aimed at pursuing ever more efficient resource allocations, constantly high attention is devoted to possible redefinitions of the Group’s organization, as of the Date of the Information Memorandum, the Companies Parties to the Merger have not yet made any official decision regarding significant restructuring programs of the Group following the Merger and the Transaction is not expected to have an impact on the staffing levels of the Issuer and the Impregilo Group.

For a description of the risks entailed by the Merger process, see Chapter 2, Section 2.2 of this Information Memorandum.

3.4 Documents available to the public and documents incorporated by reference

3.4.1 Documents available to the public

With regard to the Merger, Impregilo made available to the public, on the “*Governance – Shareholders’ Meeting*” page of the www.impregilo.it website and at its registered office at 97 Via dei Missaglia, Milan, (on business days from Monday to Friday, between 9:00 AM and 1:00 PM and between 2:00 PM and 6:00 PM) the following documents:

- (i) the Merger Plan;
- (ii) the Related-party Information Document, with its annexes;
- (iii) the explanatory report prepared by Impregilo’s Board of Directors pursuant to Article 2501-*bis* and Article 2501-*quinquies* of the Italian Civil Code;
- (iv) the report by PwC pursuant to Article 2501-*bis*, Section 5, of the Italian Civil Code, issued on June 28, 2013;

- (v) the report pursuant to Article 2501-*bis* and Article 2501-*sexies* of the Italian Civil Code, issued on August 5, 2013 by BAKER TILLY REVISA, in its capacity as Joint Expert appointed by the Court of Milan;
- (vi) the financial statements for the year ended December 31, 2012, of Impregilo and Salini, respectively, used as statements of financial position pursuant to Article 2501-*quarter* of the Italian Civil Code; and
- (vii) The Merger Information Memorandum.

The explanatory report prepared by Salini's Board of Directors pursuant to Article 2501-*bis* and Article 2501-*quinquies* of the Italian Civil Code is appended to this Information Memorandum as Annex B.2 to the Merger Information Memorandum.

Lastly, Impregilo's financial statements for the years ended December 31, 2011 and 2010 and the interim reports on operations at September 30, 2013 and 2012 are available at the Company's registered office and on the "*Investor Relations – Results*" page of the www.impregilo.it website.

For the purposes of this Information Memorandum, the consolidated interim report on operation of the Salini Group at September 30, 2013 is also available to the public on the "*Investor Relations – Annual and interim reports*" page of the www.salini.it website and at its registered office at 27 Via della Dataria, in Rome, (on business days from Monday to Friday, between 9:00 AM and 1:00 PM and between 2:00 PM and 6:00 PM).

3.4.2 *Documents incorporated by reference*

As allowed pursuant to Article 11 of Directive No. 2003/71/EC, article 28 of Regulation No. 809/2004/EC and Article 7 of the Issuers' Regulations and consistent with the guidelines provided in the CONSOB Communication, this Information Memorandum includes by reference the information and data contained in the following documents:

- Consolidated financial statements for the year ended December 31, 2010 of the Impregilo Group, approved by the Issuer's Ordinary Shareholders' Meeting on April 28, 2011;
- Consolidated financial statements for the year ended December 31, 2011 of the Impregilo Group, approved by the Issuer's Ordinary Shareholders' Meeting on April 27, 2012;

- Interim report on operations of the Impregilo Group for the three months ended September 30, 2013, approved by the Issuer's Board of Directors on November 12, 2013 and made available to the public on November 13, 2013.

See also Chapter 6, Section 6.1.1 below.

All of the abovementioned documents are available on the www.impregilo.it/website and other locations.

4 ECONOMIC AND FINANCIAL PLAN AND DESCRIPTION OF THE SOURCES OF FINANCIAL RESOURCES AND THE PURSUED OBJECTIVES

Foreword

The actions taken in compliance with the requirements related to the Merger, as presented by the Directors in the disclosures provided to the public prior to the publication of this Information Memorandum, included the preparation of the 2013-2013 Economic and Financial Plan. This chapter presents the following: (a) the main information and the related assumptions on the basis of which the Plan was prepared (Section 4.1); (b) an overview of the main events affecting the Companies Parties to the Merger and the respective groups that occurred after the preparation of the Plan (Section 4.2); and (c) an indication, on a basis homogeneous and consistent with the Plan, of any effects of the abovementioned events both on the reasonableness of the Plan's underlying assumptions and on the projected financial ability of the Incorporating Company to honor its post-Merger commitments (Section 4.3).

As explained in greater detail later in this chapter, while keeping in mind that, during the period between the Plan's preparation date and the Date of the Information Memorandum, the evolution of the business activities of the Companies Parties to the Merger presented some variances from the corresponding assumptions underlying the Plan, limited to short-term financial forecasts, but was substantially consistent with the assumptions concerning the profitability projections presented as the Plan's targets for 2016, the Companies Parties to the Merger believe that the considerations originally put forth with regard to the ability of the Post-Merger Group to honor its obligations have been fully confirmed as of the Date of the Information Memorandum.

4.1 Economic and Financial Plan

The Plan, which was prepared by the Boards of Directors of Salini and Impregilo, in accordance with the provisions of Article 2501-*bis*, Section Three, of the Italian Civil Code, contains information about financial sources and a description of the planned objectives for the 2013-2016 period.

In general terms, for Plan determination purposes, the following factors were taken into account: (i) the reference scope; (ii) the accounting principles underlying the Plan's construction; (iii) the time horizon; (iv) the evolution of the portfolio of projects for the two Companies Parties to the Merger at December 31, 2012 and projections for the acquisition of

new orders; (v) the strategic choice to focus on the core construction business and resulting divestment of non-strategic assets and favorable resolution of disputes related to the former CDR plants in the Campania region and the damage claims for the cancellation of the contract to build a bridge across the Strait of Messina.

- (i) The Plan was constructed with a prospective that assumes the successful completion of the Merger, based on the consolidated plans of the Companies Parties to the Merger: all economic and financial projections make reference to the combined entity resulting from the Merger, taking into account the assessments made regarding the synergies that can be realized with specific programs aimed at increasing efficiency in some areas of the business organization.

To that effect, please note that the Merger qualifies as a business combination of entities under common control in that the transaction occurs after the statutory acquisition of control by Salini over Impregilo. Considering that the procedures required by the international accounting principles for the purpose of determining the fair value of the net acquired assets (the purchase price allocation) are currently in progress and will be completed within the mandatory deadline of 12 months from the date of acquisition of control, within the framework of the Plan the accounting difference between the fair value of the consideration given to acquire control and the fair value of the net acquired assets, prorated for the ownership interest held, was determined based on the reference statement of financial position at the date when control was acquired by the Company Being Incorporated and, also within the framework of the Plan, was allocated on a preliminary basis to the Post-Merger equity in an account of the consolidated shareholders' equity. The purchase price allocation, which will be completed in accordance with the reference accounting principles, which require the determination of the fair value of the acquired assets and liabilities, including any contingent liabilities, could potentially result in a more accurate allocation of amounts to specific assets, liabilities or contingent liabilities. In any event, the solution adopted has no impact whatsoever on cash flow dynamics and the net financial position of the Post-Merger Group; the option of recognizing unrealized gains for tax purposes, if adopted, could have a beneficial effect on cash flows, the determination of which, however, will be possible only once the purchase price allocation procedure is completed.

- (ii) The Plan was prepared in accordance with the IAS/IFRSs international accounting principles adopted by the Salini Group and the Impregilo Group, in continuity with the consolidated financial statements for the reporting years ended December 31, 2012.
- (iii) Insofar as the time horizon is concerned, the prospective data for the Salini Group and the Impregilo Group for the 2013-2016 period were used.
- (iv) The projected economic and financial flows for the 2013-2016 Plan period call for the achievement of specific objectives in 2016 (listed in the table provided in the Section that follows) and were developed in accordance with a bottom-up approach, i.e., taking into account:
 - the timelines of the individual orders already included at December 31, 2012 in the portfolios of construction projects of the Companies Parties to the Merger. At the end of 2012, the order backlog amounted to 19.9 billion euros and will cover more than 60% of the economic projections of the 2013-2016 Plan (revenues and EBITDA and EBIT margins) or about 13.8 billion euros in revenues over the 2013-2016 period. These revenues were estimated in accordance with detailed projections for each project based on the information available in May 2013; as of the Date of the Information Memorandum, there were no new elements showing that the abovementioned assumptions are no longer valid; however, it must be noted that the process underlying the revision and update of the order budget for projects in progress has not yet been completed and, consequently, the Plan included in this Information Memorandum does not take into account potential impacts resulting from the completion of the abovementioned process.
 - the projections for new order acquisitions over the Plan's period, based on a rigorous selection of commercial opportunities, in accordance with highly specific profitability and cash flow parameters that serve as guidelines for future commercial endeavors, increasingly focused on acquiring orders for large-scale projects and establishing a stronger presence in clearly identified countries with a high growth potential and taking into consideration the Strategic Agreement signed by the Impregilo Group and the Salini Group; over the entire period of the Plan, cumulative revenues are projected at 23.3 billion euros, with new orders amounting to 29,8 billion euros, for a book-to-bill ratio greater than 1. Revenues are projected in the Plan in accordance with the cost-to-cost method, which is also used in the financial statements; project EBIT (before overhead) for projects acquired in the future were estimated at 10% of

projected contract revenues (before overhead), which is less than the 2013-2016 average for projects in the portfolio at December 31, 2012 (it was 10.9%, net of projections for the cancellation of the contract for the construction of a bridge across the Strait of Messina) and consistent with new order assumptions in accordance with the provisions of the abovementioned commercial agreement;

- an estimate of the cost synergies achievable with programs designed to increase efficiency in specific functional areas; in this regard, once the programs are fully implemented (starting in 2016) the value of these synergies could reach 100 million euros a year. Potential identified synergies regard mainly: (i) savings on jobsite procurement, jobsite services and overhead, and (ii) savings on purchasing and better turnover of machinery and equipment;
- an increase in net overhead in absolute amounts and on an annual basis, although as a result of economies of scale, the ratio of overhead to total revenues should gradually decrease over the Plan's time horizon (from 3.8% in 2013 to 3.0% in 2016);
- the non-recurring costs associated with the merger transaction and estimated at about 25 million euros;
- the planned capital expenditures, which, relative to the backlog, were estimated in line with the timelines for the various projects for a total outlay of 192 million euros over the Plan period and, relative to new orders, were estimated at 2.8% of the order intake amount for projects in Italy and 6.5% of the order intake amount for projects outside Italy, for which the impact of contracts is expected to be smaller compared with projects in Italy, for a total amount equivalent to average capital expenditures of about 325 million euros for each Plan year. Investments in concessions and other businesses are projected at about 256 million euros (including concession backlog and new order intake);
- working capital dynamics during the 2013-2016 period, which was estimated assuming collection and payment days over the Plan years and in line with historical averages for the two Companies Parties to the Merger, assessing specific assumptions for projects located in certain geographic regions. Lastly, for projects in the backlog at the end of 2012, advance reimbursement trends were viewed against the budgets for the respective orders and, for new orders acquired during the 2013-2016 period, advances were assumed to be equal to 10% of the value of each new order for

projects in Africa, the European Union and Asia and 7% in the rest of the world, with no advances projected in Italy; New orders received during the 2013 reporting year up to the Date of the Information Memorandum are consistent with the Plan's assumptions. With regard to the acquisition of additional equity stakes in the COCIV Consortium and the project for the "Cityringen" subway system in Copenhagen, see the information provided in Section 4.2.2 – Item *b*).

- an estimate of depreciation and amortization based on expected useful lives;
 - an estimate of financial income and expense based on changes in net financial debt; the effects on financial expense resulting from the new structure of the financial debt, as described in Section 4.2.2, are not material over the Plan's horizon;
 - an estimate of taxes determined assuming an average annual tax rate equal to 33% of EBT.
- (v) The Plan reflects the growth outlook for the construction activities, consistent with the strategic choice made by management to focus on the core construction business and, consequently, incorporates the effects of nonrecurring transactions, which are expected to generate proceeds totaling about 551 million euros in 2013 and about 128 million euros in 2014, achieved in part by *(a)* divesting the "Equipment" business; *(b)* realizing the value, possibly through divestments, of some equity investments in "greenfield" concession projects; *(c)* collecting compensation claims lodged by the Impregilo Group against the public administration for the portion of the costs incurred in previous years for the construction of the former CDR plants in the Campania region that had not been amortized on the date of statutory cancellation of the waste treatment contracts; and *(d)* the receivables owed to the Impregilo Group by public administrations of the Campania region for operating the former CDR plants during the transition period while the facilities were managed by a commissioner. A portion of the abovementioned proceeds is from the sale of the remaining 6.5% interest held in EcoRodovias (187 million euros), already completed in the first half of 2013. In addition, cost of 100 million euros were estimated for incidental expenses incurred in connection with Salini's acquisition of control of Impregilo and the refinancing of debt with the placement by Salini of the Bond Issue originally planned for 500 million euros and actually issued for 400 million euros (see Section 4.2.1 below). With regard to the divestment of some equity investments, please note that, as of the date of this Document, the divestment of some

equity investments originally projected for 2014 (TE and TEEM) were completed in 2013, while other divestments projected for 2013 will reasonably be completed in 2014 (Fisia Italimpianti S.p.A. and Fisia Babcock Environment G.mb.H.), without a material impact on the cash flows projected in the Plan; for additional information, see the comments provided in Section 4.2.2, Items *c)* and *d)*. Moreover, with regard to the former CDR facilities, please note that in August 2013 the receivables owed by the Administration were regularly collected; see Section 4.2.2, Item *a)* for additional information. Lastly, the Plan assumed a 40% payout ratio during the 2014-2016 period.

The approach used made it possible to attain a high level of reliability for the Plan's economic and financial growth projections, as the profitability of individual backlog orders, their completion progress and any critical issues existing for each project are known in advance.

The table that follows, which summarizes the main objectives that the Plan is expected to achieve, is designed to provide a better understanding of the economic and financial dynamics that characterize the 2013-2016 Plan:

2016 Objectives of the Industrial Plan			
Revenues	€7.4 bill.	Growth rate (CAGR)	16%
EBITDA	~ €1 bill.	EBITDA margin	>13.5%
EBIT	> €670 mill.	EBIT margin	> 9%
Order backlog	~ €26 bill.	New order intake (yearly average)	€7.5 bill.
Construction capex (yearly average)	~ €325 mill.	Net financial position	~ €110 mill.

In view of the specific characteristics of the business combination process that includes the Merger, based on the 2013-2016 Plan, the requirements of the provisions of Article 2501-*bis* of the Italian Civil Code were fully complied with. More specifically, please note that because the

Merger is being achieved through an acquisition process that involves debt, the Plan's assumptions presented included the expected total projected financial dynamics of the Group, as originally presented in the table provided below, which, in turn, provides evidence of the Group's ability to honor its obligations subsequent to the Merger.

Cash Flow – 2013-2016 Economic-Financial Plan				
<i>mln €</i>				
Consolidated	2013 P	2014 P	2015 P	2016 P
Opening balance net financial position	404	(269)	30	33
Cash flow generated (absorbed) by operating activities	44	648	551	708
Cash flow generated (absorbed) by investing activities (industrial investments)	(184)	(297)	(448)	(531)
Cash flow generated (absorbed) by financing activities and material transactions	(534)	(52)	(101)	(100)
Ending balance net financial position	(269)	30	33	110
<i>including liquid assets</i>	<i>1,347</i>	<i>1,116</i>	<i>907</i>	<i>947</i>
<i>including net financial debt</i>	<i>(1,616)</i>	<i>(1,086)</i>	<i>(874)</i>	<i>(837)</i>
Ending balance net financial position	(269)	30	33	110

Please note that the net financial position shown above, determined in accordance with accounting principles homogeneous with those applied by the Groups Parties to the Merger for the purpose of preparing their respective financial statements, differs from the one set forth in the CONSOB Communication of July 28, 2006 in accordance with the Recommendations ESMA/2011/81, due to the different allocation of negligible amounts concerning mainly the measurement of derivatives and the inclusion of balances of non-current financial assets.

By their very nature, economic and financial projections are characterized by unpredictable factors and uncertainty. Projections represent the most accurate and likely estimate of developments affecting the business operations subject of the Merger.

Taking into account the information described below, the Boards of Directors of the two Companies Parties to the Merger, as part of the assumptions underlying the Plan, had originally developed some additional considerations concerning the variability of the projected results,

depending on the occurrence of situations that may reflect quantitative or timing profiles different from those reasonably foreseeable at this point, as discusses in greater detail below:

- with regard to orders currently in existence and under contract (i.e., the “backlog”), the Plan assumes flows (revenue and cost flows) and amounts (assets and liabilities) consistent with the stipulations of contracts with customers. However, the possibility that future events could change, even significantly, the quantitative and/or timing profiles of the flows and amounts deriving from such orders cannot be ruled out;
- a portion of the revenues and operating margins projected for the Plan’s period (2013-2016) is associated with orders the acquisition of which is presumed (new order intake); given the nature of the infrastructural construction business, the new order intake can be a cause of unpredictability; however, on the Date of the Information Memorandum, there appeared to be no factors that could lead to different valuations compared with those in the Plan;
- the business of Impregilo and Salini is carried out at the international level and, consequently, is exposed to significant geopolitical risks; these risks were assessed by evaluating separately the activities carried out in relatively riskier environments;
- the Plan assumes, inter alia:
 - (a) The collection, in 2014, of the penalty (97 million euros after taxes) for the cancellation of a contract for the construction of a bridge across the Strait of Messina executed by the Italian government and Eurolink S.C.p.A., an Impregilo Group company. Please note that this issues is now the subject of litigation, with regard to which no decision has yet been handed down by the judicial authorities or, more generally, the relevant government entities; this situation could generate a different timing in the occurrence of the Plan’s projection, even though no factual elements requiring changes to those projections were detected as of the Date of the Information Memorandum.
 - (b) The collection of receivables resulting from the FIBE – CDR Campania litigation amounting to 209 million euros in 2013 (sales price of the CDR assets, including estimated incidental charges – the Court of Cassation, by a decision handed down in April 2013, which has now become final, found in Impregilo’s favor) and 53 million euros in 2014 (consideration for the provision of reporting services). See Section 4.2.2 below; please note that the receivables owed by the

Administration were regularly collected. For additional information, see Section 4.2.2, Item c), below.

- (c) The sale, in 2013, of some investments in the “*Equipment*” business and the concessions in Italy, to which a higher degree of uncertainty could be attributed compared with other divestments projected in the Plan. More specifically, with regard to the concessions in Italy, their divestment was projected, conservatively, for a value equal to the corresponding shareholders’ equity at December 31, 2012, without factoring in the realization of implied gains. Moreover, for these projects there is no expectation that advances on capital contributions will be made beyond those scheduled in the respective projects, considering that only the realization of the shareholders’ equity amount is projected and considering that such assumptions would have no effect on the overall net financial position.

4.2 Evolution of the activity of the Companies Parties to the Merger and the respective Groups subsequent to the preparation of the Plan and related comparative observations

As noted earlier in this Memorandum, the 2013-2016 Plan was one of the key strategic elements that characterized the complex of activities undertaken by the Companies for the purpose of fully implementing the “*Campione Nazionale*®” project, within the broader context framing the merger. In view of the length of time that elapsed between date when the Plan was approved by the relevant governance bodies of the Companies and the Date of the Information Memorandum, it seemed appropriate to provide in this section of the Memorandum more detailed information about the key events that characterized the evolution of the operating activities of the Companies over the abovementioned period, in comparison with the corresponding assumptions underlying the Plan.

This process was carried out with regard both to the development of financial activities and the related ability of the Post-Merger Group to honor its obligations and the evolution of the operating activities, in order to confirm, currently as was the case earlier, the reasonableness of the Plan’s assumptions with regard to targets, in light of recent developments that affected both Groups Parties to the Merger.

4.2.1 Evolution of financial activities

From the standpoint of financial activities, the main events that occurred between June 24, 2013 and the Date of the Information Memorandum are as follows:

a) *Bond issue*: On August 1, 2013, Salini completed the issuance of the Bond Issue, amounting to 400 million euros, with the conclusion of the placement process occurring on July 23, 2013 (see the press release of July 24, 2013 and the prospectus published by Salini on July 30, 2013, available on the website www.salini.it, “*Investor Relations – Bon Prospectus*” page). The securities issued are listed on the Irish Stock Exchange in Dublin and carry a 6.125% fixed-interest coupon.⁵ At the time of the placement, the bonds were assigned a preliminary rating of BB by Fitch and BB- by Standard & Poor’s, while the Company Being Incorporated received a BB rating from Fitch and a preliminary BB rating from Standard & Poor’s, both with stable outlook. Lastly, Fitch, after assigning a final “BB” rating to the Bond Issue on August 5, 2013, issued its Full Rating Report about Salini on September 10, 2013, reaffirmed Salini’s Rating (“BB”), again confirming the final rating of the Bond Issue (“BB”). As for Standard & Poor’s, its rating committee is expected to meet shortly and issue its final rating both of the Company Being Incorporated and the Bond Issue.

On August 1, 2013, subsequent to the placement of the Bond Issue, and additional installment of about 394.9 million euros owed under the TO Loan Agreement was repaid ahead of schedule. Under the Plan’s original assumptions, the Bond Issue was projected for an amount larger by 100 million euros than the amount actually issued, but, considering that the financial resources of obtained by this transaction were substantially earmarked for the earlier repayment of the TO Facility, consistent with the abovementioned assumptions of the Plan, there was not impact in terms of overall financial indebtedness completed with the Plan’s assumptions. However, in terms of the expected maturity of the aggregate indebtedness, the short-term exposure increases while the long-term exposure decreases by about 100 million euros.

- b) *New Facility Agreements*: on December 10 and 12, 2013, the Companies Parties to the Merger executed the New Facility Agreements, as follows:
- a. Salini and Impregilo, on the one hand, and the New Lender Banks, on the other hand, executed the New Loan Agreement as an instrument amending and integrating the TO Loan Agreement, pursuant to which the New Lender Banks

⁵ Please note that, inter alia, the Bond Issue’s indenture includes specific limits on the assumption of indebtedness by Salini and its subsidiaries (except for those qualified as “Material Subsidiaries”) if the ratio of consolidated EBITDA to gross consolidated financial expense (determined in accordance with the provisions of the relevant agreements on March 31, June 30, September 30 and December 31 of each calendar year) is less than 2.5, until repayment of the respective facility (see Chapter 6, Section 6.2.1).

provided the Companies Parties to the Merger with the New Facility for a total amount of 425,000,000.00 euros, broken down into three separate credit lines, two provided to Salini (for up to 298,575,489.25 euros and 51,424,510.15 euros, respectively) and one provided to Impregilo (for up to 75,000,000.00 euros);

- b. In addition, Salini signed with Banca IMI S.p.A., Natixis S.A. – Milan Branch, Intesa Sanpaolo S.p.A., UniCredit S.p.A. and BNP Paribas – Milan Branch the Revolving Facility Agreement, pursuant to which the Company Being Incorporated received a revolving credit line of up to 100,000,000.00 euros;
- c. For a description of the main terms and conditions of the New Facility Agreements, see Section 3.2.2.7 above.

In the Plan's original assumptions, these contracts were not taken into account. However, considering the characteristics of these contract and their provisions regarding the use of the financial resources (see Section 3.2.2.7), there appears to be no material impact on the Plan in terms of overall financial debt, while in terms of maturity for the same indebtedness the medium/long-term exposure increases by about 425 million euros with a corresponding reduction of the short-term exposure.

4.2.2 *Evolution of the operating activities*

Insofar as operating activities of concerned, the main events that occurred between June 24 and the present time are as follows:

- a) *Collection of damage claims related to the former CDR facilities:* in August 2013, further to payment injunctions enforced by the Impregilo Group for the purpose of collecting receivables owed to it in connection with the former CDR facilities—with regard to which more detail information is provided in the consolidated semiannual report of the Impregilo Group at June 30, 2013, approved on August 5, 2013 and available to the public on the website www.impregilo.it – “Investor Relations – Results” page—the total amount of 240.6 million euros in principal and statutory interest was collected. This event, together with the corresponding tax effects, was already taken into account in the Plan's original assumptions and occurred in a manner fully consistent with those assumptions, without producing any effect in terms of discrepancies with the Plan.
- b) *Acquisitions of additional interests in projects in the order backlog:* in September 2013, Impregilo finalized a contract to acquire for a consideration of about 25 million euros a further

10% interest in the COCIV Consortium, General Contractor for the construction of the third Giovi railroad gateway, and, in October 2013, Salini finalized a contract to acquire for a consideration of about 15 million euros and interest of about 40% in the project for the “Cityringen” subway system in Copenhagen, Denmark. Both transactions were already consistently included in the Plan’s original assumptions and, consequently, did not have a material impact in terms of discrepancies with the Plan.

- c) *Sale of the interest held by Impregilo in ‘Tangenziale Est Esterna di Milano (TEEM)’ concession project:* in November 2013, Impregilo S.p.A. sold the interests it held in Tangenziali Esterne di Milano S.p.A. (TEM) and Tangenziale Esterna S.p.A. (TE), for a total of 43.8 million euros, together with all of the equity interests held by Impregilo in these special-purpose entities through which the TEEM project was being implemented (see the press release of November 25, 2013, available on the website www.impregilo.it, “Media” page). The sale of the equity interests in the abovementioned special-purpose entities was executed for a total consideration of 32.2 million euros, including 19 million euros for work already performed, net of the corresponding production costs, and 4.2 million euros as the monetization of the right to complete the remaining work, while the sale of the interests in TEM and TE, companies not yet operational, was executed for a consideration equal to the amount at which these interests were carried in Impregilo’s statement of financial position at the time of the sale. The gain recognized by Impregilo as a result of this complex transaction, net of the respective tax effect, amounted to 4.2 million euros and the total financial resources obtained totaled 67 million euros. Within the Plan’s original assumptions, this transaction, which concerned a “greenfield” concession, was projected, from a quantitative standpoint, with the same profile with which it actually occurred, while from a timing standpoint it was projected as occurring in 2014. This circumstance, in terms of variance from the Plan, produced no impact with regard to the profitability and financial targets of the Plan, while on an annual basis it produced an increase in positive cash flows of about 44 million euros in 2013, with a corresponding reduction of cash flows in 2014.
- d) *Divestments of equity investment related to the “Facilities” business:* in November 2013, the Impregilo Group signed agreements, currently subject to certain conditions precedent, to sell its entire equity investment in the Chinese concession holder called Shanghai Pucheng Thermal Power Energy, while the divestment of the equity investments in other companies in this sector, Fisia Italimpianti S.p.A. and Fisia Babcock

Environment G.mb.H, have not yet been finalized. While at this point it seems reasonable to expect that the sale of Shanghai Pucheng Thermal Power Energy can be closed by the end of the current reporting year and it is possible that concrete positive developments may occur regarding the other two equity investments in this sector, as of the date of this Document there were not elements on the basis of which it could reasonably be predicted that these divestments can be completed by December 31, 2013. Considering that (i) in the Plan's original assumptions all three divestments were projected to close during the current reporting year; (ii) the agreements concerning the sale of Shanghai Pucheng Thermal Power Energy were finalized, albeit subject to conditions precedent, on terms fully consistent with those originally projected in the Plan; and (iii) expectations concerning the divestment of the other equity investments did not change substantially needing only to be repositioned over the short term, clearly, in terms of variances from the Plan, there will be a reduction of positive cash flows in 2013 totaling about 100 million euros, with a corresponding increase in cash flows in 2014.

e) *Other events concerning operating transactions*

For the sake of full disclosure, please also note that during the period between the Merger Plan approval date and the Date of the Information Memorandum, the Salini Group was awarded the following new projects (see the press releases of July 15, 2013, July 29, 2013 and August 12, 2013, available on the website www.impregilo.it – “Media” page).

- 1) design and construction of the new Line 3 of the Riyadh Metro system, for a value of over 3.6 billion euros;
- 2) construction of the first lot of the new coastal highway in Libya of about 400 km (from the town of Al Marj to Emsaad on the border with Egypt), for a total value of about 963 million euros;
- 3) construction of four lots of the highway between Almaty and Khorgos and one lot of the Almaty-Ust-Kamenogorsk road in Kazakhstan, for a value of about 387 million euros;
- 4) construction of a new waste water trunk line for the Buenos Aires area, in Argentina, (“*Riachuelo*” project), for a value of about 360 million euros.

- 5) construction of two new waste incinerators in Sweden and Finland, for a total value of about 90 million euros.

These developments, while not identified by name, were reflected in the Plan's original assumptions for "new order intake" and the acquisition of these orders did not produce a material variance compared with the Plan, either on a short-term financial basis or in terms of the Plan long-term objectives.

4.3 Considerations concerning the evolution of the activities of the Companies Parties to the Merger during the period between the Plan's preparation and the Date of the Information Memorandum

Taking into account the development described in the preceding section, in preparing this Information Memorandum it seemed appropriate to update some considerations already provided when preparing the Plan, in order to illustrate how, as of the present date and based on the events described above, the assessments made as to the reasonableness of the evidence supporting the assumptions are still valid, as are the elements used for Plan preparation purposes, with regard both to the Post-Merger Group's ability to honor his commitments.

As for the reasonableness of the Plan's assumptions, they have been confirmed and are currently thought to be fully valid, also considering that:

- (a) the process of preparing and industrial plan, such as the wind prepared by the Companies, is a process inherently complex and becomes even more complex when applied within the context of a specific business such as the one in which Salini and Impregilo operate;
- (b) the economic and financial projections contained in the Plan are by their very nature characterized by unpredictability and uncertainty and, consequently, even though the time period between the update of the relevant considerations applicable to the first reporting year of the projections and the end of that year is limited, the considerations made at this point should be viewed as reasonable projections, without excluding the possibility that other circumstances projected in the Plan could occur with timing and qualitative profiles different from those projected or that other events or circumstances for which no projection could be developed may occur;
- (c) the net consolidated indebtedness of the Groups Parties to the Merger at September 30, 2013 (i.e., the next indebtedness of the Salini Group at September 30, 2013, see Chapter 2, Section 2.1.1 and Chapter 6, Section 6.2), stated on a homogeneous and

consistent basis with the data used to prepare the Plan, amounted to 574 million euros and, within the overall framework existing at that date, did not present substantial discrepancies with the projections made—albeit without specific infra-annual references—as part of the Plan’s original assumptions;

- (d) during the period between the Plan’s preparation date and the date of this Document, the evolution of the activities of the Companies Parties to the Merger in comparison with the corresponding assumptions underlying the Plan show some discrepancies limited to short-term financial projections;
- (e) one of the main characteristics of the business pursued by the two Groups Parties to the Merger consists of execution of transactions with public administrations (Italian and foreign) for extremely large infrastructural projects;
- (f) this characteristic entails, inter alia, that if significant portion of the expectations of the Groups Parties to the Merger about the development of their net financial position for the period is highly dependent on the ability (and in some cases the willingness) of customers to honor their obligations towards Salini and Impregilo in accordance with the due dates projected by the Companies; and
- (g) this characteristic also and entails that, even though the end of the reporting the year is relatively close, as part of the normal dynamics of the Company operating activities, at the Date of the Information Memorandum the possibility cannot be excluded that, in the last part of the year or the early days of 2014, certain events could still occur or not occur, thereby causing the projections previously provided for the 2013 reporting year to be confirmed or not confirmed.

As for the events discussed in the previous paragraph as sources of difference compared with the Plan’s projections, they are not believed to be capable of impacting the profitability targets projected in the Plan for 2016.

With regard to the consolidated net financial debt reported by the Salini Group at September 30, 2013, amounting to about 574 million euros and considering the announced target for 2013 (negative by about 269 million euros), in addition to the net effects generated by the different timing with which some nonrecurring transactions mentioned above were executed, the occurrence of negative variances, potentially significant, cannot be excluded, due to the collection cycle dynamics peculiar to the industry of the Companies Parties to the Merger (see Sections 2.3.1, 2.3.2 and 2.3.3 above), which, as such, could make

it impossible to absorb the existing, or even larger, variance between the financial debt at September 30, 2013 and the previously provided target for the 2013 reporting year. However, the temporary nature of the abovementioned effects should make it possible to absorb them in the early months of 2014.

Based on the considerations provided above concerning the variability of the projected results presented in the Plan in accordance with the Plan's original assumptions, taking into account the development described above in detail with regard to events occurring during the period following the preparation of the Plan and, lastly, even though the regular development of the Company's business progressed in accordance with profiles substantially consistent with the abovementioned assumptions, it is nevertheless necessary to update certain analyses concerning the variability of expected results in light of the abovementioned recent developments and as a result of the occurrence of certain situations with quantitative and timing profiles different from those reasonably projectable up to now, which are analyzed in detail below:

- with regard to orders currently existing and covered by contracts (the order backlog), the Plan projects flows (of revenues and expenses) and amounts (assets and liabilities) consistent with the data in the agreements with customers. Even though no significant differences from the data used when preparing the Plan had been detected thus far, the possibility cannot be excluded that future event could materially alter the quantitative and/or timing profiles of the flows and amounts generated by these orders;
- a portion of the revenues and operating margins projected for the Plan's period (2013-2016) is associated with the orders acquisition of which is assumed (new order intake). Even though the development of sales activities during the period between the Plan's preparation and the Date of the Information Memorandum showed results fully consistent with the Plan's original assumptions, taking into account the nature of the infrastructural construction business, the acquisition of additional orders beyond those already booked continues to represent a factor of uncertainty;
- Impregilo's and Salini's business is developed with an international approach and, consequently, is exposed to significant geopolitical risks. These risks were assessed looking separately at activities located in relatively more risky contexts;

- the sale of some equity investments in the “Facilities” sector, originally projected for the current year, is currently being finalized. As of today’s date, agreements have been finalized, subject to condition precedent, for one of the equity investments in this sector of business, while assessments are currently being made with regard to the other equity investments. While the hypothesis that these divestments can in any event be completed before the end of 2014 is deemed reasonable, at this point the possibility cannot be excluded that events or situations currently not foreseeable could cause the closing of this transactions to shift further in time;
- lastly, with regard to projections concerning litigation, including:
 - (a) the collection in 2014 of the penalty (97 million euros, net of taxes) for the cancellation of the contract for the construction of a bridge over the Strait of Messina executed by the Italian government and Eurolink S.C.p.A., an Impregilo Group company; and
 - (b) the collection of receivables originating from the FIBE – CDR Campania litigation, amounting to 53 million euros, projected to occur in 2014 (consideration for services paid based on accounting of expenses);

it is believed that on the Date of the Information Memorandum there remain the same elements of uncertainty observed when the Plan was prepared and relating to the objective complexity entailed by the formulation of prognostications concerning litigation of this type. However, insofar as the litigation of this type is specifically concerned, taking into account the conservative assumptions made within the context of the Plan about the realizable value of the Post-Merger Group’s claims (which, over the length of the Plan, are expected to generate net financial resources totaling 150 million euros), there appears to be no significant problems with regards to the ability of the Post-Merger Group to honor its obligation in the unlikely hypothesis that the abovementioned events should not materialize. This conclusion is based, inter alia, on the circumstances detailed in the preceding section entitled *Evolution of the activity of the Companies Parties to the Merger and the respective Groups subsequent to the preparation of the Plan and related comparative observations* and, more specifically, on the availability of additional credit lines, compared with those included in the Plan’s original projections, amounting to 100 million euros and a more extended maturity of the overall indebtedness of the Post-Merger Group as a result of the New Facility Agreements.

As for the assessments concerning the Post-Merger Group’s ability to honor its commitments,

taking to account the considerations provided thus far, it is believed that the abovementioned assessments continue to be fully confirmed at the current date, considering that:

- a) the structure of the indebtedness resulting from the conclusion of the New Facility Agreements (see Section 3.2.2.7), compared with the one projected in the Plan, is:
 - (i) substantially unchanged in terms of the overall amounts;
 - (ii) more flexible from a contractual standpoint in that it is essentially unsecured and includes clauses requiring compliance with specific economic and financial indicators (financial covenants), in line with standard market terms for financing transactions. In this regard, please note that in connection with the approval of the Merger Plan the Companies already concluded that the development of the Post-Merger Group's operating performance would have made it possible to comply with the financial covenants of the TO Facility. Therefore, in view of the information provided above, this consideration is still thought to be completely valid;
 - (iii) more medium-term oriented with obvious benefits in terms of financial flexibility during the Plan's early periods;
- b) overall, the evolution of the activity of the Companies between the Plan's preparation date and the Date of the Information Memorandum occurred in a manner essentially consistent with the projections provided in the Plan.

In this regard, please note that the Plan was reviewed by the following parties:

1. the Independent Auditors, who issues: (i) a report dated June 28, 2013 pursuant to Article 2501-*bis* of the Italian Civil Code, appended to this Information Memorandum as Annex B; and (ii) a report pursuant to Section 13.2 of Annex 1 to Regulation No. 809/2004/CE, appended to this Information Memorandum as Annex C;
2. the Joint Expert, issued its report on August 5, 2013, pursuant to Article 2501-*bis*, Section 4, of the Italian Civil Code.

Lastly, please note that on December 16, 2013, within the framework of the strategies implemented by the Salini Group in pursuit of an increasingly inefficient allocation of resources through a constant and heightened attention to opportunities to redefine the Group's organizational structure, with the aim of creating a global player in this sector of complex infrastructures capable of competing with the main international competitors, in terms of economies of scale, size and geographic complementarity, Salini's Board of Directors agreed to

consider the possibility of realizing the value of the 100% interest held in Todini Costruzioni Generali S.p.A. through its divestment.

As of the Date of the Information Memorandum, given the uncertainties affecting the modalities, terms and execution timing of the abovementioned divestment, currently in the process of being defined with the support of a top financial institution, and considering that no binding agreements with third parties have yet been undertaken, it is impossible to supply a reasonably reliable estimate of the effects of the abovementioned divestment on the Plan, taking also into account the possibility that the Post-Merger Incorporating Company may be able to seize opportunities in areas of development in which Todini Costruzioni Generali S.p.A. currently operates through the direct acquisitions of valuable orders. Because in the Plan's assumptions the development of the projects currently being pursued by Todini Costruzioni Generali S.p.A. does not provide a material contribution to the Plan's principal objectives, while the sales development attributable to this company's area of activity can still easily be achieved by the Post-Merger Incorporating Company, there is no indication that the Plan's objectives should not be confirmed. For information purposes, please note that the main consolidated income statement and financial position data at June 30, 2013 of Todini Costruzioni Generali S.p.A. can be summarized as follows: (i) Value of Production of 168 million euros; (ii) Negative Operating Result of 14 million euros; (iii) Net Loss of 15 million euros; (iv) Net Financial Position negative by 300 million euros; (v) Shareholders' Equity 41 million euros.

5 SIGNIFICANT EFFECTS OF THE MERGER

5.1 Description of any significant effect of the Merger on the key factors that affect and characterize the Issuer's activity and the type of business carried out by the Issuer

The information provided in sections 3.3.1 and 3.3.2 above notwithstanding, the Merger will not have a significant effect on the key factors that characterize Impregilo's activity, considering that the Company Being Incorporated conducts its business in the same sectors in which Impregilo operates and the company resulting from the Merger is expected to continue seamlessly the activity currently carried out by the Companies Parties to the Merger.

5.2 Impact of the Merger on the strategic guidelines concerning commercial and financial transactions and centralized services exchanged by Impregilo Group companies

The information provided in sections 3.3.1 and 3.3.2 above notwithstanding, the Merger will have no impact on the strategic guidelines concerning commercial and financial transactions and centralized services exchanged by Impregilo Group companies.

6 INCOME STATEMENT, FINANCIAL POSITION AND CASH FLOW DATA OF THE COMPANIES PARTIES TO THE MERGER

Foreword

The Sections that follow provide financial information about (i) the Impregilo Group, for the nine-month period ended September 30, 2013, compared with the corresponding period ended September 30, 2012 and for the years ended December 31, 2012, 2011 and 2010; and (ii) the Salini Group, for the nine-month period ended September 30, 2013, compared with the corresponding period ended September 30, 2012 and for the years ended December 31, 2012, 2011.

6.1 Income statement, financial position and cash flow data of the Impregilo Group

6.1.1 *Consolidated financial statements for the years ended December 31, 2012, 2011 and 2010 and interim report on operations at September 30, 2013 of the Impregilo Group*

The consolidated financial statements of the Impregilo Group for the years ended December 31, 2012, 2011 and 2010 and the interim report on operations at September 30, 2013 of the Impregilo Group are included in this Information Memorandum by reference.

These statements, together with the report on operations, may be viewed at the Company's registered office and on the website www.impregilo.it (see Chapter 3, Section 3.4.1 above).

To facilitate the process of locating the information contained in the documents included by reference, the table below lists the pages for the main sections of the abovementioned documents:

	Nine months ended September 30, 2013	2012 reporting year	2011 reporting year	2010 reporting year
Report on operations	15-49	22-97	24-93	33-87
Consolidated statement of financial position	88-89	144-145	134-135	191-192
Consolidated income statement	90	146	136	193
Consolidated statement of comprehensive income	91	147	137	194
Statement of changes in consolidated equity	n.a.	150-151	140-141	197
Consolidated statement of cash flows	92-93	148-149	138-139	195
Notes to the consolidated financial statements	51-83	152-238	142-230	199-317
Report of the independent auditors	n.a.	376-379	376-379	457-461

The independent auditors PwC audited the consolidated financial statements of the Impregilo Group for the years ended December 31, 2012, 2011 and 2010 and issued its reports without qualifications on April 5, 2013, 2012 and 2010, respectively. The interim report on operations at September 30, 2013 of the Impregilo Group was not audited.

The consolidated statement of financial position and the consolidated net financial position at September 30, 2013 and at December 31, 2012, 2011 and 2010, the consolidated income statement and the consolidated statement of cash flows for the nine-month period ended September 30, 2013 and 2012 and for the year is ended December 31, 2012, 2011 and 2010 of the Impregilo Group are provided below.

Consolidated income statement of the Impregilo Group for the nine months ended September 30, 2013 and 2012

	Nine months ended September 30,				Change	
	2013		2012*		2013-2012	
<i>Amounts in thousands of euros and percentage of total revenues</i>		%		%		%
Revenues						
Operating revenues	1,702,454	97.9%	1,684,795	98.0%	17,659	1.0%
Other revenues	37,284	2.1%	33,629	2.0%	3,655	10.9%
Total revenues	1,739,738	100.0%	1,718,424	100.0%	21,314	1.2%
Costs						
Raw materials and consumables	(277,869)	(16.0%)	(253,933)	(14.8%)	(23,936)	9.4%
Subcontracts	(435,229)	(25.0%)	(383,081)	(22.3%)	(52,148)	13.6%
Other operating expenses	(546,203)	(31.4%)	(718,352)	(41.8%)	172,149	(24.0%)
Personnel expenses	(292,193)	(16.8%)	(289,350)	(16.8%)	(2,843)	1.0%
Amortization, depreciation, provisions and impairment losses	(71,144)	(4.1%)	(81,045)	(4.7%)	9,901	(12.2%)
Total costs	(1,622,638)	(93.3%)	(1,725,761)	(100.4%)	103,123	(6.0%)
Operating profit (loss)	117,100	6.7%	(7,337)	(0.4%)	124,437	(1,696.0%)
Result from partial divestment of a subsidiary	-	-	-	-	-	-
Financing income (costs) and gains (losses) on investments						
<i>Financial income</i>	16,072	0.9%	36,476	2.1%	(20,404)	(55.9%)
<i>Financial expense</i>	(57,405)	(3.3%)	(58,809)	(3.4%)	1,404	(2.4%)
<i>Net exchange rate gains (losses)</i>	6,199	0.4%	(5,104)	(0.3%)	11,303	(221.5%)
Net financing costs	(35,134)	(2.0%)	(27,437)	(1.6%)	(7,697)	28.1%
Net gains on investments	1,422	0.1%	457	0.0%	965	211.2%
Net financing costs and net gains on investments	(33,712)	(1.9%)	(26,980)	(1.6%)	(6,732)	25.0%
Profit (loss) before taxes	83,388	4.8%	(34,317)	(2.0%)	117,705	(343.0%)
Income tax expense	(29,926)	(1.7%)	(17,167)	(1.0%)	(12,759)	74.3%
Profit (loss) from continuing operations	53,462	3.1%	(51,484)	(3.0%)	104,946	(203.8%)

Profit from discontinued operations	83,377	4.8%	32,361	1.9%	51,016	157.6%
Net profit (loss)	136,839	7.9%	(19,123)	(1.1%)	155,962	(815.6%)
Non-controlling interests	(255)	(0.0%)	(1,022)	(0.1%)	767	(75.0%)
Profit (Loss) attributable to Owners of the Parent	136,584	7.9%	(20,145)	(1.2%)	156,729	(778.0%)

(*) The data at September 30, 2012 were taken from the comparative data included in the Interim report on operations at September 30, 2013 and differ from the data published in the Interim report on operations at September 30, 2012 due to: *i)* a different presentation of the activities of the EcoRodovias Group, which, in anticipation of the disposal of this investment (completed in three installments in the last quarter of 2012 and the first quarter of 2013), were classified as discontinued operations in accordance with the international accounting standard IFRS 5; and *ii)* the retrospective adoption of IAS 19 (R), applicable to the Impregilo Group as of the 2013 reporting year.

The revenues of the Impregilo Group totaled 1,739,738 thousand euros in the first nine months of 2013, for an increase of 1.2% compared with the same period the previous year, due mainly to order growth in the construction sector in Columbia, the United States and Italy.

Subcontractor costs increased by 52,148 thousand euros (+13.6%), rising from 383,081 thousand euros in the first nine months of 2012 to 435,229 thousand euros in the corresponding period in 2013.

Other operating expenses, which represent the largest cost item in terms of percentage impact on the total, decreased by 172,149 thousand euros (-24.0%), falling from 718,352 thousand euros in the first nine months of 2012 to 546,203 thousand euros in the corresponding period in 2013.

The consolidated operating profit totaled 117,100 thousand euros in the first nine months of 2013, as against a loss of 7,337 thousand euros in the corresponding period the previous year. With regard to this item, please note that the operating loss for the first nine months 2012 reflected to a large extent the problems encountered with some infrastructural projects abroad (Panama, Colombia and Chile), which required that the recognition of a loss for the full lives of the projects, while the operating profit for the first nine months of 2013 benefited from the effects of developments regarding litigation that were more positive than originally anticipated.

In the first nine months of 2013, net financial expense increased by a total of 19,000 thousand euros compared with the corresponding period the previous year, as the net result of a reduction of 20,100 thousand euros in net financial expense and an increase of 39,100 thousand euros in late-payment charges. More specifically, in the first nine months of 2013 the Group recognized late-payment charges of 15,200 thousand euros in connection with the

settlement of some disputes with public administration customers, while in the same period the previous year it recognized income of 23,900 euros for the payment by some foreign customers of delinquent interest owed to the Impregilo Group for delays in the collection of progress payments compared with the contractually stipulated schedule.

As a result of the above, the profit before taxes amounted to 82,388 thousand euros in the first nine months of 2013, as against a loss of 34,317 thousand euros in the same period in 2012.

Due to the effect of the developments presented above and the impact of income taxes, the profit from the continuing operations of the Impregilo Group amounted to 53,462 thousand euros, as against a loss of 51,484 thousand euros in the corresponding period in 2012.

The profit from discontinued operations increased by 51,016 thousand euros, improving from 32,361 thousand euros in the first nine months of 2012 to 83,377 thousand euros in the corresponding period in 2013, due mainly to the positive results of the activities carried out in connection with the “RSU Campania” projects. More specifically, further to a decision by the Court of Cassation and the outcome of collection actions activated by the Impregilo Group in connection with its claim for compensation, the net carrying amount of the assets subject of the litigation, which in previous years was written down, was fully reinstated taking also into account the statutory interest awarded and collected.

As a result of the above, the consolidated net profit for the first nine months of 2013 amounted to 136,839 thousand euros, as against a loss of 19,123 thousand euros in the corresponding period the previous year.

Consolidated income statement of the Impregilo Group for the years ended December 31, 2012, 2011 and 2010

<i>Amounts in thousands of euros and percentage of total revenues</i>	Year ended December 31,						Change			
	2012		2011 (*)		2010		2012-2011		2011-2010	
		%		%		%		%		%
Operating revenues	2,200,382	96.5%	1,812,092	96.5%	1,931,450	93.7%	388,290	21.4%	(119,358)	(6.2%)
Other revenues	80,609	3.5%	66,077	3.5%	130,871	6.3%	14,532	22.0%	(64,794)	(49.5%)
Total revenues	2,280,991	100.0%	1,878,169	100.0%	2,062,321	100.0%	402,822	21.4%	(184,152)	(8.9%)
Raw materials and consumables	(340,119)	(14.9%)	(265,015)	(14.1%)	(223,462)	(10.8%)	(75,104)	28.3%	(41,553)	18.6%
Subcontracts	(545,916)	(23.9%)	(301,156)	(16.0%)	(372,492)	(18.1%)	(244,760)	81.3%	71,336	(19.2%)
Other operating expenses	(915,501)	(40.1%)	(834,503)	(44.4%)	(880,336)	(42.7%)	(80,998)	9.7%	45,833	(5.2%)
Personnel expenses	(397,785)	(17.4%)	(324,096)	(17.3%)	(304,525)	(14.8%)	(73,689)	22.7%	(19,571)	6.4%
Amortization, depreciation, provisions and impairment losses	(107,148)	(4.7%)	(25,003)	(1.3%)	(57,688)	(2.8%)	(82,145)	328.5%	32,685	(56.7%)
<i>Amount of operating expenses with related parties</i>	<i>(18,063)</i>	<i>(0.8%)</i>	<i>-</i>	<i>0.0%</i>	<i>(3,875)</i>	<i>(0.2%)</i>	<i>(18,063)</i>	<i>100.0%</i>	<i>3,875</i>	<i>(100.0%)</i>
<i>Nonrecurring amount</i>	<i>-</i>	<i>0.0%</i>	<i>50,000</i>	<i>2.7%</i>	<i>-</i>	<i>0.0%</i>	<i>(50,000)</i>	<i>(100.0%)</i>	<i>50,000</i>	<i>(100.0%)</i>
Total costs	(2,306,469)	(101.1%)	(1,749,773)	(93.2%)	(1,838,503)	(89.1%)	(556,696)	31.8%	88,730	(4.8%)
Operating profit (loss)	(25,478)	(1.1%)	128,396	6.8%	223,818	10.9%	(153,874)	(119.8%)	(95,422)	(42.6%)
Result from partial divestment of a subsidiary	-	-	-	-	43,011	2.1%	-	-	(43,011)	(100.0%)
<i>Financial income</i>	<i>40,925</i>	<i>1.8%</i>	<i>24,149</i>	<i>1.3%</i>	<i>37,009</i>	<i>1.8%</i>	<i>16,776</i>	<i>69.5%</i>	<i>(12,860)</i>	<i>(34.7%)</i>
<i>Financial expense</i>	<i>(75,032)</i>	<i>(3.3%)</i>	<i>(83,693)</i>	<i>(4.5%)</i>	<i>(92,850)</i>	<i>(4.5%)</i>	<i>8,661</i>	<i>(10.3%)</i>	<i>9,157</i>	<i>(9.9%)</i>
<i>Net exchange rate gains (losses)</i>	<i>3,387</i>	<i>0.1%</i>	<i>257</i>	<i>0.0%</i>	<i>(17,770)</i>	<i>(0.9%)</i>	<i>3,130</i>	<i>1,217.9%</i>	<i>18,027</i>	<i>(101.4%)</i>
Net financing costs	(30,720)	(1.3%)	(59,287)	(3.2%)	(73,611)	(3.6%)	28,567	(48.2%)	14,324	(19.5%)
<i>Amount of financing costs with related parties</i>	<i>(420)</i>	<i>(0.0%)</i>	<i>-</i>	<i>0.0%</i>	<i>-</i>	<i>-</i>	<i>(420)</i>	<i>100.0%</i>	<i>-</i>	<i>0.0%</i>
Net gains on investments	1,431	0.1%	3,828	0.2%	(234)	0.0%	(2,397)	(62.6%)	4,062	(1,735.9%)
Net financing costs and net gains on investments	(29,289)	(1.3%)	(55,459)	(3.0%)	(73,845)	(3.6%)	26,170	(47.2%)	18,386	(24.9%)
Profit (loss) before taxes	(54,767)	(2.4%)	72,937	3.9%	192,984	9.4%	(127,704)	(175.1%)	(120,047)	(62.2%)
Income tax expense	(59,270)	(2.6%)	(12,819)	(0.7%)	(60,114)	(2.9%)	(46,451)	362.4%	47,295	(78.7%)
Profit (loss) from continuing operations	(114,037)	(5.0%)	60,118	3.2%	132,870	6.4%	(174,155)	(289.7%)	(72,752)	(54.8%)
Profit from discontinued operations	717,036	31.4%	119,671	6.4%	(2,113)	(0.1%)	597,365	499.2%	121,784	(5,763.6%)
Net profit (loss)	602,999	26.4%	179,789	9.6%	130,757	6.3%	423,210	235.4%	49,032	37.5%
Non-controlling interests	(340)	0.0%	(2,395)	-0.1%	(2,312)	(0.1%)	2,055	(85.8%)	(83)	3.6%
Profit (Loss) attributable to Owners of the Parent	602,659	26.4%	177,394	9.4%	128,445	6.2%	425,265	239.7%	48,949	38.1%

(*) The data at December 31, 2012 were taken from the comparative data included in the Consolidated financial statements of the Impregilo Group at December 31, 2012 and differ from the data published in the Consolidated financial statements of the Impregilo Group at December 31, 2011 due to a different presentation of the activities of the EcoRodovias Group, which, in anticipation of the disposal of this investment (completed in three installments in the last quarter of 2012 and the first quarter of 2013), were classified as discontinued operations in accordance with the international accounting standard IFRS 5.

2012 vs 2011

Overall, the revenues of the Impregilo Group grew by 402,822 thousand euros (+21.4%), rising from 1,878,169 thousand euros in 2011 to 2,280,991 thousand euros in 2012, due mainly

to the effect of increased production achieved on international orders, particularly in Latin America (Panama and Colombia), the Arab Emirates, South Africa and Romania and some construction sites in Italy.

Subcontractor costs rose by 244,760 thousand euros (+81.3%), increasing from 301,156 thousand euros in 2011 to 545,916 thousand euros in 2012. As a result, their ratio to revenues jumped from 16.0% in 2011 to 23.9% in 2012.

Other operating expenses, which represent the largest cost item in terms of percentage impact on the total and include mainly costs attributed by consortium companies and joint ventures and costs for consulting and technical services, increased by 80,998 thousand euros (+9.7%) to a total of 915,501 thousand euros in 2012, compared with 834,503 thousand euros in 2011. The changes reported for contractor costs and other operating expenses reflect the progress made with the projects mentioned above with regard to revenues.

The operating profit of the Impregilo Group amounted to 128,396 thousand euros in 2011 as against a loss of 25,478 thousand euros in 2012. This decrease in profitability is attributable mainly to the problems encountered in connection with the project to widen the Panama Canal, some projects for the construction of hydroelectric power plants in Colombia and Chile and the construction of highway infrastructures in Italy.

Financial expense decreased by 10.3%, falling by 83,693 thousand euros in 2011 to 75,032 thousand euros in 2012, due mainly to a reduction in net indebtedness made possible by the collection in 2012 of indemnities owed to the Impregilo Group in connection with the Acerra waste-to-energy facility. Financial income increased by 16,776 thousand euros, mainly as a result of the payment of delinquent interest by customers in the Venezuela region for delays that occur in previous years in progress payments for work regularly approved.

As a result of the above, the profit before taxes amounted to 72,937 thousand euros in 2011, as against a loss of 54,767 thousand euros in 2012.

In 2012, income taxes increased compared with 2011, chiefly as a result of the fact that some consolidated special purpose vehicle companies (SPV) reported losses qualified as permanent differences, consistent with the valuations of projects carried out by these SPVs and in accordance with the provisions of the respective bylaws which limit the corporate purposes strictly to the implementation of a single contract.

Due to the developments presented above, the Impregilo Group reported a profit from continuing operations of 60,118 thousand euros in 2011 as against a loss of 114,037 thousand euros in 2012.

The profit from discontinued operations increased by 597,365 thousand euros, rising from 119,671 thousand euros in 2011 to 717,036 thousand euros in 2012. This increase reflects for the most part the net operating profit contributed by the EcoRodovias Group up until the time when the controlling interest in this joint venture was divested, together with the profits from concessions attributable to the 2012 reporting year and the corresponding valuations of the remaining equity interest held by the Impregilo Group at the end of the year.

As a result of the above, the consolidated net profit increased by 413,210 thousand euros, growing from 179,789 thousand euros in 2011 to 602,999 thousand euros in 2012.

2011 vs 2010

Overall, the revenues of the Impregilo Group decreased by 184,152 thousand euros (-8.9%), contracting from 2,062,321 thousand euros in 2010 to 1,878,169 thousand euros in 2011, due mainly to the reclassification of the revenues of the EcoRodovias Group, amounting to 188,254 thousand euros, to the net result from discontinued operations. Net of this effect, the Impregilo Group reported substantially comparable total revenues in 2011 at 2010. However, it is worth noting that the amounts for 2010 included a gain of 65,500 thousand euros from the sale of the Argentinian subsidiary Caminos de las Sierras.

Subcontractor costs decreased by 71,336 thousand euros (-19.2%), falling from 372,492 thousand euros in 2010 to 301,156 thousand euros in 2011. The changes shown by subcontractor costs and other operating expenses are due mainly to the different presentation of the costs attributable to EcoRodovias, amounting to 103,328 thousand euros.

Other operating expenses decreased by 45,883 thousand euros, contracting from 880,336 thousand euros in 2010 to 834,503 thousand euros in 2011, due mainly to the reclassification of the costs attributable to the EcoRodovias Group and a reduction in design and implementation costs attributable to project companies in the construction sector.

Mainly as a result of the developments described above, the operating profit of the Impregilo Group decreased by 95,422 thousand euros (-42.6%), falling from 223,818 thousand euros in 2010 to 128,000 396,000 euros in 2011.

The result from partial divestment of a subsidiary, which amounted to 43,011 thousand euros in 2010, reflects the economic effects of the Strategic Agreement that the EcoRodovias Group executed with a local partner with the aim of developing its activities in the logistics area. Pursuant to this agreement, the new local partner underwrote a capital increase by Elog S.A., following which it acquired a 20% interest in this company. This situation, which qualifies as a loss of control by EcoRodovias, was treated by the Impregilo Group as in nonrecurring transaction and, consequently, its economic effects were excluded from the operating result.

Financial expense decreased by 9.9%, falling from 92,850 thousand euros in 2010 to 83,693 thousand euros in 2011, chiefly as a result of a different presentation of the data for the EcoRodovias Group in 2011, amounting to 36,611 thousand euros. Net of this effect, financial expense shows an increase attributable to the higher average indebtedness reported in 2011 compared with 2010. Foreign-exchange transactions generated a gain of 257 thousand euros in 2011, as against the loss of 17,770 thousand euros in 2010, due mainly to the exposure in the facilities sector to the currencies of the Persian Gulf and the exposure in the construction sector to the currencies of Latin America. Financial income decreased by 12,860 thousand euros, due mainly to a different presentation of the data for the EcoRodovias Group.

As a result of the above, the profit before taxes decreased by 120,047 thousand euros, falling from 192,984 thousand euros in 2010 to 72,937 thousand euros in 2011.

Reflecting the developments presented above and a lower income tax impact, the profit from continuing operations of the Impregilo Group decreased by 72,752 thousand euros to 60,118 thousand euros in 2011, compared with 132,870 thousand euros in 2010.

The discontinued operations, which showed a loss of 2,113 thousand euros in 2010, reported a profit of 119,671 thousand euros in 2011, for an improvement of 121,784 thousand euros.

As a result of the factor described above, the consolidated net profit increased by 49,032 thousand euros, improving from 130,757 thousand euros in 2010 to 179,789 thousand euros in 2011.

Consolidated statement of financial position of the Impregilo Group

<i>Amounts in thousands of euros</i>	At September 30,		A December 31,	
	2013	2012	2011	2010
Property, plant and equipment	242,213	298,777	381,587	295,779
Intangible assets - Rights to infrastructure under concession	52,759	12,818	309,665	325,297
Other intangible assets	55,942	34,043	51,679	54,214
Goodwill	30,390	30,390	76,743	94,050
Equity investments	78,197	62,637	47,492	37,841
Non-current financial assets	10,867	16,335	9,827	-
Non-current intragroup loans and receivables	10,824	10,892	14,971	17,446
Other non-current assets	36,308	42,700	51,946	57,072
Deferred tax assets	104,420	105,484	88,660	75,604
Total non-current assets	621,920	614,076	1,032,570	957,303
Inventories	88,761	95,376	93,890	71,897
Contract work in progress	1,072,326	864,368	757,779	743,464
Trade receivables	840,641	809,180	792,993	791,016
Current intragroup loans and receivables	262,797	253,685	218,140	137,589
Other current financial assets	1,299	11,681	4,743	4,089
Current derivatives	-	-	-	304
Current tax assets	86,554	67,253	68,175	54,541
Other tax receivables	93,498	80,579	76,795	94,317
Other current assets	275,806	296,268	255,126	261,192
Cash and cash equivalents	672,477	1,243,086	678,389	878,817
Total current assets	3,394,159	3,721,476	2,946,030	3,037,226
Non-current assets held for sale	7,513	307,588	568,383	473,587
Total assets	4,023,592	4,643,140	4,546,983	4,468,116
Equity				
Equity attributable to the owners of the parent	1,342,498	1,800,954	1,255,559	1,119,586
Non-controlling interests	14,990	4,851	6,928	7,410
Total equity	1,357,488	1,805,805	1,262,487	1,126,996
Bank and other loans	44,527	138,549	65,098	255,846
Bonds	149,124	148,840	416,022	414,019
Finance lease payables	18,279	40,028	53,556	12,961
Non-current derivatives	4,865	5,200	5,453	3,640
Post-employment benefits and employee benefits	18,425	20,234	19,084	24,653
Deferred tax liabilities	48,242	46,507	25,198	17,717
Provisions for risks	92,775	98,285	137,300	190,110
Other non-current liabilities	2,891	2,601	12,627	14,284
Total non-current liabilities	379,128	500,244	734,338	933,230
Current portion of bank loans and current account facilities	270,737	235,211	625,500	465,742
Current portion of bonds	8,484	113,689	43,946	41,795
Current portion of finance lease payables	25,922	22,785	8,897	847
Derivatives and other current financial liabilities	-	65	1,628	1,799
Progress payments and advances on contract work in progress	817,611	844,440	750,712	700,802
Trade payables	694,586	731,484	680,513	777,279
Current intragroup payables	115,967	87,115	47,384	43,101
Current tax liabilities	100,725	52,630	42,916	20,073
Other current tax liabilities	12,975	16,603	30,084	17,718
Other current liabilities	239,969	233,069	228,808	249,144

Total current liabilities	2,286,976	2,337,091	2,460,388	2,318,300
Liabilities directly associated with non-current assets held for sale	-	-	89,770	89,590
Total equity and liabilities	4,023,592	4,643,140	4,546,983	4,468,116

The data for the periods being reviewed show a steady gain in contract work in process and a concurrent increase in progress payments and advances on contract work in process that reflect primarily the development of the orders received.

During the abovementioned periods, noncurrent assets held for sale consisted primarily of the assets related to the “RSU Campania Projects” and the equity investment in EcoRodovias. The divestment of these assets was completed in 2013.

As for the changes in the main financial items during the periods being reviewed, see the information provided later in this section with regard to the consolidated statement of cash flows and the consolidated net financial position of the Impregilo Group.

Moreover, with regard to changes affecting property plants and equipment and intangible assets, including rights to infrastructure under concession, see the information provided in section 6.1.3 below concerning the investments made by the Impregilo Group.

Consolidated statement of cash flows of the Impregilo Group for the nine months ended September 30, 2013 and 2012

	Nine months ended September 30,	
<i>Amounts in thousands of euros</i>	2013	2012*
Cash and cash equivalents	1,243,086	678,389
Current portion of bank loans and current account facilities	(83,935)	(102,448)
Total opening cash and cash equivalents	1,159,151	575,941
Operating activities		
Net profit attributable to the owners of the parent and non-controlling interest	53,462	(54,847)
Profit (Loss) from discontinued operations	-	-
Amortization of intangible assets	3,469	1,001
Amortization of rights to infrastructure under concession	551	524
Depreciation of property, plant and equipment	64,649	73,343
Net impairment losses and provisions	2,474	6,179
Accrual for post-employment benefits and employee benefits	12,177	11,530
Net (gains) losses on the sale of assets	3,391	3,553
Deferred taxes	7,207	(6,718)
Share of loss of equity-accounted investees	(1,454)	(382)
Other non-monetary items	7,609	5,708
Total income statement	153,535	39,891
Decrease (Increase) in inventories	(200,654)	(228,277)
Decrease (Increase) in trade receivables	(37,083)	6,705
Decrease (Increase) in intragroup loans and receivables	340	(20,579)
(Decrease) Increase in progress payments and advances from customers	(32,718)	52,457
(Decrease) Increase in trade payables	(56,833)	98,855
(Decrease) Increase in intragroup payables	24,663	35,314
Decrease (Increase) in other assets/liabilities	5,344	(24,663)
Total operating cash flows	(296,941)	(80,188)
Cash flows from (used in) operating activities	(143,406)	(40,297)
Investing activities		
Net investments in intangible assets	(1,860)	(584)
Acquisition of control of Sabrom, net of cash acquired	(20,973)	-
Investments in property, plant and equipment	(30,537)	(59,356)
Proceeds from the sale or reimbursement value of property, plant and equipment	8,592	14,515
Investments in non-current financial assets	(25,616)	(15,094)
Dividends received from equity-accounted investees	441	636
Proceeds from the sale or reimbursement value of non-current financial assets	41	100
Cash flows from (used in) investing activities	(69,912)	(59,783)
Financing activities		
Dividend distributed to Impregilo shareholders	(602,238)	(36,641)
Dividend distributed to other shareholders	-	(210)
Increase in bank and other loans	87,421	290,574
Decrease in bank and other loans	(284,678)	(538,002)

Change in other financial assets/liabilities	15,260	(22,971)
Cash flows from (used in) financing activities	(784,235)	(307,250)
Net cash flows from (used in) discontinued operations	427,548	360,090
Effect of net exchange rate losses on cash and cash equivalents	(3,177)	(4,871)
Increase (decrease) in cash and cash equivalents	(573,182)	(52,111)
Cash and cash equivalents	672,477	614,303
Current portion of bank loans and current account facilities	(86,508)	(90,474)
Total closing cash and cash equivalents	585,969	523,829
<i>Other information</i>		
Income taxes paid during the period	(29,217)	(37,181)
Net interest paid during the period	(24,789)	(47,462)

(*) The data at September 30, 2012 were taken from the comparative data included in the Interim report on operations at September 30, 2013 and differ from the data published in the Interim report on operations at September 30, 2012 due to:

i) a different presentation of the activities of the EcoRodovias Group, which, in anticipation of the disposal of this investment (completed in three installments in the last quarter of 2012 and the first quarter of 2013), were classified as discontinued operations in accordance with the international accounting standard IFRS 5; and *ii)* the retrospective adoption of IAS 19 (R), applicable to the Impregilo Group as of the 2013 reporting year.

Consolidated statement of cash flows of the Impregilo Group for the year ended December 31, 2012, 2011 and 2010

<i>Amounts in thousands of euros</i>	Year ended December 31,		
	2012	2011	2010
Cash and cash equivalents	678,389	878,817	814,651
Current portion of bank loans and current account facilities	(102,448)	(138,102)	(198,982)
Total opening cash and cash equivalents	575,941	740,715	615,669
Operating activities			
Net profit attributable to the owners of the parent and non-controlling interest	602,999	179,789	130,757
Profit (Loss) from discontinued operations	-	-	(2,113)
Amortization of intangible assets	1,371	1,179	1,319
Amortization of rights to infrastructure under concession	697	606	17,458
Depreciation of property, plant and equipment	107,687	61,047	39,720
Net impairment losses and provisions	(2,607)	(28,484)	2,218
Accrual for post-employment benefits and employee benefits	18,082	13,958	12,463
Net (gains) losses on the sale of assets	4,945	(2,851)	(69,678)
Deferred taxes	2,631	(5,979)	15,601
Share of loss of equity-accounted investees	(1,359)	(3,182)	1,573
Other non-monetary items	3,107	3,303	(8,758)
Less result of discontinued operations	(717,036)	(119,671)	-
Total income statement	20,517	99,715	142,673
Decrease (Increase) in inventories	(105,552)	(8,159)	(119,491)
Decrease (Increase) in trade receivables	(35,082)	1,091	(48,642)
Decrease (Increase) in intragroup loans and receivables	(36,003)	(78,798)	-
(Decrease) Increase in progress payments and advances from customers	89,864	28,730	209,333
(Decrease) Increase in trade payables	65,721	(110,438)	(118,478)
<i>(Decrease) Increase in intragroup payables</i>	39,728	4,285	-
Decrease (Increase) in other assets/liabilities	(55,623)	3,224	(88,358)
<i>Amount of operating cash flows from related-party transactions</i>	-	-	(4,137)

Total operating cash flows	(36,947)	(160,065)	(165,636)
Cash flows from (used in) operating activities	(16,430)	(60,350)	(22,963)
Investing activities			
Net investments in intangible assets	(1,374)	(2,707)	(27,256)
Colombia acquisition, net of cash acquired	-	950	(25,087)
Investments in property, plant and equipment	(71,777)	(124,296)	(156,801)
- amount of net investments and cash flows from assets held for sale (RSU Campania Projects)	-	-	(7,341)
Proceeds from the sale or reimbursement value of property, plant and equipment	15,667	15,840	19,118
Investments in non-current financial assets	(14,822)	(8,042)	(13,367)
Dividends received from equity-accounted investees	1,033	644	1,641
Proceeds from the sale or reimbursement value of non-current financial assets	118	15	11,892
Cash flows from (used in) investing activities	(71,155)	(117,596)	(189,860)
Financing activities			
Dividend distributed to Impregilo shareholders	(36,641)	(24,567)	(420)
Dividend distributed to other shareholders	(720)	(1,265)	-
Increase in bank and other loans	329,936	378,169	566,389
Decrease in bank and other loans	(630,484)	(299,736)	(420,696)
Change in other financial assets/liabilities	(23,825)	(5,773)	6,689
Change in scope of consolidation	-	-	(15,459)
Elog transaction	-	-	11,408
Change in listing of EcoRodovias	-	-	91,077
Cash flows from (used in) financing activities	(361,734)	46,828	238,988
Net cash flows from (used in) discontinued operations	1,033,040	(28,623)	-
Effect of net exchange rate losses on cash and cash equivalents	(511)	(5,033)	98,881
Increase (decrease) in cash and cash equivalents	583,210	(164,774)	125,046
Cash and cash equivalents	1,243,086	678,389	878,817
Current portion of bank loans and current account facilities	(83,935)	(102,448)	(138,102)
Total closing cash and cash equivalents	1,159,151	575,941	740,715
<i>Other information</i>			
Income taxes paid during the period	(37,995)	(37,229)	(30,498)
Net interest paid during the period	(70,055)	(79,927)	(59,745)

Consolidated net financial position of the Impregilo Group

<i>Amounts in thousands of euros</i>	At September 30,		At December 31,	
	2013	2012	2011	2010
A Cash	-	-	-	-
B Cash equivalents	672,477	1,243,086	678,389	878,817
C Securities held for trading	-	-	-	-
D Liquid assets (A+B+C)	672,477	1,243,086	678,389	878,817
E Current loans receivable	604	33,760	21,136	16,805
F Current financial debt	(260,649)	(225,044)	(614,873)	(465,742)
G Current portion of long-term debt	(8,484)	(113,689)	(43,946)	(41,795)
H Other current indebtedness	(36,010)	(32,953)	(19,524)	(847)
I Current financial debt (F+G+H)	(305,143)	(371,686)	(678,343)	(508,384)
J Net current financial debt (I-E-D)	367,938	905,160	21,182	387,238
K Long-term financial debt	(23,935)	(104,634)	(49,846)	(255,846)
L Bonds outstanding	(149,124)	(148,840)	(416,022)	(414,019)
M Other non-current indebtedness	(38,871)	(73,943)	(68,808)	(12,961)

N Non-current financial debt (K+L+M)	(211,930)	(327,417)	(534,676)	(682,826)
O Net financial debt (J+N)	156,008	577,743	(513,494)	(295,588)

The table below provides a reconciliation of the financial debt as shown above—computed in accordance with CONSOB Communication of July 28, 2006 and in compliance with the Recommendations ESMA/2011/81—to the financial debt as monitored by the Impregilo Group:

<i>Amounts in thousands of euros</i>	At September 30,		At December 31,	
	2013	2012	2011	2010
Net financial debt	156,008	577,743	(513,494)	(295,588)
Non-current financial assets	10,867	4,960	4,578	-
Other current financial assets – Loans receivable from outsiders	-	(11,795)	(11,144)	(12,716)
Derivative receivables	695	1,092	-	304
Derivative payables	(4,865)	(5,265)	(7,081)	(5,439)
Net financial debt of the Impregilo Group	162,705	566,735	(527,141)	(313,439)

The improvement in the net financial position of the Impregilo Group at December 31, 2012 compared with December 31, 2011 reflects primarily the divestment of the equity investment in EcoRodovias and the resulting deconsolidation of this company, which generate a positive effect on the consolidated net financial debt totaling 872,200 thousand euros, due both to the elimination of the net debt owed by EcoRodovias at the end of the previous year and the net financial benefit resulting from the collection of the price for the partial sale of the investment.

After December 31, 2012, the changes in net financial position, in addition to being affected by the normal operating dynamics of the Impregilo Group, reflected primarily the impact of the following developments:

- the collection of the proceeds from the sale of the remaining 6.50% interest held in EcoRodovias, which closed in January 2013 for a total of 187.0 million euros;
- the collection of the amounts claimed, plus related statutory interest, in connection with the former CDR facilities, totaling 240.5 million euros, obtained further to a final decision by the Court of Cassation affirming this right of the Impregilo Group;
- the payment, in May, of the dividend declared by the Shareholders' Meeting on April 30, 2013, amounting to 602.2 million euros.

- early redemption of bonds issued by the Impregilo International Infrastructures N.V. subsidiary and maturing in November 2013 for a total of 112.5 million euros.

With regard to the financial position of the Impregilo Group on the dates in question, please note that there were no loans outstanding that included covenants requiring, inter alia, the borrower's commitment to maintain compliance with certain economic, financial and equity indicators. However, the New Financing Facility Agreements, the Bond Issue and certain other non-material financing transactions outstanding of the Salini Group to require, inter alia, compliance with specific parameters. See Chapter 3, Section 3.2.2.7, and Chapter 6, Section 6.2.1, for additional information.

6.1.2 *Related-party transactions*

6.1.2.1 *Related-party transactions executed by the Impregilo Group*

The tables that follow show the balances included in the statements of financial position and the income statements for the nine months ended September 30, 2013 and the years ended December 31, 2012, 2011 and 2010 generated by related-party transactions executed by the Impregilo Group. Please note that the data at September 30, 2013 are based on extrapolations made by management based on information derived from the general accounting and management accounting system of the Impregilo Group.

<i>Amounts in thousands of euros</i>	Unconsolidated Group companies	Other related parties	Total	Total for financial statement item	% of total financial statement item
Non-current assets					
At September 30, 2013	10,824	-	10,824	621,920	1.7%
At December 31, 2012	10,892	-	10,892	614,076	1.8%
At December 31, 2011	14,971	-	14,971	1,032,570	1.4%
At December 31, 2010	17,446	-	17,446	957,303	1.8%
Current assets					
At September 30, 2013	262,797	8,829	271,626	3,394,159	8.0%
At December 31, 2012	253,685	-	253,685	3,721,476	6.8%
At December 31, 2011	218,140	-	218,140	2,946,030	7.4%
At December 31, 2010	137,589	-	137,589	3,037,226	4.5%
Current liabilities					
At September 30, 2013	115,967	-	115,967	2,286,976	5.1%
At December 31, 2012	87,114	40,433	127,547	2,337,091	5.5%
At December 31, 2011	47,384	-	47,384	2,460,388	1.9%
At December 31, 2010	43,101	19,504	62,605	2,318,300	2.7%

<i>Amounts in thousands of euros</i>	Unconsolidated Group companies	Other related parties	Total	Total for financial statement item	% of total financial statement item
Revenues					
Nine months ended September 30, 2013	2,606	214	2,820	1,739,738	0.2%
Year ended December 31, 2012	3,824	-	3,824	2,280,991	0.2%
Year ended December 31, 2011	3,946	-	3,946	1,878,169	0.2%
Year ended December 31, 2010	-	-	-	2,062,321	0.0%
Costs					
Nine months ended September 30, 2013	-	-	-	1,622,638	0.0%
Year ended December 31, 2012	-	18,063	18,063	2,306,469	0.8%
Year ended December 31, 2011	-	-	-	1,749,773	0.0%
Year ended December 31, 2010	-	3,875	3,875	1,838,503	0.2%
Financial income					
Nine months ended September 30, 2013	922	-	922	16,072	5.7%
Year ended December 31, 2012	1,297	-	1,297	40,925	3.2%
Year ended December 31, 2011	1,337	-	1,337	24,149	5.5%
Year ended December 31, 2010	2,074	-	2,074	37,009	5.6%
Financial expense					
Nine months ended September 30, 2013	(41)	-	(41)	(57,405)	0.1%
Year ended December 31, 2012	(120)	(420)	(540)	(75,032)	0.7%
Year ended December 31, 2011	(351)	-	(351)	(83,693)	0.4%
Year ended December 31, 2010	-	-	-	(92,850)	0.0%

The transactions executed by the Impregilo Group with unconsolidated companies, mainly consortium companies and joint ventures established for the purpose of implementing orders, concerned mainly:

- commercial support for purchasing and procurement activities for the implementation of projects and activities related to construction contracts and subcontracting activities;
- technical, organizational, legal and administrative services provided by central functions;
- financial activities, consisting of loans and current account transactions executed within the framework of the cash pooling system and guarantees issued on behalf of Impregilo Group companies.

Transactions executed by the Impregilo Group with other related parties consist mainly of costs related to designing and similar activities incurred both in connection with the submission of some bids and as part of recently initiated projects.

The amounts paid by the Impregilo Group to Directors, Statutory Auditors and executives with strategic responsibilities as compensation and fees for the functions they perform totaled 4,180 thousand euros in the nine months ended September 30, 2013 (12,284 thousand euros in the 2012 reporting year, 7657 thousand euros in 2011 reporting year and 5,891 thousand euros

in the 2010). The Impregilo Group believes that the abovementioned transactions were executed on standard market terms.

6.1.2.2 Transactions with Group companies executed by Impregilo

The tables that follow show the balances included in the statements of financial position and the income statements for the nine months ended September 30, 2013 and the years ended December 31, 2012, 2011 and 2010 generated by transactions executed by Impregilo with Impregilo Group companies. Please note that the data at September 30, 2013 and 2012 are based on extrapolations made by management based on information derived from the general accounting and management accounting system of the Impregilo Group.

<i>Amounts in thousands of euros</i>	Group companies	Other related parties	Total	Total for financial statement item	% of total financial statement item
Non-current assets					
At September 30, 2013	2,449	-	2,449	742,638	0.3%
At December 31, 2012	88,595	-	88,595	778,060	11.4%
At December 31, 2011	141,734	-	141,734	823,748	17.2%
At December 31, 2010	144,326	-	144,326	869,269	16.6%
Current assets					
At September 30, 2013	902,178	8,829	911,007	1,632,464	55.8%
At December 31, 2012	406,899	-	406,899	2,198,691	18.5%
At December 31, 2011	453,331	-	453,331	1,269,285	35.7%
At December 31, 2010	443,208	-	443,208	1,221,014	36.3%
Current liabilities					
At September 30, 2013	899,701	-	899,701	857,523	104.9%
At December 31, 2012	376,267	18,539	394,806	813,163	48.6%
At December 31, 2011	302,110	19,206	321,316	958,083	33.5%
At December 31, 2010	265,134	-	265,134	730,330	36.3%
Revenues					
Nine months ended September 30, 2013	2,427	214	2,641	946,830	0.3%
Year ended December 31, 2012	2,951	-	2,951	1,367,004	0.2%
Year ended December 31, 2011	2,473	-	2,473	1,123,321	0.2%
Year ended December 31, 2010	3,164	-	3,164	1,058,871	0.3%
Costs					
Nine months ended September 30, 2013	-	-	-	842,791	0.0%
Year ended December 31, 2012	-	457	457	1,256,187	0.0%
Year ended December 31, 2011	-	2,879	2,879	911,555	0.3%
Year ended December 31, 2010	-	-	-	969,464	0.0%
Financial income					
Nine months ended September 30, 2013	9,415	-	9,415	20,701	45.5%
Year ended December 31, 2012	10,375	(420)	9,955	33,133	30.0%
Year ended December 31, 2011	14,507	-	14,507	21,438	67.7%

Year ended December 31, 2010	12,205	-	12,205	18,922	64.5%
Financial expense					
Nine months ended September 30, 2013	3,614	-	3,614	11,059	32.7%
Year ended December 31, 2012	10,094	-	10,094	39,146	25.8%
Year ended December 31, 2011	4,458	-	4,458	47,724	9.3%
Year ended December 31, 2010	1,560	-	1,560	40,047	3.9%

The transactions executed by the Impregilo Group with Impregilo Group companies mainly concerned:

- commercial support for purchasing and procurement activities for the implementation of projects and activities related to construction contracts and subcontracting activities
- technical, organizational, legal and administrative services provided by central functions;
- financial activities, consisting of loans and current account transactions executed within the framework of the cash pooling system and guarantees issued on behalf of Impregilo Group companies.

Impregilo believes that the abovementioned transactions were executed on standard market terms.

6.1.2.3 *The Strategic Agreement and the Merger*

Even though the Strategic Agreement consists of the mere adoption of procedures aimed at defining a method of collaboration that, in of itself, does not entail any transfer of resources, services or obligations between the parties, consistent with the adoption of a substantive interpretation of the procedure governing related-party transactions and other activities by Impregilo, it was negotiated by an independent Director with the adoption of the safeguards required by Impregilo's RPT Procedure, including specifically those applicable to the negotiation of highly material related-party transactions (see the information document prepared by Impregilo pursuant to Article 5 of the RPT Regulations and Annex 4 to the RPT Regulations, available on the "*Investor Relations – Impregilo-Salini Agreement*" page of the website www.impregilo.it).

Because of the statutory control relationship that exists between the Company Being Incorporated and the Incorporating Company following the Tender Offer and Merger's own significance, the Merger itself is a "highly material" transaction pursuant to the RPT Regulation and the RPT Procedure and was pursued adopting the required safeguards (see the Related-party Information Document, published by Impregilo on July 1, 2013, which is available on the "*Investor relations – Salini-Impregilo Merger*" page of the website www.impregilo.it and shall be

understood to have been Incorporated into this Information Memorandum by reference).

6.1.3 Investments

6.1.3.1 Completed and future investments

The table below shows the investments carried out by the Impregilo Group during the nine months ended September 30, 2013 and the years ended December 31, 2012, 2011 2010, with the total broken down by type of investment.

<i>Amounts in thousands of euros</i>	Nine months ended September 30, 2013	Year ended December 31,		
		2012	2011	2010
Land	-	-	170	1,584
Buildings	49	672	5,273	1,322
Plant and machinery	15,066	38,827	72,567	84,794
Industrial and commercial equipment	2,889	14,878	9,615	11,686
Other assets	2,366	13,316	39,789	39,631
Work in progress and advances	10,167	4,084	6,873	10,443
Total property, plant and equipment	30,537	71,777	134,287	149,460
Total intangible assets - Rights to infrastructure under concession	1,454	695	27,111	25,919
Total other intangible assets	25,516	679	1,563	1,337
Total investments	57,507	73,151	162,961	176,716

Investments in property, plant and equipment carried out in the nine months ended September 30, 2013, amounting to 30,537 thousand euros, referred mainly to plant and machinery and industrial and commercial equipment purchased in connection with projects in Colombia, the United States, Italy and Panama.

Investments in property, plant and equipment carried out in the 2012 and 2011 reporting years, amounting to 71,777 thousand euros and 134,287 thousand euros, respectively, referred primarily to purchases made in connection with international projects including, specifically, those for hydroelectric power plants in Colombia, the expansion of the Panama Canal and underground infrastructural projects in the Arab Emirates. In 2010, the investments totaling 149,460 thousand euros referred mainly capital expenditures for international projects in the construction sector in Columbia and the expansion of the Panama Canal.

Please also note that, on the Date of the Information Memorandum, contractual commitments had already been undertaken with third parties for all approved capital expenditures.

6.2 Income statement, financial position and cash flow data of the Salini Group

6.2.1 *Financial statements for the year ended December 31, 2012 and consolidated financial report at September 30, 2013 of the Salini Group*

The Salini Group operates in this sector for the construction of large-scale engineering projects and, more specifically, in the construction of roads, highways, railroads, dams, hydroelectric power plants, tunnels, aqueducts and civil engineering and industrial construction in general, both in Italy and abroad.

Salini was established on December 6, 2011 and on December 21, 2011, effective as of January 1, 2012, became the beneficiary of the Conveyance, which included the equity stake in Impregilo held at that time by Salini Costruttori. The financial statements at December 31, 2012 thus constitute the first annual financial statements prepared by Salini.

The statement of financial position and the net financial position at September 30, 2013 and at December 31, 2012, the income statement and the statement of cash flows for the nine months ended September 30, 2013 to 2012 and for the year ended December 31, 2012 of the Salini Group are provided below. The data provided when extracted from:

- the condensed consolidated financial statements of the Salini Group at September 30, 2013, unaudited;
- the consolidated financial statements of the Salini Group for the year ended December 31, 2012, which were audited by Reconta Ernst & Young S.p.A., who issued an opinion without qualifications on June 11, 2013.

The abovementioned documents are available at the registered office of the Company Being Incorporated and on the website www.salini.it (see Chapter 3, Section 3.4 .1, above).

For the reasons explained above, Salini did not prepare consolidated financial statements for the year ended December 31, 2011. Consequently, the statement of financial position at December 31, 2011 and the income statement: as of the same date for the business operations of Salini Costruttori, subject of the Conveyance to Salini, are presented in this chapter for comparative purposes. These data were taken from the segment information disclosed in the consolidated financial statements of Salini Costruttori for the year ended December 31, 2011, prepared in accordance with the IFRSs.

Income statement of the Salini Group for the nine months ended September 30, 2013 and 2012

<i>Amounts in thousands of euros and percentage of total revenues</i>	Nine months ended September 30,				Change	
	2013		2012		2013-2012	
				%		%
Revenues	2,637,857	97.9%	1,261,334	98.2%	1,376,523	109.1%
Other operating revenues	56,693	2.1%	23,103	1.8%	33,590	145.4%
Total revenues	2,694,550	100.0%	1,284,437	100.0%	1,410,113	109.8%
Outside purchases	(508,605)	(18.9%)	(336,266)	(26.2%)	(172,339)	51.3%
Service costs	(1,532,430)	(56.9%)	(666,090)	(51.9%)	(866,340)	130.1%
Personnel expenses	(354,855)	(13.2%)	(146,029)	(11.4%)	(208,826)	143.0%
Amortization, depreciation and impairment losses	(130,083)	(4.8%)	(60,193)	(4.7%)	(69,890)	116.1%
Other operating expenses	(47,548)	(1.8%)	(7,560)	(0.6%)	(39,988)	528.9%
Total costs	(2,573,521)	(95.5%)	(1,216,138)	(94.7%)	(1,357,383)	111.6%
Operating profit	121,029	4.5%	68,298	5.3%	52,731	77.2%
Financial income	194,990	7.2%	20,281	1.6%	174,709	861.4%
Financial expense	(278,031)	(10.3%)	(22,252)	(1.7%)	(255,779)	1149.4%
Profit from (Expense on) equity-accounted investees	122,302	4.5%	91,821	7.1%	30,481	33.2%
Profit before taxes	160,290	5.9%	158,148	12.3%	2,142	1.4%
Income tax expense	(33,195)	(1.2%)	(18,162)	(1.4%)	(15,033)	82.8%
Profit from continuing operations	127,095	4.7%	139,986	10.9%	(12,891)	(9.2%)
Profit from discontinued operations	23,903	0.9%	0	0.0%	23,738	
Profit for the period	150,998	5.6%	139,986	10.9%	10,847	7.7%

Due to acquisition of control as of April 1, 2013, Salini consolidates Impregilo line by line. Consequently, the results of the Salini Group for the first nine months of 2013, when compared with the same period the previous year, show the significant impact caused by the abovementioned consolidation.

The total revenues of the Salini Group increased by 1,410,113 thousand euros (+109.8%), rising from 1,284,437 thousand euros in the nine months ended September 30, 2012 to 2,694,551 thousand euros in the corresponding period of 2013, due mainly to the effect of Impregilo's consolidation which contributed 1,224,978 thousand euros to this improvement.

Net of the Impregilo effect, the increase amounts to about 185,135 thousand euros (14.4%) and is attributable mainly to the contribution of orders for hydroelectric projects, including Gibe III and the Grand Ethiopian Renaissance Dam in Ethiopia, the UluJelai project in Malaysia, the Sogamoso Dam in Colombia, the project for the expansion of the Panama Canal, the Copenhagen subway system in Denmark and railway lines in Venezuela.

Service costs, which represent the largest cost item in terms of percentage of total revenues, grew from 666,090 thousand euros in the nine months ended September 30, 2012 to 1,532,430 thousand euros in the corresponding period in 2013, for an increase of 866,340 thousand euros, including 657,021 thousand euros attributable to Impregilo's consolidation. Net of the effect of Impregilo's consolidation, the increase between the two periods amounts to about 209,319 thousand euros and includes about 38,603 thousand euros in costs incurred in connection with Impregilo's acquisition and the Merger, with the effect of the revenue growth achieved by the Salini Group accounting for the balance.

The operating profit of the Salini Group improved by 77.2% growing from 68,298 thousand euros in the nine months ended September 30, 2012 to 121,030 thousand euros in the corresponding period in 2013. Restated net of the effect of Impregilo's consolidation, amounting to about 93,104 thousand euros, and the costs incurred for the Impregilo acquisition and the Merger, totaling about 38,603 thousand euros, the operating profit amounts to 66,529 thousand euros, in line with the results reported in the corresponding period in 2012.

Financial expense, net of financial income, rose by 81,070 thousand euros in the nine months ended September 30, 2013 compared with the corresponding period in 2012. This increase is attributable primarily to the financial expense incurred under the Facility Agreement executed for Impregilo's acquisition, amounting to 30,594 thousand euros, and to Impregilo's consolidation, which added 25,083 thousand euros.

The profit from equity accounted investees, amounting to 122,302 thousand euros in the nine months ended September 30, 2013, is chiefly the result of: *i*) the negative effect of adjusting the carrying amount of the Impregilo shares held by Salini before the Tender Offer to the value attributed to these shares for Tender Offer purposes, amounting to 90,155 thousand euros; and *ii*) the positive differential of 212,346 thousand euros between the value of the equity investment held by Salini in Impregilo on the date control was acquired and the value of Salini's pro rata interest in Impregilo's shareholders' equity as of the same date.

The profit for the period rose by 10,847 thousand euros, improving from 139,986 thousand euros in the nine months ended September 30, 2012 to 150,999 thousand euros in the corresponding period in 2013, thanks to the developments described above, a reduced income tax impact and the positive result contributed by the discontinued operations attributable to Impregilo.

Income statement of the Salini Group for the years ended December 31, 2012 and 2011

<i>Amounts in thousands of euros and percentage of total revenues</i>	Year ended December 31,				Change	
	2012		2011		2012-2011	
		%		%		%
Revenues	1,769,866	96.3%	1,382,633	97.6%	387,232	28.0%
Other operating revenues	68,581	3.7%	34,449	0.0%	34,131	99.1%
Total revenues	1,838,446	100.0%	1,417,083	100.0%	421,364	29.7%
Outside purchases	(362,176)	(19.7%)	(344,355)	(24.3%)	(17,821)	5.2%
Service costs	(1,081,371)	(58.8%)	(729,980)	(51.5%)	(351,391)	48.1%
Personnel expenses	(195,757)	(10.6%)	(160,841)	(11.4%)	(34,916)	21.7%
Amortization, depreciation and impairment losses	(87,217)	(4.7%)	(79,080)	(5.6%)	(8,137)	10.3%
Other operating expenses	(15,204)	(0.8%)	(13,400)	(0.9%)	(1,804)	13.5%
Total costs	(1,741,725)	(94.7%)	(1,327,656)	(93.7%)	(414,069)	31.2%
Internally produced assets	281	0.0%	-	0.0%	281	n.a.
Operating profit	97,003	5.3%	89,427	6.3%	7,575	8.5%
Financial income	142,146	7.7%	74,855	5.3%	67,291	89.9%
Financial expense	(145,054)	(7.9%)	(88,169)	(6.2%)	(56,885)	64.5%
Profit from (Expense on) equity-accounted investees	275,446	15.0%	192	0.0%	275,254	143361.6%
Profit before taxes	369,542	20.1%	76,305	5.4%	293,236	384.3%
Income tax expense	(36,617)	(2.0%)	(34,387)	(2.4%)	(2,230)	6.5%
Profit from continuing operations	332,925	18.1%	41,918	3.0%	291,007	694.2%
Profit for the period	332,925	18.1%	41,918	3.0%	291,007	694.2%

(*) As mentioned earlier, Salini did not prepare consolidated financial statements for the year ended December 31, 2011. Consequently, the data presented for the year ended December 31, 2011 are those of the business operations of Salini Costruttori, subject of the Conveyance to Salini.

2012 vs 2011

The total revenues of the Salini Group increased by 29.7%, rising from 1,417,083 thousand euros in 2011 to 1,838,446 thousand euros in 2012, due mainly to the contribution of orders for the Gibe III and Grand Ethiopian Renaissance Dam hydroelectric projects in Ethiopia, the Zhytomir and Kyzylorda road construction projects in the Ukraine and Kazakhstan, respectively, and work for the construction of the Copenhagen subway system in Denmark.

Overall, costs increased by 414,069 thousand euros in 2012 compared with 2011, reflecting the effect of the higher production volumes invoiced in 2012. More specifically, the increase in service costs, which was proportionately larger than the gain in revenues, is related primarily to the trend in subcontractor costs incurred in connection with current projects in Ethiopia and Denmark.

Thanks mainly to the developments outlined above, the operating profit of the Salini Group increased by 8.5%, improving from 89,427 thousand euros in 2011 to 97,003 thousand euros in 2012. The ratio of operating profit to total revenues decreased by about one percentage point, falling from 6.3% in 2011 to 5.3% in 2012.

Net financial expense did not show a material change between 2011 and 2012. On the other hand, in 2012, the profit from equity accounted investees, which was virtually zero in 2011, soared to 275,446 thousand euros, including 275,254 thousand euros from the valuation of the Impregilo investee company, which became an affiliated company in 2012.

The profit for the period rose by 291,007 thousand euros, increasing from 41,918 thousand euros in 2011 to 332,925 thousand euros in 2012, thanks to the developments described above and a lower income tax impact.

Statement of financial position of the Salini Group

<i>Amounts in thousands of euros</i>	At September 30,	At December 31,	
	2013	2012	2011 (*)
Assets			
Property, plant and equipment	611,324	329,901	249,158
Investment property	55	55	55
Intangible assets	143,831	2,706	2,419
Investments in affiliated companies and joint ventures	38,772	580,307	8,500
Other equity investments	50,224	1,365	122,978
Non-current financial assets	71,075	25,086	24,341
Other non-current assets	76,431	4,877	3,214
Deferred tax assets	138,260	25,635	20,052
Total non-current assets	1,129,972	969,932	430,717
Inventories	277,135	167,838	145,648
Amounts owed by customers	1,829,958	625,014	437,837
Trade receivables	1,679,443	556,089	572,984
Current financial assets	171,659	-	-
Current tax assets	254,778	55,685	38,910
Other current assets	432,468	212,156	223,026
Cash and cash equivalents	1,017,093	411,703	524,487
Total current assets	5,662,534	2,028,484	1,942,892
Non-current assets held for sale	7,513	-	-

Total assets	6,800,019	2,998,416	2,373,609
Shareholders' equity			
Issued capital	62,400	62,400	62,400
Statutory reserve	2,252	-	n.a
Retained earnings (Loss carryforward)	300,571	9,781	9,787
Other reserves	180,569	164,954	165,261
Other components of the statement of comprehensive income	13,031	4,586	5,598
Total capital and reserve	558,823	241,721	243,046
Profit (Loss) for the period	145,583	324,412	-
Equity attributable to the owners of the parent	704,407	566,133	243,046
Non-controlling interests	207,469	27,590	17,008
Total equity	911,875	593,723	260,054
Liabilities			
Non-current financial liabilities	1,166,929	301,306	103,347
Provisions for risks and charges	103,672	14,394	24,611
Other non-current liabilities	13,929	11,911	6,683
Employee benefits	22,941	4,506	3,901
Deferred tax liabilities	77,557	22,530	4,513
Amounts owed to customer due after one year	732,073	678,189	798,394
Total non-current liabilities	2,117,101	1,032,837	941,449
Amounts owed to customer due within one year	1,187,486	420,065	361,598
Trade payables	1,426,152	571,867	489,075
Current financial liabilities	666,944	298,708	259,156
Taxes payable	199,259	44,042	41,599
Other current liabilities	291,202	37,174	20,678
Total current liabilities	3,771,043	1,371,856	1,172,106
Total liabilities	5,888,144	2,404,693	2,113,555
Total shareholders' equity and liabilities	6,800,019	2,998,416	2,373,609

(*) As mentioned earlier, Salini did not prepare consolidated financial statements for the year ended December 31, 2011. Consequently, the data presented for the year ended December 31, 2011 are those of the business operations of Salini Costruttori, subject of the Conveyance to Salini.

The statement of financial position of the Salini Group at September 30, 2013 reflects, for the first time, the line-by-line consolidation of the controlling interest held in Impregilo.

For an analysis of changes in the main financial items during the periods being reviewed here, please see the comments provided later in this Section regarding the consolidated statement of cash flows and the consolidated net financial position of the Salini Group. With regard to changes involving property, plant and equipment and intangible assets, see the comments provided in Section 6.2.3 below concerning the investments made by the Salini Group.

Statement of cash flows of the Salini Group for the nine months ended September 30, 2013 and 2012

<i>Amounts in thousands of euros</i>	Nine months ended September 30,	
	2013	2012
Profit for the period	150,999	139,986
Amortization and depreciation	118,683	60,193
Impairment of receivables	9,991	0
Accrual for the provisions for risks and charges	1,270	0
Effects of the valuation of equity investments	(122,302)	(91,821)
Change in deferred taxes	(8,782)	6,490
Change in inventories	(18,923)	(27,769)
Change in amounts owed by/to customers	(355,020)	(260,647)
Change in trade receivables	(163,330)	(52,516)
Change in trade payables	64,867	43,223
Change in employee benefits	95	(24)
Change in tax receivables	(41,974)	(30,625)
Change in tax payables	49,717	(3,118)
Other current and non-current assets/liabilities	82,488	(42,689)
Non-current assets held for sale	216,809	0
Net cash flows from (used in) operating activities	(15,412)	(259,316)
Net investment in property, plant and equipment	(115,046)	(149,001)
Net investments in intangible assets	(68,455)	46
Purchase of equity investments*	(128,893)	(171,625)
Loans to affiliates and other Group companies	3,075	3,037
Divestments of non-current assets	1,126	0
Impairment of property, plant and equipment	139	0
Credit rights from activities under concession	0	0
Other changes	(74,482)	13,589
Net cash flows from (used in) investing activities	(382,536)	(303,954)
Net dividends distributed	(12,979)	0
Change in financial payables (leasing + factoring)	373	0
Change in amount due to banks	703,459	292,621
Other changes	175,791	4,944
Net cash flows from (used in) financing activities	866,644	297,565
Total cash flows	468,696	(265,706)
Net cash and cash equivalents at the beginning of the period	318,883	437,064
Net cash and cash equivalents at the end of the period	787,578	171,358
<i>Including: bank account overdrafts repayable on demand</i>	<i>(229,514)</i>	<i>(87,424)</i>

(*) Net of the consolidation change

Statement of cash flows of the Salini Group for the year ended December 31, 2012

<i>Amounts in thousands of euros</i>	Year ended December 31,
	2012
Profit for the period	332,925
Amortization and depreciation	81,800
Impairment of receivables	-
Gain on the Todini acquisition	-
Accrual for the provisions for risks and charges	5,972
Effects of the valuation of equity investments	(275,450)
Change in deferred taxes	12,436
Change in inventories	(22,189)
Change in amounts owed by customers	(187,178)
Change in amounts owed to customers	(61,738)
Change in trade receivables	16,894
Change in trade payables	82,933
Income taxes paid	-
Change in employee benefits	605
Change in tax receivables	(16,774)
Change in tax payables	2,442
Other current and non-current assets/liabilities	11,130
Other changes	-
Net cash flows from (used in) operating activities	(16,192)
Net investment in property, plant and equipment	(165,229)
Net investments in intangible assets	(537)
Purchase of other equity investments	(175,539)
Loans to affiliates and other Group companies	(91)
Divestments of non-current assets	2,841
Impairment of property, plant and equipment	-
Credit rights from activities under concession	(655)
Other changes	3,565
Net cash flows from (used in) investing activities	(335,645)
Net dividends distributed	-
Change in financial payables (leasing + factoring)	27,285
Change in amount due to banks	205,952
Other changes	419
Net cash flows from (used in) financing activities	233,656
Total cash flows	(118,181)
Net cash and cash equivalents at the beginning of the year	437,064
Net cash and cash equivalents at the end of the year	318,883
<i>Including: bank account overdrafts repayable on demand</i>	<i>(92,819)</i>

Net financial position of the Salini Group

<i>Amounts in thousands of euros</i>	At September 30,	At December 31,
	2013	2012
A Cash	1,371	537
B Cash equivalents	1,015,721	411,166
C Securities held for trading		
D Liquid assets (A+B+C)	1,017,093	411,703
E Current loans receivable	171,659	-
F Current financial debt	(249,562)	(126,771)
G Current portion of long-term debt	(315,691)	(130,420)
H Other current indebtedness	(101,691)	(41,915)
I Current financial debt (F+G+H)	(666,944)	(299,106)
J Net current financial debt (I-E-D)	521,807	112,597
K Long-term financial debt	(461,306)	(201,138)
L Bonds outstanding	(541,989)	
M Other non-current indebtedness	(158,770)	(99,770)
N Non-current financial debt (K+L+M)	(1,162,064)	(300,908)
O Net financial debt (J+N)	(640,257)	(188,311)

The table below provides a reconciliation of the financial debt as shown above—computed in accordance with CONSOB Communication of July 28, 2006 and in compliance with the Recommendations ESMA/2011/81—to the financial debt as monitored by the Impregilo Group (and prepared consistent with the information provided in the 2016 Plan):

<i>Amounts in thousands of euros</i>	At September 30,	At December 31,
	2013	2012
Net financial debt	(640,257)	(188,311)
Derivative payables	(4,865)	-
Non-current financial assets	71,075	25,086
Net financial debt of the Salini Group	(574,047)	(163,225)

The net financial debt computed in accordance with CONSOB Communication of July 28, 2006 and in compliance with the Recommendations ESMA/2011/81 differs from the net financial debt included in the consolidated financial statements of the Salini Group because the latter includes the balances of “*non-current financial assets*” and the effects of the fair value measurement of derivatives.

The net financial position of the Salini Group at September 30, 2013 with negative by 640,257 thousand euros, compared with a net financial position negative by 188,311 thousand euros at December 31, 2012. This change reflects primarily the line-by-line consolidation of Impregilo and the facilities received during the nine months ended September 30, 2013 for the purpose of financing the Tender Offer.

More specifically, total indebtedness increased by 1,229.0 million euros, rising from 600.0 million euros at December 31, 2012 to 1,829.0 million euros at September 30, 2013. This change reflects Impregilo's indebtedness, for 517.1 million euros, and the bonds issued by the Group's Parent Company, for 392.9 million euros, with the indebtedness incurred pursuant to the TO Loan Agreements accounting for most of the balance (see Chapter 2, Section 2.1.1, and Chapter 3, Sections 3.2.1.6 and 3.2.2.7).

At September 30, 2013, liquid assets increased compared with December 31, 2012 due mainly to the liquidity held by Impregilo at September 30, 2013, amounting to 672.5 million euros. Restated net of the effect of Impregilo's consolidation, the balance shows a decrease of about 67.1 million euros.

Current loans receivable, amounting to 171.7 million euros at September 30, 2013, include: *i*) 65 million euros for an interest-bearing loan provided by the parent company Salini Costruttori and financed through a tranche of the Loan Agreement; *ii*) 83.4 million euros in correspondence current accounts with the parent company Salini Costruttori; and *iii*) 21.8 million euros owed by the Impregilo Group.

Please note that on August 1, 2013, Salini, having concluded the underwriting process on July 23, 2013, completed the placement of the senior unsecured Bond Issue for a face amount of 400 million euros, before placement costs totaling 7,232 thousand euros. The cash flow derived from the Bond Issue and, to a minimal extent, liquid assets available to Salini (2,140 thousand euros) were used to repay a portion of the total owed pursuant to the Loan Agreement, amounting to 394,908 thousand euros.

Please also note that certain facilities received by the Salini Group, namely the New Loan Agreement and the Bond Issue's indenture, contain contract clauses requiring, inter alia, compliance with covenants requiring the borrower to maintain certain economic, financial and equity indicators.

More specifically, the Bond Issue calls for limits on the assumption of financial debt by Salini and its subsidiaries (different from those qualified therein as “Material Subsidiaries”) if the ratio of consolidated EBITDA to gross consolidated financial expense (determined in accordance with the provisions of the relevant agreements at March 31, June 30, September 30 and December 31 of each calendar year) is less than 2.5, until repayment of the respective facility and limits on the financial debt carried by Salini subsidiaries qualified therein as “Material Subsidiaries.” More in detail:

- (i) If Salini and its subsidiaries (other than the so-called “Material Subsidiaries”) take on financial debt (“indebtedness” as defined pursuant to the Bond Issue indenture) up to the level of the abovementioned financial covenant (i.e., ratio of consolidated EBITDA to gross consolidated financial expense), will be allowed to take on additional indebtedness only to the extent that the amount of the indebtedness in question falls within the limit of the “Permitted Indebtedness” categories, pursuant to the Bond Issue indenture.
- (ii) Salini subsidiaries identified as “Material Subsidiaries” pursuant to the Bond Issue indenture can take on financial debt (“indebtedness” as defined pursuant to the Bond Issue indenture) only to the extent that the indebtedness in question falls within the limits of the “Permitted Indebtedness” categories, pursuant to the Bond Issue indenture.

Failure to comply with the abovementioned commitments—i. e., the assumption by Salini and its subsidiaries (other than the so-called “Material Subsidiaries”) of indebtedness not expressly allowed pursuant to the Bond Issue indenture beyond the level of the abovementioned financial covenant or the assumption by Salini subsidiaries identified as “Material Subsidiaries” of indebtedness beyond the limits required to qualify such indebtedness as “Permitted Indebtedness” pursuant to the Bond Issue indenture—shall constitute an “event of default” pursuant to the Bond Issue indenture, with the consequence of providing the Trustee with the option of demanding early repayment of the Bond Issue.

Lastly, please note that pursuant to the Bond Issue indenture, the abovementioned limitations on the assumption of indebtedness by Salini and its subsidiaries shall not be applicable if:

- (e) the non-subordinate and unsecured debt of Salini (or Impregilo, following the Merger) is awarded by the rating agencies Moody’s Investors Service Limited, Standard & Poor’s Rating Services or Fitch Ratings Ltd. a rating of at least “Baa3” (for Moody’s

Investors Service Limited) or “BBB” (for Standard & Poor’s Rating Services or Fitch Ratings Ltd.); and

(f) no event of default pursuant to the Bond Issue indenture has occurred.

As for the covenants of the New Facility Agreements, they require Salini to maintain (a) a ratio of consolidated EBITDA to gross consolidated financial expense (computed with the same modalities as those required for the Bond Issue, but verified at June 30 and December 31 of each year) of at least 2.5; and (b) a ratio of Gross Total Borrowings to consolidated EBITDA (for each 12-month period ending on June 30 and December 31 of each year) of not more than (1) 5.5x (up to an including June 30, 2015); (2) 5x (up to an including December 31, 2015); and (3) 4.5x (up to an including June 30, 2016). The violation of any of the abovementioned financial covenants shall constitute in of itself an “event of default” pursuant to the New Facility Agreements, automatically empowering the Lender Banks to demand early repayment of any amount owed pursuant to the New Facility Agreements.

With regard to the periods subject of this Memorandum, the covenants for the existing facilities were complied with.

Despite the impact of the Merger, based on the analyses of the operating economic-financial results of Salini and Impregilo and the consolidated data for the Salini Group made at the Date of the Information Memorandum, the ratios and minimum levels applicable to the existing financial commitments both concerning the Bond Issue (starting on December 31, 2013, on a 12-month rolling basis) and pursuant to the New Facility Agreements (starting on June 30, 2014, on a 12-month rolling basis) and certain other minor financing transactions involving the Salini Group will continue to be in compliance with contractually defined parameters, except for the “Export Bank” facility of 100,000,00.00 euros executed on May 13, 2013 by various parties including Salini, as borrower, BNP Paribas, Italy Branch, as Agent Bank, and SACE S.p.A., as guarantor, which, of the Date of the Information Memorandum was the subject of negotiations aimed at realigning the Interest Cover Ratio (ICR) with those of the Bond Issue and the New Facility Agreements.

6.2.2 *Related-party transactions*

6.2.2.1 *Related-party transactions executed by the Salini Group*

The tables that follow show the balances included in the statements of financial position and the income statements for the nine months ended September 30, 2013 and 2012 and the year

ended December 31, 2012 generated by related-party transactions executed by the Salini Group. Please note that the data at September 30, 2013 and 2012 are based on extrapolations made by management based on information derived from the general accounting and management accounting system of the Salini Group.

<i>Amounts in thousands of euros</i>	Subsidiaries	Parent companies	Affiliated companies	Other companies	Pension funds	Total	Total for financial statement item	% of total fin. stat. item	
Non-current assets									
At September 30, 2013	270	0	14,513	3,505	-	18,288	1,129,972	1.62%	
At December 31, 2012	270	-	9,987	3,505	-	13,762	969,932	1.4%	
Current assets									
At September 30, 2013	100	153,295	31,155	8,681	-	193,230	5,662,534	3.41%	
At December 31, 2012	-	65,264	15,915	6,993	-	88,172	2,028,484	4.3%	
Current liabilities									
At September 30, 2013	47	12,793	21,848	7,063	-	41,751	3,771,043	1.11%	
At December 31, 2012	-	7,097	18,332	7,167	439	33,035	1,371,856	2.4%	
Revenues									
Nine months ended September 30, 2013	16	64	65	350	-	-	495	2,694,550	0.02%
Year ended December 31, 2012	-	84	142	444	-	-	670	1,838,446	0.0%
Costs									
Nine months ended September 30, 2013	(30)	(3,475)	(4)	(884)	-	(48)	(4,441)	(2,573,521)	0.17%
Year ended December 31, 2012	-	-	51	988	898	23	1,960	(1,741,725)	(0.1%)
Financial income									
Nine months ended September 30, 2013	-	3,619	151	19	-	-	3,789	194,990	1.94%
Year ended December 31, 2012	-	1,035	10,327	8	-	-	11,370	142,146	8.0%
Financial expense									
Nine months ended September 30, 2013	-	-	-	-	-	-	-	(278,031)	0.00%
Year ended December 31, 2012	-	-	-	-	-	-	-	(145,054)	0.0%
Loss coverage provisions									
Nine months ended September 30, 2013	(243)	-	(1,076)	-	-	-	(1,319)	(108,261)	1.22%
Year ended December 31, 2012	(236)	-	(1,081)	(336)	-	-	(1,653)	14,394	(11.5%)

The transactions existing between the Salini Group and its parent companies are primarily of a financial nature and, at September 30, 2013, concerned mainly a facility provided to Salini Costruttori, in the amount of 65.0 million euros, and the balance in a correspondence current account existing with the same company. Please see the information provided earlier with regard to the net financial position of the Salini Group (see Section 6.2.1).

As for transactions executed by the Salini Group with other related parties and, more specifically, with its affiliated companies, these transactions concern mainly the exchange of goods and the provision of services, the procurement and use of financial resources within the context of existing orders and the optimization of the cash management system of the Salini Group.

The Salini Group believes that all related-party transactions were executed on standard market terms.

6.2.2.2 *The Strategic Agreement and the Merger*

Please see Section 3.2.1.6 of Chapter 3 and Section 6.1.2.3 of this Chapter 6 above.

6.2.3 *Investments*

6.2.3.1 *Completed investments*

The table below shows the investments carried out by the Salini Group during the nine months ended September 30, 2013 and the year ended December 31, 2012, with the total broken down by type of investment.

<i>Amounts in thousands of euros</i>	Nine months ended September 30, 2013			Year ended
	<i>Impregilo acquisition</i>	<i>Other changes</i>	Net investments	12/31/12 Net investments in
Land and buildings	37,168	1,467	38,635	1,351
Plant, machinery and vehicles	147,304	49,421	196,725	86,444
Industrial and commercial equipment	30,549	14,487	45,036	15,656
Other assets	6,975	4,120	11,095	3,350
Leased assets	52,277	61,044	113,321	61,775
Work in progress	7,047	16,813	23,860	5,093
Total property, plant and equipment	281,320	147,353	428,673	173,669

Total intangible assets – Rights to infrastructure under concession	12,509	2,828	15,337	378
Total other intangible assets	64,041	25,402	89,443	174
Total intangible assets	76,550	28,230	104,780	552
Total investments	357,870	175,583	533,453	174,221

The increase in the home by investments between December 31, 2012 and September 30, 2013 reflects to a large extent the initial consolidation of the Impregilo Group, the impact of which determined, precisely upon initial consolidation, a net increase in property, plant and equipment and intangible assets amounting to 281,319 thousand euros and 76,550 thousand euros, respectively.

Net of these effects, during the first nine months of 2013, the Salini Group invested 147,353 thousand euros in property, plant and equipment acquired under finance leases. Investments in intangible assets, which totaled 28,230 thousand euros in the first nine months of 2013, reflect primarily a change in the scope of consolidation resulting from the acquisition of control of Sa.Bro.M. S.p.A., which holds a concession for the Broni – Mortara toll highway.

In 2012, investments in property, plant and equipment totaled 173,668 thousand euros, including 61,775 thousand euros for assets acquired under finance leases.

Please also note that, on the Date of the Information Memorandum, contractual commitments had already been undertaken with third parties for all approved capital expenditures.

6.3 Declaration regarding working capital

As on the Date of the Information Memorandum, the Impregilo Group, in its current configuration, had sufficient working capital to meet its requirements for the 12 months following the Date of the Information Memorandum, it being understood that, pursuant to Recommendation ESMA 2011/81, working capital shall mean the means by which the Impregilo Group obtains the liquid resources needed to meet its maturing obligations.

Please also note that, assuming the Merger is completed, the Post-Merger Group will have sufficient working capital, as defined above, to meet its requirements for the 12 months following the completion of the Merger.

6.4 Equity and indebtedness

The table below provides a breakdown of the equity and indebtedness at September 30, 2013 for the stand-alone Impregilo Group and the Impregilo Group in its Post-Merger configuration.

	At September 30, 2013	
	Stand-alone Impregilo Group	Post- Merger Impregilo Group
<i>(in thousand euros di euro)</i>		
Current indebtedness		
Secured	-	2,104
Unsecured	305,143	664,840
Total current indebtedness (A)	305,143	666,944
Non-current indebtedness		
Secured	-	269,826
Unsecured	211,930	892,239
Total non-current indebtedness (B)	211,930	1,162,064
Total indebtedness (A+B)	517,073	1,829,009
Equity		
Share capital	718,364	62,400
Other reserves	639,124	849,475
Total equity (C)	1,357,488	911,875
Total equity and indebtedness (A+B+C)	1,874,561	2,740,884

7 PRO FORMA INCOME STATEMENT, STATEMENT OF FINANCIAL POSITION AND CASH FLOW DATA OF THE ISSUER

This Chapter includes the document entitled *“Impregilo’s pro forma consolidated statements of financial position at June 30, 2013 and December 31, 2012, the pro forma consolidated income statements and the pro forma consolidated statements of cash flows for the six months ended June 30, 2013 and the year ended December 31, 2012”* (the **“Pro Forma Consolidated Financial Statements”**), prepared to reflect the main effects of the Merger, the TO Facility, the New Credit Lines, the Bond Issue and the divestment of EcoRodovias (for the purposes of this Chapter collectively referred to as the **“Transactions”**) on the financial position, cash flow and income statement of the Impregilo Group. The Pro Forma Consolidated Financial Statements were audited by PwC, which, on December 18, 2013, 2013, issued its reports regarding the reasonableness of the basic assumptions adopted, the accuracy of the methods used and the fairness of the valuation criteria and accounting principles applied (see Section 7.3 below).

7.1 Impregilo’s pro forma consolidated statements of financial position at June 30, 2013 and December 31, 2012, pro forma consolidated income statements and the pro forma consolidated statements of cash flows for the six months ended June 30, 2013 and the year ended December 31, 2012

7.1.1 Foreword

This Chapter presents Impregilo’s Pro Forma Consolidated Financial Statements, which are comprised of the pro forma consolidated statements of financial position at June 30, 2013 and December 31, 2012, the pro forma consolidated income statements and the consolidated statements of cash flows for the six months ended June 30, 2013 and the year ended December 31, 2012, and the respective accompanying notes. The Pro Forma Consolidated Financial Statements were prepared for the purpose of including them in this Information Memorandum, pursuant to Article 57, Section 1, Letter *d*), of the Issuers’ Regulations.

More specifically, the Pro Forma Consolidated Financial Statements were prepared to represent the main effect on the Group’s consolidated statements of financial position at June 30, 2013 and December 31, 2012 and the consolidated income statements and consolidated statements of cash flows for the six months ended June 30, 2013 and the year ended December 31, 2012 of the following items:

- (i)* the Merger;

- (ii) the TO Facility and the refinancing of a portion of the indebtedness of the Impregilo Group and Salini Group by means of the New Facility;
- (iii) the placement by Salini of a Bond Issue, for a face amount of 400 million euros, and the use of the corresponding cash flows.

In addition to the items listed above, the Pro Forma Consolidated Financial Statements reflect the effects of the sale to Banco BTG Pactual S.A. (“**BTG Pactual**”) of the entire remaining equity interest, amounting to 6.50% at December 31, 2012, held by Impregilo in EcoRodovias, which closed on January 11, 2013, even though this transaction is not connected with the Merger and the placement of the Bond Issue. Please note that, on January 25, 2013, Impregilo published an information memorandum regarding this sale, pursuant to Article 71 of the Issuers’ Regulations (available on the website www.impregilo.it – “*Governance – Other governance documents*” page), which should be consulted for additional information.

See Section 7.1.2.7 below for a description of the Transactions.

The Pro Forma Consolidated Financial Statements were prepared based on the following:

- the consolidated statement of financial position, the consolidated income statement and the consolidated statement of cash flows included in the condensed consolidated semiannual financial statements of the Impregilo Group at June 30, 2013 (the “**Condensed Consolidated Semiannual Financial Statements**”), prepared in accordance with the international accounting principle applicable to interim reporting (IAS 34 – Interim Financial Reporting) adopted by the European Union, which were approved by the Board of Directors of the Incorporating Company on August 5, 2013, and were the subject of a limited audit by PwC, which issued a report without qualifications on August 8, 2013;
- the consolidated statement of financial position at June 30, 2013 and the consolidated income statement and consolidated statement of cash flows for the six months ended on the same date of the Salini Group included in the consolidated semiannual financial statements of the Salini Group at June 30, 2013 (the “**Salini Consolidated Semiannual Financial Statements**”), prepared in accordance with the international accounting principle applicable to interim reporting (IAS 34 – Interim Financial Reporting) adopted by the European Union, which were approved by Salini’s Board of Directors on September 16, 2013 and were the subject of a limited audit by Reconta Ernst & Young S.p.A., which issued an opinion without qualifications on September

20, 2013;

- the consolidated statement of financial position, the consolidated income statement and the consolidated statement of cash flows included in the consolidated financial statements of the Impregilo Group at December 31, 2012 (the “**Consolidated Financial Statements**”), prepared in accordance with the IFRSs, which were approved by the Board of Directors of the Incorporating Company on March 25, 2013 and were audited by PwC, which issued an opinion without qualifications on April 5, 2013.
- the consolidated statement of financial position, the consolidated income statement and the consolidated statement of cash flows included in the consolidated financial statements of the Salini Group at December 31, 2012 (the “**Salini Consolidated Financial Statements**”), prepared in accordance with the IFRSs, which were approved by Salini’s Board of Directors on May 27, 2013 and were audited by Reconta Ernst & Young S.p.A., which issued an opinion without qualifications on June 11, 2013.

The Pro Forma Consolidated Financial Statements were prepared for the purpose of simulating, in accordance with valuation criteria consistent with historical data and compliant with the applicable regulations, the main effects of the Transactions on the equity, financial position and income statement of the Post-Merger Group as if the abovementioned Transactions had virtually occurred on June 30, 2013 and December 31, 2012 with regard to the effects on equity represented in the pro forma consolidated statements of financial position at June 30, 2013 and December 31, 2012, respectively, and in the pro forma consolidated income statements and pro forma consolidated statements of cash flows for the six months ended June 30, 2013 and December 31, 2012, respectively, with regard to the effects on the income statement.

However, please note that, as mentioned above, the information contained in the Pro Forma Consolidated Financial Statements represent a simulation of the potential effects of the Transactions, provided exclusively for illustration purposes. More specifically, because the pro forma data are constructed to reflect retrospectively the effects of subsequent transactions, despite efforts to comply with generally accepted rules and use reasonable assumptions, there are limits inherent in the very nature of pro forma data. Therefore, it is important to keep in mind that, had the Transactions actually occurred on the hypothetical dates, the results obtained would not necessary have been the same as those presented in the Pro Forma Consolidated Financial Statements. Moreover, because of the different purposes of pro forma

data compared with historical financial statement data and the different methods used to calculate the effects of the Transaction on the pro forma consolidated statement of financial position, pro forma consolidated income statement and pro forma consolidated statement of cash flows, these documents should be read and interpreted without seeking accounting linkages between them.

Lastly, please note that the Pro Forma Consolidated Financial Statements should not be construed in any way as representing a projection of future results of the Post-Merger Group and, consequently, should not be used for such purpose.

7.1.2 Pro Forma Consolidated Financial Statements

This Section includes the schedules presenting the pro forma consolidated statements of financial position at June 30, 2013 and December 31, 2012 (the “**Pro Forma Consolidated Statements of Financial Position**”), the pro forma consolidated income statements and the pro forma consolidated statements of cash flows for the six months ended June 30, 2013 and the year ended December 31, 2012 (the “**Pro Forma Consolidated Income Statements**” and “**Pro forma Consolidated Statements of Cash Flows**”) and the respective accompanying notes.

7.1.2.1 Pro Forma Consolidated Statement of Financial Position at June 30, 2013

(Amounts in thousands of euros)

	Consolidated statement of financial position of the Impregilo Group	Consolidated statement of financial position of the Salini Group	Restatement to match Impregilo's presentation format and classification criteria	Pro forma adjustments				Pro Forma Consolidated Statement of Financial Position
				Impregilo's deconsolidation	Redemption and refinancing of indebtedness	Effects of the merger	Transaction costs	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	TOTAL
Non-current assets								
Property, plant and equipment	257,416	615,346	-	(257,416)	-	-	-	615,346
Intangible assets – Rights to infrastructures under concession	52,004	52,004	-	(52,004)	-	-	-	52,004
Other intangible assets	33,182	34,739	-	(33,182)	-	-	-	34,739
Goodwill	30,390	32,430	-	(30,390)	-	-	-	32,430
Investments in associates	78,247	89,115	-	(78,247)	-	-	-	89,115
Non-current financial assets	10,840	69,048	(28,547)	62,651	-	-	-	113,992
Non-current receivables from unconsolidated Group companies	10,413	10,413	-	(10,413)	-	-	-	10,413
Other non-current assets	38,348	75,673	28,547	(38,348)	-	-	-	104,220
Deferred tax assets	106,262	125,124	-	(106,262)	-	-	-	125,124
Total non-current assets	617,102	1,103,892	-	(543,611)	-	-	-	1,177,383
Current assets								
Inventories	85,341	263,929	-	(85,341)	-	-	-	263,929
Contract work in progress	964,904	1,641,654	-	(964,904)	-	-	-	1,641,654
Trade receivables	899,026	1,493,024	-	(899,026)	-	-	-	1,493,024
Current receivables from unconsolidated Group companies	262,258	262,258	-	(262,258)	-	-	-	262,258
Derivatives and other current financial assets	7,514	18,107	(17,148)	(7,514)	-	-	-	163,859
Current tax assets	58,033	77,542	-	(58,033)	-	-	-	77,542
Other tax receivables	87,479	135,474	-	(87,479)	-	-	-	135,474
Other current assets	284,749	450,997	17,148	(284,749)	-	-	-	468,145
Cash and cash equivalents	608,935	888,021	-	(608,935)	(6,390)	-	(4,879)	876,752
Total current assets	3,258,239	5,393,906	-	(3,258,239)	(6,390)	-	(4,879)	5,382,637
Non-current assets held for sale	248,060	248,061	-	(248,060)	-	-	-	248,061
TOTAL ASSETS	4,123,401	6,745,859	-	(4,049,910)	(6,390)	-	(4,879)	6,808,081

(Amounts in thousands of euros)

	Pro forma adjustments							Pro Forma Consolidated Statement of Financial Position
	Consolidated statement of financial position of the Impregilo Group	Consolidated statement of financial position of the Salini Group	Restatement to match Impregilo's presentation format and classification criteria	Impregilo's deconsolidation	Redemption and refinancing of indebtedness	Effects of the merger	Transaction costs	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	TOTAL
LIABILITIES AND SHAREHOLDERS' EQUITY								
Shareholders' equity								
Equity attributable to the owners of the parent	1,338,008	711,126	-	(1,264,518)	-	157,368	(3,323)	938,661
Non-controlling interests	14,212	209,111	-	(14,212)	-	(57,368)	-	51,743
Total shareholders' equity	1,352,220	920,237	-	(1,278,730)	-	-	(3,323)	990,404
Non-current liabilities								
Bank loans and other facilities	41585	485,321	-	(41585)	70,750	-	-	556,071
Bond issues	149,026	149,026	-	(149,026)	392,768	-	-	541,794
Payables under finance leases	26,984	140,272	-	(26,984)	-	-	-	140,272
Non-current derivatives	4,657	4,657	-	(4,657)	-	-	-	4,657
Employee severance benefits and other benefits	19,313	23,621	-	(19,313)	-	-	-	23,621
Non-current payables to unconsolidated Group companies	-	497	-	-	-	-	-	497
Deferred tax liabilities	47,373	75,854	-	(47,373)	-	-	-	75,854
Provisions for risk	94,277	106,230	(2,925)	(94,277)	-	-	-	103,305
Other non-current liabilities	2,951	11,465	-	(2,951)	-	-	-	11,465
Total non-current liabilities	386,166	996,943	(2,925)	(386,166)	463,518	-	-	1,457,536
Current liabilities								
Bank account overdrafts and current portion of financing facilities	317,031	936,414	44,237	(317,031)	(469,908)	-	-	510,743
Current portion of bond issues	5,982	5,982	-	(5,982)	-	-	-	5,982
Current portion of payables under finance leases	21,843	60,266	-	(21,843)	-	-	-	60,266
Current derivatives and other current financial liabilities	41	51,001	(44,237)	(41)	-	-	-	6,764
Advances on contract work in progress	883,961	1,895,696	-	(883,961)	-	-	-	1,895,696
Trade payables to suppliers	697,484	1,239,402	-	(697,484)	-	-	-	1,239,402
Current payables to unconsolidated Group companies	116,878	163,006	-	(116,878)	-	-	-	163,006
Current tax liabilities	96,803	125,923	-	(96,803)	-	-	(1,556)	124,367
Other tax payables	9,222	74,003	-	(9,222)	-	-	-	74,003
Other current liabilities	235,770	276,986	2,925	(235,769)	-	-	-	279,912
Total current liabilities	2,385,015	4,828,679	2,925	(2,385,014)	(469,908)	-	(1,556)	4,360,141
Liabilities directly associated with non-current assets held for sale	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,123,401	6,745,859	-	(4,049,910)	(6,390)	-	(4,879)	6,808,081

7.1.2.2 Pro Forma Consolidated Income Statement for the six months ended June 30, 2013

(Amounts in thousands of euros)

	Pro forma adjustments								
	Consolidated income statement of the Impregilo Group	Consolidated income statement of the Salini Group	Restatement to match Impregilo's presentation format and classification criteria	Impregilo's deconsolidation	Bond Issue, redemption and refinancing of indebtedness	Effects of the merger	Transaction costs	Divestment of EcoRodovias	Pro Forma Consolidated Income Statement
	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	TOTAL
Revenue									
Operating revenue	1,138,364	1,514,876	-	(633,059)	-	-	-	-	2,020,181
Other revenue	25,758	37,631	(3,096)	(12,315)	-	-	-	-	47,978
Total revenue	1,164,122	1,552,507	(3,096)	(645,374)	-	-	-	-	2,068,159
Costs									
Cost of raw materials, ancillary materials and consumables	(181,353)	(292,176)	-	97,093	-	-	-	-	(376,436)
Subcontractors	(282,096)	(331,615)	-	154,055	-	-	-	-	(459,656)
Other operating costs	(360,403)	(544,579)	4,291	194,046	-	-	36,044	-	(670,601)
Personnel costs	(193,646)	(203,955)	(9,436)	99,641	-	-	-	-	(307,396)
Depreciation, amortization and impairment losses	(47,841)	(75,080)	977	25,752	-	-	-	-	(96,192)
Total costs	(1,065,339)	(1,447,405)	(4,168)	570,587	-	-	36,044	-	(1,910,281)
Operating profit (loss)	98,783	105,102	(7,264)	(74,787)	-	-	36,044	-	157,878
Financing income (costs) and gains (losses) on investments									
Financial income	2,239	13,212	205	(6,838)	1310	-	-	-	20,128
Financial expense	(42,440)	(69,946)	7,264	26,955	(2,863)	-	-	-	(81,030)
Net exchange rate gains (losses)	7,813	3,519	-	(7,805)	-	-	-	-	3,527
Net financing costs	(22,388)	(53,215)	7,469	2,312	(1,553)	-	-	-	(57,375)
Net gains on investments	104	122,674	(205)	(307)	-	(122,190)	-	-	986
Net financing costs and net gains on investments	(21,374)	69,459	7,264	12,005	(1,553)	(122,190)	-	-	(56,389)
Profit (loss) before taxes	77,409	174,561	-	(62,782)	(1,553)	(122,190)	36,044	-	101,489
Income tax expense	(27,803)	(34,226)	-	22,567	427	-	(11,627)	-	(50,662)
Profit (loss) from continuing operations	49,606	140,335	-	(40,215)	(1,126)	(122,190)	24,417	-	50,827
Profit from discontinued operations	83,213	23,738	-	(23,739)	-	-	-	767	83,979
Net profit (loss)	132,819	164,073	-	(63,954)	(1,126)	(122,190)	24,417	767	134,806
Profit (Loss) attributable to:									
Owners of the Parent	132,892	155,451	-	(63,854)	(1,126)	(114,331)	24,417	767	134,216
Non-controlling interests	(73)	8,622	-	(100)	-	(7,859)	-	-	590

7.1.2.3 Pro forma Consolidated Statement of Cash Flows for the six months ended June 30, 2013

(Amounts in thousands of euros)	Pro forma adjustments							Pro Forma Consolidated Statement of Cash Flows
	Consolidated statement of cash flows of the Impregilo Group	Consolidated statement of cash flows of the Salini Group	Impregilo's deconsolidation	Net financial expense	Transaction costs	Effects of the acquisition transaction	Divestment of EcoRodovias	
	(16)	(17)	(18)	(19)	(20)	(21)	(22)	
Profit (Loss) from continuing operations	49,606	140,334	(40,215)	(1,126)	24,417	(122,190)	-	50,826
Depreciation and amortization	45,766	69,298	(23,065)	-	-	-	-	91,999
Net impairment losses and provisions	2,075	3,768	(2,689)	-	-	-	-	3,154
Accrual for post-employment benefits and employee benefits	7,922	-	(4,265)	-	-	-	-	3,657
Net (gains) losses on the sale of assets	2,924	-	354	-	-	-	-	3,278
Deferred taxes	4,342	2,718	(3,208)	-	-	-	-	3,852
Share of profit (loss) of equity-accounted investees	(1,006)	360	292	-	-	-	-	(354)
Other non-monetary items	4,553	-	(4,238)	-	-	-	-	315
Total income statement	116,182	216,477	(77,034)	(1,126)	24,417	(122,190)	-	156,726
Decrease (Increase) in inventories	(89,874)	(5,718)	59,716	-	-	-	-	(35,876)
Decrease (Increase) in trade receivables	(96,324)	(234,891)	125,667	-	-	-	-	(205,548)
Decrease (Increase) in intragroup loans and receivables	(7,831)	-	8,225	-	-	-	-	394
(Decrease) Increase in progress payments and advances from customers	39,521	(190,580)	(13,923)	-	-	-	-	(164,982)
(Decrease) Increase in trade payables	(42,637)	41,123	(6,954)	-	(36,044)	-	-	(44,512)
Decrease (Increase) in other assets/liabilities	12,380	100,689	(13,687)	-	11,627	-	-	111,009
Total operating cash flows	(155,002)	(289,377)	129,281	-	(24,417)	-	-	(339,515)
Cash flows from (used in) operating activities	(38,820)	(72,900)	52,247	(1,126)	-	(122,190)	-	(182,789)
Investing activities								
Net investments in intangible assets	(676)	(40,787)	295	-	-	-	-	(41,168)
Acquisition of control, net of cash acquired	(4,834)	34,605	4,834	-	-	(25,202)	-	9,403
Investments in property, plant and equipment	(6,598)	(71,371)	8,346	-	-	-	-	(78,623)
Proceeds from the sale or reimbursement value of property, plant and equipment	4,371	-	(1,356)	-	-	-	-	3,015
Investments in non-current financial assets	(25,616)	-	35	-	-	-	-	(25,581)
Dividends received from equity-accounted investees	441	-	(126)	-	-	-	-	315
Proceeds from the sale or reimbursement value of non-current financial assets	75	-	(65)	-	-	-	-	10
Other changes	-	(75,297)	-	-	-	-	-	(75,297)
Cash flows from (used in) investing activities	(41,837)	(152,850)	11,963	-	-	(25,202)	-	(207,926)
Financing activities								
Dividend distribution to Impregilo shareholders	(602,238)	(12,979)	602,238	-	-	-	-	(12,979)
Change in bank and other loans	(137,414)	398,123	139,441	-	-	(498,483)	-	(98,333)
Change in other financial assets/liabilities	9,224	24,022	(20,506)	-	-	-	-	12,740
Other changes	-	179,126	-	-	-	(172,108)	-	7,018
Cash flows from (used in) financing activities	(730,428)	588,292	721,173	-	-	(670,591)	-	(91,554)
Net cash flow for the period from (used in) discontinued operations	187,001	-	(1,382)	-	-	-	(187,001)	(1,382)
Net exchange rate gains (losses) on cash and cash equivalents	(32)	-	2,462	-	-	-	-	2,430
Increase (decrease) in cash and cash equivalents	(624,116)	362,542	786,463	(1,126)	-	(817,983)	(187,001)	(481,221)

7.1.2.4 Pro Forma Consolidated Statement of Financial Position at December 31, 2012

(Amounts in thousands of euros)

	Pro forma adjustments										Pro Forma Consolidated Statement of Financial Position
	Consolidated statement of financial position of the Impregilo Group	Consolidated statement of financial position of the Salini Group	Restatement to match Impregilo's presentation format and classification criteria	Effects of Acquisition	Effects of Merger	Loan Agreement	Reestablishment of share float	Bond Issue, redemption and refinancing of indebtedness	Transaction costs	Divestment of EcoRodovias	
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	TOTAL
Non-current assets											
Property, plant and equipment	298,777	329,956	-	-	-	-	-	-	-	-	628,733
Intangible assets – Rights to infrastructures under concession	12,818	-	-	-	-	-	-	-	-	-	12,818
Other intangible assets	34,043	667	-	-	-	-	-	-	-	-	34,710
Goodwill	30,390	2,039	-	-	-	-	-	-	-	-	32,429
Investment in Impregilo	-	570,459	-	(570,459)	-	-	-	-	-	-	-
Other investments in associates	62,637	112,3	-	-	-	-	-	-	-	-	73,850
Non-current financial assets	16,335	-	14,710	65,801	-	65,000	-	-	-	-	161,846
Non-current receivables from unconsolidated Group companies	10,892	10,376	-	-	-	-	-	-	-	-	21,268
Other non-current assets	42,700	19,587	(14,710)	-	-	-	-	-	-	-	47,577
Deferred tax assets	105,484	25,635	-	-	-	-	-	-	-	-	131,119
Total non-current assets	614,076	969,932	-	(504,658)	-	65,000	-	-	-	-	1,144,350
Current assets											
Inventories	95,376	167,838	-	-	-	-	-	-	-	-	263,214
Contract work in progress	864,368	625,014	-	-	-	-	-	-	-	-	1,489,382
Trade receivables	809,160	539,118	-	-	-	-	-	-	-	-	1,348,278
Current receivables from unconsolidated Group companies	253,685	16,971	-	-	-	-	-	-	-	-	270,656
Other current financial assets	11,681	-	-	-	-	-	-	-	-	-	11,681
Current tax assets	67,253	-	23,102	-	-	-	-	-	-	-	90,355
Other tax receivables	80,579	55,685	(23,102)	-	-	-	-	-	-	-	113,162
Other current assets	296,268	212,165	-	-	-	-	-	-	-	-	508,433
Cash and cash equivalents	1,243,086	411,703	-	(1,001,998)	-	1,160,141	53,733	(662,686)	(40,923)	187,001	1,350,057
Total current assets	3,721,476	2,028,484	-	(1,001,998)	-	1,160,141	53,733	(662,686)	(40,923)	187,001	5,445,228
Non-current assets held for sale	307,588	-	-	-	-	-	-	-	-	(186,386)	121,202
TOTAL ASSETS	4,643,140	2,998,416	-	(1,506,656)	-	1,225,141	53,733	(662,686)	(40,923)	615	6,710,780

(Valori in Euro/000)

	Rettifiche pro-forma										
	Consolidated statement of financial position of the Impregilo Group	Consolidated statement of financial position of the Salini Group	Restatement to match Impregilo's presentation format and classification criteria	Effects of Acquisition	Effects of Merger	Loan Agreement	Reestablishment of share float	Bond Issue, redemption and refinancing of indebtedness	Transaction costs	Divestment of EcoRodovias	Pro Forma Consolidated Statement of Financial Position
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	TOTAL
LIABILITIES AND SHAREHOLDERS' EQUITY											
Shareholders' equity											
Equity attributable to the owners of the parent	1,800,954	566,133	-	(1,678,763)	164,097	-	(6,038)	(7,349)	(28,073)	615	811,576
Non-controlling interests	4,851	27,590	-	172,107	(164,097)	-	59,771	(67,781)	-	-	32,441
Total shareholders' equity	1,805,805	593,723	-	(1,506,656)	-	-	53,733	(75,130)	(28,073)	615	844,017
Non-current liabilities											
Bank loans and other facilities	138,549	300,908	(99,372)	-	-	661,262	-	(368,592)	-	-	632,755
Bond issues	48,840	-	-	-	-	-	-	392,768	-	-	541,608
Payables under finance leases	40,028	-	99,372	-	-	-	-	-	-	-	139,400
Non-current derivatives	5,200	-	-	-	-	-	-	-	-	-	5,200
Employee severance benefits and other benefits	20,234	4,506	-	-	-	-	-	-	-	-	24,740
Non-current payables to unconsolidated Group companies	-	-	-	-	-	-	-	-	-	-	-
Deferred tax liabilities	46,507	22,530	-	-	-	-	-	-	-	-	69,037
Provisions for risk	98,285	14,394	-	-	-	-	-	-	-	-	112,679
Other non-current liabilities	2,601	119,13	-	-	-	-	-	-	-	-	11,54
Total non-current liabilities	500,244	354,251	-	-	-	661,262	-	24,176	-	-	1,539,933
Current liabilities											
Bank account overdrafts and current portion of financing facilities	235,211	299,106	(27,207)	-	-	563,879	-	(619,081)	-	-	451,908
Current portion of bond issues	113,689	-	-	-	-	-	-	-	-	-	113,689
Current portion of payables under finance leases	22,785	-	27,207	-	-	-	-	-	-	-	49,992
Current derivatives and other current financial liabilities	65	-	-	-	-	-	-	-	-	-	65
Advances on contract work in progress	844,440	1,098,254	-	-	-	-	-	-	-	-	1,942,694
Trade payables to suppliers	731,484	532,481	-	-	-	-	-	-	-	-	1,263,965
Current payables to unconsolidated Group companies	87,115	39,386	-	-	-	-	-	-	-	-	126,501
Current tax liabilities	52,630	44,042	(30,995)	-	-	-	-	7,349	(12,850)	-	60,176
Other tax payables	16,603	-	30,995	-	-	-	-	-	-	-	47,598
Other current liabilities	233,069	37,173	-	-	-	-	-	-	-	-	270,242
Total current liabilities	2,337,091	2,050,442	-	-	-	563,879	-	(611,732)	(12,850)	-	4,326,830
Liabilities directly associated with non-current assets held for sale	-	-	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	4,643,140	2,998,416	-	(1,506,656)	-	1,225,141	53,733	(662,666)	(40,923)	615	6,710,780

7.1.2.5 Pro Forma Consolidated Income Statement for the year ended December 31, 2012

			Pro forma adjustments			Pro Forma Consolidated Income Statement
	Consolidated income statement of the Impregilo Group	Consolidated income statement of the Salini Group	Effects of the Acquisition and the Merger	Bond Issue, redemption and refinancing of indebtedness	Divestment of EcoRodovias	
	(33)	(34)	(35)	(36)	(37)	TOTAL
Revenue						
Operating revenue	2,200,382	1,771,289	-	-	-	3,971,671
Other revenue	80,609	54,963	-	-	-	135,572
Total revenue	2,280,991	1,826,252	-	-	-	4,107,243
Costs						
Operating costs	(1,801,536)	(1,440,011)	-	-	-	(3,241,547)
Cost of raw materials, ancillary materials and consumables	(340,119)	(362,176)	-	-	-	(702,295)
Subcontractors	(545,916)	(681,540)	-	-	-	(1,227,456)
Other operating costs	(915,501)	(396,295)	-	-	-	(1,311,796)
Personnel costs	(397,785)	(209,189)	-	-	-	(606,974)
Depreciation, amortization and impairment losses	(107,148)	(84,505)	-	-	-	(191,653)
Total costs	(2,306,469)	(1,733,705)	-	-	-	(4,040,174)
Operating profit (loss)	(25,478)	92,547	-	-	-	67,069
Financing income (costs) and gains (losses) on investments						
Financial income	40,925	15,525	(10,175)	2,825	-	49,100
Financial expense	(75,032)	(34,460)	-	(53,597)	-	(163,089)
Net exchange rate gains (losses)	3,387	8,433	-	-	-	11,820
Net financing costs	(30,720)	(10,502)	(10,175)	(50,772)	-	(102,169)
Net gains on investments: Impregilo	-	274,184	(274,184)	-	-	-
Net gains on investments: Other	1,431	11,457	-	-	-	12,888
Net financing costs and net gains on investments	(29,289)	275,139	(284,359)	(50,772)	-	(89,281)
Profit (loss) before taxes	(54,767)	367,686	(284,359)	(50,772)	-	(22,212)
Income tax expense	(59,270)	(34,761)	140	13,963	-	(79,928)
Profit (loss) from continuing operations	(114,037)	332,925	(284,219)	(36,809)	-	(102,140)
Profit (Loss) from discontinued operations	717,036	-	-	-	(720,717)	(3,681)
Net profit (loss)	602,999	332,925	(284,219)	(36,809)	(720,717)	(105,821)
Profit (Loss) attributable to:						
Owners of the Parent	602,659	324,412	(284,219)	(36,809)	(720,160)	(114,117)
Non-controlling interests	340	8,513	-	-	(557)	8,296

7.1.2.6 Pro forma Consolidated Statement of Cash Flows for the year ended December 31, 2012

	Consolidated statement of cash flows of the Impregilo Group	Consolidated statement of cash flows of the Salini Group	Pro forma adjustments		Pro Forma Consolidated Statement of Cash Flows
			Net financial expense	Effects of the Acquisition and the Merger	
(Amounts in thousands of euros)	(38)	(39)	(40)	(41)	
Profit (Loss) from continuing operations	(114,037)	332,925	(36,809)	(284,219)	(102,141)
Depreciation and amortization	109,755	81,800	-	-	19,555
Net impairment losses and provisions	(2,607)	5,972	-	-	3,365
Accrual for post-employment benefits	18,082	-	-	-	18,082
Net (gains) losses on the sale of assets	4,945	-	-	-	4,945
Deferred taxes	2,632	12,436	-	-	15,068
Share of profit (loss) of equity-accounted investees	(1,359)	(275,450)	-	274,184	(2,625)
Other non-monetary items	3,106	-	-	-	3,106
Total income statement	20,517	157,683	(36,809)	(10,035)	131,355
Decrease (Increase) in inventories	(105,552)	(22,189)	-	-	(127,741)
Decrease (Increase) in trade receivables	(35,082)	16,894	-	-	(18,188)
Decrease (Increase) in intragroup loans and receivables	(36,003)	-	-	-	(36,003)
(Decrease) Increase in progress payments and advances from customers	89,864	(187,178)	-	-	(97,314)
(Decrease) Increase in trade payables	65,721	82,933	-	-	148,654
(Decrease) Increase in payables to Group companies	39,728	-	-	-	39,728
Decrease (Increase) in other assets/liabilities	(55,623)	(2,597)	-	-	(58,220)
Total operating cash flows	(36,947)	(173,875)	-	-	(210,822)
Cash flows from (used in) operating activities	(16,430)	(16,192)	(36,809)	(10,035)	(79,467)
Investing activities					
Net investments in intangible assets	(1,374)	(537)	-	-	(1,911)
Acquisition transaction, net of cash acquired	-	(175,539)	-	173,346	(2,193)
Investments in property, plant and equipment	(71,777)	(162,388)	-	-	(234,165)
Proceeds from the sale or reimbursement value of property, plant and equipment	15,667	-	-	-	15,667
Investments in non-current financial assets	(14,822)	-	-	-	(14,822)
Dividends received from equity-accounted investees	1,033	-	-	-	1,033
Proceeds from the sale or reimbursement value of non-current financial assets	118	-	-	-	118
Other changes	-	2,819	-	-	2,819
Cash flows from (used in) investing activities	(71,155)	(335,645)	-	173,346	(233,454)
Financing activities					
Dividend distribution to Company shareholders	(36,641)	-	-	10,035	(26,606)
Dividend distribution to other shareholders	(720)	-	-	-	(720)
Change in bank debt	(300,548)	205,952	-	-	(94,596)
Change in other financial assets/liabilities	(23,825)	27,704	-	-	3,879
Cash flows from (used in) financing activities	(361,734)	233,656	-	10,035	(118,043)
Net cash flow for the period from (used in) discontinued operations	1,033,040	-	-	-	1,033,040
Net exchange rate gains (losses) on cash and cash equivalents	(511)	-	-	-	(511)
Increase (decrease) in cash and cash equivalents	583,210	(118,181)	(36,809)	173,346	601,565

7.1.2.7 Notes to the Pro Forma Consolidated Financial Statements

Basis of presentation and accounting principles used

The Pro Forma Consolidated Financial Statements were prepared in accordance with Consob Communication No. DEM/1052803 of July 5, 2001, which governs the methods applied to construct pro forma data. More specifically, the Pro Forma Consolidated Statements of Financial Position, the Pro Forma Consolidated Income Statements and the Pro Forma Consolidated Statements of Cash Flows were prepared by adjusting the Impregilo Group's historical data at June 30, 2013 and at December 31, 2012, taken from the Condensed Consolidated Semiannual Financial Statements and the Consolidated Financial Statements, respectively, to simulate retrospectively the main effects of the Transactions on financial position, income statement and cash flow data.

Unless otherwise stated, the accounting principles adopted to prepare the Pro Forma Consolidated Financial Statements are the same as those used to prepare the Condensed Consolidated Semiannual Financial Statements and the Consolidated Financial Statements.

Please also note that all data presented in this Section are in thousands of euros, unless otherwise stated.

Description of the Transactions

The pages that follow provide an overview of the process by which Salini acquired control of Impregilo and of the TO Facility, the Merger, the Bond Issue, the refinancing of part of the indebtedness with the New Facility, and the divestment of EcoRodovias.

Overview of the process by which Salini acquired control of Impregilo

Impregilo shares purchased in 2011 and 2012

In 2011 and 2012, Salini (Salini Costruttori prior to the Conveyance, effective as of January 1, 2012) carried out repeated purchases of Impregilo common shares, reaching, at December 31, 2012, an ownership stake equal to about 29.84% of the common share capital of the Incorporating Company.

Impregilo's Ordinary Shareholders' Meeting, convened on July 17, 2012, acting upon a motion by the shareholder Salini, agreed to recall the Directors in office and elected a new Board of Directors comprised of 15 Directors, 14 of whom were elected from a slate filed by Salini.

Tender Offer

The acceptance period for the Tender Offer launched by Salini began in March 2013.

In response to the Tender Offer, including the extension of the Tender Offer deadline, pursuant to Article 40-*bis* of the Issuers' Regulations, a total of 250,499,540 Impregilo common shares were tendered, equal to about 62.24% of the common share capital of the Incorporating Company. The unit price of the Tender Offer was 4.00 euros per common share and, consequently, the total outlay incurred by Salini for the shares tendered amounted to about 1,001,998 thousand euros.

Situation after the Tender Offer

As a result of the Tender Offer (including the subsequent extension of the tender deadline), Salini became the owner of a total of 370,575,589 Impregilo common shares, equal to 92.08% of Impregilo common share capital (counting also the Impregilo common shares already held by Salini prior to the launch of the Tender Offer), and acquired control of Impregilo.

Consequently, as of the closing date of the Tender Offer, Salini consolidated Impregilo line by line.

Reduction of Salini's interest to less than 90% ("Restoration of the share float")

As stated in the documents prepared by Salini for the purposes of the Tender Offer, the Tender Offer was not intended to result in the delisting of the Impregilo common shares. Consequently, in May 2013, Salini sold some of the Impregilo common shares it held in order to reduce to less than 90% its interest in Impregilo's common share capital (specifically equal to 88.83%).

The TO Loan Agreement

In order to fund, inter alia, the expenditure required for the Tender Offer, Salini executed with the TO Lender Banks the TO Loan Agreement, pursuant to which the TO Lender Banks provided the TO Facility, corresponding to "Tranche 1," as described below, for a total amount of up to 1,410,000,000.00 euros, broken down into the following tranches:

- (a) a tranche called "Tranche A1," for up to 1,130,000,000.00 euros, to be used (i) to provide faithful performance guarantees (regarding the payment obligations undertaken with the Tender Offer); and (ii) to pay the consideration owed for the Impregilo common shares tendered in response to the Tender Offer during the tender period or after the Tender Offer deadline was extended; therefore, the total amount used was 1,001,998,160.0 euros;

- (b) a tranche called “Tranche A2,” for up to 215,000,000.00 euros, to be used, inter alia, (i) to refinance the existing loan, with a principal amount of 130,000,000.00 euros, provided by Natixis S.A. pursuant to a loan agreement executed with Salini on February 20, 2102 (as amended on August 7, 2012 and, most recently, on December 20, 2012); and (ii) to defray the incidental expenses related to the Tender Offer; and
- (c) a tranche called “Tranche A3,” for up to 65,000,000.00 euros, to be used, inter alia, to enable Salini to provide Salini Costruttori with an intercompany loan of 65,000,000.00 euros earmarked for partial repayment of latter company’s medium/long-term debt.

Interest accrues on the principal disbursed pursuant to the TO Loan Agreement at a rate equal to the reference Euribor plus a spread of 4.25% until June 30, 2013, subsequently increased every six months up to 6%.

The Company also incurred incidental expenses for the origination of the abovementioned TO Loan Agreement.

Transactions

An brief description of the Transactions subject of the pro forma adjustments is provided below.

Merger by Incorporation of Salini into Impregilo

On September 12, 2013, the respective Extraordinary Shareholders’ Meetings of Impregilo and Salini approved the transaction involving the Merger by Incorporation of Salini into Impregilo.

Upon the completion of the Merger, all Salini common shares will be cancelled and exchanged for Impregilo common shares based on an Exchange Ratio of 6.45 Impregilo common shares for each Salini share. Consequently, Salini Costruttori, the sole shareholder of the Company Being Incorporated, will receive a total of 402,480,000 common shares of the Issuer, equal to 89.95% of the Issuer’s common share capital.

The exchange between Salini shares and Impregilo shares will be implemented on the basis of the abovementioned Exchange Ratio, with no increase in the par value of the share capital of the Incorporating Company, but with the allocation to Salini Costruttori, the sole shareholder of the Company Being Incorporated, in addition to the 357,505,246 Impregilo common shares, without par value, currently outstanding and held by Salini, of an additional 44,974,754 newly issued common shares, without par value, which, it is worth repeating it, will not result in an increase in the share capital of the Incorporating Company.

The holders of Impregilo common shares, other than the Company Being Incorporated, and the holders of Impregilo savings shares continued to own the share they held before the Merger, but their percentage interest in Impregilo's share capital is reduced..

For additional information about this issue, see Chapter 3, Section 3.2.3 above.

Bond Issue and partial repayment of the obligation under the TO Loan Agreement

On August 1, 2013, Salini, having concluded the underwriting process on July 23, 2013, completed the placement of the Bond Issue, consisting of senior unsecured bonds, for a face amount of 400 million euros, maturing in five years and accruing interest at a gross annual coupon rate of 6.125%. The proceeds from the Bond Issue, amounting to 394.9 million euros (before some incidental placement costs) were used in their entirety to partially repay the obligation under the TO Loan Agreement (see Chapter 4, Section 4.2.1, above).

New Credit Lines

Salini repaid ahead of schedule a portion of the principal amount loaned by the TO Lender Banks pursuant to the TO Loan Agreement, using for that purpose liquid assets generated by the collection of dividends distributed by Impregilo, the sale of some of the Impregilo common shares it held and the placement of a bond issue. As a result of the abovementioned repayments, the remaining debt owed under the TO Loan Agreement amounted to 298,575 thousand euros (the “**Residual Debt**”).

Subsequently, on December 10, 2013, Salini and Impregilo executed the New Loan Agreement, which, inter alia, amended certain contract clauses of the TO Loan Agreement. On the same date, Salini also signed the Revolving Facility Agreement as detailed below (see also Chapter 3, Sections 3.2.1.6 and 3.2.2.7, above).

The New Credit Lines provided by virtue of two New Facility Agreements, for a total amount 525 million euros, are comprised of four separate tranches:

- the first tranche, amounting to 298,575,489.85 euros, earmarked for refinancing the Residual Debt and extend the scheduled repayments date;
- the second and third tranches, amounting to 51,424,510.15 euros and 75 million euros, respectively, earmarked for refinancing certain pre-existing credit lines held by Salini and Impregilo, respectively (the “**Pre-existing Lines**”);

- the fourth tranche, consisting of the Revolving Facility, in the amount of 100 million euros, to be disbursed if needed as a short-term “revolving loan facility.”

Interest accruing pursuant to the New Facility Agreements shall be equal to the sum of the reference Euribor plus an initial spread of 4.25% on all of the abovementioned tranches. The amounts loaned through the New Credit Lines must be repaid within three years.

Divestment of EcoRodovias

In January 2013, Impregilo sold to BTG Pactual the equity stake of 6.50% it held in EcoRodovias at December 31, 2012. The purchase proposal submitted by BTG Pactual in connection with the abovementioned divestment transaction was accepted on January 11, 2013.

The divestment subject of the pro forma restatements is the result of the execution on October 31, 2012 and December 27, 2012, respectively, of (i) the sale to BTG Pactual of a 3.74% equity interest in EcoRodovias pursuant to a contract executed on October 26, 2012; and (ii) the sale to Primav Construções e Comércio S.A. of a 19% equity stake in EcoRodovias pursuant to a contract executed on October 17, 2012.

In the Consolidated Financial Statements, this 6.5% equity interest held in EcoRodovias by the Impregilo Group at December 31, 2012 was value in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations* and classified into special accounts of the consolidated statement of financial position, the consolidated income statement and the consolidated statement of cash flows.

As mentioned earlier in this Memorandum, please note that, with regard to this divestment transaction, Impregilo published on January 25, 2013 and information memorandum pursuant to Article 71 of the Issuers’ Regulations (available on the website www.impregilo.it – “*Governance – Other governance documents*” page), which should be consulted for additional information.

Description of the pro forma adjustments made to prepare the Pro Forma Consolidated Financial Statements

A brief description of the pro forma adjusting entries made to prepare the Pro Forma Consolidated Financial Statements is provided below.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT JUNE 30, 2013

1) *Consolidated statement of financial position of the Impregilo Group*

This column shows the consolidated statement of financial position of the Impregilo Group at June 30, 2013, taken from the Condensed Consolidated Semiannual Financial Statements.

2) *Consolidated statement of financial position of the Salini Group*

This column shows the consolidated statement of financial position of the Salini Group at June 30, 2013, taken from Salini's Condensed Consolidated Semiannual Financial Statements and reclassified to make it consistent with the presentation format adopted by the Impregilo Group. As mentioned earlier in this Memorandum, Salini's Consolidated Semiannual Financial Statements reflect the impact of the line-by-line consolidation of Impregilo's assets and liabilities on the date control was acquired.

Please note that the measurement at fair value of the acquired assets and liabilities has not yet been completed because the relative information was not available as the Date of the Information Memorandum. In this regard, it is important to keep in mind that this approach is consistent with the provisions of Paragraph 45 of IFRS 3 – Business Combinations, which governs how to account for business combinations. More specifically, the abovementioned accounting principle call for a “measurement period” during which an entity must carry out an initial accounting of the acquisition and complete the measurement subsequently within up to 12 months from the date of acquisition. Therefore, in the case in point, the final determination of the value of Impregilo's assets and liabilities acquired by Salini may differ from the amounts shown in this document. Any changes will be effective retrospectively so as to reflect any information learned about facts and circumstances on the date of acquisition that would have had an impact on the measurement of the amounts recognized at that time.

3) *Restatement to match Impregilo's presentation format and classification criteria*

This column includes certain reclassifications applied to the consolidated statement of financial position of the Salini Group to achieve consistency with the classification criteria adopted by the Impregilo Group.

4) *Impregilo's deconsolidation*

This column shows the elimination of the effects of line-by-line consolidation of Impregilo's assets and liabilities into the consolidated statement of financial position of the Salini Group at June 30, 2013.

The difference of 73,491 thousand euros between the shareholders' equity of the Impregilo Group at June 30, 2013 (1,338,008 thousand euros) and the corresponding amount on the date Salini acquired control (1,264,518 thousand euros, net of the dividends distributed by Impregilo in May 2013) is due mainly to the earnings reported by Impregilo in the second quarter of 2013. Consistent with the method used to prepare pro forma data, this difference was recognized as a non-current financial asset.

Consequently, with regard to this column, the restatement of "Non-current financial assets" is equal to the difference between: *i*) the amount of this item in the consolidated statement of financial position of the Impregilo Group at June 30, 2013 (10,840 thousand euros) and *ii*) the abovementioned amount of 73,491 thousand euros.

5) *Repayment and refinancing of indebtedness*

This column reflects the effects of: *i*) the repayment of a portion of the amount owed under the TO Loan Agreement with liquidity generated by the placement of the Bond Issue, and *ii*) the refinancing of the Residual Debt and the Preexisting Lines with liquidity generated by the New Facility.

These effects are summarized in the table below:

	Cash and cash equivalents (c)	Bank account overdrafts and current portion of facilities	Bond issue	Bank loans and other facilities (c)
<i>(Amounts in thousands of euros)</i>				
Bond Issue placement (a)	400,000	-	(400,000)	-
Bond Issue incidental expenses (a)	(7,232)	-	7,232	-
Partial repayment of TO Facility (a)	(394,908)	394,908	-	-
Disbursement of Term Loan Facility (b)	127,000	-	-	(127,000)
Term Loan Facility incidental expenses (b)	(4,250)	-	-	4,250
Repayment of preexisting lines (b)	(127,000)	75,000	-	52,000
Total	(6,390)	469,908	(392,768)	(70,750)

(a) On August 1, 2013, as mentioned earlier in this Memorandum, Salini, having concluded the underwriting process on July 23, 2013, completed the placement of a Bond Issue, comprised of senior unsecured securities, for a face value of 400 million euros, inclusive of placement costs totaling 7,232 thousand euros. The proceeds from the Bond Issue and, to a minor extent, liquidity available to Salini (2,140 thousand

euros) were used for a partial repayment, amounting to 394,908 thousand euros, of the Loan Agreement obligation (see Chapter 4, Section 4.2.1 above).

- (b) Subsequently, on December 10 and 12, 2013, Salini executed the New Facility Agreements for a total of 525 million euros, including placement costs totaling 4,250 thousand euro. The net cash flow derived from the New Facility—net of the portion used to refinance the Residual Debt amounting to 298 million euros—was used to repay the Preexisting Lines and lengthen their maturity. Please note that the Revolving Facility, amounting to 100 million euros, was not taken into consideration for the purpose of this pro forma reporting period because it is a credit line to which no specific destination had been assigned as of the Date of the Information Memorandum and neither the time in which it will be used nor the amount could be determined, as it is not closely related to the Transactions.
- (c) With regard to the New Facility, the first tranche (amounting to 298,575,489.85 euros) while taken into account for the purpose of the pro forma restatements, is not included in the table above because, being earmarked for refinancing the Residual Debt and extend its scheduled maturity, in practice has no effect either on available liquid assets or on the balance of “Bank facilities and other facilities.”

6) *Effects of the Merger*

Salini’s consolidated statement of financial position at June 30, 2012 includes the effects of the line-by-line consolidation of Impregilo based on the ownership stake held by Salini on the date of the Pro Forma Consolidated Financial Statements, amounting to 87.6%,⁽⁶⁾ and, consequently, reflects a minority interest in shareholders’ equity totaling 157,368 thousand euros. As mentioned earlier in this document, as a result of the Merger all Salini common shares were exchanged for Impregilo common shares based on an exchange ratio of 6.45 Impregilo common shares for each Salini common share. This column thus represents the reclassification between minority interest and Group interest in shareholders’ equity resulting from the Merger.

7) *Transaction costs*

Impregilo and Salini estimated that the costs required to complete the Transactions amount to 40,923 thousand euros, including 36,044 thousand euros already reflected in the respective

⁽⁶⁾ This amount reflects the fact that, as described in Section 3.2.1.2, the Issuer’s share capital is comprised of 402,457,937 common shares and 1,615,491 savings shares and that the shares of both classes are without par value.

statements of financial position at June 30, 2013. Consequently, this column reflect the remaining costs that will be incurred to complete the Transactions, totaling 4,879 thousand euros. It also shows the corresponding tax effect, amounting to 1,556 thousand euros, determined based on the tax rate applicable in the circumstances.

PRO FORMA CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED JUNE 30, 2013

8) Consolidated income statement of the Impregilo Group

This column shows the consolidated income statement of the Impregilo Group for the six months ended June 30, 2013, taken from the Condensed Consolidated Semiannual Financial Statements.

9) Consolidated income statement of the Salini Group

This column shows the consolidated income statement of the Salini Group for the six months ended June 30, 2013, taken from Salini's Condensed Consolidated Semiannual Financial Statements, reclassified to make it consistent with the presentation format adopted by the Impregilo Group. As mentioned earlier in document, Salini's Consolidated Semiannual Financial Statements reflect the impact of the line-by-line consolidation of Impregilo's costs and revenues on the date control was acquired.

As mentioned in Note 2) above, the measurement at fair value of the acquired assets and liabilities has not yet been completed because the relative information was not available as of the Date of the Information Memorandum. Consequently, the consolidated income statement of the Salini Group for the six months ended June 30, 2013 was prepared based on a preliminary accounting of the acquisition.

10) Restatement to match Impregilo's presentation format and classification criteria

This column includes certain reclassifications applied to Salini's consolidated income statement to match the classification criteria adopted by the Impregilo Group.

11) Impregilo's deconsolidation

This column shows the elimination of the effects of Impregilo line-by-line consolidation into Salini's income statement.

12) Bond Issue, redemption and refinancing of debt

This column includes an estimate of the effects on the income statements of the placement of the Bond Issue, the partial redemption of the obligation under the TO Loan Agreement and the refinancing of the Residual Debt and Preexisting Lines by means of the New Facility. More specifically:

- (i) financial expense for the portion of the TO Loan Agreement obligation repaid ahead of schedule (983,423 thousand euros in total) was eliminated from the income statement of the Salini Group for the six months ended June 30, 2013; at the same time, the financial expense on the Residual Debt was computed as if it had been received on January 1, 2013, on the terms provided under the New Facility Agreements. The net effect of these restatements was positive by 10,836 thousand euros;
- (ii) the financial expense related to the Bond Issue were reflected in the Pro Forma Consolidated Income Statement as if it had been prepared on January 1, 2013; more specifically, the adjustment of 12,950 thousand euros was computed as the sum of (i) the interest contractually accrued on the Bond Issue, at a rate of 6.125%; and (ii) the incidental costs attributable to the period;
- (iii) the financial expense related to the Preexisting Lines were eliminated from the income statements of the Salini Group and the Impregilo Group for the six months ended June 30, 2013; at the same time, the financial expenses of the second and third tranche of the New Facility Agreements, earmarked for refinancing the Preexisting Credit Lines, were computed as if these lines had been received on January 1, 2013, on the terms provided under the New Facility Agreements. The net effect of these restatements was negative by 749 thousand euros; and
- (iv) the interest earned on the facility of 65,000 thousand euros provided by Salini to Salini Costruttori, its Parent Company, were estimated and reflected as if the abovementioned facility had been provided on January 1, 2013; more specifically, this adjustment, amounting to 1,310 thousand euros, was computed based on the interest rate applicable to the facility, equal to 4.346%.

The tax effects of these adjustments, determined based on the tax rate applicable in the circumstances, were also recognized.

13) *Effects of the Merger*

This column includes the elimination of a net gain, amounting to 122,190 thousand euros, recognized in Salini's consolidated income statement for the six months ended June 30, 2013, as detailed below:

- (i) 90,155 thousand euros representing the negative effect of adjusting the carrying amount of the Impregilo shares held by Salini before the tender Offer and accounted for by the equity method to the per share value assigned to the same shares within the framework of the Tender Offer (4.00 euros). This amount was eliminated because the effect of the acquisition of Impregilo's control by Salini and the resulting line-by-line consolidation were reflected on a pro forma basis as of January 1, 2013.
- (ii) 212,346 thousand euros representing the positive difference (negative goodwill or "badwill") deriving from the acquisition of Impregilo's control by Salini between: (i) the value of the interest held by Salini in Impregilo on the date it acquired control, amounting to 1,482,302 thousand euros, and (ii) the value of Salini's interest in Impregilo's shareholders' equity, amounting to 1,694,648 thousand euros (equal to 90.78% of Impregilo's total shareholders' equity of 1,866,755 thousand euros). As mentioned earlier in this Memorandum, please note that the measurement at fair value of the acquired assets and liabilities has not yet been completed because the relative information was not available as the Date of the Information Memorandum. Consequently, the amount of this restatement could change compared with the figure shown in the consolidated income statement of the Salini Group for the six months ended June 30, 2013 upon the final determination of the value of the Impregilo assets and liabilities acquired by Salini. This provisional and nonrecurring amount, which is closely related to the Transactions and could be different in the income statement of the Post-Merger Group, was eliminated from the pro forma consolidated data at June 30, 2013,

In addition, this column includes a reclassification, due to the Merger, between the minority interest in net profit and the Group interest in net profit. In this regard, please note that in Salini's consolidated income statement for the six months ended June 30, 2013, Impregilo's line-by-line consolidation had an effect of 7,859 thousand euros on the minority interest in net profit. This amount, which reflects the portion of Impregilo's share capital owned by minority shareholders, was reclassified into the Group interest in net profit in the Pro Forma Consolidated Income Statement.

14) *Transaction costs*

This column shows the elimination of the costs of the Transactions already reflected in the consolidated income statement for the six months ended June 30, 2013, totaling 36,044 thousand euros, and of the corresponding tax effect of 11,627 thousand euros, which, given their nature as nonrecurring items, were eliminated from the Pro Forma Consolidated Income Statement. Please also note that, as mentioned in Note 7) above, the Pro Forma Consolidated Income Statement for the six months ended June 30, 2013 does not reflect costs of 4,879 thousand euros that will be incurred to complete the Transactions.

15) *Divestment of EcoRodovias*

This column shows the derecognition of the effect on the income statement for the six months ended June 30, 2013 resulting from the divestment of EcoRodovias, negative by 767 thousand euros, equal to the difference between: *i*) 615 thousand euros representing the positive difference between the net proceeds (187,001 thousand euros) and the investment's carrying amount (186,386 thousand euros); and *ii*) the negative effect of 1,382 thousand euros related to the translation reserves carried by the investee company and recognized in the income statement upon divestment..

PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2013

16) *Consolidated statement of cash flows of the Impregilo Group*

This column shows the condensed consolidated statement of cash flow of the Impregilo Group for the six months ended June 30, 2013, taken from the Condensed Consolidated Semiannual Financial Statements.

17) *Consolidated statement of cash flows of the Salini Group*

This column shows the condensed consolidated statement of cash flow of the Salini Group for the six months ended June 30, 2013, taken from the Condensed Consolidated Semiannual Financial Statements, reclassified to make it consistent with the presentation format adopted by the Impregilo Group.

18) *Impregilo's deconsolidation*

This column shows the elimination of the effects of Impregilo line-by-line consolidation into Salini's consolidated statement of cash flows.

19) *Net financial expense*

This column includes an estimate of the effects on the consolidated statement of cash flows of the placement of the Bond Issue, the partial redemption of the obligation under the TO Loan Agreement and the refinancing of the Residual Debt and Preexisting Lines by means of the New Facility. More specifically, the net effect shown consists of financial expense of 1,553 thousand euros and corresponding tax effect of 427 thousand euros. See Note 12) above for more detailed information.

20) *Transaction costs*

This column shows the elimination of the costs of the Transactions already reflected in the consolidated statement of cash flows for the six months ended June 30, 2013, totaling 36,044 thousand euros and of the corresponding tax effect of 11,627 thousand euros. See Note 14) above for more detailed information.

21) *Effects of the acquisition transaction*

This column shows the elimination of *i*) net nonrecurring income of 122,190 thousand euros (see Note 13) above for additional information); *ii*) the net liquid assets deriving from the acquisition of control of Impregilo by Salini; and *iii*) the portion of the resources from the TO Loan Agreement used exclusively for the Tender Offer.

22) *Divestment of EcoRodovias*

This column shows the derecognition of the effect on the consolidated statement of cash flows for the six months ended June 30, 2013 resulting from the Divestment of EcoRodovias, which generated net proceeds of 187,001 thousand euros. See Note 32) below for more detailed information.

**PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT
DECEMBER 31, 2012**

23) *Consolidated statement of financial position of the Impregilo Group*

This column shows the consolidated statement of financial position of the Impregilo Group at December 31, 2012, taken from the Consolidated Financial Statements.

24) *Consolidated statement of financial position of the Salini Group*

This column shows the consolidated statement of financial position of the Salini Group at December 31, 2012, taken from Salini's Consolidated Financial Statements and reclassified to make it consistent with the presentation format adopted by the Impregilo Group.

25) *Restatement to match Impregilo's presentation format and classification criteria*

This column includes certain reclassifications applied to the consolidated statement of financial position of the Salini Group to achieve consistency with the classification criteria adopted by the Impregilo Group.

26) *Effects of acquisition*

This column shows the main effects of the Acquisition, analyzed below.

Cash and cash equivalents

As a result of the Tender Offer, cash and cash equivalents decreased by 1,001,998 thousand euros, which, as mentioned earlier in this Memorandum, corresponds to the outlay incurred by Salini to acquire the Shares tendered in response to the Tender Offer.

Investment in Impregilo

At December 31, 2012, Impregilo was classified as an affiliated company of Salini, in accordance with the provisions of IAS 28 *Investments in Associates*, and, consequently, this equity investment was recognized in Salini's consolidated financial statements by the equity method.

The following pro forma restatement were applied to this item:

Investment in Impregilo

(in thousands of euros)

Consolidated statement of financial position of the Salini Group at December 31, 2012	570,459
Shares tendered in response to the Tender Offer (a)	1,001,998
Adjustment to match the Tender Offer price (b)	(90,155)
Carrying amount of the investment after the Tender Offer	1,482,302
Elimination of the carrying amount of the investment after the Tender Offer (c)	(1,482,302)
Pro forma consolidated statement of financial position	-

a) *Shares tendered in response to the Tender Offer.* The shares tendered in response to the Tender Offer increased the investment by 1,001,998 thousand euros.

b) *Adjustment to match the Tender Offer price.* This adjustment consists of writing down the carrying amount of the Impregilo shares held by Salini before the Tender Offer to the price assigned to the shares (4.00 euros) for the purposes of the Tender Offer.

c) *Elimination of the carrying amount of the investment after the Tender Offer.* Due to the acquisition of

control, Salini will be required to consolidate its investment in Impregilo on a line-by-line basis and, consequently, derecognize its carrying amount after the tender Offer, i.e., 1,482,302 thousand euros.

Shareholders' equity

The shareholders' equity is affected by the following effects:

	Equity attributable to owners of the parent	Non-controlling interests	Total shareholders' equity
Alignment to the Tender Offer price (a)	(90,155)	-	(90,155)
Elimination of carrying amount (b)	(1,588,608)	172,107	(1,416,501)
	(1,678,763)	172,107	(1,506,656)

a) *Alignment to the Tender Offer price.* See the comments provided above with regard to “Investment in Impregilo.”

b) *Elimination of carrying amount.* Due to the acquisition of control, Salini will be required to consolidate its equity stake in Impregilo in accordance with the line-by-line method.

The effect of the adoption of this method on the equity attributable to the owners of the parent will amount to 1,588,608 thousand euros, equal to the difference between:

- a. Impregilo's shareholders' equity at December 31, 2012, totaling 1,800,954 thousand euros, and
- b. the differential, amounting to 212,346 thousand euros, between: *i)* the carrying amount of the interest in Impregilo in Salini's statement of financial position, equal to 1,482,302 thousand euros, and *ii)* Salini's pro rata interest in the amount of Impregilo shareholder's equity, amounting to 1,694,648 thousand euros (equal to 90.78% of Impregilo's total shareholders' equity at March 31, 2013, 1,866,755 thousand euros). Please note that the value of Impregilo's shareholders' equity on the date of Acquisition was assumed to be equal to the corresponding amount on March 31, 2013 (date of Impregilo's most recent consolidated statement of financial position available).

Non-current financial assets

The value of Impregilo's shareholders equity on the date of Acquisition was estimated to be equal to the corresponding amount at March 31, 2013. The value of Impregilo's

shareholders equity at March 31, 2013 was higher by 65,801 thousand euros than the corresponding amount at December 31, 2012. Consistent with the method applied to prepare pro forma data, the amount of 65,801 thousand euros was thus recognized as a non-current financial asset to reflect the fact that had the Acquisition actually occurred on December 31, 2012, it seems reasonable to presume that the financial outlay would have been smaller.

27) *Effects of the Merger*

This column shows the main effects produced by the Merger on the non-controlling interests, which, in this particular case, is affected by the following changes:

Merger

(in thousands of euros)

Monetization of the non-controlling interests on the date of Acquisition (9.22% of 1,866,755 euros)(a)	172,107
Restoration of the share float (Note 29)	59,771
Dividend distribution (Note 30)	(67,781)
Total	<u>164,097</u>

a) *Monetization of the non-controlling interests on the date of Acquisition.* The value of the non-controlling interest in Impregilo's shareholders' equity at March 31, 2013 amounted to 172,107 thousand euros (equal to 9.22% of Impregilo's total shareholders' equity at March 31, 2013, 1,866,755 thousand euros). Please note that, for the purposes of this Memorandum, the value of Impregilo's shareholders' equity on the date of Acquisition was assumed to be equal to the corresponding amount on March 31, 2013 (date of Impregilo's most recent consolidated statement of financial position available).

28) *TO Loan Agreement*

As mentioned earlier in this Memorandum, the Tender Offer was finalized by means of the TO Loan Agreement. More specifically, within the framework of the TO Loan Agreement, the amounts actually used by Salini totaled 1,282.0 million euros including incidental expenses on these facilities amounting to 56.9 million euros.

The cash flows derived from the TO Loan Agreement were used, inter alia, for the following purposes: i) 65.0 million euros for the disbursement by Salini of an intra-Group facility provided to Salini Costruttori; consequently, this amount is classified into non-current financial

assets; and *ii*) about 34.7 million euros to defray the incidental expenses incurred in connection with the Transactions.

The table below shows the effects of the transaction described above on “Cash and cash equivalents,” “Non-current financial assets,” “Bank account overdrafts and current portion of financing facilities” and “Bank loans and other facilities.”

	Cash and cash equivalents	Non-current financial assets	Bank account overdrafts and current portion of financing facilities	Bank loans and other facilities
<i>(Amounts in thousands of euros)</i>				
Loan agreement	1,281,998	-	(588,515)	(693,483)
Incidental expenses related to the Loan Agreement	(56,857)	-	24,636	32,221
Loan provided to Salini Costruttori S.p.A	(65,000)	65,000	-	-
Total	1,160,141	65,000	(563,879)	(661,262)

Please note that, as mentioned in Note 30) below, the TO Loan Agreement was later partially reimbursed.

29) Restoration of share float

As mentioned earlier in this Memorandum, in May 2013 Salini sold a portion of the Impregilo shares it held. Specifically, it sold 13,070,343 shares at an average price of about 4.136 euros. This transaction generated total proceeds of 53,733 thousand euros (net of commissions totaling 326 thousand euros), an increase in non-controlling interests of 59,771 thousand euros and a loss of 6,038 thousand euros, which represents the difference between the carrying amount and the sales price of the divested shares.

30) Bond Issue, redemptions and the refinancing of indebtedness

This column shows the pro forma effects of the following: *i*) the distribution of dividends declared by Impregilo on April 30, 2013 and disbursed in May 2013; *ii*) the placement of the Bond Issue; *iii*) the partial repayment of the obligation under the TO Loan Agreement; and *iv*) the disbursement of the New Facility. These effects are summarized in the table below.

	Cash and cash equivalents	Bank overdrafts and current portion of financing facilities	Bank loans and other facilities	Bond Issue	Current tax liabilities	Total equity attributable to owners of the parent	Non-controlling interest
<i>(Amounts in thousands of euros)</i>							
Dividend distribution (a)	(67,781)	-	-	-	(7,349)	67,781	7,349
Placement of Bond Issue (b)	400,000	-	-	(400,000)	-	-	-
Incidental expenses related to the Bond Issue (b)	(7,232)	-	-	7,232	-	-	-
Partial repayment of the Loan Agreement (c)	(983,423)	588,515	394,908	-	-	-	-
Disbursement of the New Facility (d)	127,000	-	(127,000)	-	-	-	-
Incidental expenses related to the New Facility (d)	(4,250)	-	4,250	-	-	-	-
Repayment of preexisting lines (d)	(127,000)	30,566	96,434	-	-	-	-
Total	(662,686)	619,081	368,592	(392,768)	(7,349)	67,781	7,349

- a. the distribution of dividends to minority shareholders (i.e., excluding dividends received by Salini) reduced cash and cash equivalents by 67,781 thousand euros, with an effect of equal amount on the non-controlling interests and a tax effect, on the dividends received by Salini, amounting to 7,349 thousand euros;
- b. the cash flows derived from the Bond Issue, with a face amount of 400 million euros, were used to repay a portion of the TO Loan Agreement obligation;
- c. the TO Loan Agreement obligation was repaid in part with cash flows derived from the collection of the abovementioned dividends, the sale of shares described in Note 29) and the placement of the abovementioned Bond Issue;
- d. the cash flows derived from the New Facility, net of the portion that refinanced the Residual Debt, were used to repay the Preexisting Lines and lengthen their maturity. Please note that the Revolving Facility of 100 million euros was not taken into account for the purposes of this pro forma procedure for the reasons specified in Note 5) above.

31) *Transaction costs*

This column includes nonrecurring costs that the Group estimated would be incurred to complete the Transactions totaling 40.9 million euros. It also shows the corresponding tax effect, amounting to 12.8 million, determined based on the tax rate applicable under the circumstances.

32) *Divestment of EcoRodovias*

This column shows the effects of the divestment of EcoRodovias, which entailed the derecognition of the carrying amount of this equity investment—carried in the consolidated financial statements at 186,386 thousand euros, in accordance with IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*—classified into the net assets listed as “Non-current assets held for sale,” offset by net proceeds of 187,001 thousand euros, for a net effect of 615 thousand euros on equity attributable to owners of the parent.

PRO FORMA CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

33) *Consolidated income statement of the Impregilo Group*

This column shows the consolidated income statement of the Impregilo Group for the year ended December 31, 2012, taken from the Consolidated Financial Statements.

34) *Consolidated income statement of the Salini Group*

This column shows the consolidated income statement of the Salini Group for the year ended December 31, 2012, taken from the Salini Consolidated Financial Statements, reclassified to make it consistent with the presentation format adopted by the Impregilo Group.

35) *Effects of the Acquisition and the Merger*

This pro forma restatements represents the elimination from the Pro Forma Consolidated Income Statement of the effects related to: *i)* dividends distributed by Impregilo and collected by Salini in the first half of 2012, amounting to 10,175 thousand euros before tax effect of 140 thousand euros; *ii)* the valuation by the equity method of the interest held by Salini in Impregilo, which, for the 2012 reporting year, generated a gain of 274,184 thousand euros.

36) *Bond Issue, redemption and refinancing of indebtedness*

This column includes an estimate of financial expense related to: *i)* the Bond Issue, amounting to 26,106 thousand euros; *ii)* the Residual Debt, amounting to 26,042 thousand euros, taking into account the effects of the refinancing carried out with the New Facility Agreements; *iii)*

the Preexisting Lines, amounting to 1,450 thousand euros, taking to account the effects of the refinancing carried out with the New Facility; and *iv*) financial income generated by the loan provided by Salini to its parent Salini Costruttori, estimated at 2,825 thousand euros.

More specifically, the abovementioned effects were reflected in the Pro Forma Consolidated Income Statement as if the facilities in question had been provided as of January 1, 2012.

In addition, the tax effects on these restatements were recognized based on the tax rates applicable in the circumstances.

37) Divestment of EcoRodovias

This column shows the effects of the divestment of EcoRodovias, which entailed the derecognition of the results of the divested company, net of the respective gain on the sale and the related translation effects.

PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2012

38) Consolidated statement of cash flows of the Impregilo Group

This column shows the consolidated statement of cash flow of the Impregilo Group for the year ended December 31, 2012, taken from the Consolidated Financial Statements.

39) Consolidated statement of cash flows of the Salini Group

This column shows the consolidated statement of cash flow of the Salini Group for the year ended December 31, 2012, taken from the Salini Consolidated Financial Statements, reclassified to make it consistent with the presentation format adopted by the Impregilo Group.

40) Net financial expense

This column includes an estimate of the economic effects on the consolidated statement of cash flows of the placement of the Bond Issue, and the TO Loan Agreement. More specifically, the net effect shown consists of financial expense of 50,772 thousand euros and corresponding tax effect of 13,963 thousand euros. See Note 36) above for more detailed information.

41) Effects of the Acquisition and the Merger

This pro forma restatements represents the elimination from the Pro Forma Consolidated Statement of Cash Flows of the effects related to: *i*) dividends distributed by Impregilo and

collected by Salini in the first half of 2012, amounting to 10,175 thousand euros before tax effect of 140 thousand euros; *ii*) the valuation by the equity method of the interest held by Salini in Impregilo, which, for the 2012 reporting year, generated a gain of 274,184 thousand euros; and *iii*) disbursements incurred by Salini in 2012 for Impregilo shares, amounting to 173,346 thousand euros.

Please note that the Pro Forma Consolidated Statement of Cash Flows does not reflect the dividend distribution declared by Impregilo on April 30, 2013 and paid out in May 2013, which, excluding the dividends collected by Salini, amounted to 67,781 thousand euros. This transaction was not reflected because it was non-recurring and related to the Transactions.

See Notes 30) and 35) above for additional information.

OTHER ISSUES

Consistent with the method for constructing pro forma data governed by Consob Communication No. DEM/1052803 of July 5, 2001, the Pro Forma Consolidated Income Statements do not reflect an estimate of the economic effects of the synergies that Impregilo expects to realize through the Transactions.

Specifically, management believes that the Group, in the new configuration resulting from the Merger, will achieve: *(i)* savings on jobsite procurement, purchases of jobsite services and overhead, and *(ii)* better turnover of machinery and equipment.

Please also note that the cash flows movements and changes in indebtedness related to the acquisition financing, the Bond Issue and debt repayment and refinancing were not included in the pro forma statements of cash flows at June 30, 2013 and December 31, 2012 because they represent nonrecurring transactions directly related to the Transactions. Consequently, consistent with the provisions of the regulations governing the construction of pro forma data, these cash flow movements, due to the fact that they represent variations similar to transactions recognizable in profit or loss that are nonrecurring and directly related to the transactions subject of the pro forma treatment (i.e., gains or losses on asset disposals, positive differentials recognized in profit or loss in connection with a goodwill business combination, one-off transactions related to transactions with an impact on the income statement, etc.), were not reflected in the pro forma statements of cash flows, which, instead, must represent the cash flows of the merged companies under normal, recurring conditions, not contaminated by nonrecurring items related to the Transactions.

On the other hand, both the pro forma statements of cash flows and the pro forma income statements reflect the impact of changes in financial expense (of a recurring nature and arising directly from the Transactions) that, in the future, will have a recurring impact on the income statements and statements of cash flows of the Post-Merger Group.

Lastly, please note that, as disclosed in a press released published on November 25, 2013, the Impregilo Group entered into agreements to sell some minority interests and certain construction contracts. The effects of these agreements were not reflected in the pro forma data because, even when measured in the aggregate, they do not reach the materiality threshold of Regulation No. 809/2004/EC and, consequently, do not have a material impact on the financial position of the Impregilo Group and the Post-Merger Group.

7.2 Historical and pro forma indicators per share

The table below shows the main indicators monitored by the Impregilo Group in absolute terms and on a per share basis, determined based on historical data and pro forma data for the six months ended June 30, 2013 and the year ended December 31, 2012:

(Amounts in thousands of euros)	Six months ended June30, 2013	
	Impregilo	
	Historical data	Pro forma data
Number of shares	449,048,182	449,048,182
Result from continuing operations	49,606	50,827
Result from continuing operations per share (in euros)	0.11	0.11
Net result attributable to owners of the parent	132,892	134,216
Net result attributable to owners of the parent per share (in euros)	0.30	0.30
Total equity attributable to owners of the parent	1,338,008	938,661
Total equity attributable to owners of the parent per share (in euros)	2.98	2.09
Net cash flow for the period	(624,116)	(481,221)
Net cash flow for the period per share (in euros)	(1.39)	(1.07)

(Amounts in thousands of euros)	Year ended December 31, 2012	
	Impregilo	
	Historical data	Pro forma data
Number of shares	449,048,182	449,048,182
Result from continuing operations	(114,037)	(102,140)
Result from continuing operations per share (in euros)	(0.25)	(0.23)

Net result attributable to owners of the parent	602,659	(114,117)
Net result attributable to owners of the parent per share (in euros)	1.34	(0.25)
Total equity attributable to owners of the parent	1,800,954	811,576
Total equity attributable to owners of the parent per share (in euros)	4.01	1.81
Net cash flow for the year	583,210	601,565
Net cash flow for the year per share (in euros)	1.30	1.34

⁽¹⁾ The number of shares used to compute historical and pro forma indicators reflects the change in number of shares resulting from the Merger.

7.3 Report of the Independent Auditors on the pro forma income statement, financial position and cash flow data

The report issued by the Independent Auditors PwC on December 18, 2013 about its audit of the pro forma income statement, financial position and cash flow data, regarding the reasonableness of the basic assumptions adopted, the accuracy of the methods used and the fairness of the valuation criteria and accounting principles applied to develop the abovementioned data is appended to this Information Memorandum as Annex A.

8 OUTLOOK FOR THE ISSUER AND THE IMPREGILO GROUP

8.1 General indications about the performance of the Issuer's business operations from the closing of the reporting year covered by the last published financial statement up to the Date of the Information Memorandum

With regard to the performance of the business operations of the Incorporating Company since the closing of the 2012 reporting year, which is covered by the last published financial statements, please see the disclosures provided in the Interim Report on Operations of the Impregilo Group at September 30, 2013 and the Semiannual Financial Report of the Impregilo Group at June 30, 2013, both available on the website www.impregilo.it – “*Investor Relations – Results*” page.

As for the operating performance from September 30 up to the Date of the Information Memorandum, the important events that characterized the governance of the Impregilo Group in 2013, coupled with the completion of the Merger, are expected further strengthen the Impregilo Group's strategic position and competitive advantage in the markets in which it operates, over a medium-term horizon, fully consistent with the Plan's strategic guidelines and objectives.

The size and quality of the order backlog of the Impregilo Group and its well-balance financial position and cash flow, coupled with the implementation of the strategic guidelines, justify expectations that the results for 2013 will be substantially in line with the guidance provided to the market and the targets of the industrial plan.

Please note that the Impregilo Group is still involved in a complex operational and judicial situation in connection with the criminal and civil proceedings related to the so-called “RSU Campania Projects” (see the preceding Chapter 2, Section 2.1.8, and Chapter 3, Section 3.2.1.7, of this Information Memorandum). This situation continues to represent a source of concern for the operations of the Impregilo Group. Due to the particularly complex nature of the abovementioned proceedings, which also involve government institution and regional, provincial and municipal entities of the Campania region, and the intricacies of the respective court proceedings, the potential occurrence of events not currently foreseeable requiring a revision of the valuations effected thus far cannot be excluded.

In addition to the remarks provided above, it shall be understood that the activities of the Impregilo Group are subject to the standard business risks: considering these limitations, its

financial statements and historical data may not necessarily be indicative of future results.

With regard to the business performance of the Company Being Incorporated since the end of 2012, which is the year covered by the latest published financial statements, please see the disclosures provided in the interim report on operations of the Salini Group at September 30, 2013 and the semiannual financial report of the Salini Group at June 30, 2013, both available to the public on the website www.impregilo.it – “*Investor Relations – Financial Reports*” page.

As for the operating performance after September 30, 2013 and up to the Date of the Information Memorandum, it being understood that the activities of the Salini Group are subject to the same typical business risks that affect the activities of the Impregilo Group, insofar as the core business activities are concerned, based on the order backlog and currently available data and indicator, it is possible to project for the 2013 reporting year activity volumes in line with the guidance provided to the market and the targets of the industrial plan.

8.2 Business outlook for the balance of 2013 and potential material variances compared with the Plan

As of the Date of the Information Memorandum, consistent with the information provided in Chapter 4 above, which should be consulted for more detailed information, and considering the operating performance of the Groups Parties to the Merger for the first nine months of the year and the most significant events that occurred after the Plan preparation date and up to the Date of the Information Memorandum, it is reasonable to believe that the profitability targets identified in the Plan for 2013, which were the subject of a market disclosure, can still be considered as valid.

9 MAIN CHARACTERISTIC OF THE SHARES PROVIDED IN EXCHANGE

9.1 Description of the Shares Provided in Exchange

The Shares Provided in Exchange are Impregilo common shares without par value. Moreover, the share exchange between Salini shares and Impregilo shares will be carried out, in accordance with the Exchange Ratio, without increasing the par value of the Incorporating Company's capital, but rather through the award to the sole shareholder of the Incorporating Company, Salini Costruttori, in addition to the 357,505,246 Impregilo common shares without par value currently outstanding and held by Salini, a further 44,974,754 newly issued common shares. For additional information, see Chapter 3, Section 3.2.3.4 above.

As of the Date of the Information Memorandum, the ISIN code assigned to the Shares Provided in Exchange was IT0003865570, the same as the one assigned to the Impregilo common shares currently outstanding.

9.2 Legislation pursuant to which the Shares Provided in Exchange will be issued

The Shares Provided in Exchange will be issued pursuant to Italian law.

9.3 Characteristics of the Share Provided in Exchange

The Shares Provided in Exchange will be bearer shares, indivisible and freely transferable. They will be listed, like the Impregilo common shares already outstanding and included in the centralized clearing system operated by Monte Titoli S.p.A., in dematerialized form, pursuant to law.

9.4 Issue currency of the Shares Provided in Exchange

The Shares Provided in Exchange will be issued in Euros.

9.5 Descriptions of the rights conveyed by the Shares Provided in Exchange

As of the Date of the Information Memorandum, the shares issued by the Incorporating Company are common shares and savings shares. Pursuant to Article 7, first paragraph, of Impregilo's Bylaws, by a resolution of the Shareholders' Meeting, the share capital may be increased through the issuance of new shares, which may convey rights different from those of the shares already issued.

The Shares Provided in Exchange will have the same ranking for dividends as the Impregilo common shares outstanding on the effective date of the Merger and will convey the same rights as those conveyed by the common shares currently outstanding.

More specifically, each Impregilo common share conveys the right to vote at all Ordinary and Extraordinary Shareholders' Meetings and all other property and administrative rights provided pursuant to the provision of the applicable laws and the Bylaws. The Shares Provided in Exchange will thus convey the right to cast a vote at the Ordinary and Extraordinary Shareholders' Meetings of the Incorporating Company subsequent to the Merger.

The Shares Provided in Exchange shall conveying the right to dividends, if declared by the Shareholders' Meeting, in accordance with the provisions of the applicable laws and the Bylaws in effect at any given time. In this regard, Article 33 of Impregilo's Bylaws requires that the net profit shown in the annual financial statements be allocated as follows:

- a) 5% to the statutory reserve up to the limit required pursuant to law;
- b) to the savings shares up to 5% of 5.2 euros per share (equal to 0.26 euros per share). If in a given year the savings shares receive a dividend smaller than 5% of 5.2 euros per share (equal to 0.26 euros per share), the difference shall be computed as an addition to the preference dividend in the subsequent two years.
- c) the balance will be allocated to all shareholders in a manner according to which the savings shares receive a total dividend greater than the dividend paid to common shares by an amount corresponding to 2% of 5.2 euros per share (equal to 0.104 euros per share), unless the Shareholders' Meeting declares special appropriations to special reserves or for other purposes.

In the event of stock splits or reverse stock splits (such as for capital transactions in which this may be necessary not to alter the rights of savings shareholders compared to a situation in which share have a par value), the fixed amounts per share mentioned in letter b) and c) above, with regard to the savings shares, shall be modified according.

With the same criteria as those listed above, the Board of Directors may distribute interim dividends, which may be declared if statutory requirements can be met.

In the event of the capital increase, the shares of the Incorporating Company shall have a preemptive right with regard to the newly issued shares, unless otherwise decided by the Extraordinary Shareholders' Meeting, in accordance with the provisions of Article 2441 of the Italian Civil Code.

For a description of the powers to increase the share capital delegated to the Board of Directors by Impregilo's Extraordinary Shareholders' Meeting of September 12, 2013, see Chapter 3, Section 3.2.1.2, above.

9.6 Disclosure of the resolution pursuant to which the Shares Provided in Exchange will be issued

The issuance of the Shares Provided in Exchange is instrumental to the implementation of the Merger and was approved by the Shareholders' Meetings of Impregilo and Salini, convened in extraordinary session, on September 12, 2013.

9.7 Issue date of the financial instruments

The Merger shall be effective for civil law purposes as of January 1, 2014.

The Shares Provided in Exchange shall be made available as of January 2, 2014, i.e., the first stock market trading day after the effective date of the Merger.

9.8 Description of any restrictions on the free transferability of the Shares Provided in Exchange

There are no restrictions on the free transferability of the Shares Provided in Exchange.

9.9 Disclosure of the existence of any provisions concerning the obligation to carry out a tender offer and/or a residuary offer to buy or sell in connection with the Shares Provided in Exchange

The Shares Provided in Exchange will be subject to the provisions of the TUF and the respective implementation regulations, including the Issuers' Regulations, specifically with regard to tender offers and public offers to sell.

9.10 Disclosure of tender offers launched by third parties for the Impregilo shares during the past year and the current year

On February 6, 2013, Salini, the Company Being Incorporated, launched a Tender Offer.

The consideration offered by Salini for each Impregilo common share subject of the Tender Offer amounted to 4.00 euros.

For additional information concerning the Tender Offer and its outcome, please see the offering memorandum and the press releases published on April 12, 2013 and April 30, 2013 concerning the results during the share tender period and the extended-deadline period, available on the website www.impregilo.it – “*Investor Relations – Tender Offer Salini S.p.A.*” page.

9.11 Tax status

The information that follows represents an overview of the current tax legislation concerning the acquisition, possession and disposal of shares issued by companies established and residing in Italy, listed on a regulated market and included in the Monte Titoli centralized clearing system (as is the case for the Shares Provided in Exchange).

What follows is not intended to be an exhaustive analysis of all tax consequences of the purchase, possession and disposal of the Shares Provided in Exchange.

Consequently, the recipients of this Information Memorandum are urged to consult the tax consultants with regard to the tax status applicable to the purchase, possession and disposal of the Shares Provided in Exchange and verify the nature and origin of any amounts received as distributions (dividends or reserves) on the Shares Provided in Exchange.

It shall be understood that the abovementioned provisions are subject to potential changes which could also have retroactive effects. More specifically, the possibility of the enactment of legislation amending the rates of taxes withheld on investment income and miscellaneous financial income or the provisions applicable to substitute taxes levied on the abovementioned income cannot be excluded.

Therefore, the enactment of any legislation amending the provisions currently in effect or changes to the current administrative practices could have an impact on the tax status of the Shares Provided in Exchange, as described in this Section.

Should such a development materialize, no provision has been made to update this Section to disclose any changes that may have occurred, even if the abovementioned changes render the information contained in this Section no longer valid.

9.11.1 *Definitions*

For the purposes of this Section 9.11, defined terms shall have the meaning listed below.

“Disposal of Qualified Equity Investments”: disposals of shares (other than savings shares), rights or other securities through which shares may be purchased that exceed, over a 12-month period, the limits for qualification as Qualified Equity Investment. The 12-month period starts from the moment when the securities or the rights held represent the percentage of the voting rights or equity stake greater than the abovementioned limits. In the case of rights or securities through which equity investments may be acquired, the percentages of voting rights or equity stakes potentially linked with the equity investments shall be taken into account.

“**Qualified Equity Investments**”: equity investments in companies listed on regulated markets consisting of the possession of equity stakes (other than savings shares), rights or securities through which the abovementioned equity stakes may be acquired, representing in the aggregate a percentage of the voting rights exercisable at the Ordinary Shareholders’ Meeting greater than 2% or an interest in the capital or equity greater than 5%.

“**Non-qualified Equity Investments**”: equity investments in companies listed on regulated markets different from Qualified Equity Investments.

9.11.2 *Tax status of dividends*

The dividends declared on the Shares Provided in Exchange shall be subject to the tax treatment normally applicable to dividends paid by corporations residing in Italy for tax purposes.

The different taxation modalities applicable to the different categories of recipients are described below.

(i) Individuals residing in Italy for tax purposes who do not engage in business activities

The dividends paid to individuals residing in Italy for tax purposes on shares held not in connection with the exercise of business activities and consisting of Non-qualified Equity Investments, included in this central clearing system operated by Monte Titoli S.p.A. (such as the Shares Provided in Exchange), are subject to as substitute tax, in lieu of income taxes, at a rate of 20%, with withholding required, pursuant to Article 27 of Presidential Decree No. 600 of September 19, 1973 (hereinafter the “**Presidential Decree 600/1973**”). There is no obligation on the part of shareholders to list in their tax return any dividends they may have received.

The abovementioned substitute tax is applied by resident entities, with whom the securities have been deposited, who are member of the centralized clearing system operated by Monte Titoli S.p.A. or through and tax representative designated in Italy (specifically, a bank or a securities broker residing in Italy, a permanent organization in Italy of non-resident banks or investment companies or a company for the centralized management of financial instruments authorized pursuant to Article 80 of the TUF), non-resident parties (depositories) who are members of the Monte Titoli system or foreign centralized clearing systems that are members of the Monte Titoli system.

The dividends paid to individuals residing in Italy for tax purposes on shares held not in connection with the exercise of business activities and consisting of Qualified Equity Investments

are not subject to any tax withholding or substitute tax, provided the eligible parties, upon collecting the dividend, declare that the collected earnings are from Qualified Equity Investments. These dividends are included in the shareholder's overall taxable income limited to 49.72% of their amount (percentage applicable to earnings created in the fiscal year subsequent to the fiscal year not yet completed at December 31, 2007).

(ii) Individuals residing in Italy for tax purposes engaged in business activities

The dividends paid to individuals residing in Italy for tax purposes on shares held in connection with the exercise of business activities are not subject to any tax withholding or substitute tax, provided the eligible parties, upon collecting the dividend, declare that the collected earnings are from equity investments related to business activities. These dividends are included in the shareholder's overall taxable income limited to 49.72% of their amount, regardless of the amount of the equity investment and whether it is a Qualified Equity Investment or not.

(iii) Partnership, limited partnership and equivalent companies referred to in Article 5 of the TUIR and companies and entities referred to in Article 73, Section 1, Letters a) and b), of the TUIR residing in Italy for tax purposes

The dividends received by partnership, limited partnership and equivalent companies (excluding proprietorships) referred to in Article 5 of the TUIR and companies and entities referred to in Article 73, Section 1, Letters a) and b), of the TUIR, i.e., corporations and stock limited partnerships, limited liability companies, public and private entities whose exclusive or main purpose is the exercise of commercial activities, residing in Italy for tax purposes, are included in the overall taxable income of the recipient with the following modalities, irrespective of the size of the equity investment:

- (a) distributions two parties subject to IRPEF income tax (e.g., partnerships, limited partnerships, proprietorships) are included in the overall taxable income of the recipient limited to 49.72% of their amount;
- (b) distributions two parties subject to IRES income tax (e.g., corporations, limited liability companies, stock limited partnerships) are included in the overall taxable income of the recipient limited to 5% of their amount or for the full amount if they originate from securities held for trading by parties who apply the IAS/IFRS international accounting principles.

(iv) Entities referred to in Article 73, Section 1, Letter c), of the TUIR residing in Italy for tax purposes

The dividends received by entities referred to in Article 73, Section 1, Letter c), of the TUIR, i.e., public and private entities residing in Italy for tax purposes, whose exclusive or main purpose is not the exercise of commercial activities, are not subject to tax withholding or substitute tax and are included in the overall taxable income of the recipient limited to 5% of their amount, irrespective of the size of the equity investment.

(v) Italian pension funds and collective investment entities (Mutual funds and S.I.C.A.V.)

Earning received by (a) the Italian pension funds referred to in Legislative Decree No. 252 of December 5, 2005 (“**Decree 252**”) and (b) Italian entities for collective investment in securities and entities based in Luxembourg but authorized for placements in Italy, as referred to in Article 11-*bis* of Decree Law No. 512 of September 30, 1983, subject to the regulations of Article 73, Section 5-*quinquies*, of the TUIR (hereinafter the “**O.I.C.R.**”), are not subject to tax withholding or substitute tax.

The earnings received by the Italian pension funds referred to in Decree 252 are included in the overall annual operating profit earned, subject to substitute tax at a rate of 11% for pension funds, while the earnings received by O.I.C.R. are not subject to income tax, provided the fund or the party responsible for management is subject to strict oversight procedures.

Moreover, further to the provisions introduced by Article 2, Sections 62 to 79, of Decree Law No. 225 of December 29, 2010, converted with amendments into Law No. 10 of February 26, 2011, as of July 1, 2011, the substitute tax is no longer levied on the result from operations earned by the O.I.C.R. As of the same date, taxes will be levied, as a general rule, on the participant when earnings are received.

(vi) Real estate investment mutual funds

Pursuant to Decree Law No. 351 of September 25, 2011 (“**Decree 351**”), converted with amendments into Law No. 410 of November 23, 2001 and, following the amendments introduced by Article 41-*bis* of Decree Law No. 269 of September 30, 2003, converted with amendments into Law No. 326/2003 (“**Decree 269**”), earnings distributions received by real estate investment mutual funds established in accordance with Article 37 of the TUF or Article 14-*bis* of Law No. 86 of January 25, 1994 (“**Law 86**”) and real estate investment mutual funds established before September 26, 2001 are not subject to tax withholding or substitute tax.

These funds are not subject to income tax or regional tax on production activities. As a rule, income derived from investments in the abovementioned funds is subject to a 20%

withholding levied at the recipient level and applied as estimated payment or as tax (depending on the legal status of the recipient), except for income received by parties, who are the actual beneficiaries of the income, who are resident for tax purposes of foreign countries that guarantee an adequate exchange of information with the Italian revenue administration (for example, if the recipient is a foreign mutual fund or a foreign collective investment entity, provided that it is established in a country or territory included in the list published in the Ministry Decree issued pursuant to Article 168-*bis* of the TUIR, no amount will be withheld from the fund or the collective investment entity).

(vii) Parties who are not residents of Italy for tax purposes and hold the shares through a stable organization established in Italy

Distributions of earnings received by parties who are not residents of Italy and hold the equity investment through a stable organization in Italy are not subject to any withholding in Italy or substitute tax and are included in the overall income of the stable organization limited to 5% of their amount or for the full amount if they originate from securities held for trading by parties who apply the IAS/IFRS international accounting principles.

If the distributions stem from an equity investment not held through a stable organization established in Italy by a non-resident recipient, the provisions described in the section below are applied.

(viii) Parties who are not residents of Italy for tax purposes and do not hold the shares through a stable organization established in Italy

Dividends originating from shares of stock or similar securities included in the centralized clearing system operated by Monte Titoli S.p.A. (such as the Shares Provided in Exchange), received by parties who are not residents of Italy for tax purposes and lack a stable organization in Italy through which the equity investment is held, are subject to a 20% substitute tax.

The abovementioned substitute tax is applied by resident entities, with whom the securities have been deposited, who are member of the centralized clearing system operated by Monte Titoli S.p.A. or through and tax representative designated in Italy (specifically, a bank or a securities broker residing in Italy, a permanent organization in Italy of non-resident banks or investment companies or a company for the centralized management of financial instruments authorized pursuant to Article 80 of the TUF), non-resident parties who are members of the

Monte Titoli system or foreign centralized clearing systems that are members of the Monte Titoli system.

Shareholders who are not residents of Italy, other than holders of savings shares, upon the filing of a refund application submitted in accordance with the conditions and deadline required pursuant to law, are entitled to a refund equal up to $\frac{1}{4}$ of the substitute tax incurred in Italy pursuant to Article 27-*ter*, of the tax they can prove to have paid outside Italy as the final levy on the earnings they received, provided they can submit to the relevant Italian tax authorities a corresponding certification by the foreign tax entity.

As an alternative to the abovementioned refund, parties who reside in countries with which treaties to avoid double taxation are in effect can request that the income tax substitute tax be applied at the (reduced) rate stipulated in the treaty applicable in each case. To that effect, the parties with whom the shares are deposited, who are members of the centralized clearing system operated by Monte Titoli, must obtain:

- an affidavit by the non-resident party who is the effective beneficiary of the earnings listing the identifying data of the party in question, stating that all of the conditions required for applying the terms of the treaty have been met and any elements necessary to determine the tax rate applicable under the treaty;
- a certification by the relevant tax authority in the country where the effective beneficiary of the earnings resides, showing that the beneficiary is a resident of that country in accordance with the treaty. This certification is effective until March 31 of the year following the year it is filed.

Moreover, the Italian revenue administration developed, jointly with the revenues administrations of some foreign countries, special forms designed to allow a more efficient and easy process to obtain a refund or a complete or partial exemption from the withholding applicable in Italy. If the relevant documents are not submitted to the depository prior to the dividend payable date, the substitute tax is applied at a rate of 20%. In such a case, the actual beneficiary of the dividends can still request from the revenues administration a refund for the difference between the withholding applied and the withholding applicable pursuant to the tax treaty, by filing a refund application, complete with the abovementioned documents, submitted in accordance with the conditions and deadline required pursuant to law.

If the recipients are (i) residents for tax purposes of one of the member countries of the European Union or one of the countries parties to the Agreement on the European Economic Area and included in the list that shall be published with a special Decree of the Ministry of the Economy and Finances pursuant to Article 186-*bis* of the TUIR; and (ii) subject in their country to corporate income tax, dividends are subject to a substitute tax at a rate of 1.375% of their amount. While the publication of the abovementioned Ministry Decree is pending, the countries who are parties to the Agreement on the European Economic Area to whom the abovementioned 1.375% tax is applicable are those included in the list published in the Decree of the Ministry of Finances of September 4, 1996, as amended.

If the recipients are pension funds established in member countries of the European Union or countries who are parties to the Agreement on the European Economic Area, dividends are subject to a substitute tax equal to 11% of their amount.

Pursuant to Article 27-*bis* of Presidential Decree 600/1073, approved in implementation of Directive No. 435/EEC of July 23, 1990, if the dividends are received by a company that (a) is structured in accordance with one of the types listed in the annex to the abovementioned Directive No. 435/EEC; (b) is a resident for tax purposes of a country member of the European Union; (c) is subject, in its country of residence, without possibility of benefiting from option or exemption systems that are not limited territorially or in terms of time, to one of the taxes listed in the annex to the abovementioned Directive; and (d) has held a direct equity interest in the company's share capital of at least 10% for an uninterrupted period of at least one year, the company in question is entitled to demand from the Italian tax authorities a refund of the substitute tax levied on the dividends it received. To that end, the non-resident company must produce: (i) a certification issued by the relevant tax authorities of the foreign country attesting that the company meets the abovementioned requirements; and (ii) documents providing evidence of the existence of the abovementioned conditions. In addition, as the Italian tax authorities have clarified, if these conditions are met and as an alternative to filing a refund application after the dividend distribution, provided the minimum one-year holding period of the equity investment in the company had already elapsed when the dividend was distributed, the non-resident company may ask directly the intermediary with whom the shares are deposited not to apply the alternative tax, providing the intermediary with the documents mentioned above. As for non-resident companies that are directly or indirectly

controlled by parties who are not residents of a member country of the European Union, the abovementioned system of a refund or non-applicability of the substitute tax may be invoked only if the companies in question can demonstrate that they were not established exclusively or mainly for the purpose of benefiting from this tax system.

9.11.3 *Distribution of reserves*

Specific provisions are applicable to distributions of reserves, including reserves created with additional paid-in capital or capital contributions by shareholders. Under certain circumstances, the distribution of such reserve can produce taxable income for the recipients, depending on whether at the time of the earning distribution the company's financial statements included retained earnings. The implementation of the abovementioned provisions can affect the value assigned to the shares for tax purposes, the tax qualification of income received and the tax status applicable to it. In some cases, the beneficiaries may be required to communicate the tax-related value of their equity investments to avoid the imposition of the substitute tax on the full amount of the reserve being distributed.

9.11.4 *Tax status of gains on share sales*

The following different taxation methods are applicable, depending on the different categories of parties earning the gain.

(i) Individuals residing in Italy for tax purposes who do not engage in business activities and proprietorships

Gains, different from those earned from the operation of commercial enterprises, that individuals and proprietorships residing in Italy for tax purposes realize through the disposal for consideration of equity investments and securities or rights that can be used to acquire equity investments are subject to a different tax status depending on whether the sale involves a Qualified Equity Investment or a Non-qualified Equity Investment.

Qualified Equity Investments

The gains generated by the sale of a Qualified Equity Investment are included in the taxable income of the recipient by up to 49.72% of their amount. These gains are taxed when the annual income tax return is filed.

If a sale of equity investments generates a loss, the loss can be deducted, for an amount not greater than the gains generated in subsequent tax periods, but not past the fourth year,

provided that the loss is listed in the income tax return for the tax period when the loss was incurred. If the losses exceeds the gains, the excess can be used as a deduction, limited to 49.72% of their amount; if the gains exceed the losses, the positive difference is taxed limited to 49.72% of the amount of the gains generated in subsequent periods (not past the fourth year).

Non-qualified Equity Investments

Gains on the disposal for consideration of Non-qualified Equity Investments and securities or rights that can be used to acquire equity investments are subject to a 20% substitute tax. The taxpayer can opt for one of the following taxation methods:

- (a) *Tax return based taxation ("ordinary" method)*. The gains and losses realized during the year are listed in the income tax return. The 20% substitute tax is applied in the return to the gains, net of losses, and paid within the deadline for payment of the income tax balance due in accordance with the return. Excess losses, provided they have been listed in the income tax return, can be deducted, up to their full amount, from gains in subsequent tax periods, but not past the fourth year. The tax return method is mandatory if the taxpayer fails to opt for one of the two methods described in Items (b) and (c) below.
- (b) *Administered investment method (optional)*. This method can be applied provided that (i) the shares are deposited with resident banks or securities intermediaries or other resident parties listed in special Ministry decrees; and (ii) the shareholder opts (with a signed communication sent to the intermediary) for the administered investment method. If the taxpayer opts for this method, the substitute tax, at a rate of 20%, is determined and paid at the time of each sale, by the intermediary with whom the shares have been deposited for safekeeping or administration, on each gain realized. Any losses may be offset within the framework of the same relationship, deducting the losses, up to their full amount, from gains realized in subsequent transactions executed in the same tax period or subsequent tax periods, but not past the fourth year. If the custody or administration relationship ends, any losses may be deducted, but not past the fourth year following the year they were realized, from gains realized under another administered investment relationship established in the name of the same parties in whose name the original relationship or deposit was established, or may be deducted in the income tax return.

(c) *Managed investment method (optional)*. The prerequisite for opting for this method is to confer an asset management assignment to an authorized intermediary. Under this method, a 20% substitute tax is applied by the intermediary at the end of each tax period on the increase in the value of the managed assets earned during the tax period, even if not collected, net of any income items subject to withholding, income that is exempt or otherwise not subject to taxation, income items included in the taxpayer's overall income, and income from shares of entities for collective investment in Italian securities subject to the substitute tax of Article 8 of Legislative Decree No. 461/1997. Under the managed investment method, gains realized through the sale of Non-qualified Equity Investments contribute to the creation of the increase in the value of the managed assets earned during the tax period, subject to the 20% substitute tax. Any losses on managed investments incurred in a given tax period may be deducted from the investment management results of the next four years up to the full amount that can be offset each year. If the investment management relationship is ended, any investment management losses incurred (as shown in a certification issued by the investment manager for this purpose) may be deducted, but not past the fourth tax year following the year the loss was incurred, from any gains realized within the framework of another relationship to which the administered investment method is applicable, or used (for the offsettable amount) within the framework on another relationship for which the managed investment option has been exercised, provided that the relationship or deposit in question is established in the name of the same parties in whose name the original relationship or deposit was established, or may be used as a deduction in the income tax return, with the same rules as those explained in Item (a) above with regard to excess losses.

(ii) *Individuals engaged in business activities, partnership, limited partnership and equivalent companies referred to in Article 5 of the TUIR*

The full amount of any gains realized by individuals who engage in business activities, partnership, limited partnership and equivalent companies referred to in Article 5 of the TUIR through the disposal of shares for consideration is included in taxable business income and is taxed in Italy at regular rates.

In accordance with clarification provided by the revenue administration, losses incurred by individuals who engage in business activities, partnership, limited partnership and equivalent

companies referred to in Article 5 of the TUIR through the disposal of shares for consideration are fully deductible from the seller's taxable income.

However, if the conditions set forth in Items (a), (b), (c) and (d) of the next Section can be met, only 49.72% of gains is included in taxable business income. Losses realized on equity investments that meet the requirements of Items (a), (b), (c) and (d) of the next Section are partially deductible, similarly to the method applied for the taxation of gains.

For the purpose of determining the gains and losses recognizable for tax purposes, the tax base of the shares sold is determined net of any writedowns deducted in previous tax periods.

(iii) Companies and entities referred to in Article 73, Section 1, Letters a) and b), of the TUIR

The full amount of any gains realized by companies and entities referred to in Article 73, Section 1, Letters a) and b), of the TUIR, i.e., corporations and stock limited partnerships, limited liability companies, public and private entities whose exclusive or main purpose is the exercise of commercial activities, through the disposal of shares for consideration is included in taxable business income.

However, pursuant to Article 87 of the TUIR, 95% of any gains realized on the shares of companies and entities listed in Article 73 of the TUIR is not included in taxable income, if the abovementioned shares meet the following requirements:

- (a) uninterrupted possession from the first day of the twelfth month before the month when the sale is executed, with the shares acquired most recently deemed to have been sold first;
- (b) classification into the non-current financial asset category in the first financial statements closed during the holding period;
- (c) residence for tax purposes of the investee company in one of the countries or territories listed in the decree published by the Minister of the Economy and Finances pursuant to Article 168-*bis* or, alternatively, submission of evidence, through the exercise of the right to a ruling in accordance with Article 167, Section 5, Letter b), that the equity investment did not produce, since the start of the holding period, the effect of localizing the income in countries or territories different from those listed in Article 168-*bis* of the TUIR;
- (d) the investee company is engaged in a commercial enterprise, as defined in Article 55 of the TUIR.

The requirements listed in Items (c) and (d) must be met, at the time the gains are realized, uninterruptedly at least from the beginning of the third tax period preceding the realization of the gain. Sales of shares belonging to the non-current financial asset category and those belonging to the current assets category must be treated separately with regard to each category. If the abovementioned requirements can be met, losses realized on the sale of equity investments are not deductible from business income.

For the purpose of determining the gains and losses recognizable for tax purposes, the tax base of the shares sold is determined net of any writedowns deducted in previous tax periods.

Losses and negative differences between revenues and expenses attributable to shares that do not meet the exemption requirements of Article 87 of the TUIR are not recognized up to the non-taxable amount of dividends or interim dividends received during the 36 months preceding the time the losses or differences are realized. This provision *(i)* is applicable to shares acquired during the 36 months preceding the time the losses or differences are realized, provided the conditions of Items (c) and (d) are met; but *(ii)* is not applicable to parties who prepare their financial statements in accordance with the international accounting principles referred to in Regulation (EC) No. 1606/2001 of the European Parliament and Council, dated July 19, 2002.

With regard to the losses deductible from business income, it is also worth mentioning that entrepreneurs who incurred negative differentials on equity investments during a tax period are required to communicate the abovementioned negative components to the Revenue Agency, in order to allow the Revenues Administration to assess the potentially tax avoidance nature of the executed transactions, in light of Article 37-*bis* of Presidential Decree 600/73.

More specifically, these requirements were introduced by:

- Article 1, Section 4, of Decree Law No. 209 of September 24, 2002, converted into Law No. 265 of November 22, 2002, concerning losses greater than 5,000,000.00 euros resulting from the sale of equity investments classified as non-current financial assets;
- Article 5-*quinquies*, Section 3, of Decree Law No. 203 of September 9, 2005, converted into Law No. 248 of December 2, 2005, concerning losses and negative differences greater than 50,000.00 euros realized on equity investments traded on regulated markets in Italy or abroad.

With regard to the first case, introduced by Article 1, Section 4, of Decree Law No. 209 of September 24, 2002, if the amount of the abovementioned losses is greater than 5,000,000.00 euros, including as a result of multiple transactions, the taxpayer must communicate to the Revenue Agency the data and information concerning the transaction. The details of the information that must be communicated, in addition to the communication's deadline and procedural modalities, are listed in a Resolution published by the Revenues Agency on May 22, 2003. The failure to provide this communication or the submission of incomplete or misleading information regarding losses with an aggregate amount greater than 5,000,000.00 euros deriving from the sale of equity investments classified as non-current financial assets is punishable with an administrative fine of 10% of the value of the losses the communication of which was omitted or provided with incomplete or misleading information.

Pursuant to Article 1, Section 62, of Law No. 244 of December 24, 2007 (the 2008 Budget Law), starting with the tax period following the one in progress at December 31, 2007, companies that adopted the international accounting principles subject of Regulation of the European Parliament and Council No. 1606/2002/EC of July 19, 2002 are no longer subject to this requirement. Therefore, starting with the 2008 tax year (parties with a tax year that coincides with the calendar year), there is no longer any obligation to communicate losses greater than 5,000,000.00 euros incurred by IAS adopters.

The second communication requirement concerns losses and negative differences of an amount greater than 50,000.00 euros incurred on equity investments in companies listed on regulated markets. Pursuant to Article 5-*quinquies*, Section 3, of Decree Law No. 203 of September 9, 2005, converted into Law No. 248 of December 2, 2005, concerning losses and negative differences greater than 50,000.00, deriving from one or more transactions involving shares, partnership interests or other similar securities traded on regulated markets in Italy or abroad, it is mandatory to provide the Revenue Agency with a communication that enables it to perform any review that may be required pursuant to Article 27-*bis* of Presidential Decree 600/73.

Similarly to what applies to losses greater than 5,000,000.00 (Article 1 of Decree Law No. 209 of December 24, 2002), the failure to provide a communication or the submission of incomplete or misleading information regarding losses with an aggregate amount greater than 50,000.00 euros is punishable with an administrative fine of 10% of the value of the losses the communication of which was omitted or provided with incomplete or misleading information, with a floor of 500.00 euros and a ceiling of 50,000.00 euros.

The obligation to communicate data about the disposal of equity interest in listed companies that generated losses and negative differences applies to parties who hold these assets as companies. Consequently, the communication requirement does not apply to individuals and other parties who do not hold the equity investments as companies.

Differently from the requirements for losses of an amount greater than 5,000,000.00 euros, the obligation to communicate losses and negative differences on equity investments of an amount greater than 50,000.00 euros, pursuant to Article 5-*quinquies*, Section 3, of Decree Law No.203 of September 30, 2005, also applies to companies that adopt the international accounting principles to prepare their annual financial statements.

Pursuant to Article 5-*quinquies* of Decree Law No. 203 of September 30, 2005, the communication requirement applies to:

- both negative components attributable to non-current equity investments (losses on disposals) and negative components attributable to equity investments carried as current assets (other negative differences);
- under a different profile, only losses on disposals and losses attributable to equity investment in shares listed on regulated markets in Italy or abroad.

For certain types of companies and under certain conditions, gains realized by the abovementioned parties through the sale of shares are included in the computation of the net production values, subject to the regional tax on production activities (IRAP).

However, in accordance with the resolution for the administrative simplification of compliance with formal requirements adopted by the Revenue Agency, as of the date of transactions executed during the tax period in progress at December 31, 2013, both communications must be provided as part of the income tax return (i.e., starting with the return filed with the UNICO 2014 form for 2013 income), without having to send a separate document to the Revenues Agency (see Revenues Agency press release of July 3, 2013).

(iv) Entities referred to in Article 73, Section 1, Letter c), of the TUIR residing in Italy for tax purposes

Gains realized through transactions not included in business activities by non-commercial entities residing in Italy are taxed in accordance with the same rules as those applicable to gains realized by individuals on equity investments not held as a business enterprise.

(v) Italian pension funds and O.I.C.R.

Gains that Italian pension funds covered by Decree Law No. 252/2005 realized through the disposal of shares for consideration are included in the annual operating result generated, on which a substitute tax with a rate of 11% is levied.

Gains realized by O.I.C.R. covered by Article 73, Section 5-*quinquies*, of the TUIR are not subject to income tax, provided the fund or the party responsible for management is subject to strict oversight procedures.

Moreover, further to the provisions introduced by Article 2, Sections 62 to 79, of Decree Law No. 225 of December 29, 2010, converted with amendments into Law No. 10 of February 26, 2011, as of July 1, 2011, the substitute tax is no longer levied on the result from operations earned by the O.I.C.R. As of the same date, taxes will be levied, as a general rule, on the participant when earnings are received.

(vi) Real estate investment mutual funds

Pursuant to Decree Law No. 351/2011 and following the amendments introduced by Article 41-*bis* of Decree Law No. 269/2003, as of January 1, 2004, income, including gains on the disposal of shares, earned by real estate investment mutual funds established in accordance with Article 37 of the TUF or Article 14-*bis* of Law No. 86/1994 are not subject to income tax. These funds are not subject to income tax or regional tax on production activities.

(vii) Parties who are not residents of Italy for tax purposes but have a stable organization established in Italy

In the case of parties who are not residents of Italy and hold the equity investment through a stable organization in Italy, these amounts are included in the overall income of the stable organization, in accordance with the tax system applicable to gains realized by companies and entities covered by Article 73, Section One, Letters a) and b), of the TUIR that are residents of Italy for tax purposes. If the equity investment is not held through a stable organization established in Italy by a non-resident party, please see the information provided in the section below.

(viii) Parties who are not residents of Italy for tax purposes and do not have a stable organization established in Italy

Gains realized by parties who are not residents of Italy for tax purposes and do not have a stable organization established in Italy are subject to a different tax system depending on

whether the disposals involve Qualified Equity Investments or Non-qualified Equity Investments.

Non-qualified Equity Investments

In principle, gains realized by these parties and arising from the disposal for consideration of Non-qualified Equity Investments are taxed at a rate of 20%. If the gains are realized by parties who are residents for tax purposes in the countries and territories included in the list set forth in the Ministry Decree published pursuant to Article 168-*bis* of the TUIR (i.e., countries and territories that allow an adequate exchange of information with the Italian Revenue Administration) and lack a stable organization in Italy through which the disposed equity investments were held, the gains are not taxable in Italy. For shareholders who are not residing in Italy for tax purposes, to whom the administered investment system is applied or have opted for the managed investment system pursuant to Articles 6 and 7 of Legislative Decree No. 461/1997, the tax exemption benefit is predicated on the submission of a self-certification attesting non-residence in Italy for tax purposes. However, when applicable, the provisions of international treaties against double taxation continue to apply.

Qualified Equity Investments

Gains that parties who are not residents of Italy for tax purposes and lack a stable organization in Italy (through which equity investment are held) realized through disposal for consideration of Qualified Equity Investments are included in the taxable income of the recipient in accordance with the same rules as those applicable to individuals who do not engage in business activities. These gains are taxed exclusively in connection with the filing of the annual income tax return, because they are not eligible either for the administered investment system or the managed investment system. However, when applicable, the provisions of international treaties against double taxation continue to apply.

9.11.5 *Estate and gift tax*

Transfers of shares due to inheritance upon death, gift or free conveyance (including when destination vehicles, such as a conveyance to a trust, are involved) are included within the scope of implementation of the estate and gift tax, pursuant to Article 2, Section 47 and following sections, of Decree Law No. 262 of October 3, 2006, converted with amendments into Law No. 286 of November 24, 2006.

The tax is applied as follows:

- transfers to a spouse or direct-line relatives are taxed at a rate of 4% applied to the amount exceeding 1,000,000.00 euros for each beneficiary;
- transfers to brothers or sisters are taxed at a rate of 6% applied to the amount exceeding 100,000.00 euros;
- transfers to relatives up to the fourth degree of kinship, direct-line relatives by marriage and lateral-line relatives by marriage up to the third degree of kinship are taxed at a rate of 6%;
- transfers to any other parties are taxed at a rate of 8%.

In any event, if the beneficiary of a transfer due to inheritance upon death or a gift is a person with a disability, recognized as severe pursuant to Law No. 104 of February 5, 1992, the tax will be applied only to the portion of the value of the share or bequest in excess of 1,500,000.00 euros.

9.11.6 *Revenue stamp tax and tax on the value of financial assets held abroad*

Pursuant to Article 13, Section 2-ter, of the Tariff annexed to Presidential Decree No. 642 of October 26, 1972, as amended by Decree Law No. 201 of December 6, 2011, converted with amendments into Law No. 214 of December 22, 2011, which governs the revenue stamp tax, periodic communications sent by financial intermediaries to their clients concerning financial instruments (including shares) deposited with the intermediaries are usually subject to a proportional revenue stamp tax.

This revenue stamp tax is applied by the relevant financial intermediary based on the fair value of the financial instruments or, if the fair value cannot be determined, based on the face value or the redemption value of the financial instruments, at a rate of 0.15%, from 2013 forward (with a minimum charge of 34.20 euros and, exclusively for taxpayers other than individuals, a maximum amount of 4,500.00 euros). The revenues stamp tax is applied on an annual basis. In the case of relationships lasting less than a year, the tax is reduced proportionately.

Pursuant to Article 19, Sections 18 to 23, of Decree Law No. 201 of 2011, the tax on the value of financial assets held abroad is applied to the fair value (or, if the fair value cannot be determined, based on the face value or the redemption value) of any financial assets (including shares) held abroad by individuals who are residents of Italy for tax purposes. This tax is applied at a rate of 0.15%. A tax credit is allowed for taxes paid abroad on these financial assets.

9.11.7 *Tax on financial transactions*

In accordance with Article 1, Sections 491 to 500, of Law No. 228 of December 24, 2012 and the subsequent implementation Ministry Decree of February 21, 2013, as recently amended by the Ministry Decree of September 16, 2013, a tax has been introduced on financial transactions, which is applied to transfers of title to shares and other equity instruments, transactions involving financial derivatives and other securities issued by companies residing in Italy, independently of the location where the transaction is executed or where the contracting parties reside.

The tax, which is equal to 0.22% of the value of the transaction, if executed in 2013 (reduced to 0.12% for transactions executed in regulated markets and multilateral trading systems). Starting in 2014, the tax will be equal to 0.20% of the value of the transaction (reduced to 0.10% for transactions executed in regulated markets and multilateral trading systems).

The tax is levied on the buyers of shares and other financial instruments and is paid through the financial intermediary handling the transaction; if a financial intermediary is not involved, the tax is paid by the taxpayer.

Pursuant to Article 15 of the Ministry Decree of February 21, 2013, the tax is not levied on some transactions, including the following:

- acquisition of title to newly issued shares;
- cancellation of shares of stock and other financial instruments;
- transfer of title to shares of stock and other financial instruments due to inheritance or gift;
- transfer of title to shares of stock traded on regulated markets and issued by a company whose average capitalization in the month of November of the year prior to the year of the transfer of title was less than 500 million euros (a list of issuer companies with average capitalization of less than 500 million euros is published each year on the website of the Ministry of the Economy and Finances);
- allocation of shares of stock and other financial instruments in connection with the distribution of earnings, reserves or share capital;

- transfers of shares of stock or other financial instruments between companies belonging to the same group or carried out within the framework of restructuring transactions pursuant to Article 4 of Directive No. 2008/7/EC.

Additional specific tax exemption situations are listed in Article 16 of the abovementioned Ministry Decree.

LIST OF ANNEXES

- Annex A Report of the Independent Auditors PwC, issued on December 18, 2013 regarding the audit of the pro forma income statement, financial position and cash flow data
- Annex B Report pursuant to Article 2501-*bis*, Section 5, of the Italian Civil Code issued by PwC on June 28, 2013
- Annex C Report pursuant to Section 13.2 of Annex 1 to Regulation No. 809/2004/EC, issued by PwC on December 19, 2013