



جَزَلَاH JAZLAH
Ansaldo STS
RMTC

مشروع مترو الرياض
Riyadh Metro Project
إفتتاحية الحفر "جَزَلَاH"
معداة السكة الحديدية
التكبير 7 محور 1497 م.
"JAZLAH" TBM BREATHING
At the Saudi Railways Station
Monday, November 9, 2015

TBM BREATHING
"JAZLAH" TBM
SAUDI RAILWAYS

9 Months 2015 Financial Results & Strategy Evolution



LANE Acquisition



I-85 over the Yadkin River - NORTH CAROLINA

■ Strategic

- Creation of a larger and stronger Group (approx. €6 billion revenues expected in 2015)
- Growth profile acceleration in North American market
- Rebalance of Salini Impregilo's portfolio of projects

■ Business

- Strengthening the group positioning in the US
- Lane's strong platform & geographic complementary

■ Financial

- Transaction value equal to approx. \$400 million
- Financing in place at attractive terms
- Transaction expected to be EPS accretive

■ Importance of US construction market

- US non-residential market: **3rd** largest market at a global level, expected to achieve **\$600 billion** by 2020
- US transport infrastructure is a **~\$130 billion** market (2014), expected to grow at **4% CAGR** over the next 5 years
- Stable market** with a good level of profitability thanks to favorable payment terms

■ The US construction market has favorable growth dynamics

- Largest global economy (**GDP of \$17.4tr**) expected to continue to grow
- Favourable growth drivers** as a result of strong demographic trends, new infrastructure investments need and upgrade to existing infrastructures

■ US Transport market is concentrated in few main States and is highly "State-specific"

- 10 top States cover more that 50% of total market value (CA, TX & NY account for ~30% of the total market)
- Lane has a **presence in 8 of the top 10 States** mainly in the Highways/Roads segment
- US Congress just passed a bill of **\$352 billion** investments in Transport Infrastructures over next 6 years

■ The US construction market is open for competition, but local presence is key

- Establishing local presence and having local partners / connections crucial to win bids
- US construction market currently is very fragmented, representing an excellent source of market share growth for a consolidator

US Global Non-Residential Market Forecast (\$ Billion)



- Family owned business with >100 Years of History
- Specialized in heavy civil construction and construction materials in the transportation, infrastructure and energy industries
- Strong track record in winning and executing construction projects as lead contractor as well in JVs with other global players
- Producer of aggregates, asphalt and concrete materials from >100 facilities throughout the U.S.
- ~ 7% annual growth in the last 5 years, reaching \$1.3 billion of consolidated revenues in 2014
- \$2.0 billion of Current Backlog; 5000 employees; 50 plants
- **Ranked #1 2014 Top Highways Contractor and #1 2014 Private Asphalt Producer by ENR**



Main Ongoing Projects

I-4 Ultimate Project, FL

Contract Value: **\$2.3bn** (Lane 30%)



IH-35E Managed Lanes, TX

Contract Value: **\$849mn** (Lane 20%)

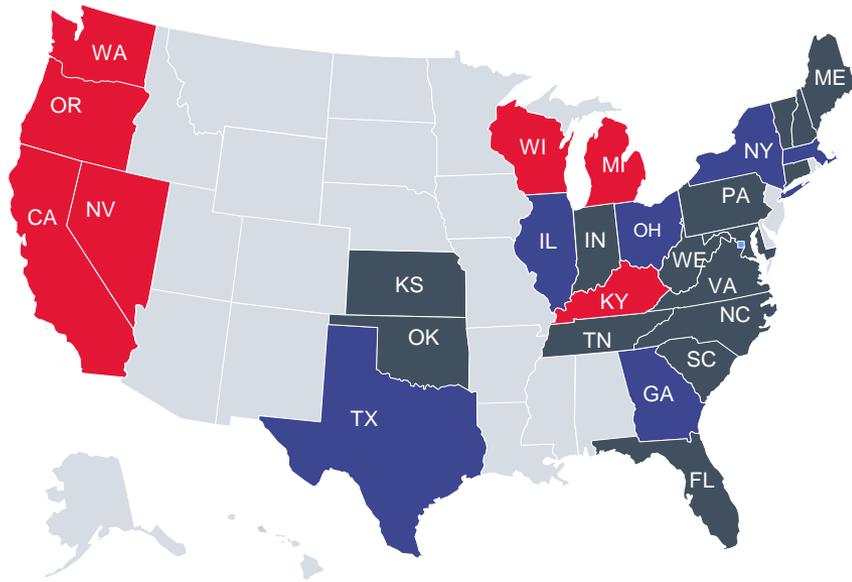


I-95 Express Lanes, FL

Contract Value: **\$691mn** (Lane 35%)



Salini Impregilo and Lane Presence in the US



- Lane's Presence
- Salini Impregilo's Presence
- Joint Presence

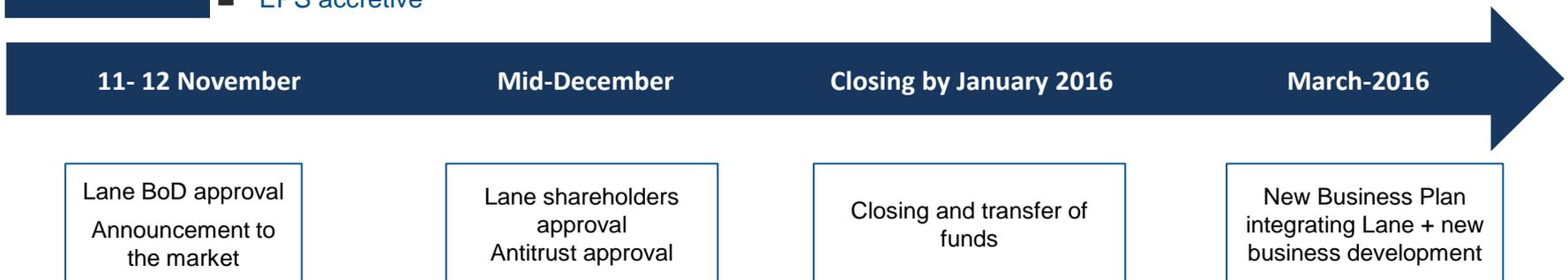
Source: Salini Impregilo Analysis

Synergies Main Assumptions

- **Geographic and business expertise complementarity**
 - Lane has a consolidated presence and customer relationships in the east coast where Salini Impregilo has no or limited presence
 - Lane has a strong track record in P3 and in surface transportation projects, while Salini Impregilo has a strong track record on water and underground projects
- **Significant commercial synergies**
 - Together with Lane, Salini Impregilo will be able to access to a much larger pool of projects
- The acquisition of Lane represents a key step in the large and **attractive US Infrastructure market**, enabling Salini Impregilo to create a **powerful platform** ready to unlock new business opportunities in the North American market, where local presence it's key to succeed
- **Main segments of focus:**
 - **Roads and highways**
 - **Bridges**
 - **Tunnels and mass transit**
 - **Rail**
 - **Water infrastructures**

Transaction Highlights & Timetable

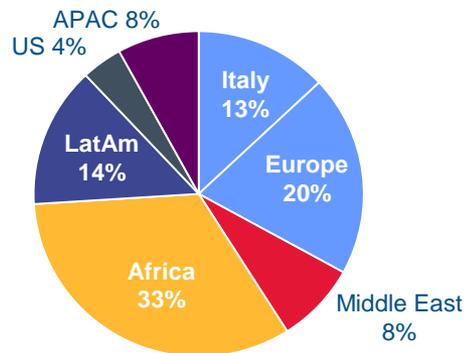
Price	<ul style="list-style-type: none"> ■ The value of the transaction is equal to ~\$400m (before any closing adjustment) and takes into account the value of Lane stakes in projects JVs ■ The total value represents a multiple of approx. 6.5x 2015E proportional EBITDA
Financing	<ul style="list-style-type: none"> ■ Salini Impregilo expects to fund the acquisition through a combination of existing cash on balance sheet and new debt ■ Salini Impregilo has received financing commitments in the form of a bridge loan facility at attractive condition from five lenders of primary standing
Key Conditions	<ul style="list-style-type: none"> ■ Lane Shareholders approval ■ Antitrust approval
Management	<ul style="list-style-type: none"> ■ Salini Impregilo intends to retain Lane Senior Management Team
Benefits	<ul style="list-style-type: none"> ■ Increasing the diversification of the portfolio by improving the balance of its exposure between developed and developing markets ■ Greater access to the US market ■ EPS accretive



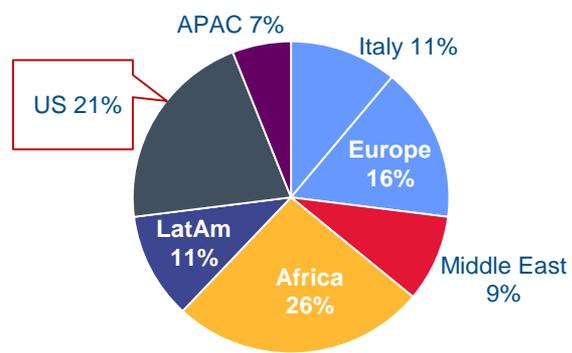
Overall timetable is subject to timing of regulatory approvals, Closing expected by January 2016

2014 Revenues Breakdown by Geography

Salini Impregilo



Pro-forma Combined¹

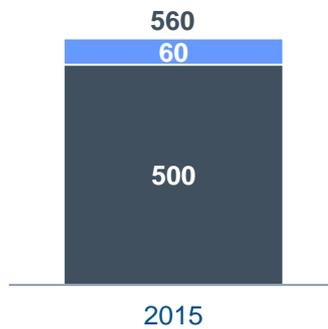


Salini Impregilo + Lane

Revenues (€B)



EBITDA + Income from
JVs (€M)



■ Lane
■ Salini Impregilo

¹ Lane revenues and backlog converted using FX €/€\$ of 1.326 equal to 2014 average. Note: 2015E Lane financials converted using FX €/€\$ of 1.074 as of 06-Nov-2015

9M15 Financial Results



Ulu Jelai Hydroelectric Project – MALAYSIA

Backlog Evolution

Main new orders in 2015:

- ✓ Al Bayt stadium – Qatar
- ✓ El Shamal projects – Qatar
- ✓ A1 Motorway – Poland
- ✓ Nenskra HPP – Georgia

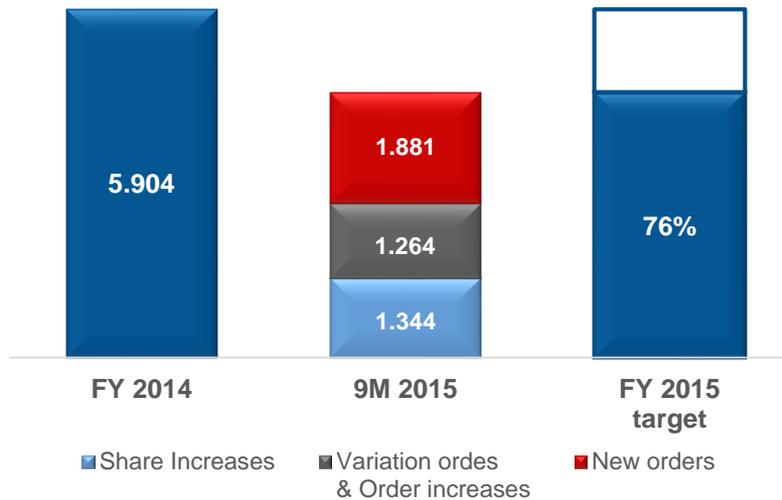
Approx. **76%** of 2015 order intake target already achieved

Signed 2 exclusive MoUs totaling **\$4 billion**, of which one with the government of Papua New Guinea for a \$2 billion hydro project.

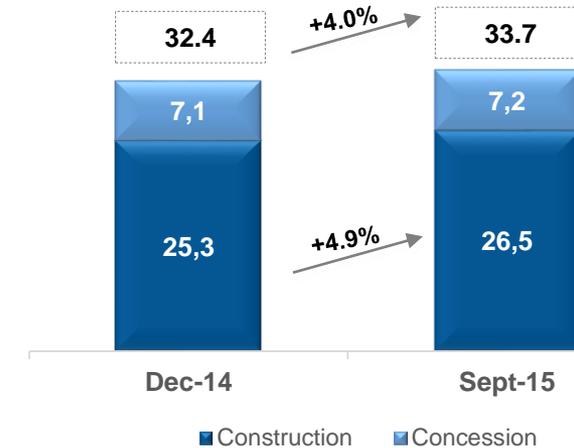
Short pipeline of bids awaiting outcome (group share):

- €1.5 billion as “best offer”
- €17.4 billion of other bids submitted

2015 Construction Orders target: in line with 2014



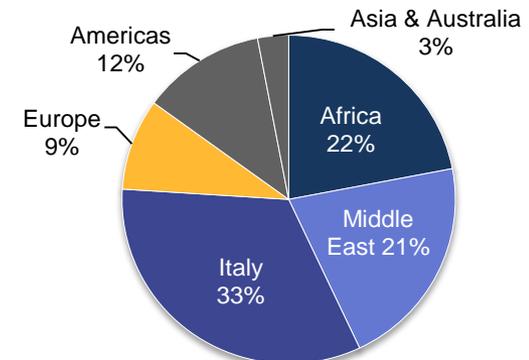
Total Backlog Increase (€billion)



Commercial Activity

	FY 2014		9M 2015	
	€m	Tenders	€m	Tenders
Tenders Won	2,704	14	1,881	8
Tenders Lost	12,215	40	5,841	31
Total won & lost	14,919	54	7,722	39
Win rate	18.1%		24.4%	
Tenders awaiting outcome	3,437	12	17,433	27
Total Tender Submitted	18,356	66	25,155	66

Sept '15 Construction Backlog



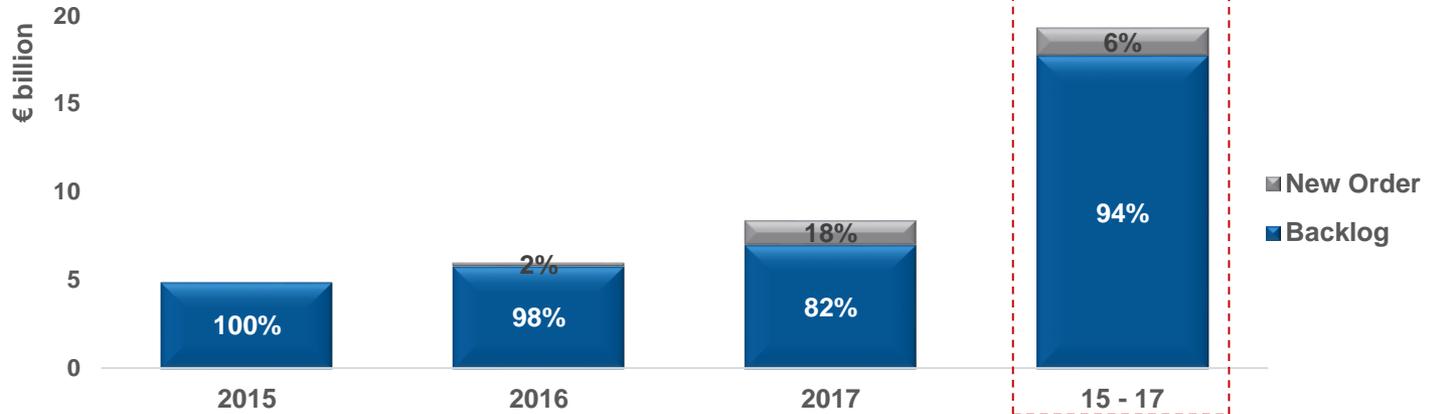
BP Revenues Coverage Almost Completed

Actual Backlog covers more than **94%** of Business Plan revenues

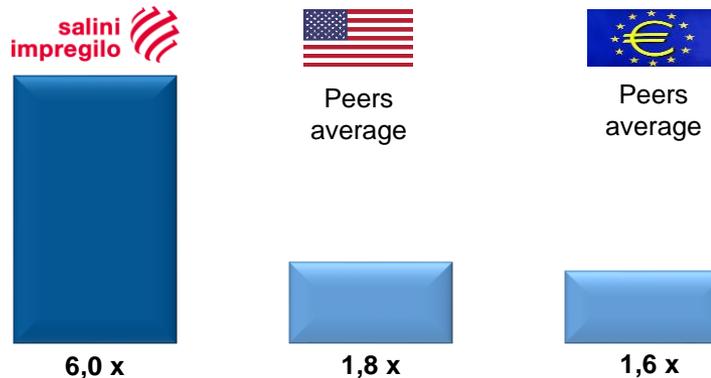
A very **high level** of visibility for the future revenues

The highest Construction Backlog to Revenues ratio in the industry

Business Plan Revenues Backlog Coverage



Construction Backlog /Construction Revenues Ratio



Revenues growth:
 +20.5% 3Q15 vs. 3Q14
 +8.4% 9M15 vs. 9M14

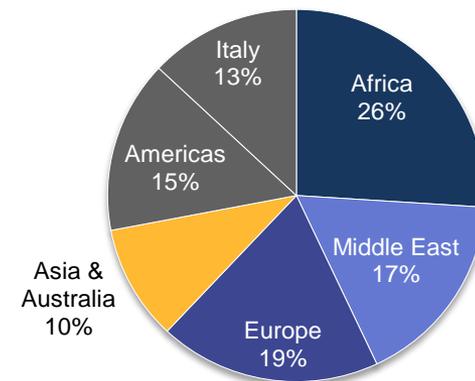
EBITDA & EBIT Margins in line with 2015 Guidance

Balanced geographic distribution of revenues

** Net profit, before minorities 2014, amounted to €110.5 million which included €65.3 million mainly deriving from the Fisia Babcock sales.

€/million	9M 2014*	9M 2015	Change
Revenues	3,106.6	3,367.5	8.4%
EBITDA	306.3	340.4	11.1%
<i>Ebitda margin</i>	9.9%	10.1%	
EBIT	180.5	185.2	2.6%
<i>Ebit margin</i>	5.8%	5.5%	
EBT	71.5	125.5	75.5%
Net profit from continuing operations	45.3	87.8	94.0%
Net Income**	110.5	80.2	(27.5%)

9M 2015 Revenues by Geography



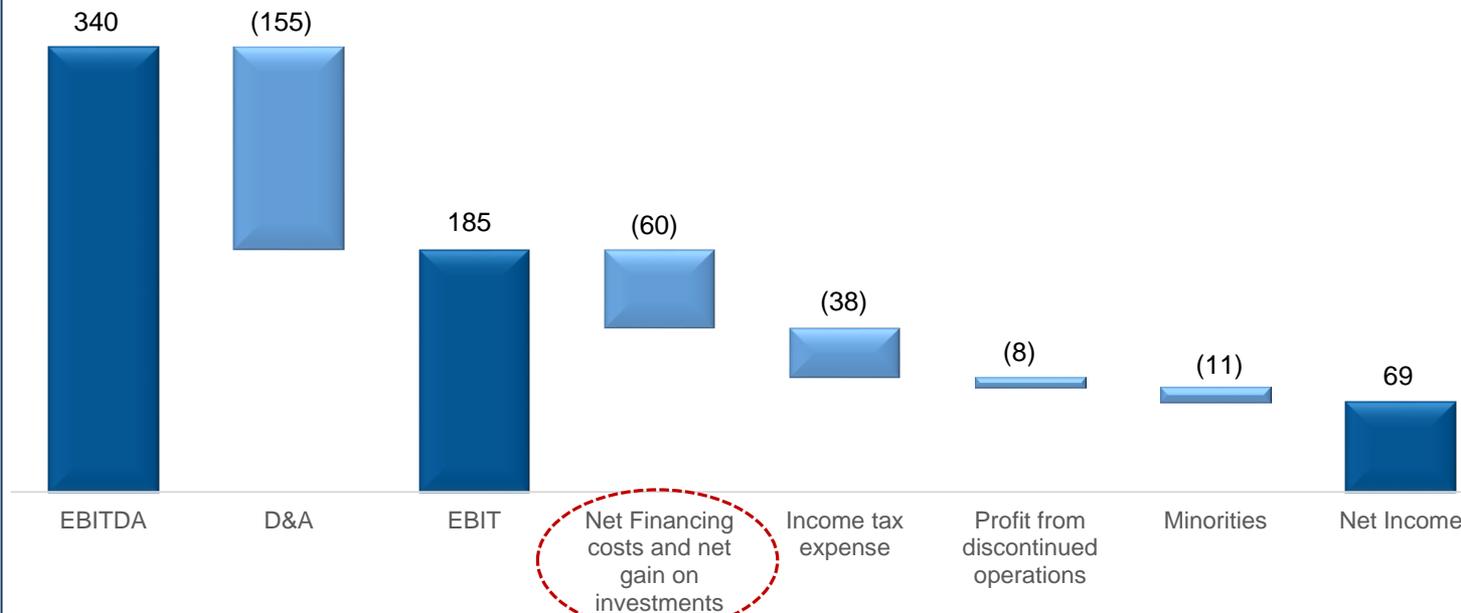
€/million	December 2014	September 2015
Net Equity	1,186.4	1,242.5
Net Debt	89.2	357.3
Net Debt/Equity	0.08	0.29

(*) The income statement data for the first 9 months of 2014 were reclassified in accordance with IFRS 5 according the new transfer perimeter of the Todini Costruzioni Generali Group. The restatement concerned the adoption of IFRS 10 and 11 standards according to the modalities followed in the consolidated financial statements as at December 31, 2014.

EBITDA margin **10.1%**
EBIT margin **5.5%**
Both in line with FY 2015 targets

Both margins include €6 million of non-recurring costs to realize future synergies

Net financing cost reduced by **48%** year-on-year



€/ million	9M 2015	9M 2014
Financial income	26.3	29.6
Financial expense	(73.5)	(103.1)
Net exchange rate gains (losses)	(12.1)	(41.3)
Gains (losses) on investments	(0.4)	5.8
Net financing costs and net gains on Investments	(59.7)	(109.0)

Net Financial Position

Standard & Poor's upgraded SAL rating to **BB+**

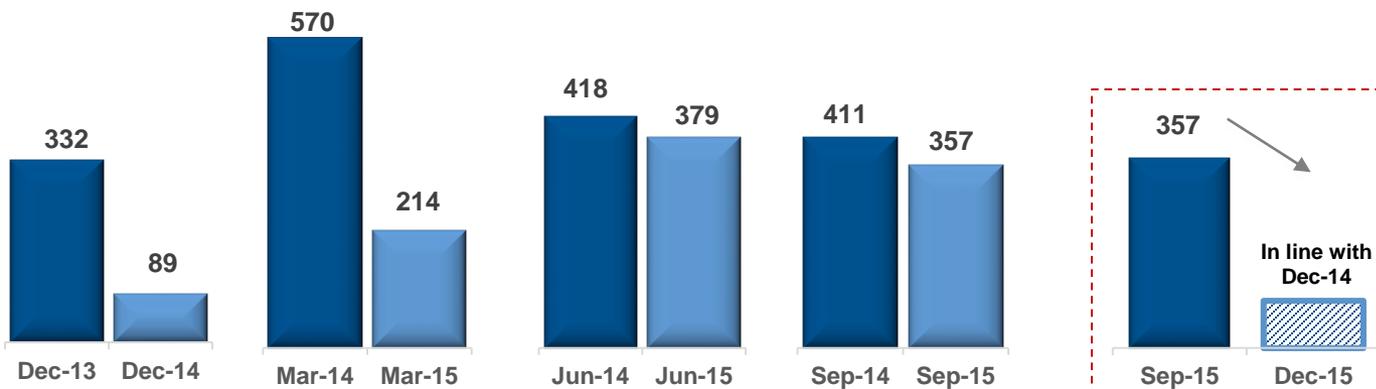
M/L Bank debt renegotiation closed successfully in 2Q 2015

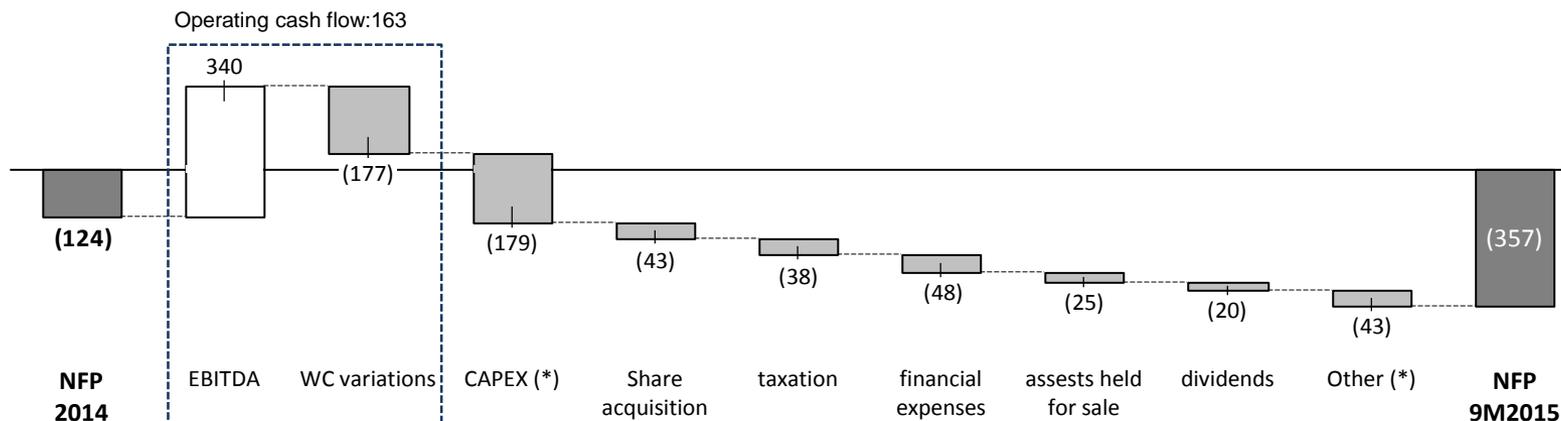
Average interest rate on bank debt reduced from **4.3% to 2.6%**

Net Debt expected to be **in line** with FY 2015 target

€ million	September 2015	December 2014
Cash & Cash Equivalents	995	1,031
Other Financial Assets	320	246
Total Cash & Other Financial Assets	1,316	1,277
Gross Debt		
Bank Loan	(1,000)	(704)
Bond	(560)	(561)
Leasing	(144)	(163)
Net Derivatives	(5)	(5)
Total Gross Debt	(1,708)	(1,432)
SPV Net Financial Assets	35	66
Net Financial Position	(357)	(89)

NET DEBT EVOLUTION (€/million)





NFP 2014 restated

EBITDA	340
Stocks	(15)
Works in progress	(401)
Advances from clients	75
Receivables from clients	(13)
Payables to suppliers	83
Other assets	94
Total NWC	(177)
Operating cash flow	163

Includes additional €35mn due to the change of perimeter

Share acquisition effects on intangible assets

Financial gains	26
Financial charges (*)	(63)
Exchange rate	(12)
Financial Expenses	(48)

(*) net of refinancing and bond amortization

- (*) Other include:
- 6,2mn fees amortization
 - 3,7mn PPA amortization
 - 1,1mn Bond cost amortization

(*) includes the consolidation of €30mn of Seli Tunneling TBM's in Denmark

Closing Remarks



New Gerald Desmond Bridge - CALIFORNIA

SALINI IMPREGILO TODAY

- **Global leader in heavy civil engineering and construction**
- **Strong presence in Europe, Africa and Middle East**
- **>€33bn of backlog: Proof of success and solid growth prospects**
- **Track record in acquiring, integrating and profitable growing construction business**

SALINI IMPREGILO STRATEGIC DIRECTION

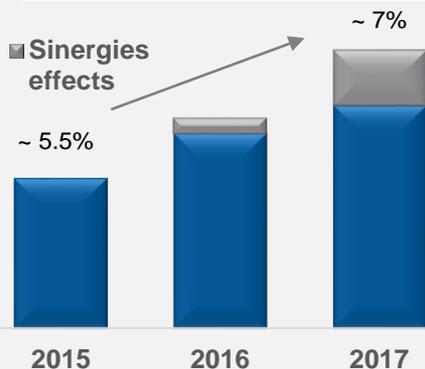
- **Grow beyond the 2014-17 Business Plan**
- **Increase scale and global leadership with new focus on North American region**
- **Increase diversification & Rebalance exposure**
- **Preserve strict financial discipline**
- **Maximize returns from the portfolio on a risk-adjusted bases**

Reconfirmed 2014 – 2017 Business Plan Targets

On track towards BP targets

Synergies to improve Ebit margin

Ebit margin forecast



	2014 Guidance		2015 Guidance	2017 Targets
Revenues	+10%	✓	>15%	€7B
EBITDA margin	>10%	✓	~ 10.5%	EBITDA ~ €800M
EBIT margin	>5%	✓	~ 5.5%	EBIT ~ €500M
Construction Orders	€5.9B	✓	€5.9B	€7B
Net Financial Position	€(89)M	✓	In line with 2014	€0.5B Cash

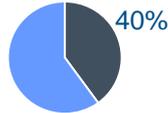
Appendix



Lane Industries Incorporated

Plants & Paving

WUM Revenues¹ (FY 2014) Breakdown



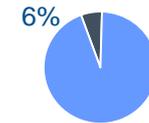
- Largest US private asphalt producer
- Specializes in asphalt paving, aggregates and concrete
- ~45 active plants in highly attractive locations in the East-coast and Texas with barriers to entry
- ~70% production is deployed directly / ~30% sold to external customers
- Stable and recurring revenues

Construction Projects and P3s



- Design- Build, traditional Bid-Build projects, and P3s
- ~70/80 projects active each year that are fully owned by Lane
- Large P3s projects are developed as JVs, where Lane has historically taken a minority position
- Ability to self-perform 75% of work activities on a typical Bid-Build contracts

International Construction Projects



- Started in 2011
- Lane has construction projects in Dubai, Abu Dhabi and Doha in Qatar

Source: Lane information, Salini Impregilo information

¹ Work Under Management. WUM revenues are defined as revenues pro-quota including revenues from non-consolidated JVs



- **I-4 Ultimate Project**, Orange & Seminole Counties, FL
- **Contract Value:** \$2.3bn (Lane share 30%)
- Reconstruction of 21 miles of I-4, including the addition of four tolled express lanes

- **IH-35E Managed Lanes**, Dallas & Denton Counties, TX
- **Contract Value:** \$849 (Lane share 20%)
- 28 miles long consisting of the installation of reversible managed lanes

- **I-95 Express Lanes**, Fairfax and Stafford Counties, VA
- **Contract Value:** \$691 (Lane share 35%)
- Nine-mile, reversible two-lane extension of the existing HOV lanes from Dumfries to Garrisonville Road in Stafford County

■ Thanks to its track record, technical experience and the strategic location of its materials plants Lane is participating to some of the largest and most complex transportation projects in the US

Financial Appendix



South Norfolk Jordan Bridge - VIRGINIA

Reclassified Income Statement of Salini Impregilo Group

Thousand €	9M 2015	9M 2014 (*)	Change
Operating revenue	3,285,006	3,043,977	241,029
Other revenue	82,485	62,623	19,862
Total revenue	3,367,491	3,106,600	260,891
Costs (**)	(3,027,132)	(2,800,291)	(226,841)
Gross operating profit	340,359	306,309	34,050
Gross operating profit %	10.1%	9.9%	
Amortisation and depreciation	(155,203)	(125,863)	(29,340)
Operating profit (loss)	185,156	180,446	4,710
Return on Sales %	5.5%	5.8%	
Net financing costs	(59,275)	(114,749)	55,474
Net gains on investments	(392)	5,790	(6,182)
Net financing costs and net gains on investments	(59,667)	(108,959)	49,292
Profit (loss) before tax	125,489	71,487	54,002
Income tax expense	(37,647)	(26,201)	(11,446)
Profit (loss) from continuing operations	87,842	45,286	42,556
Profit from discontinued operations	(7,655)	65,265	(72,920)
Profit (loss) for the period	80,187	110,551	(30,364)
Non-controlling interests	(11,407)	(2,276)	(9,131)
Profit (loss) for the period attributable to the owners of the parent	68,780	108,275	(39,495)

(*) The income statement data for the first 9 months of 2014 were reclassified in accordance with IFRS 5 according to the new transfer perimeter of the Todini Costruzioni Generali Group. The restatement concerned the adoption of IFRS 10 and 11 standards according to the modalities followed in the consolidated financial statements as at December 31, 2014.

(**) They include provisions and impairment losses for € 5.875 thousands

Reclassified Consolidated Statement of Financial Position of the Salini Impregilo Group

Thousand €	30 September 2015	31 December 2014	change
Non-current assets	897,621	832,355	65,266
Non-current assets held for sale, net	68,740	84,123	(15,383)
Provisions for risks	(106,515)	(97,527)	(8,988)
Post-employment benefits and employee benefits	(22,776)	(23,320)	544
Net tax assets	180,584	148,698	31,886
<i>Inventories</i>	276,817	262,740	14,077
<i>Contract work in progress</i>	1,698,957	1,252,769	446,188
<i>Progress payments and advances on contract work in progress</i>	(1,761,048)	(1,725,884)	(35,164)
<i>Receivables*</i>	1,645,556	1,614,350	31,206
<i>Payables</i>	(1,521,495)	(1,426,743)	(94,752)
<i>Other current assets</i>	570,351	689,997	(119,646)
<i>Other current liabilities</i>	(326,942)	(335,918)	8,976
Working capital	582,196	331,311	250,885
Net invested capital	1,599,850	1,275,640	324,210
Equity attributable to the owners of the parent	1,147,041	1,109,903	37,138
Non-controlling interests	95,479	76,513	18,966
Equity	1,242,520	1,186,416	56,104
Net financial position	357,330	89,224	268,106
Total financial resources	1,599,850	1,275,640	324,210

(*) The Receivables items is considered net of € 35,0 million (€65,9 million as at December 31,2014) classified in the net financial position, referred to the net receivables/payables financial position of the Group towards Consortiums and Consortium Companies (SPV) that function through cost transfers and the are not included within in the Group's consolidation scope. The net receivables/payables position is included in the net financial position based on the actual liquidity or indebtedness owned by the SPV.

Net Financial Position of Salini Impregilo Group

€/000	30 September 2015	31 December 2014	Change
Non-current financial assets	100,015	89,124	10,891
Current financial assets	220,379	156,908	63,471
Cash and Cash equivalents *	995,221	1,030,925	(35,704)
Total cash and cash equivalents and other financial assets	1,315,615	1,276,957	38,658
Bank and other loans	(520,569)	(456,209)	(64,360)
Bonds	(395,842)	(394,326)	(1,516)
Finance lease payables	(98,100)	(102,310)	4,210
Total non current indebtedness	(1,014,511)	(952,845)	(61,666)
Current portion of bank loans and current account facilities	(479,254)	(247,522)	(231,732)
Current portion of bond	(163,794)	(166,292)	2,498
Current portion of finance lease payables	(45,950)	(60,231)	14,281
Total current indebtedness	(688,998)	(474,045)	(214,953)
Derivative assets	5	0	5
Derivative liabilities	(4,486)	(5,244)	758
Financial assets held by SPVs and unconsolidated project companies (**)	35,045	65,953	(30,908)
Total other financial assets (liabilities)	30,564	60,709	(30,145)
Total net financial position – continuing operations	(357,330)	(89,224)	(268,106)
Net financial position for assets held for sale	(71,090)	(81,292)	10,202
Net financial position including non-current assets held for sale	(428,420)	(170,516)	(257,904)

(*) It includes the amount of € 77.3 million of tied-up liquidity of the Cavtomi Consortium, due to a litigation.

(**) This item acknowledges the net credit/debit position of the Group towards Consortiums and Consortium Companies ("SPVs") functioning through cost transfers and not included in the consolidation scope of the Group. The net credit standing and debt position is included in the item in the amount corresponding to the actual liquidity or indebtedness owned by the SPV. The receivables and payables that compose the balance of the item are respectively included among the commercial credit and commercial debts.

This presentation may contain forward-looking objectives and statements about Salini Impregilo's financial situation, operating results, business activities and expansion strategy.

These objectives and statements are based on assumptions that are dependent upon significant risk and uncertainty factors that may prove to be inexact. The information is valid only at the time of writing and Salini Impregilo does not assume any obligation to update or revise the objectives on the basis of new information or future or other events, subject to applicable regulations.

Additional information on the factors that could have an impact on Salini Impregilo's financial results is contained in the documents filed by the Group with the Italian Securities Regulator and available on the Group's website at www.salini-impregilo.com or on request from its head office.



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