

PRESS RELEASE

**THE BOARD OF DIRECTORS OF IMPREGILO APPROVES
THE CONSOLIDATED RESULTS AT 30 JUNE 2013**

POSITIVE RESULTS AS AT 30 JUNE 2013 - MAIN HIGHLIGHTS⁽¹⁾⁽²⁾:

- **REVENUES: €1,164 MN (1H 2012: €1,112 MN)**
- **EBIT: €99 MN (1H 2012: -€34 MN)**
- **NET PROFIT: €133 MN (1H 2012: -€28 MN)**
- **NET FINANCIAL POSITION (NFP): POSITIVE (NET CASH) €60 MN (€567 MN AT 31 DECEMBER 2012)**

€6.3 BN NEW CONSTRUCTION ORDERS IN THE FIRST 7 MONTHS, ALMOST TWICE THE 2013 FULL YEAR TARGET

CDR PLANTS: €240 MN RECEIVED ON 1 AUGUST AFTER THE ITALIAN SUPREME COURT SENTENCE

NEW TOP MANAGEMENT APPOINTED RENDERING NEW ORGANIZATION OPERATIVE

ON 12 SEPTEMBER 2013 CALLED:

- **ORDINARY SHAREHOLDERS' MEETING TO NAME NEW DIRECTORS**
- **EXTRAORDINARY SHAREHOLDERS' MEETING TO APPROVE THE MERGER BY INCORPORATION OF SALINI IN IMPREGILO AND AMENDMENTS TO BYLAW**

Milan, 5 August 2013. The Impregilo Board of Directors, which met today, reviewed and approved the Six Month Financial Report at 30 June 2013³. The consolidated results demonstrate an improvement, with **revenues** totalling **€1,164.1 million** (€1,112.3 million)^{1,2}, operating earnings (**EBIT**) of **€98.8 million** (vs. a loss of €34.0 million) and a **net group income of €132.9 million** (vs. a loss of €27.8 million). The net financial position at 30 June 2013, after the payment of a dividend totalling over €600 million, stood at €60.1 million (net cash) compared to €566.7 million at 31 December 2012.

Pietro Salini, Chief Executive Officer of Impregilo, commented: *"The results achieved by Impregilo during the first half of the year are positive and developing positively both in economic/financial terms and in industrial terms. We have started a major turn-around which today places the Company on solid economic and financial grounds, enables a more attentive and rigorous management of existing contracts, and provides a greater capability to win new complex projects in the civil infrastructure sector. These results confirm the strategic importance of the Salini and Impregilo merger project, that today progresses further with the appointment by the Board of the new top management structure that will guide the company towards ambitious goals. We are fulfilling all declared objectives to win new large contracts, grow the backlog, collect claims due and reorganize the Group, as well as reach a net financial position better than that forecast for YE 2013 by the Salini-Impregilo Business Plan."*

¹First half of 2012 values are in parenthesis.

²Change in the scope of consolidation: as a result of the sale of EcoRodovias Group assets, in accordance with international accounting principle IFRS 5, the latter have been considered as discontinued operations. In application of this principle, the results of the corresponding period in 2012 have been restated according to the same assumptions.

³The activity of the external auditor is currently in course. The Six Month Report at 30 June 2013, complete with the auditor's letter, will be available on the corporate website www.impregilo.it within the legal time limits.

Main consolidated economic/financial results at 30 June 2013

All major financial/economic parameters have made a clear improvement in the half-year period.

Total revenues of the Group in the first half of the year reached **€1,164.1 million** (€1,112.3 million +4.6%) and benefit from the development of the Construction sector. In fact, **revenues from the Construction sector** amounted to **€1,085.1 million**, an increase of 7.7% compared to the same period of the previous year (€1,007.8 million).

Revenues from the Plant sector amounted to €69.8 million, a 27.4% reduction compared to the previous year (€96.2 million), due to the completion of key projects in the backlog and the Group's decision to exit from this sector, no longer considered strategic and now destined to be sold.

Concessions sector revenues amounted to approximately €10.1 million, basically in line with 2012 (approximately €10.0 million).

The **consolidated operating result (EBIT)** equalled **€98.8 million** (a loss of €34.0 million). The Construction sector made a positive contribution of €123.6 million to the operating result. It should be noted that the 2012 result was significantly affected by critical problems encountered in a few major infrastructure projects (particularly Panama), which involved the recognition of costs that exceeded the original budgets and which were fully accounted in that fiscal year, in accordance with international accounting principles.

The Group's other activities generated an operating loss of €1.4 million, a clear improvement compared to the previous year (a loss of €4.9 million), while net expenses of the Corporate structure amounted to €23.5 million and include costs for external consultants to support the *Governance* activities of the Group, particularly in relation to the obligations connected to the Public Tender Offer undertaken by the shareholder Salini SpA and the activities heretofore carried out for the project to merge by incorporation Salini S.p.A. in Impregilo S.p.A. (the "Merger Project").

Financial management and participations at the consolidated level generated **net expenses** equal to **-€21.4 million** (-€2.7 million). Compared to the same period in 2012:

- net financial expenses increased by a total of €25.4 million, mainly reflecting higher costs connected to the recognition of interest charges relating to the settlement in the first half of legal disputes with a few government clients;
- currency management was positive by €7.8 million, while in the corresponding period of 2012, the result was essentially breakeven. It should be noted that the first half 2013 results also benefited from effects caused by exchange rate devaluations in some countries where the Group operates.

The **result from discontinued operations** was positive for **€83.2 million** (positive for €19.9 million) and is mainly due to the full recovery of the values (net of respective tax impacts) of claims for damages connected to the former CDR plants that were the subject of litigation initiated by the Group, through its subsidiary FIBE, against the licensing Government (RSU Campania Projects), following the judgment of the Italian Supreme Court (Corte di Cassazione) of April 2013, which definitively rejected the appeal against the judgment of the State Council, ordering the Government to pay the amount of approximately €204 million, as well as legal and default interest from 15 December 2005. On 1 August 2013, in addition, following the executory procedures undertaken for this purpose by the Group, approximately €240 million were received, which included legal interest. Given this, the Six-month consolidated income statement at 30 June 2013 recognized total proceeds equal to €79.8 million (net of the related tax effect), which was classified in discontinued operations.

Consolidated net profit pertaining to the Group amounted to **€132.9 million** (negative by about €27.8 million).

The **consolidated net financial position** at 30 June 2013 is **positive (net cash)** and equalled **€60.1 million** (at 31 December 2012, it was positive and equalled €566.7 million) after the distribution of dividend payments in the month of May for €602.2 million and having collected in the month of January €187.0 million from the sale of the last 6.5% *tranche* of the stake in EcoRodovias.

Commercial activities and the order book

Commercial activities in the second quarter of the year showed significant results following the aggregation of the business expertise of Salini and Impregilo.

Impregilo's "**contracting**" **new orders** (construction and plant) for the first six months totalled **€2,449 billion** (+356% vs. 2012), of which €2,382 million came from the construction sector and €66 million from the plant sector. These figures are compared with those of the first half of 2012 which totalled €688 million, of which €651 million came from the construction sector and €37 million from the plant sector.

In the first half of 2013, new orders in the concessions sector amounted to €999 million.

Total new orders during the first six months of 2013 amounted to **€3,448 million**.

The **total backlog** (construction, plant, concessions) on 30 June amounted to approximately **€20.2 billion**, of which €11.6 billion came from Construction, €0.3 million from Plant, and €8.3 billion in the Concessions sector.

After the end of the half-year period, additional major project awards have been won, in particular:

- the wastewater collector of Riachuelo, Argentina, for a total value of approximately €360 million;
- four lots of the highway between Almaty and Khorgos, Kazakhstan, where Impregilo and Todini, in a joint venture with the local company Kazakhdorstroy, were awarded the work for a total value of approximately €295 million (Impregilo and Todini have a respective share of 33% each);
- a large contract initiated by the Riyadh Development Authority for the design and construction of the new Line 3 (40.7 km) of the Riyadh metro system, the longest line of the gigantic project of the new metropolitan rail network in the Saudi Arabian capital for a total value of approximately US\$ 6.0 billion, of which approximately US\$ 4.9 billion relates to civil works, with an advance payment equal to 20% of the project value.

New orders in the first seven months come to a total value of €6.3 billion, which alone, excluding Salini's new orders in the same period, are almost double the target for all of 2013, according to the Industrial Plan, which was €3.2 billion.

Foreseeable evolution of the business for the year

The results achieved and the expected development of the business activities confirm – and in some cases exceed – the budget forecasts for 2013 in line with the operating and financial targets communicated to the market during the presentation of the 2013-2016 Industrial Plan.

New Top Management has been appointed rendering the new organization operative

The Board, upon proposal of the CEO, has appointed the new Top Management:

- the *Domestic Operations Division*, assigned to Michele Longo;
- the *International Operations Division*, assigned to Claudio Lautizi;
- the *Group Finance & Corporate Division*, assigned to Massimo Ferrari; the *Administration, Finance and Planning Department*, will report to Ferrari and has been assigned to Alessandro De Rosa who will also be *Deputy of the Group Finance & Corporate Division*. Massimo Ferrari is the new Designated Accounting Officer in charge of preparing the corporate accounting documents, starting from 6 August, replacing Rosario Fiumara.

Furthermore, a Group Steering Committee has been established and is composed of the Chief Executive Officer (Pietro Salini), the *Group Finance & Corporate General Manager* (Massimo Ferrari), International Operations General Manager (Claudio Lautizi), the Domestic Operations General Manager (Michele Longo), the Deputy Finance & Corporate General Manager (Alessandro De Rosa) and Mr Rosario Fiumara, in his role as strategic consultant.

Finally, the Board of Directors has acknowledged the resignations presented by the board members Massimo Ferrari and Claudio Lautizi following their new appointments.

The realization of the National Champion™ and the calling of the Ordinary and Extraordinary Shareholders' Meeting on 12 September 2013

Today the Board of Directors of Impregilo moved to call the Ordinary Shareholders' Meeting and Extraordinary Meeting on 12 September 2013 to deliberate on the following items:

Ordinary Shareholders' Meeting

- the appointment of new board members to replace the directors that have resigned: Giorgio Rossi Cairo, Massimo Ferrari and Claudio Lautizi;

Extraordinary Shareholders' Meeting

- the Merger by incorporation of Salini S.p.A. in Impregilo S.p.A., with specific reference to the approval of the Merger Project and the share capital reduction of the incorporating company pursuant to Article 2445 of the Italian Civil Code. Such share capital reduction is deemed to be appropriate in light of a better configuration of the combined entity's equity configuration, also with the aim of optimizing the efficiency in terms of potential operations, it being understood that the overall entity of the shareholders' equity will remain unchanged.
- the attribution of a mandate to the Board of Directors, in accordance with Article 2443 of the Italian Civil Code, to increase the share capital with the exclusion or limitation of option rights up to 10% of the share capital, ex Article 2441, paragraph 4, second sentence, of the Italian Civil Code (with subsequent amendment of Article 7 of the Company's Bylaws);
- the attribution of a wider mandate to the Board of Directors, in accordance with Articles 2443 and 2420-ter of the Italian Civil Code, to increase the share capital and issue convertible bonds in line with the terms of the Law for an overall maximum nominal value of € 100 million (with subsequent amendment of Article 7 of the Company's Bylaws). The abovementioned mandate, in reference to which the Board has not yet made any determination, would consent – within the parameters of the proposed terms – to derive advantages, from the one hand, in terms of execution flexibility and timeliness with the aim of obtaining, within an adequate timing, the most favourable conditions for extraordinary transactions that may require a particular promptness, also considering the high uncertainty and volatility that is currently affecting the financial markets; on the other hand, in terms of operating flexibility and rationalization of value distribution to shareholders, to couple with

- a similarly flexible instrument, illustrated in the separate and subsequent point in the Agenda, having as object the amendment of Article 33 of the Company's Bylaws;
- the amendment of Article 33 of the Bylaws, in order to attribute to the Board of Directors, as per Art. 2433-*bis* of the Italian Civil Code, the option to approve the distribution of interim dividends;
 - the amendment of Article 14 of the Bylaws, in order to adopt a waiver of the system foreseen by Article 135-*undecies*, paragraph 1, of the Decree Law no. 58 of 1998, regarding the designation for each Shareholder Meeting of a physical person to which shareholders may confer a power of attorney with voting instructions on all or some of the motions proposed on the Meeting Agenda.

The Meeting Notice, the illustrative reports on the various points of the Meeting Agenda and other documentation prepared for the above-mentioned Shareholders Meeting will be rendered available to the Public with the means and modalities and within the time limits foreseen by the legal regulations and applicable laws.

Rosario Fiumara, in his capacity as Designated Accounting Officer, declares, pursuant to Article 154 bis, Paragraph 2, of the Uniform Financial Code ("TUF"), that the accounting information contained in this press release is consistent with the data in the documents, books of account and other accounting records. It is specified that the External Auditing Company is still completing its work. The Six Month Financial Report at 30 June 2013, complete with the External Auditor's letter, will be made available on the corporate website of Impregilo within the time limits foreseen by Law.

Salini Group

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The consolidated reclassified profit and loss statement and the balance sheet and financial statements of Impregilo Group, as at 30 June 2013, are attached.

A number of "alternative performance indicators" are used in this press release, the meaning and content of which are explained below to provide a better assessment of economic/financial management performance.

Net Debt/Equity Ratio

this indicator is derived from the relationship between the net financial position (which takes a minus sign in the case of net debt) as the numerator and the net equity as denominator. In consolidated terms, the net equity used for the purpose of the ratio in question also includes the net equity of third parties.

EBITDA or gross operating margin

this indicator is the algebraic sum of the following items included in the profit and loss statement for the period:

- a) total income
- b) total costs, excluding costs for amortisation of tangible and intangible fixed assets.

This indicator may also be presented as a 'percentage', being a result of the ratio of EBITDA and total income.

EBIT or Operating Result

this corresponds to the “Operating Result” item in the profit and loss statement of the period and represents the algebraic sum of total income and total costs.

Return on Sales or RoS

This indicator is expressed as a percentage and represents the ratio of the EBIT indicator, as established above, and total income.

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Impregilo is part of Salini Group, and is one of the major construction groups at international level and active in the planning and performance of major infrastructural works. Together, Impregilo and Salini operate in over 60 countries throughout the world, with about 31,000 highly-qualified, professional employees. Both companies considered as a whole reported income for the 2012 financial year of about €4 billion, with a backlog (for construction and plant) worth more than €20 billion. Impregilo is listed on the Italian Stock Exchange. (website: www.impregilo.it, www.salini.it).

Consolidated reclassified profit and loss statement of Impregilo Group

	H1 2013	H1 2012 (*)	Change
Operating revenues	1,138,364	1,087,182	51,182
Other revenues	25,758	25,124	634
Total revenues	1,164,122	1,112,306	51,816
Operating costs	(1,019,573)	(1,094,401)	74,828
EBITDA %	144,549	17,905	126,644
<i>EBITDA %</i>	12.4%	1.6%	
Depreciation and amortization	(45,766)	(51,865)	6,099
EBIT	98,783	(33,960)	132,743
<i>Return on Sales</i>	8.5%	-3.1%	
Result from financial transactions and equity investments			
Net financial expense	(22,388)	(3,296)	(19,092)
Income from equity investments	1,014	608	406
Total result from financial transactions and equity investments	(21,374)	(2,688)	(18,686)
Result before taxes	77,409	(36,648)	114,057
Income taxes	(27,803)	(10,577)	(17,226)
Result from continuing operations	49,606	(47,225)	96,831
Net result from discontinued operations	83,213	19,894	63,319
Net result before minority interest	132,819	(27,331)	160,150
Minority interest in net result	73	(422)	495
Net result attributable to the shareholders of the Parent Company	132,892	(27,753)	160,645

(*) Following the sale in three tranches in the last quarter of 2012 and the first quarter of 2013 of the interest held by the Impregilo Group in the Brazilian holding company Ecorodovias Infraestrutura e Logística S.A. and consistent with the requirements of the International Accounting Principle IFRS 5, these assets have been classified as “Discontinued operations”. Therefore, the interim financial results at June 30, 2012 were restated in compliance with the International Accounting Principle IFRS 5. Finally, the Consolidated Income Statement for the first half of 2012 has been represented in order to reflect the impacts envisaged by IAS19 (revised in 2011) and applicable retrospectively by the Impregilo Group starting from 2013.

Consolidated reclassified balance sheet of Impregilo Group

		30 June 2013	31 December 2012	Change
<i>(Valori in Euro/000)</i>				
Immobilizzazioni materiali, immateriali e finanziarie	Property, plant and equipment, intangibles and non-current financial assets	420,849	408,275	12,574
Avviamenti	Goodwill	30,390	30,390	0
Attività (passività) non correnti destinate alla vendita	Non-current assets (liabilities) held for sale	248,060	307,588	(59,528)
Fondi rischi	Provisions for risks	(94,277)	(98,285)	4,008
TFR e benefici ai dipendenti	Provision for severance indemnities and other employee benefits	(19,313)	(20,234)	921
Altre attività (passività) non correnti	Other non-current assets (liabilities)	45,810	50,991	(5,181)
Attività (passività) tributarie	Tax assets (liabilities)	98,376	137,576	(39,200)
Rimanenze	Inventories	85,341	95,376	(10,035)
Lavori in corso su ordinazione	Construction in progress	964,904	864,368	100,536
Anticipi su lavori in corso su ordinazione	Advances on work in process	(883,961)	(844,440)	(39,521)
Crediti	Receivables	1,161,284	1,062,865	98,419
Debiti	Payables	(814,362)	(818,599)	4,237
Altre attività correnti	Other current assets	284,749	296,268	(11,519)
Altre passività correnti	Other current liabilities	(235,769)	(233,069)	(2,700)
Capitale circolante	Working capital	562,186	422,769	139,417
Capitale investito netto	Net invested capital	1,292,081	1,239,070	53,011
Patrimonio netto di Gruppo	Group interest in shareholders' equity	1,338,008	1,800,954	(462,946)
Interessi di minoranza	Minority interest	14,212	4,851	9,361
Patrimonio netto	Shareholders' equity	1,352,220	1,805,805	(453,585)
Posizione finanziaria netta	Net financial position	60,139	566,735	(506,596)
Totale risorse finanziarie	Total financial resources	1,292,081	1,239,070	53,011
Net Debt/Equity	Debt/Equity	-0.04	-0.31	