PRESS RELEASE

BOARD OF DIRECTORS APPROVES HALF-YEAR FINANCIAL REPORT AT JUNE 30, 2014

CONFIRMED TARGETS & DOUBLE DIGIT REVENUE GROWTH

- STRONG GROWTH IN REVENUES & MARGINS IN LINE WITH GUIDANCE
  - REVENUES €2.1 BN: +12.8%
  - EBIT €114 MN, EBIT MARGIN IMPROVES TO 5.4%
- HEADQUARTER COSTS: FIRST SYNERGIES BEING REALIZED AHEAD OF SCHEDULE
- FINANCIAL STRUCTURE FURTHER STRENGTHENED & GROSS DEBT REDUCED
  - NFP € 418 MN (NET DEBT)
  - GROSS FINANCIAL DEBT CUT BY €270 MN & AVERAGE LIFE LENGTHENED
  - NFP/EQUITY RATIO: 0.37
- NEW ORDER INTAKE TOTALS €3.5 BN, IN LINE W/PLAN OBJECTIVES (16% CAGR)
  - TOTAL BACKLOG: €28.6 BN
  - BOOK TO BILL[1] (ONLY COSTRUCTION) EQUALS 1.38X

Pietro Salini, Chief Executive Officer of Salini Impregilo, commented, "I'm very pleased with our First Half results which confirm double digit growth of production, the strong commercial capabilities to win new orders and a reinforced financial position, all in the current very challenging international environment." Salini further noted: "I am also quite satisfied with the recent concrete signals given by the Italian government of Matteo Renzi to re-launch infrastructural projects in Italy."

Milan, August 5, 2014. Meeting today, the Board of Directors of Salini Impregilo reviewed and approved the Half-Year Financial Report at June 30, 2014, which reports **revenues** of **€2,109.0 million**, **EBITDA** of **€192.7 million** and **EBIT** of **€113.9 million**, confirming the alignment of Key Performance Indicators (KPI) with the year-end targets for 2014 and coherent with the Business Plan.

Given that international accounting principles (IFRS 3 – Business Combinations) require, for business continuity reasons, a comparison of the results of the Salini Impregilo Group with those of the "standalone Salini Group", the Board also examined a version of the consolidated income statement of the Salini Group for the first half of 2013 which utilizes a comparable scope of consolidation in both six-month periods to provide a more complete understanding of the industrial performance of the new Group.

[1] Comparison of new orders versus revenues booked in the period.

Main consolidated economic-financial results of the Salini Impregilo Group at June 30, 2014, compared with June 30, 2013 (comparable scope of consolidation)

In the first half of 2014, the Salini Impregilo Group reported **total revenues** of **€2,109.0 million** (€1,868.8 million), an increase of **12.8%** compared with the same period last year. The development in revenues reflects the positive effects of the production of several large projects (Ethiopia, Denmark and Poland) and the resumption of activity on the Panama Canal project, which had been temporarily interrupted in the first quarter of 2014. This growth corresponds to an acceleration of revenues in the second quarter, which, in fact, reported an increase equal to 46% compared to First Quarter 2014 revenues.

In the First Half of 2014, **EBITDA** amounted to **€192.7 million** (€192.2 million), with an EBITDA margin of **9.1%,** substantially in line with the year-end target (10%). Second quarter **EBITDA** totalled **€104** million, a **gain** of **18%** compared with the first quarter of 2014.

Total operating costs amounted to €1,916.3 million (€1,676.7 million). Headquarter costs equalled €83.3 million, with a reduction of circa €17 million compared to the 2014 budgeted costs, showing the first effects of synergies projected in the 2014-2017 Industrial Plan. The increase of €239.6 million in operating costs, tied primarily to higher service costs, including subcontracts and other operating expenses, is directly related to the increase in production generated by a few orders.

The operating result (EBIT) amounted to **€113.9 million** (€116.5 million), for an **EBIT margin** (Return on Sales) of **5.4%**, higher than the year-end target for 2014 (>5%). Continuing the analysis of Q2 on Q1, **EBIT** totalled **€69 million**, increasing by **53%** compared with the First Quarter (€45 million). Because of this gain, the **EBIT margin** (Return on Sales) improved from 5.2% to **5.5%** in the second quarter.

At €78.8 million, depreciation and amortization expense was in line with the first half of 2013 (€75.7 million). Capital expenditures reflected a policy that, while consistent with a conservative approach, will continue to support ongoing activities and the development of new projects. In line with this strategy, the Group carried out net capital expenditures of €101.7 million in the First Half of 2014. Capex was mainly undertaken in relation to some large recently awarded projects in Australia, Qatar and Chile as well as projects already existing in Ethiopia.

The combined result of **financial transactions and equity investments** was a **net expense of €81.8 million** (€38.7 million). Taken separately, financial transactions generated a net charge of €86.8 million (negative €42.6 million), which includes foreign exchange losses of €35.9 million. The main cause of this loss is a nonrecurring charge of about €55 million deriving from the adoption by the Group of the new official exchange rate called SICAD 2 to translate its net financial assets denominated in the Venezuelan currency (called Bolivar Fuerte or VEF), effective as of June 30, 2014. Equity investments contributed a positive result of €5.0 million (€3.9 million).

The **result from non-current assets held for sale** was positive by **€55.3 million** (€74.7 million). This amount includes the capital gain realized on the sale perfected last May and the loss recorded in the period of Fisia Babcock Environment G.m.b.H., for a total value of €85.1 million, and the losses of Todini Costruzioni Generali S.p.A. and its subsidiaries amounting to € 26.2 million, and the losses of CDR (WTE Campania Projects), amounting to €3.6 million.

The **profit for the period** amounted to **€75.2 million** (€110.7 million). The result attributable to minorities totalled €4.0 million (-€0.2 million). The Group net result (after minorities) amounted to €79.3 million (€110.5 million).

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The **net financial position**, **negative for €417.7 million** at June 30, 2014, improved significantly compared with March 31, 2014 (negative for €634.0 million), and returned towards the level recorded at December 31, 2013 (-€331.7 million). At June 30, 2014, gross financial debt stood at €1,466.7 million and was reduced by circa €270 million (in the Second Quarter the reduction equalled circa €375 million). More specifically, the following factors had a positive impact on the net financial position: the capital increase, which generated net proceeds of €162 million, and proceeds from the sale of some participations. At June 30, 2014, total Group liquidity amounted to €981 million, of which €645 million of cash directly controlled by the Group. Please note that, during the same period, net working capital increased by more than €358 million, due mainly to executed work in progress (over €250 million), in particular at certain large projects in Ethiopia, Denmark and Nigeria.
The ratio of NFP/ equity is equal to 0.37, in line with the data at December 31, 2013.
Insofar as gross indebtedness is concerned, one must mention that the bond issue issued by Impregilo International Infrastructures NV for an amount of €150 million will mature in November 2015.

Lastly, please note that in July the Group received contractually stipulated advances from customers for a total of about €100 million that were not reflected in the accounts at June 30, 2014, but will further improve the net financial position and help align it with the target projected for the end of 2014.

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Major **new orders** booked in the first half of 2014, which totalled **€3.5 billion,** include the following:

- <u>Lima Metro (Peru)</u>: the total value of the project is $8.6 billion, with the value of the construction work amounting to $3.0 billion, of which the Salini Impregilo Group has a 25.5% share (valued at about €555 million). The value for the Group is rounded out by its share of the concessions (18.3%), for a total portfolio value for almost €580 million.

- <u>Lietavská Lúčka – Dubná Skala highway (Slovakia)</u>: Salini Impregilo is the leader of the consortium with a 75% stake, and the total value of the contract is €410 million.

- <u>Brenner Tunnel project</u>: Salini Impregilo, in partnership with other companies, was awarded the construction of two lots of the project. The total value of the first lot ("Tulfes – Pfons") is about €380 million, and Salini Impregilo's share is 49%. In addition, on July 7, 2014, Salini Impregilo, as leader of another consortium, was awarded the second lot for the underground tunnel crossing of the Isarco River, the total value of which is about €300 million; Salini Impregilo's share is 41%.

- Other backlog variations totalled more than €1.5 billion.
  The most important projects include the following:
  - ✓ The Verona-Padua High Speed Rail Line project (IRICAV2), for about €600 million (backlog reintegration);

- ✓ A new contract change for the Porto Cabello project (Venezuela) for about €300 million (contract change order).

During the First Half, Salini Impregilo was informed that it had submitted the winning bids for various projects, for a total value of more than €1.1 billion not included in the order intake. The Company is awaiting the outcome of the respective tender procedures.

At June 30, 2014, the **total order backlog** amounted to about **€28.6 billion** (€28.2 billion at December 31, 2013), including €21.4 billion in the Construction area and €7.2 billion in the Concessions area (full-life value).

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Key events of the first half of 2014

As mentioned earlier in the press release of March 19, 2014, the transaction involving the sale of the entire share capital of Fisia Babcock Environment GmbH closed on May 7, 2014. This transaction, which, as specified above, contributed to improving the net financial position by €55 million, is consistent with the process of focusing the Group on its core construction business and divestiture of non-core assets.

On June 25, 2014, Salini Impregilo and Salini Costruttori completed a share placement with qualified institutional investors in Italy and abroad. The offering included the following:

- 44,740,000 newly issued Salini Impregilo common shares, without par value, regular ranking for dividends, equal to 9.96% of Salini Impregilo's share capital, at a price of €3.70 per share (the "Offering Price"), for a total gross consideration of €165,538,000;

- 94,000,000 Salini Impregilo common shares, without par value, regular ranking for dividends, held by Salini Costruttori, at a price of €3.70 per share, for a total gross consideration of €347,800,000;

- an additional 4,050,000 Salini Impregilo common shares, without par value, regular ranking for dividends, at a price of €3.70 per share, for a total gross consideration of €14,985,000 related to the overallotment option (so-called "Greenshoe") exercised on July 18, 2014, by Goldman Sachs International, Mediobanca and Banca IMI.

Further to the transactions described above, Salini Impregilo's share capital currently amounts to €544,740,000 and is comprised of 493,788,182 shares, without par value, as follows:

Total number of common shares issued and subscribed:	492,172,691
Total number of savings shares issued and subscribed:	1,615,491

As a result of the transactions described above, the interest held by Salini Costruttori S.p.A. in the Company's voting share capital decreased from 89.99% to 61.9%, with the remaining 38.1% held by the market.

This transaction, in addition to increasing the share float and broadening the shareholder base with the inclusion of important Italian and international institutional investors, also strengthened the Group's financial structure, which is a prerequisite for the implementation of the 2014-2017 Industrial Plan. It should be noted that following the secondary placement, Salini Costruttori has totally reimbursed its debt versus Salini Impregilo S.p.A.

Business outlook for the current year

The improved results for the Second Quarter and for the First Half of 2014, as a whole, show that the Group's operating performance and economic results are aligned with the announced targets for 2014.

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Massimo Ferrari, in his capacity as Director in charge of the preparation of the company's accounting documents, declares, pursuant to Section 2 of Article 154 bis *of the Italian Uniform Financial Code, that the information contained in this press release corresponds to the accounting documents, books and entries.*

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The consolidated reclassified schedules of the income statement and statement of financial position of the Salini Impregilo Group at June 30, 2014, are attached.

RECLASSIFIED INCOME STATEMENT OF SALINI IMPREGILO

Thousand €	1st Half 2014	1st Half 2013* of Salini Group restated on comparable basis	change
Operating revenue	2,073,373	1,834,432	238,941
Other revenue	35,596	34,398	1,198
Total revenue	**2,108,969**	**1,868,830**	**240,139**
Costs	(1,916,282)	(1,676,663)	(239,619)
Gross operating profit	**192,687**	**192,167**	**520**
Gross operating profit %	9.1%	10.3%	
Amortisation and deprecation	(78,783)	(75,679)	(3,104)
Operating profit (loss)	**113,904**	**116,488**	**(2,584)**
Return on Sales %	5.4%	6.2%	
Net financing costs	(86,776)	(42,615)	(44,161)
Net gains on investments	4,987	3,899	1,088
Net financing costs and net gains on investments	**(81,789)**	**(38,716)**	**(43,073)**
Profit (loss) before tax	**32,115**	**77,772**	**(45,657)**
Income tax expense	(12,204)	(41,733)	29,529
Profit (loss) from continuing operations	**19,911**	**36,039**	**(16,128)**
Profit from discontinued operations	55,314	74,670	(19,356)
Profit (loss) for the period	**75,225**	**110,709**	**(35,484)**
Non-controlling interests	4,065	(176)	4,241
Profit (loss) for the period attributable to the owners of the parent	**79,290**	**110,533**	**(31,243)**

(*) economic data for the first half of 2013 have been restated in accordance with IFRS 5,10 and 11.

RECLASSIFIED CONSOLIDATED BALANCE SHEET OF SALINI IMPREGILO

Thousand €	30 June 2014	31 December 2013	change
Non-current assets	748,991	746,858	2,133
Non-current assets held for sale, net	188,363	235,543	(47,180)
Provisions for risks	(103,125)	(102,207)	(918)
Post-employment benefits and employee benefits	(18,182)	(20,508)	2,326
Other non-current assets, net	15,866	16,502	(636)
Net tax assets	80,074	81,153	(1,079)
Inventories	*235,890*	*215,321*	*20,569*
Contract work in progress	*1,358,539*	*1,105,176*	*253,363*
Progress payments and advances on contract work in progress	*(1,560,636)*	*(1,630,770)*	*70,134*
Receivables	*1,825,886*	*1,886,462*	*(60,576)*
Payables	*(1,353,871)*	*(1,382,725)*	*28,854*
Other current assets	*325,913*	*287,889*	*38,024*
Other current liabilities	*(206,715)*	*(214,837)*	*8,122*
Working capital	*625,006*	266,516	358,490
Net invested capital	**1,536,993**	**1,223,857**	**313,136**
Equity attributable to the owners of the parent	**1,088,445**	**699,627**	**388,818**
Non-controlling interests	30,819	192,522	*(161,703)*
Equity	**1,119,264**	**892,149**	**227,115**
Net financial position	**417,729**	**331,708**	**86,021**
Total financial resources	**1,536,993**	**1,223,857**	**313,136**

(*) the balance sheet at December 31, 2013 has been restated in accordance with IFRS 10 and IFRS 11