

### 3. Business combinations

#### Acquisition of Lane Industries Incorporated

On 4 January 2016, the parent finalised the acquisition of 100% of Lane Industries Incorporated (“Lane”).

Lane Group is the top highway contractor and top private asphalt producer in the United States. It is a family-owned business with more than 100 years of experience specialized in heavy civil construction and in the transportation infrastructure sector. The company has three divisions: asphalt production, road projects and other infrastructure projects in both domestic and international markets.

The agreed consideration was approximately USD 455 million.

The following table summarises Salini Impregilo’s share of the assets and liabilities of Lane Group at the acquisition date and their fair value measured before such date for the Purchase Price Allocation (PPA) procedure, using the 12-month period provided for by (revised) IFRS 3.

(€'000)	Carrying amount	Fair value
Non-current assets	162,242	391,198
of which:		
- Property, plant and equipment	115,088	115,088
- Intangible assets	5,094	5,094
- Goodwill		228,956
- Equity investments	42,060	42,060
Inventories	22,147	22,147
Trade receivables	176,078	176,078
Cash and cash equivalents	87,898	87,898
Contract work in progress	22,615	22,615
Other current assets	24,811	61,981
<b>Total assets</b>	<b>495,791</b>	<b>761,917</b>
Post-employment benefits and employee benefits	83,397	113,418
Non-current bank loans and borrowings	95,119	330
Other non-current liabilities	6,363	6,363
Trade payables	106,013	106,013
Other current liabilities	14,908	14,908
Current bank loans and borrowings	2,294	2,294
Progress payments and advances on contract work in progress	76,327	76,327
<b>Total liabilities</b>	<b>384,421</b>	<b>319,653</b>
<b>Net assets acquired</b>	<b>111,370</b>	<b>442,264</b>
Less non-controlling interests	(13,489)	(13,489)
<b>Net assets acquired (net of non-controlling interests)</b>	<b>97,881</b>	<b>428,775</b>

The cash used for the acquisition, net of cash acquired, is set out below:

<i>(€'000)</i>	
Cash and cash equivalents	87,898
Non-current assets	391,198
Other current assets	282,821
Non-current liabilities	(120,111)
Current liabilities	(199,542)
<b>Total net assets acquired</b>	<b>442,264</b>
Less non-controlling interests	(13,489)
<b>Total net assets acquired attributable to the owners of the parent</b>	<b>428,775</b>
Less cash acquired	(87,898)
<b>Cash and cash equivalents net of cash acquired used for the acquisition</b>	<b>340,877</b>

Lane has been included in the consolidation scope since 4 January 2016 and its contribution is presented in the Group's condensed interim consolidated financial statements.

#### **Acquisition of assets of Asphalt Roads and Materials Company Inc. (Virginia Beach)**

On 21 March 2016, The Lane Construction Corporation signed an agreement for the acquisition of some assets of Asphalt Roads and Materials Company Inc, active in the road construction and asphalt production in Virginia Beach (Virginia, USA). These assets include machinery, equipment, buildings, land, inventories, rights and commitments to complete existing contracts. The acquisition was closed on 4 April 2016 for USD38.3 million. The assets' carrying amount is USD4.8 million.

The following table shows the assets acquired by Lane at the transaction date and their provisional fair value after the PPA procedure. The exchange rate used on 4 April 2015 was 1.138.

<i>(€'000)</i>	<b>Carrying amount</b>	<b>Fair value</b>
Non-current assets	4,107	31,687
<i>of which:</i>		
- Intangible assets/goodwill		20,468
Current assets		2,015
Other current assets	175	203
<b>Net assets acquired</b>	<b>4,282</b>	<b>33,905</b>

The following table shows the cash and cash equivalents used to acquire the assets:

<i>(€'000)</i>	
Inventories	203
Contract work in progress	2,015
Property, plant and equipment	11,219
Goodwill	20,468
<b>Cash and cash equivalents used in the acquisition</b>	<b>33,905</b>

As allowed by IFRS 3, Lane used the 12-month period to complete the PPA procedure.

### Other business combinations

The 12-month period allowed by the (revised) IFRS 3 to define the PPA procedure expired during the period for the acquisitions of Co.Ge.Fin S.r.l., acquired from the related party Todini Finanziaria, and Seli Tunneling Denmark ApS, acquired from third parties. These acquisitions are described in the 2015 Annual Report.

Completion of the above procedure did not identify fair values different to those calculated provisionally and published in the 2015 Annual Report.

### Other changes in the consolidation scope

In addition to completion of the sale of Todini Costruzioni Generali S.p.A. and acquisition of Lane Group, the other changes in the consolidation scope of the period are described below:

- Acquisition of Salini Saudi Arabia Co. Ltd

On 23 April 2016, the Group finalised its acquisition of 51% of Salini Saudi Arabia Co. Ltd for SAR421,066 (equivalent to €99,687 using the transaction date exchange rate) from the related parties Salini Costruttori S.p.A. and Compagna Gestione macchinari – CO.GE.MA S.p.A.. Salini Saudi Arabia will be used to coordinate the Group's activities in Saudi Arabia. The acquisition has not had significant effects on the Group's consolidated financial statements.

- Acquisition of 30% of Consorcio OHL

In May 2016, the Group finalised its acquisition of 30% of this Colombian consortium from third parties, obtaining full control thereover. It is engaged in the El Quimbo project.

- Sale of 25% of the Riachuelo contract (Argentina)

On 3 February 2016, the Group completed its sale of 25% of Salini Impregilo S.p.A. - S.A. Healy Company Jose J Chediack S.A. UTE, a SPE set up to construct an underwater effluent diffuser in Buenos Aires, Argentina. Pursuant to IFRS 10, the effects of this sale have been recognised directly in equity.