PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES THE SALINI IMPREGILO GROUP INTERIM REPORT AS AT 31/3/2014

PLAN TARGETS FOR 2014 CONFIRMED

Q1 2014 RESULTS:

- NEW ORDERS: €1.6 BILLION
- TOTAL ORDER BACKLOG: €28.2 BILLION
- REVENUES: €859 MILLION (€809 MILLION)[1]
- EBITDA: €88 MILLION (€84 MILLION)
- EBITDA MARGIN: 10.3%
- EBIT: €45 MILLION (€51 MILLION)
- EBIT MARGIN: 5.2%
- NET FINANCIAL POSITION (NFP): -€634 MILLION

SALE OF FISIA BABCOCK CLOSED ON MAY 7th WITH NET PROCEEDS OF APPROXIMATELY €65 MILLION

Milan, 14 May 2014. The Board of Directors of Salini Impregilo, which met today, examined and approved the Salini Impregilo S.p.A. Interim Report as at 31 March 2014, which represents the first financial report of the new Group resulting from the merger of Salini and Impregilo, which today is the largest infrastructure construction group in Italy and one of the leading groups in the sector.

International accounting principles (IFRS 3 - Business Combinations) for accounting continuity reasons require a comparison of the results of the new group with the standalone Salini Group at 31 March 2013. In order to provide comparable, standardised data, and for information purposes only, the Board also examined the consolidated income statement of the Salini Group for the first quarter of 2013 on a standardised consolidation perimeter for both quarters.[2]

Using the comparable accounting perimeter, the results of the Salini Impregilo Group show **revenues** of **€859.0 million** (€809.2 million), **EBITDA** of **€88.3 million** (€83.9 million) and **EBIT** of **€45.1 million** (€50.5 million).

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[1] **The figure for 1st quarter 2013 is in parentheses. In addition, both 1st quarter 2013 and 1st quarter 2014 have been represented according to the provisions of IFRS 5 and the application of the new accounting principles explained below.**

[2] **The accounting perimeter used incorporates:**

a) **the consolidated income statement of the Salini Group for the first quarter of 2013 based on the Interim Report and represented to take into account the decision to sell the Todini Costruzioni Group in accordance with the provisions of IFRS 5 and the effects of the application of IFRS 11;**

b) **the consolidated income statement of the Impregilo Group for the same period as illustrated in the Interim Report and represented to take into account the effects of the application of IFRS 11 and IFRS 5 in relation to Fisia Babcock;**

c) **the elimination of the effects resulting from the assessment of the significant interest held by Salini in Impregilo prior to the acquisition of control and measured using the equity accounting method.**

Main consolidated economic-financial results of the Salini Impregilo Group to 31 March 2014 compared with 31 March 2013 (comparable perimeter)

The **total revenues** of the Salini Impregilo Group in the first quarter of 2014 stand at a total of **€859.0 million** (€809.2 million), showing a 6.2% increase over the same period in the previous year. The evolution of the revenues reflects the positive effects of the production of several large projects which led to an increase in revenues of approximately €138 million; these positive effects were partly offset by the temporary slow-down in production during the period in a few large projects in Venezuela and in the Panama Canal expansion works. Activities in Italy declined mainly as a result of the sale to third parties of the Tangenziale Est Esterna di Milano (Milan East Outer Ring Road), as well as the completion of several road projects.

The contribution of total revenues by geographical segments, for the first three months of 2014 and 2013, is as follows:

Revenues: Geographical breakdown

(€ million)	1st quarter 2014		1st quarter 2013		change
Italy	101.1	*11.8%*	152.0	*18.8%*	-33.5%
EU (excluding Italy)	100.1	*11.7%*	75.0	*9.3%*	33.5%
Europe non-EU	124.3	*14.5%*	50.1	*6.2%*	148.1%
Asia	44.7	*5.2%*	50.3	*6.2%*	-11.2%
Middle East	51.2	*6.0%*	41.1	*5.1%*	24.7%
Africa	235.9	*27.5%*	196.0	*24.2%*	20.4%
North America	27.5	*3.2%*	19.2	*2.4%*	42.8%
LATAM	172.7	*20.1%*	227.6	*28.1%*	-24.1%
Oceania	3.1	*0.4%*	0.0	*0.0%*	
Elisions	*(1.7)*	-0.2%	*(2.2)*	-0.3%	-20.3%
Total Revenues	**859.0**	***100.0%***	**809.2**	***100.0%***	**6.2%**

EBITDA in the first quarter of the year equalled **€88.3 million,** an improvement compared with the figure of €83.9 million for the first quarter of 2013, with a revenue margin of **10.3%** (10.4%). It is noted that this margin is in line with the target announced for 2014 (>10%). Operating costs, including subcontracts and other operating expenses, stood at €770.7 million (€725.3 million) and reflect the increase in production.

The consolidated operating result (EBIT) equalled **€45.1 million** (€50.5 million), and corresponds to an EBIT margin of **5.2%** (6.2%). The EBIT margin (Return on Sales) is also in line with the target set for year-end (>5%). The marginal decrease in EBIT for the 1st quarter of 2014 is essentially due to the increase in depreciation and amortisation linked to greater investment in plant and equipment related to a significant increase in production in several important projects.

Financial operations and investments at consolidated level generated net expenses of €16.0 million (net expense €13.8 million). Financial operations alone showed overall expenses equal to €19.8 million (€16 million), while investments contributed a positive result equal to €3.8 million (€2.2 million). The increase in net financial expenses for a total of €12.2 million essentially stems from the financial debt related to the public tender offer by Salini for Impregilo, which took place in the second quarter of 2013. Lastly, net currency operations recorded an improvement in absolute terms of €8.4 million, which reflects both the effects of the appreciation of the Euro compared with some of the foreign currencies in which some contractual cost items are stated and the positive effects produced by the existing asymmetries in the market in exchange rates in relation to several currencies for which the official exchange rates are forcibly kept fixed and the corresponding effects were not expressed in the first quarter of 2013.

The result of non-current assets held for sale was positive for €0.7 million (€52.8 million, mainly attributable to Waste-To-Energy Campania Projects). The amount for the first quarter of 2014 includes the results for the period of the three companies held for sale: the Todini Costruzioni Group positive for €4.9 million (negative for €6.3 million); WTE Campania Projects negative for €0.2 million (positive for €60.2 million); and Fisia Babcock Environment G.m.b.H. negative for €4.0 million (negative by €0.3 million). It is to be noted that the latter was sold to third parties in May 2014.

The **result for the period** is €20.2 million (€77.7 million). Minority interests impacted Group net profit negatively for €4.9 million (positive for €1.3 million). The Group net result equalled €15.3 million (€79.0 million).

The net financial position as at 31 March 2014 was -€634.1 million, with an increase of approximately €302 million compared with the figure at the end of 2013, which stood at -€331.7 million. The change in the net financial position since the end of 2013 is essentially consistent with the increase, in the same period, of net working capital of €299 million. This evolution, moreover, is deemed typical of financial dynamics in the construction sector in the first part of the year.

The **order backlog** at period end stood at approximately **€28.2 billion** (€27.7 billion at 31 December 2013), of which €21.1 billion (€21.2 billion) Construction and €7.1 billion (€6.5 billion) Concessions (full-life value).

New orders in the period equalled **€1.6 billion** and, of these, approximately:

- €1.1 billion related to the Lima Metro in Peru. The total value of the Lima Metro project is $8.6 billion, while it should be noted that the value of the civil works only is equal to $3.0 billion, of which the Salini Impregilo Group has a share of 25.5% (value of approximately €555 million). The value for the Group is completed by the share in the concession (18.3%), with a portfolio value of almost €580 million;

- €185 million relates to the Brenner Base Tunnel project. The overall value of the project is approximately €380 million, and Salini Impregilo's share is 49%.

In the second quarter Salini Impregilo was awarded another new important order:

- The Lietavská Lúčka – Dubná Skala motorway lot, in the north of Slovakia. Salini Impregilo is the leader of the consortium with a 75% stake, and the total value of the contract is worth €410 million.

Today, the Salini Impregilo Group is involved in various important tenders and commercial initiatives worth approximately €19 billion. Some of the main contracts in progress are: metro systems in South America and Asia, infrastructures in Europe, the Middle East and Australia, and hydroelectric plants in Africa, India and South America.

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Main consolidated economic-financial results of the Salini Impregilo Group as at 31 March 2014 compared with 31 March 2013 in accordance with IFRS 3.

Total Group revenues for the first quarter of 2014 stood at €859.0 million (€307.9 million). The consolidated operating result (EBIT) was positive for €45.1 million (€27.1 million) with an overall Return on Sales of 5.2%. Financial operations and investments at consolidated level generated net expenses of €16.0 million for the first quarter of 2014 (net revenues of €15.5 million). The result of assets held for sale equalled €0.7 million (loss of €6.3 million). The consolidated net result attributable to the Group for the period in question was positive for €15.3 million (€30.3 million).

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The adoption of the new IFRS accounting principles ("New IFRS")

Generally speaking it should be noted that, with effect from the current financial year, several new international accounting principles came into force, some of which specifically take on particular relevance for the purpose of this Interim Report, namely:

- *IFRS 10 – Consolidated Financial Statements*
  This document replaces SIC 12 Consolidation – Special Purpose Entities and several parts of IAS 27 Consolidated and Separate Financial Statements. The principle identifies a single control model and provides the coordinates for the purpose of determining their existence or lack of existence, in a more detailed way. This provision takes on particular significance with reference to cases which can be qualified as "de facto control" even if the essential conditions under the scope of which the control position is qualified have not essentially changed compared with the provisions of the principles previously in force.
- *IFRS 11 – Joint Arrangements*

  This document replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities – Non-monetary Contributions by Venturers. The principle provides the criteria for identifying and classifying a jointly controlled agreement based on the rights and obligations arising from the contract, leaving aside the legal form of the agreement. The principle differentiates between the accounting methods according to the classification of the operation in the Joint Operation or in the Joint Venture eliminating the possibility of treating the same types of agreement in accounting terms according to different methods and, conversely, defining a unique criterion based on the rights and obligations of the actual agreement.
- *IAS 28 – Investments in Associates and Joint Ventures*
  This document defines the accounting treatment of investments in associates and in joint ventures and is a reworking of the old IAS 28 in the light of the new features introduced through IFRS 10 and 11.

With the adoption of these principles, which was also applied to the 2013 results to permit a comparable analysis of the data, no significant balance sheet or income statement differences were revealed as a consequence of the adoption of the new IAS 28 and IFRS 10. However, differences were recorded with regard to the application of IFRS under the scope of some Italian and foreign Special Purpose Vehicles

("SPVs"), all belonging to the Impregilo Group and invested in jointly by other companies, which were classified preliminarily for the first quarter of 2014 as joint ventures, according to IFRS 11 and consequently according to the equity method. In spite of this reclassification, no significant differences in relation to total revenues booked or in the shareholders' equity of the Group were evidenced, while there were some limited differences in relation to individual assets and liabilities.

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Significant events after the end of the period

On 7 May 2014 – as previously announced in the press release of 19 March – the closing took place of the transaction through which Impregilo International Infrastructures N.A., a Dutch company wholly owned by Salini Impregilo S.p.A., sold the investment equal to the entire share capital of Fisia Babcock Environment GmbH to the Japanese company Nippon Steel & Sumikin Engineering Co., Ltd.. Fisia Babcock is a company under German law operating in the flue-gas treatment and waste-to-energy sector. The sale consideration of €139.3 million, received on the same date, was partly used to eliminate the Group debt-to-credit rapport with the subsidiary standing at €74.5 million. The sale was later finalised at the end of the first quarter of 2014 and in the statement of financial position, statement of income and statement of cash flows of the Group at 31 March 2014 the investment in this company was congruently reclassified under "Non-current assets held for sale" pursuant to IFRS 5.

The Ordinary Shareholders' Meeting was held on 30 April 2014 and resolved, among other things, to distribute a dividend for savings shares, of €0.26 per savings share for an overall value of €420,027.66. The ex-dividend date is set for 26 May 2014 and the payment date for 29 May 2014.

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Business outlook for the year in progress

In the light of the results for the first quarter, which reflect the normal cyclical trend of the construction industry, the substantial alignment with the forecasts of the annual budget is underlined. The 2014 targets approved last March 20 are confirmed:

- Revenues ~+10%
- EBITDA margin >10%
- EBIT margin >5%
- NFP break-even

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Approval of Pro-forma results at 31 December 2013

Lastly, for reasons of transparency and clarity, the Board of Directors approved the pro-forma results for year-end 2013. These figures are reported in an ad hoc table under the Investor Relations section on the website www.salini-impregilo.com.

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

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The consolidated reclassified tables of the income statement, the consolidated balance sheet and the statement of cash flows of the Salini Impregilo Group as at 31 March 2014 are attached.

RECLASSIFIED INCOME STATEMENT OF SALINI IMPREGILO

Thousand €	1st Quarter 2014	1st Quarter 2013* of Salini Group	change
Operating revenue	813,643	305,825	507,818
Other revenue	45,343	2,035	43,308
Total revenue	**858,986**	**307,860**	**551,126**
Costs	(770,688)	(261,975)	(508,713)
Gross operating profit	**88,298**	**45,885**	**42,413**
Gross operating profit %	10.3%	14.9%	
Amortisation and deprecation	(43,231)	(18,750)	(24,481)
Operating profit (loss)	**45,067**	**27,135**	**17,932**
Return on Sales %	5.2%	8.8%	
Net financing expenses	(19,777)	(4,788)	(14,989)
Net gains on investments	3,793	20,308	(16,515)
Net financing expenses and net gains on investments	**(15,984)**	**15,520**	**(31,504)**
Profit (loss) before tax	**29,083**	**42,655**	**(13,572)**
Income tax expense	(9,597)	(7,202)	(2,395)
Profit (loss) from continuing operations	**19,486**	**35,453**	**(15,967)**
Profit from discontinued operations	725	(6,289)	7,014
Profit (loss) for the period	**20,211**	**29,164**	**(8,953)**
Non-controlling interests	(4,919)	1,164	(6,083)
Profit (loss) for the period attributable to the owners of the parent	**15,292**	**30,328**	**(15,036)**

(*) economic data for the first quarter of 2013 have been restated in accordance with IFRS 3 and IFRS 5, also referring to this period, the Impregilo Group was valued according to the equity method.

RECLASSIFIED INCOME STATEMENT OF SALINI IMPREGILO

Thousand €	1st Quarter 2014	1st Quarter 2013 of Salini Group restated on comparable basis	change
Operating revenue	813,643	794,917	18,726
Other revenue	45,343	14,290	31,053
Total revenue	**858,986**	**809,207**	**49,779**
Costs	(770,688)	(725,308)	(45,380)
Gross operating profit	**88,298**	**83,899**	**4,399**
Gross operating profit %	10.3%	10.4%	
Amortisation and deprecation	(43,231)	(33,386)	(9,845)
Operating profit (loss)	**45,067**	**50,513**	**(5,446)**
Return on Sales %	5.2%	6.2%	
Net financing costs	(19,777)	(15,981)	(3,796)
Net gains on investments	3,793	2,178	1,615
Net financing costs and net gains on investments	**(15,984)**	**(13,803)**	**(2,181)**
Profit (loss) before tax	**29,083**	**36,710**	**(7,627)**
Income tax expense	(9,597)	(11,882)	2,285
Profit (loss) from continuing operations	**19,486**	**24,828**	**(5,342)**
Profit from discontinued operations	725	52,841	(52,116)
Profit (loss) for the period	**20,211**	**77,669**	**(57,458)**
Non-controlling interests	(4,919)	1,343	(6,262)
Profit (loss) for the period attributable to the owners of the parent	**15,292**	**79,012**	**(63,720)**

RECLASSIFIED CONSOLIDATED BALANCE SHEET OF SALINI MPREGILO

Thousand €	31 March 2014	31 December 2013*	change
Non-current assets	827,683	843,149	(15,466)
Non-current assets held for sale, net	246,624	235,543	11,081
Provisions for risks	(105,014)	(105,023)	9
Post-employment benefits and employee benefits	(18,863)	(20,508)	1,645
Other non-current assets, net	7,707	7,808	(101)
Net tax assets	104,295	81,153	23,142
Inventories	*223,936*	*215,321*	*8,615*
Contract work in progress	*1,240,846*	*1,105,176*	*135,670*
Progress payments and advances on contract work in progress	*(1,524,075)*	*(1,563,429)*	*39,354*
Receivables	*1,698,326*	*1,610,386*	*87,940*
Payables	*(1,285,836)*	*(1,270,279)*	*(15,557)*
Other current assets	*334,134*	*296,583*	*37,551*
Other current liabilities	*(206,916)*	*(212,023)*	*5,107*
Working capital	480,415	181,735	298,680
Net invested capital	**1,542,847**	**1,223,857**	**318,990**
Equity attributable to the owners of the parent	**870,097**	**699,041**	**171,056**
Non-controlling interests	38,655	193,108	*(154,453)*
Equity	**908,752**	**892,149**	**16,603**
Net financial position	**634,095**	**331,708**	**302,387**
Total financial resources	**1,542,847**	**1,223,857**	**318,990**

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

CONSOLIDATED CASH FLOW OF SALINI IMPREGILO

Thousand €	1st Quarter 2014	1st Quarter 2013*
Cash and cash equivalents	908,631	411,703
Current account facilities	(132,589)	(92,820)
Total opening cash and cash equivalents	**776,042**	**318,883**
Operating activities		
Profit (loss) from continuing operations	20,211	29,165
Amortisation and deprecation	49,040	23,073
Operating cash flow	**(274,626)**	(82,069)
Cash generated (absorbed) from investment	**(27,762)**	**(48,499)**
Cash generated (absorbed) from financing	**36,826**	**(23,409)**
Increase (decrease) in cash and cash equivalents	**(265,562)**	**(153,977)**
Cash and cash equivalents	712,485	291,107
Current account facilities	(202,005)	(126,201)
Total closing cash and cash equivalents	**510,480**	**164,906**

(*) economic data for the first quarter of 2013 have been restated in accordance with IFRS 3 and IFRS 5, also referring to this period, the Impregilo Group was valued according to the equity method.