

Press Release

Preliminary FY16 Consolidated Financial Results

Exceeded 2016 targets, hit for the 3° year in a row

Excellent Lane performance

Net Debt at €350 million better than target

Total new orders acquired and to be finalized in the first two months 2017 for €1.7 billion

Total Group

- Solid level of new orders of €7.3 billion; 2016 target of >1.1x book-to-bill exceeded
- Strong Backlog of €36.9 billion and robust short pipeline of €16 billion tenders
- Revenues at €6.1 billion; +1.1% vs FY15
- EBITDA and EBIT growth vs. FY15, respectively at +9.3% +5.6%
- Profitability increase: EBITDA margin at 9.1% (8.5% in FY15) and EBIT margin at 4.9% (4.7% in FY15)
- Gross Debt reduced more than €150 million compared to June 2016 and almost unchanged vs. FY15

Lane

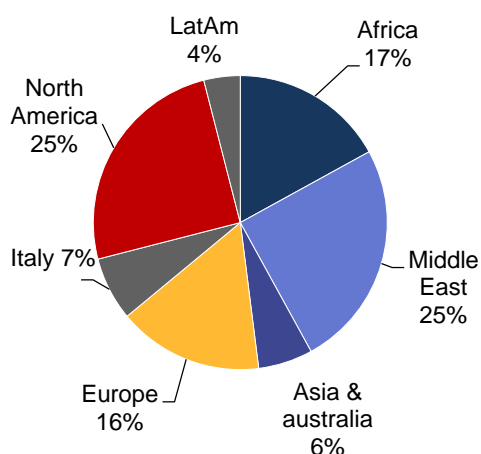
- Record backlog of €2.5 billion
- 2017 new orders of €850 million already acquired
- Positive cashflow generation
- Net cash position: positive for about €100 million

Milan, 23 February 2017 - The Board of Directors of Salini Impregilo (MTA:SAL) met today to review the preliminary 2016 consolidated financial results, which have not yet been audited by the independent Auditors¹.

¹ Reported data for both years refer to operating results. Moreover, 2015 figures are presented on an aggregate basis for comparison purposes. The reconciliation with the IFRS accounting data is presented in the attached annex.

Key Financials €/bn	Total Group			Lane		
	2015	2016	Var in %	2015	2016	Var in %
Revenues	6,052	6,115	1.1%	1,468	1,544	5.2%
EBITDA	512	559	9.3%	68	73	7.6%
<i>EBITDA margin</i>	8.5%	9.1%		4.6%	4.7%	
EBIT	281	297	5.6%	37	38	2.8%
<i>EBIT margin</i>	4.7%	4.9%		2.5%	2.5%	
Net Cash/(Debt)	(370)	(351)		85	96	

Performance by geographical segment



USA

The United States market, thanks to the acquisition of Lane Industries Inc. at the start of 2016, has become one of the biggest markets, representing 25% of Group revenues.

The growth prospects for the U.S. infrastructure market in the coming years appear to be more than promising. The need to rebuild the country's infrastructure has been outlined by the Trump administration as a key priority. President Trump has made a specific reference to an ambitious programme involving roads, bridges, tunnels, airports, ports and railways for about \$1 trillion over ten years. According to American Society of Civil Engineering estimated infrastructures investments needed US by 2020 is \$3.6 trillion.

This could provide an excellent opportunity for the Group to seize through its U.S. subsidiaries Lane Industries Inc and SA Healy.

Europe & Italy

Europe including Italy, accounts for another 23% contribution to Group revenues.

In Italy, the Group is involved in two major projects: the Milan-Genoa high-speed, high-capacity railway line, or the so-called Terzo Valico, and the Verona-Padua high-speed, high-capacity railway line.

In Denmark, the Group is involved in the construction of Copenhagen's Cityringen metro line. Work on the project, one of the Group's largest, is progressing and is more than 84% complete.

Middle East

The Middle East, contributes for 25% to Group revenues. The three major projects in the area, the Riyadh metro in Saudi Arabia, the Red Line of the Doha metro and the Al Bayt stadium in Doha in Qatar, were respectively 40%, 69% and 21% complete at the end of 2016.

The Middle East is expected to have moderate economic growth. The most important markets in the Middle East (Saudi Arabia, United Arab Emirates and Qatar) are showing slightly more positive expectations compared with the previous year that could herald a recovery in investment in infrastructure in the region.

Africa

Africa represents a 17% contribution to Group revenues. The Group was awarded, Koysha dam in Ethiopia last May. The works started last fall for which a substantial cash advance has already received. Work is also progressing regularly on the GERD (Grand Ethiopian Renaissance Dam), one of the largest infrastructure projects in Africa that, once completed, will become the third largest dam in the world. GERD dam was 65% complete at the end of 2016.

Africa shows the strongest growth expectations among the various geographic regions (+4.4% annual average between 2016 and 2020), thanks to the recovery of investments in infrastructures and the more positive economic growth prospects.

Net financial position

Gross debt amounts to about €2.3 billion, including bank loans of about €1.2 billion - of which about €0.9 billion medium long term facilities – about €0.9 billion for bonds and leasing for about €0.2 billion. Total cash and other financial assets amount to about €2.0 billion including €1.6 billion of cash & cash equivalents and €0.4 billion of other financial assets. Consolidated net debt was about €350 million at the end of 2016.

New orders and backlog

New orders totaled €7.3 billion, achieving a book to bill of 1.2x, greater than the 1.1x target declared for 2016.

Main orders acquired in FY16 by **Salini Impregilo** include:

- Construction of the 2,200 MW Koysha hydroelectric dam in Ethiopia for €2.5 billion;
- Construction of a hydroelectric Tajikistan project worth €1.8 billion under a framework agreement worth a combined total of approximately €3.5 billion. With an installed capacity of 3,600 MW, the dam will be the tallest in the world and double the country's energy production;
- Design, construction and maintenance of an underground passenger rail line in Perth, Australia, for €790 million;

- Creation of a 12,000-hectare urban residential development northwest of Kuwait City as part of the South Al Mutlaa Housing Project for €467 million;
- Construction of three lots of roadwork in the city of Florianopolis, Brazil for €99 million.

Main orders acquired in FY16 by **Lane Industries Inc.** include:

- Design and construction of the Purple Line transit system in Maryland, U.S.A.: \$2 billion contract (30% of which is held by Lane for €609 million);
- Total Plants & Pavings for €518 million;
- Mid South GAH – Highway equal to €114 million;
- Charleston Port access equal to €96 million;
- Total other projects equal to €237 million.

At the end of 2016, total **backlog** was €36.9 billion, of which €29.4 billion (€26.9 billion related to Salini Impregilo and €2.5 billion to Lane Industries Inc.) is related to construction and € 7.5 billion to concessions.

The Board of Directors will review for approval Salini Impregilo S.p.A.'s consolidated financial results ended December 31, 2016 on March 15 as indicated in the 2017 financial calendar.

Disclaimer

This press release contains forward-looking statements. These statements are based on current expectations and projections of the Group regarding future events and, by their very nature, are exposed to inherent risks and uncertainties. These statements relate to events and depend on circumstances that may or may not occur or exist in the future. Accordingly, readers should not place undue reliance on them. Actual results may differ materially from those stated due to multiple factors, including: the volatility and deterioration of capital and financial markets, changes in commodity prices, changes in macroeconomic conditions and economic growth and other changes in business conditions, changes in atmospheric conditions, floods, earthquakes or other natural disasters, changes in the regulatory and institutional framework (both in Italy and abroad), production difficulties, including constraints on the use of plants and supplies and many other risks and uncertainties, most of which are outside the Group's control.

Salini Impregilo is a leading global player in the construction of major complex infrastructures. It specializes in the water sector, where it is recognized by the Engineering News-Record as the global leader for the 3rd consecutive year, as well as railways and metro systems, bridges, roads and motorways, large civil and industrial buildings, and airports. The Group has 110 years of applied engineering experience on five continents, with design, engineering and construction operations in 50 countries and more than 35,000 employees from 100 nationalities. Salini Impregilo is a signatory of the United Nations Global Compact and pursues sustainable development objectives to create value for its stakeholders. It assists clients in strategic areas including energy and mobility, helping to drive development and well-being for current and future generations. Its leadership is reflected by projects such as the expansion of the New Panama Canal, the Grand Ethiopian Renaissance Dam in Ethiopia, the Cityringen metro in Copenhagen, the new Riyadh Metro, the Stavros Niarchos cultural centre in Athens, the New Gerald Desmond Bridge in Long Beach in USA. In 2016, its revenues totalled €6,1 billion (including Lane Construction, Salini Impregilo's U.S. subsidiary, leader in the highway sector in the US), with a total backlog of €36,9 billion. Salini Impregilo Group is headquartered in Italy and is listed on the Milan Stock Exchange (Borsa Italiana: SAL; Reuters: SALI.MI; Bloomberg: SAL:IM). For more information, visit our website at www.salini-impregilo.com and follow us on Twitter @SaliniImpregilo.

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ANNEX

	Work under Management 2016			Work under Management 2015		
	Gruppo Salini Impregilo	Risultati JV non controllate	Totale incluso Wum	Gruppo Salini Impregilo Aggregato con Lane	Risultati JV non controllate	Totale incluso Wum
Total Revenues	5,875	241	6,115	5,854	197	6,051
EBITDA	535	24	559	487	25	512
EBITDA %	9.1%		9.1%	8.3%		8.5%
EBIT	273	24	297	257	25	281
Net Financial Position	(351)			(370)		

NOTE

The financial results for the year 2016 were obtained by adjusting the IFRS income statement figures, prepared for consolidation purposes to reflect on a proportional basis the operating results of joint ventures not controlled by Lane Group. The figures represented as such show the business performance of projects managed by Lane Group directly and through its non-controlling interest in joint ventures (work under management).

Operating results for the year 2015, provided for comparative purposes, were obtained as follows:

- The 2015 IFRS income statement figures of Salini Impregilo Group have been restated to reflect the different reclassification of assets held for sale;
- The 2015 IFRS accounting figures of Lane Group were aggregated to the adjusted IFRS income statement figures of the Salini Impregilo Group, obtained as above;
- The aggregate financial data, as determined above, have been adjusted to represent on a proportional basis the 2015 results of joint ventures non controlled by the Lane Group (works under management).

Lastly, the Net Financial Position at 31 December 2015 was obtained by aggregating the 2015 IFRS statement of financial position figures of the Salini Impregilo Group to the IFRS accounting figures of the Lane Group, also including the financial debt for the acquisition of the company itself.