

PRESS RELEASE

APPROVAL OF PROGETTO ITALIA

MILAN, August 2, 2019 – Salini Impregilo S.p.A. (“**Salini Impregilo**” or “**the Company**”) announces the launch of a project aimed at strengthening the national sector of public works and construction (“**Progetto Italia**” or “**Project Italy**”), which is part of the Company’s broader industrial plan for the 2019-2021 period (“**Industrial Plan**”).

For the purposes of developing Project Italy, the Company today has signed two investment agreements. The first investment agreement has been entered into with the controlling shareholder Salini Costruttori S.p.A. and CDP Equity S.p.A. (“**CDP Equity**”), a company controlled by Cassa Depositi e Prestiti S.p.A., while the second has been entered into with three leading Italian financial institutions (“**Financing Banks**”). The investment agreements (together, the “**Agreements**”) provide for the investment by Salini Costruttori S.p.A., CDP Equity and the Financing Banks, on the same terms and conditions, in the context of the Capital Increase.

Project Italy is based on a solid industrial rationale that favours growth in scale and strengthens the Company’s profitability and financial structure, which were already objectives under Salini Impregilo’s Industrial Plan but are now on an accelerated timeline.

In particular, Project Italy aims at implementing:

- Aggregation with other Italian sector operators characterised by industrial excellence in diverse segments of the construction and infrastructure market;
- Greater efficiency within the Group, by means of economies of scale and a reduction in order book volatility;
- the strengthening of competitiveness by means of an aggregation of specialised expertise in order to (i) gain a leadership in various asset classes, (ii) take full advantage of the opportunities offered in the global market, where €630 billion of infrastructure projects¹ are expected in the next three years, and (iii) implement a much more efficient bidding strategy with a focus on de-risking the portfolio;
- economies of scope (enhancing the Group’s expertise), with a positive impact on the effectiveness of operational management, acting on an expanded technical expertise, in particular on high complexity asset classes;
- greater capitalisation and financial flexibility that will allow for greater investment capabilities in new technologies, in health and safety and, more generally, in process innovation;
- greater attractiveness of the Group for talent and human capital.

Project Italy also represents an opportunity to strengthen Italy’s construction sector (which is strategic for the country, representing 8% of national GDP², but which is highly fragmented) and its supply chain. It seeks to help restart numerous projects that are currently blocked across the country (about €36 billion in total³, each valued at more than €100 million) and safeguard those planned for the next three years, with potential benefits in terms of GDP and employment.

¹ Source: Salini Impregilo Analysis based on CIC and market intelligence data.

² Source: Istat (2016)

³ Source: ANCE (July 2018).

Salini Impregilo has prepared a financial package to support Project Italy and its Industrial Plan, structured as follows:

1) Capital Increase

With the execution of the Agreements, Salini Impregilo has undertaken to start the activities for the execution of a non-divisible (*inscindibile*) Capital Increase, to be delegated to the Board of Directors pursuant to Article 2443 of the Italian Civil Code, for a total amount of €600 million, with no pre-emptive subscription rights for existing shareholders, offered to institutional investors (“**Institutional Offer**”), including Salini Costruttori, CDP Equity and the Financing Banks.

The Agreements signed today in relation to Project Italy include, subject to the fulfilment of certain conditions precedent, underwriting commitments related to the Capital Increase by Salini Costruttori for €50 million, by CDP Equity for €250 million and by the Financing Banks for an aggregate amount of €150 million. In the context of the transaction, the Company has also executed a stand-by pre-underwriting agreement with certain financial institutions (“**Joint Global Coordinators**”) pursuant to which the Joint Global Coordinators undertook - subject to the fulfilment of certain conditions—to enter into an underwriting agreement for the newly issued shares that remain unsubscribed at the end of the Institutional Offer in the context of the Capital Increase, for an aggregate amount of up to €150 million.

The net proceeds of the Capital Increase will be used primarily to support Project Italy and, more generally, the Industrial Plan, which includes Project Italy.

2) Credit Lines

In addition, Salini Impregilo has received a commitment from certain leading credit institutions to increase the financial flexibility of the new group. The financial package for Project Italy, which involves the Company and Astaldi S.p.A., is in line with what was already communicated to the market on July 16, 2019. Its objective will be to strengthen the Group’s financial structure that, within the context of Project Italy, would see a reduction in the gross leverage ratio.

The Extraordinary Shareholders’ Meeting that will be called to approve the Capital Increase will also be called to approve, among other items, amendments to the Company’s by-laws in order to reflect the agreements among Salini Costruttori, Salini Impregilo and CDP Equity regarding Salini Impregilo’s corporate governance, aimed at increasing the ability to achieve Project Italy’s objectives. The aforementioned amendments include, among others, a Board of Directors consisting of a fixed number of 15 members, the majority of whom must be independent in accordance with international best practice. The current allocation of the Directors taken from the first two lists remains unchanged.

CDP Equity will appoint 5 Members, among which an independent Chairman, who will be nominated with the prior approval of Salini Costruttori.

The Parties have also agreed to establish a Strategic Committee in order to support the Board of Directors in



implementing Project Italy through to completion. Salini Impregilo's Shareholders' Meeting will also be called to approve the introduction of the majority vote pursuant to Article 127-quinquies of the Italian Legislative Decree no. 58/1998 ("*Testo Unico della Finanza*"). The two-year holding period of shares granting double voting rights to shareholders who are registered on a special list will start at the completion of Project Italy.

The provisions of the Agreements which have the nature of shareholders' agreements pursuant to Article 122 of the Italian Legislative Decree no. 58/1998 ("*Testo Unico della Finanza*") will be published in compliance with law and regulatory terms.

With the signing of the Investment Agreements with CDP Equity and the Financing Banks and the commitment on the part of some credit institutions, the conditions precedent relating to funding, referred to in the offer letter ("**Astaldi Offer**") submitted to Astaldi on July 15, has been waived, subject to the terms and conditions set forth in the agreements. Consequently, the Company's Board of Directors, taking into consideration the commitment by Salini Costruttori, CDP Equity, the Financing Banks and the other credit institutions involved in the transaction to support the asset and financial plan, who are expected to provide the resources necessary to implement Project Italy, approved the confirmation given by the Company to Astaldi of the validity of the Astaldi Offer to support Astaldi's arrangement with creditors (*concordato preventivo*). The Astaldi Offer remains subject, among other things, to the positive outcome of Astaldi's arrangement with creditors (*concordato preventivo*), the absence of any event that could put at risk the feasibility of the economic and financial continuity plan, without prejudice to antitrust laws and the absence of commitments, conditions, or obligations for Salini Impregilo and/or Astaldi.

This statement has also been distributed on behalf of Salini Costruttori, which controls Salini Impregilo and exercises on Salini Impregilo direction and coordination powers.

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The Joint Global Coordinators are acting for the Company and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to any transaction or arrangement referred to in this communication.

Salini Impregilo is one of the major global players in the construction of large, complex civil infrastructure. It is a leader in the water sector such as dams and water treatment plants, as well as transport, where it is involved in the biggest sustainable mobility projects in rail and metro systems. Its record includes some of the world's most iconic projects in bridges, roads and motorways, civil and industrial buildings, and airports. The Group has 113 years of engineering experience on five continents, with design, engineering and construction operations in nearly 50 countries and more than 35,000 employees from more than 100 nationalities. It is a signatory of the United Nations Global Compact as it pursues the sustainable development goals of its clients, from clean water and energy to sustainable mobility to buildings with a low environmental impact. Its expertise is displayed in projects such as the Grand Paris Express metro system, Cityringen in Copenhagen, Sydney Metro Northwest, Red Line North Underground in Doha and Line 3 of the Riyadh Metro. Other projects include the



expansion of the Panama Canal, the Rogun hydroelectric dam in Tajikistan, the Anacostia River and Northeast Boundary tunnels in Washington, D.C. and the Al Khor 2022 World Cup stadium in Qatar. In 2018, new orders totalled €6.0 billion, with a total backlog reaching €33.4 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).

[More information at www.salini-impregilo.com](http://www.salini-impregilo.com)



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