



SNC • LAVALIN

Press Release

FOR IMMEDIATE RELEASE

SNC-Lavalin completes sale of 10.01% stake of Highway 407 ETR

MONTREAL: August 15, 2019 – SNC-Lavalin (TSX:SNC) is pleased to announce that it has completed the sale of the 10.01% stake of 407 International Inc. (“Highway 407 ETR”) to a company controlled by Canada Pension Plan Investment Board (“CPPIB”). Based on the terms of the agreement, SNC-Lavalin received on closing the base purchase price proceeds of \$3.0 billion, with up to an additional \$250 million contingently payable over a period of 10 years, conditional on the attainment of certain financial thresholds related to the ongoing performance of Highway 407 ETR.

Net proceeds from this transaction will be used (i) for the repayment of approximately \$600 million under the CDPQ loan agreement; and (ii) for the execution of the Company’s deleveraging plans, including paying down the revolving credit facility and the bridge loan.

“The closing of the sale is an important milestone for SNC-Lavalin that contributes to a strengthening of our capital structure. This de-leveraged capital structure will better position us to deliver and execute on our recently announced new strategic direction,” said Ian L. Edwards, Interim President and Chief Executive Officer, SNC-Lavalin. “Proceeds from this transaction will enable SNC-Lavalin to undertake our planned course of action designed to achieve long-term financial strength.”

“SNC-Lavalin retains a 6.76% stake in Highway 407 ETR, along with a number of material investments in other Canadian assets,” confirmed Stephanie Vaillancourt, Executive Vice-President, Capital and Treasurer, SNC-Lavalin. “We believe that the value realized through this transaction demonstrates the inherent value in our Capital investments.”

Following the closing of the deal, the shareholders of Highway 407 ETR will now consist of companies controlled by CPPIB owning approximately 50.01% of the common shares, a subsidiary of Cintra Global S.E., itself a subsidiary of Ferrovial S.A., with 43.23% of the shares, and SNC-Lavalin, with 6.76% of the common shares.

About SNC-Lavalin

Founded in 1911, SNC-Lavalin is a global fully integrated professional services and project management company and a major player in the ownership of infrastructure. From offices around the world, SNC-Lavalin’s employees think beyond engineering. Our teams provide comprehensive end-to-end project solutions – including capital investment, consulting, design, engineering, construction management, sustaining capital and operations and maintenance – to



clients across the EDPM (engineering, design and project management), Infrastructure, Nuclear, and Resources businesses. www.snclavalin.com

Forward-looking Statements

Statements made in this press release that describe the Company's or management's estimates, expectations, forecasts, objectives, predictions, projections of the future or strategies may be "forward-looking statements", which can be identified by the use of the conditional or forward-looking terminology such as "aims", "anticipates", "assumes", "believes", "cost savings", "estimates", "expects", "goal", "intends", "may", "plans", "projects", "should", "synergies", "target", "vision", "will", or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts, including those relating to the anticipated future completion (including the timing thereof) of the sale by the Company of 10.01% of the shares of 407 International Inc. described in this press release as well as the benefits thereof to the Company, including its financial position. All such forward-looking statements are made pursuant to the "safe-harbour" provisions of applicable Canadian securities laws. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that its actual actions and/or results could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular forward-looking statement materializes. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Company's current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Company's business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

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For more information

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