

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and address of the company

SNC-Lavalin Group Inc. (**SNC-Lavalin** or the **Corporation**)
455 René-Lévesque Blvd. West
Montréal, Québec H2Z 1Z3

2. Date of material change

February 27, 2012

3. News release

A news release was issued, both in French and English, on February 28, 2012 at approximately 7:30 a.m. (EST), and the English version is attached as Schedule A of this material change report.

4. Summary of material change

On February 28, 2012 at approximately 7:30 a.m. (EST), SNC-Lavalin announced that its 2011 net income is expected to be approximately 18% below its previously announced 2011 outlook. Moreover, the Corporation announced that its Board of Directors has initiated an independent investigation, led by its Audit Committee, of the facts and circumstances surrounding period expenses of \$35 million relating to certain payments made in the fourth quarter of 2011 that were documented to construction projects to which they did not relate, and certain other contracts. Finally, SNC-Lavalin announced that it is working towards announcing and filing its 2011 fourth quarter and year-end financial results as soon as reasonably possible and in any event prior to March 30, 2012.

5. Full description of material change

On February 28, 2012 at approximately 7:30 a.m. (EST), SNC-Lavalin announced that its 2011 net income is expected to be approximately 18% (or approximately \$80 million) below its previously announced 2011 outlook. Of this amount, the following items are expected to be recorded in the fourth quarter of 2011:

- A loss of approximately \$23 million from a revised position of the Corporation's net financial exposure on its Libyan projects;
- Unfavourable cost reforecasts on certain projects in its Infrastructure and Environment and Chemicals and Petroleum segments; and

- Period expenses of approximately \$35 million relating to certain payments made in the fourth quarter of 2011 that were documented to construction projects to which they did not relate and, consequently, had to be recorded as expenses in the quarter.

The Corporation's Board of Directors initiated an independent investigation, led by its Audit Committee, of the facts and circumstances surrounding the \$35 million of payments referred to above and certain other contracts. Independent legal counsel were retained in this connection. The investigation's current findings support the Corporation's accounting treatment of these payments. The Board of Directors is taking steps to implement changes and further appropriate actions arising from the investigation.

The Corporation is working with its external auditors and legal advisors to resolve all issues relating to the investigation to permit the auditors to deliver their audit report on a timely basis. The Corporation is working towards announcing and filing its 2011 fourth quarter and year-end financial results as soon as reasonably possible and in any event prior to March 30, 2012.

Reference in this Material Change Report, and hereafter, to the "Corporation" or to "SNC-Lavalin" means, as the context may require, SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint ventures, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint ventures. Statements made in this Material Change Report that describe the Corporation's or management's budgets, estimates, expectations, forecasts, objectives, predictions or projections of the future may be "forward-looking statements", which can be identified by the use of the conditional or forward-looking terminology such as "anticipates", "believes", "estimates", "expects", "may", "plans", "projects", "should", "will", or the negative thereof or other variations thereon. The Corporation 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 projection materializes. For more information on risks and uncertainties, and assumptions that would cause the Corporation's actual results to differ from current expectations, please refer to the section "Risks and Uncertainties" and the section "How We Analyze and Report our Results", respectively, in the Corporation's 2010 Financial Report under "Management's Discussion and Analysis". These risks and uncertainties also include the ability to conclude the independent investigation in a timely manner, the results of the investigation and any further matters identified by the investigation that need to be reflected in the financial results of the Corporation. The forward-looking statements herein reflect the Corporation's expectations as at the date of this Material Change Report and are subject to change after this date. The Corporation does not undertake any obligation to update publicly or to revise any such forward-looking statements, unless required by applicable legislation or regulation.

6. Reliance on subsection 7.1(2) of the National Instrument

Not applicable.

7. Omitted Information

Not applicable.

8. Executive officer

For any additional information, please contact :

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SNC-Lavalin Group Inc.
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9. Date of report

March 1, 2012

SNC-Lavalin Group Inc.

By: *(signed) Réjean Goulet*

Réjean Goulet, Senior Vice-President and General Counsel

SCHEDULE A

FOR IMMEDIATE RELEASE

SNC-LAVALIN PROVIDES UPDATE ON ANNOUNCEMENT OF 2011 FINANCIAL RESULTS AND IMPACT ON 2011 OUTLOOK

N.B.: All amounts indicated are in Canadian dollars.

MONTREAL: February 28, 2012 --- SNC-Lavalin Group Inc. (TSX: SNC) announced today that its 2011 net income is expected to be approximately 18% (or approximately \$80 million) below its previously announced 2011 outlook. Of this amount, the following items are expected to be recorded in the fourth quarter of 2011:

- A loss of approximately \$23 million from a revised position of the Company's net financial exposure on its Libyan projects;
- Unfavourable cost reforecasts on certain projects in its Infrastructure and Environment and Chemicals and Petroleum segments; and
- Period expenses of approximately \$35 million relating to certain payments made in the fourth quarter of 2011 that were documented to construction projects to which they did not relate and, consequently, had to be recorded as expenses in the quarter.

The Company's Board of Directors initiated an independent investigation, led by its Audit Committee, of the facts and circumstances surrounding the \$35 million of payments referred to above and certain other contracts. Independent legal counsel were retained in this connection. The investigation's current findings support the Company's accounting treatment of these payments. The Board of Directors is taking steps to implement changes and further appropriate actions arising from the investigation.

The Company is working with its external auditors and legal advisors to resolve all issues relating to the investigation to permit the auditors to deliver their audit report on a timely basis. The Company is working towards announcing and filing its 2011 fourth quarter and year-end financial results as soon as reasonably possible and in any event prior to March 30, 2012.

SNC-Lavalin (TSX: SNC) is one of the leading engineering and construction groups in the world and a major player in the ownership of infrastructure, and in the provision of operations and maintenance services. SNC-Lavalin has offices across Canada and in over 40 other countries around the world, and is currently working in some 100 countries. www.snclavalin.com

FORWARD LOOKING STATEMENT

Reference in this press release, and hereafter, to the “Company” or to “SNC-Lavalin” means, as the context may require, SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint ventures, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint ventures. Statements made in this press release that describe the Company’s or management’s budgets, estimates, expectations, forecasts, objectives, predictions or projections of the future may be “forward-looking statements”, which can be identified by the use of the conditional or forward-looking terminology such as “anticipates”, “believes”, “estimates”, “expects”, “may”, “plans”, “projects”, “should”, “will”, or the negative thereof or other variations thereon. 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 projection materializes. For more information on risks and uncertainties, and assumptions that would cause the Company’s actual results to differ from current expectations, please refer to the section “Risks and Uncertainties” and the section “How We Analyze and Report our Results”, respectively, in the Company’s 2010 Financial Report under “Management’s Discussion and Analysis”. These risks and uncertainties also include the ability to conclude the independent investigation in a timely manner, the results of the investigation and any further matters identified by the investigation that need to be reflected in the financial results of the Company. The forward-looking statements herein reflect the Company’s expectations as at the date of this press release and are subject to change after this date. The Company does not undertake any obligation to update publicly or to revise any such forward-looking statements, unless required by applicable legislation or regulation.

For further information, please contact:

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