



› FOR IMMEDIATE RELEASE

SNC-Lavalin announces solid earnings in Q1 2017, with a net income attributable to SNC-Lavalin shareholders of \$90 million

- › Reported Q1 2017 IFRS net income attributable to SNC-Lavalin shareholders of \$89.7 million, or \$0.60 per diluted share.
- › Q1 2017 G&A expenses of \$107.8 million, 12.1% lower versus Q1 2016.
- › Q1 2017 adjusted net income from E&C⁽¹⁾ of \$60.7 million, or \$0.40 per diluted share.
- › 2017 Outlook maintained: adjusted diluted EPS from E&C⁽²⁾ in the range of \$1.70 to \$2.00.

MONTREAL: May 4, 2017 - SNC-Lavalin Group Inc. (TSX:SNC) announces its results today for the first quarter ended March 31, 2017.

“We are pleased with our first quarter performance, all four segments and the Capital group performing slightly ahead of our expectations, and we are on track to meet our 2017 outlook,” said Neil Bruce, President and Chief Executive Officer, SNC-Lavalin Group Inc. “We are also very pleased with the recently announced proposed acquisition of WS Atkins, as we continue to execute on our growth strategy. This announcement reflects our progress towards our goal to position SNC-Lavalin to benefit from the expected future growth that is ahead, particularly in Infrastructure and Nuclear sectors.”

- › Q1 2017 reported IFRS net income attributable to SNC-Lavalin shareholders was \$89.7 million, or \$0.60 per diluted share, compared with \$122.1 million, or \$0.81 per diluted share, for the corresponding period in 2016. Q1 2016 Reported IFRS net income attributable to SNC-Lavalin shareholders included a net gain after taxes of \$51.1 million, or \$0.34 per diluted share, on Capital investments disposals.
- › Selling, general and administrative (SG&A) expenses in Q1 2017 were \$157.1 million compared with \$168.1 million, in Q1 2016. General and administrative (G&A) expenses decreased by 12.1% to \$107.8 million, while selling expenses increased to \$49.3 million compared to \$45.4 million in Q1 2016. This increase was mainly due to higher business development activities than in Q1 2016, particularly in the Infrastructure sector.
- › Adjusted net income from E&C⁽¹⁾ for Q1 2017 increased to \$60.7 million, or \$0.40 per diluted share, compared to \$57.2 million, or \$0.38 per diluted share for Q1 2016, mainly due to higher gross margin-to-revenue ratio and lower

G&A, partially offset by higher financial expenses and income taxes. On a segmented basis, the higher segment EBIT⁽⁵⁾ in Q1 2017, compared to Q1 2016, was mainly due to Oil & Gas and Power.

- › Adjusted net income from Capital⁽³⁾ for Q1 2017 was \$44.4 million, or \$0.30 per diluted share, compared with \$39.9 million, or \$0.26 per diluted share for the corresponding period in 2016, mainly due to a higher level of activity of Capital investments and an increase in dividends from Highway 407 ETR.
- › Total E&C revenue for the first quarter ended March 31, 2017 was \$1.8 billion, compared with \$1.9 billion in the first quarter of 2016. The variation was due to a decrease in the Infrastructure segment, principally attributable to the disposal, in December 2016, of SNC-Lavalin's non-core E&C business in France and Real Estate Facilities Management business in Canada.
- › The revenue backlog⁽⁷⁾ totaled \$10.1 billion at the end of March 2017, with the Mining & Metallurgy segment increasing by more than 50% since December 31, 2016. Total new contract awards for the first quarter amounted to \$1.2 billion.
- › The balance sheet remained strong at the end of March 2017 with cash and cash equivalents of \$0.8 billion.

Outlook

The Company is maintaining its previously announced 2017 outlook for the adjusted diluted EPS from E&C⁽²⁾, which is expected to be in the range of \$1.70 to \$2.00, without taking into account the recently proposed acquisition of WS Atkins or related financing.

While we anticipate continuing market challenges in 2017 in certain of the Company's sectors, we expect to benefit from our recent restructuring savings and "Operational Excellence" program. As such, we expect increased Segment EBIT⁽⁵⁾ margins for all segments in 2017, compared to 2016, except for Mining & Metallurgy.

This outlook is based on the assumptions and methodology described in the Company's 2016 Management's Discussion and Analysis under the heading, "How We Budget and Forecast Our Results", which should be read in conjunction with the "Forward-Looking Statements" section below and is subject to the risks and uncertainties summarized therein, which are more fully described in the Company's public disclosure documents.

Quarterly Dividend

The Board of Directors today declared a cash dividend of \$0.273 per share, payable on June 1, 2017, to shareholders of record on May 18, 2017. This dividend is an "eligible dividend" for income tax purposes.

Q1 2017 Results Conference Call / Webcast

SNC-Lavalin will hold a conference call today at 1:30 p.m. EDT (Eastern Daylight Time) to review results for its first quarter. To join the conference call, please dial toll free at 1 800 263 0877 in North America, 647 794 1827 in Toronto, 438 968 3557 in Montreal, 080 0279 7204 in the United Kingdom, or 180 093 6686 in Ireland. A live audio webcast of the conference call and an accompanying slide presentation will be available at investors.snclavalin.com. A recording of the conference call will be available on our website within 24 hours following the call.

Annual Shareholders' Meeting / Webcast

SNC-Lavalin will also hold its Annual Shareholders' Meeting today at 11:00 a.m. EDT at the Palais des congrès, 1001 Place Jean-Paul-Riopelle, Montreal, Quebec. The event will be webcast live, and will be available at <http://www.icastpro.ca/esnc170504>.

About SNC-Lavalin

Founded in 1911, SNC-Lavalin is one of the leading engineering and construction groups in the world and a major player in the ownership of infrastructure. From offices in over 50 countries, SNC-Lavalin's employees are proud to build what matters. Our teams provide engineering, procurement, construction, completions and commissioning services together with a range of sustaining capital services to clients in four industry sectors: oil and gas, mining and metallurgy, infrastructure and power. SNC-Lavalin can also combine these services with its financing and operations and maintenance capabilities to provide complete end-to-end project solutions. www.snclavalin.com

⁽¹⁾ Adjusted net income from E&C is defined as net income attributable to SNC-Lavalin shareholders from E&C, excluding charges related to restructuring, right-sizing and other, acquisition-related costs and integration costs, as well as amortization of intangible assets incurred in connection with the acquisition of Kentz in 2014 and the gain (loss) on disposals of E&C businesses. E&C is defined in the Company's 2016 financial statements and Management's Discussion and Analysis. The term "Adjusted net income from E&C" does not have any standardized meaning under IFRS. Therefore, it may not be comparable to similar measures presented by other issuers. Management uses this measure as a more meaningful way to compare the Company's financial performance from period to period. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance. See reconciliation below.

⁽²⁾ Adjusted diluted EPS from E&C is defined as the adjusted net income from E&C divided by the diluted weighted average number of outstanding shares for the period.

⁽³⁾ Adjusted net income from Capital is defined as net income attributable to SNC-Lavalin shareholders from Capital, excluding the gain on disposals of Capital Investments.

⁽⁴⁾ Adjusted diluted EPS from Capital is defined as the adjusted net income from Capital divided by the diluted weighted average number of outstanding shares for the period.

⁽⁵⁾ Segment EBIT is defined herein as gross margin less i) directly related selling, general and administrative expenses; ii) corporate selling, general and administrative expenses that are directly related to projects or segments; and iii) non-controlling interests before

taxes. Corporate selling, general and administrative expenses that are not directly related to projects or segments, restructuring costs, goodwill impairment, acquisition-related costs and integration costs and amortization of intangible assets related to the Kentz acquisition, as well as gains (losses) on disposals of E&C businesses and Capital investments are not allocated to the Company's segments. The term "Segment EBIT" does not have any standardized meaning under IFRS. Therefore, it may not be comparable to similar measures presented by other issuers. Management uses this measure as a more meaningful way to compare the Company's financial performance from period to period. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance.

⁽⁶⁾ Adjusted E&C EBITDA is defined herein as earnings from E&C before net financial expenses (income), income taxes, depreciation and amortization, and excludes charges related to restructuring, right-sizing and other, acquisition-related costs and integration costs, as well as the gains (losses) on disposals of E&C businesses and Capital investments. The term "Adjusted E&C EBITDA" does not have any standardized meaning under IFRS. Therefore, it may not be comparable to similar measures presented by other issuers. Management uses this measure as a more meaningful way to compare the Company's financial performance from period to period. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance.

⁽⁷⁾ Revenue Backlog is defined herein as a forward-looking indicator of anticipated revenues to be recognized by the Company, determined based on contract awards that are considered firm. Management could be required to make estimates regarding the revenue to be generated for long-term firm reimbursable contracts. In order to provide information that is comparable to the revenue backlog of other categories of activity, the Company limits the O&M activities revenue backlog, which can cover a period of up to 40 years, to the earlier of: i) the contract term awarded; and ii) the next five years. The term "Revenue backlog" does not have any standardized meaning under IFRS. Therefore, it may not be comparable to similar measures presented by other issuers. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's future performance.

SNC-Lavalin Financial Summary

(in thousands of Canadian dollars, unless otherwise indicated)	First Quarter	
	2017	2016
Revenues		
From E&C	1,788,324	1,930,773
From Capital	60,946	57,397
	1,849,270	1,988,170
Net income attributable to SNC-Lavalin's shareholders		
From E&C	45,338	31,199
From Capital	44,376	90,908
	89,714	122,107
Diluted EPS (\$)		
From E&C	0.30	0.21
From Capital	0.30	0.60
	0.60	0.81
Adjusted net income attributable to SNC-Lavalin's shareholders		
From E&C ⁽¹⁾	60,724	57,180
From Capital ⁽³⁾	44,376	39,860
	105,100	97,040
Adjusted diluted EPS (\$)		
From E&C ⁽²⁾	0.40	0.38
From Capital ⁽⁴⁾	0.30	0.26
	0.70	0.64
Adjusted E&C EBITDA⁽⁶⁾	99,991	99,850
Adjusted E&C EBITDA margin	5.6%	5.2%
Revenue backlog⁽⁷⁾	10,078,700	13,417,300
Cash and cash equivalents	810,533	1,388,390

Reconciliation of IFRS Net Income as Reported to Adjusted Net Income

	Net income, as reported	Net charges related to the restructuring & right-sizing plan and other	Acquisition		Net gain on capital investment and E&C business disposals	Net income, adjusted	
			Acquisition-related costs and integration costs	Amortization of intangible assets related to Kentz			
First Quarter 2017							
<i>In M\$</i>							
E&C	45.3	2.6	1.1	12.3	(0.6)	60.7	
Capital	44.4	-	-	-	-	44.4	
	89.7	2.6	1.1	12.3	(0.6)	105.1	
<i>Per Diluted share (\$)</i>							
E&C	0.30	0.02	0.01	0.08	(0.0)	0.40	
Capital	0.30	-	-	-	-	0.30	
	0.60	0.02	0.01	0.08	(0.0)	0.70	
First Quarter 2016							
<i>In M\$</i>							
E&C	31.2	9.2	1.0	15.8	-	57.2	
Capital	90.9	-	-	-	(51.1)	39.8	
	122.1	9.2	1.0	15.8	(51.1)	97.0	
<i>Per diluted share (\$)</i>							
E&C	0.21	0.06	0.01	0.10	-	0.38	
Capital	0.60	-	-	-	(0.34)	0.26	
	0.81	0.06	0.01	0.10	(0.34)	0.64	

Forward-looking Statements:

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 arrangements, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint arrangements.

Statements made in this press release that describe the Company’s or management’s budgets, 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”, “will”, or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts. Forward-looking statements also include statements relating to the following: i) future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, losses and future prospects; and ii) business and management strategies and the expansion and growth of the Company’s operations. 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 projection 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.

The 2017 outlook referred to in this press release is forward-looking information and is based on the methodology described in the Company’s 2016 Management’s Discussion and Analysis (“MD&A”) under the heading “How We Budget and Forecast Our Results” and is subject to the risks and uncertainties described in the Company’s public disclosure documents. The purpose of the 2017 outlook is to provide the reader with an indication of management’s expectations, at the date of this press release, regarding the Company’s future financial performance and readers are cautioned that this information may not be appropriate for other purposes.

Forward-looking statements made in this press release are based on a number of assumptions believed by the Company to be reasonable as at the date hereof. The assumptions are set out throughout the Company’s 2016 MD&A, particularly in the sections entitled “Critical Accounting Judgments and Key Sources of Estimation Uncertainty” and “How We Analyze and Report our Results” in the Company’s 2016 MD&A, and as updated in the first quarter 2017 MD&A. The 2017 outlook also assumes that the federal charges laid against the Company and its indirect subsidiaries SNC-Lavalin International Inc. and SNC-Lavalin Construction Inc. on February 19, 2015, will not have a significant adverse impact on the Company’s business in 2017. If these assumptions are inaccurate, the Company’s actual results could differ materially from those expressed or implied in such forward-looking statements. In addition, important risk factors could cause the Company’s assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in or implied by these forward-looking statements. These risks include, but are not limited to: (a) the outcome of pending and future claims and litigation could have a material adverse impact on the Company’s business, financial condition and results of operation; (b) on February 19, 2015, the Company was charged with one count of corruption under the Corruption of Foreign Public Officials Act (Canada)(the “CFPOA”) and one count of fraud under the Criminal Code (Canada), and is also subject to other ongoing investigations which could subject the Company to criminal and administrative enforcement actions, civil actions and sanctions, fines and other penalties, some of which may be significant. These charges and investigations, and potential results thereof, could harm the Company’s reputation, result in suspension, prohibition or debarment of the Company from participating in certain projects, reduce its revenues and net income and adversely affect its business; (c) further regulatory developments could have a significant adverse impact on the Company’s results, and employee, agent or partner misconduct or failure to comply with anti-bribery and other government laws and regulations could harm the Company’s reputation, reduce its revenues and net income, and subject the Company to criminal and administrative enforcement actions and civil actions; (d) if the Company is not able to successfully execute on its strategic plan, its business and results of operations would be adversely affected; (e) a negative impact on the Company’s public image could influence its ability to obtain future projects; (f) fixed-price contracts or the Company’s failure to meet contractual schedule or performance requirements or to execute projects efficiently may increase the volatility and unpredictability of its revenue and profitability; (g) the Company’s revenue and profitability are largely dependent on the awarding of new contracts, which it does not directly control, and the uncertainty of contract award timing could have an adverse effect on the Company’s ability to match its workforce size with its contract needs; (h) the Company’s backlog is subject to unexpected adjustments and cancellations, including under “termination for convenience” provisions, and does not represent a guarantee of the Company’s future revenues or profitability; (i) SNC-Lavalin is a provider of services to government agencies and is exposed to risks associated with government contracting; (j) the Company’s international operations are exposed to



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various risks and uncertainties, including unfavourable political environments, weak foreign economies and the exposure to foreign currency risk; (k) there are risks associated with the Company's ownership interests in Capital investments that could adversely affect it; (l) the Company is dependent on third parties to complete many of its contracts; (m) the Company's use of joint ventures and partnerships exposes it to risks and uncertainties, many of which are outside of the Company's control; (n) the competitive nature of the markets in which the Company does business could adversely affect it; (o) the Company's project execution activities may result in professional liability or liability for faulty services; (p) the Company could be subject to monetary damages and penalties in connection with professional and engineering reports and opinions that it provides; (q) the Company may not have in place sufficient insurance coverage to satisfy its needs; (r) the Company's employees work on projects that are inherently dangerous and a failure to maintain a safe work site could result in significant losses and/or an inability to obtain future projects; (s) the Company's failure to attract and retain qualified personnel could have an adverse effect on its activities; (t) work stoppages, union negotiations and other labour matters could adversely affect the Company; (u) the Company relies on information systems and data in its operations. Failure in the availability or security of the Company's information systems or in data security could adversely affect its business and results of operations; (v) any acquisition or other investment may present risks or uncertainties; (w) divestitures and the sale of significant assets may present risks or uncertainties; (x) a deterioration or weakening of the Company's financial position, including its cash net of recourse debt, would have a material adverse effect on its business and results of operations; (y) the Company may have significant working capital requirements, which if unfunded could negatively impact its business, financial condition and cash flows; (z) an inability of SNC-Lavalin's clients to fulfill their obligations on a timely basis could adversely affect the Company; (aa) the Company may be required to impair certain of its goodwill, and it may also be required to write down or write off the value of certain of its assets and investments, either of which could have a material adverse impact on the Company's results of operations and financial condition; (bb) global economic conditions could affect the Company's client base, partners, subcontractors and suppliers and could materially affect its backlog, revenues, net income and ability to secure and maintain financing; (cc) fluctuations in commodity prices may affect clients' investment decisions and therefore subject the Company to risks of cancellation, delays in existing work, or changes in the timing and funding of new awards, and may affect the costs of the Company's projects; (dd) inherent limitations to the Company's control framework could result in a material misstatement of financial information and; (ee) environmental laws and regulations expose the Company to certain risks, could increase costs and liabilities and impact demand for the Company's services; as well as the risks identified in respect of the Company's agreement with WS Atkins plc ("Atkins") on the terms of an acquisition by the Company of Atkins in section 11 of the Company's first quarter 2017 MD&A (entitled "Risks and Uncertainties"). The Company cautions that the foregoing list of factors is not exhaustive. For more information on risks and uncertainties, and assumptions that could cause the Company's actual results to differ from current expectations, please refer to the sections "Risks and Uncertainties", "How We Analyze and Report Our Results" and "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" in the Company's 2016 MD&A and as updated in the first quarter 2017 MD&A.

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, whether as a result of new information, future events or otherwise, unless required by applicable legislation or regulation.

For more information

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SNC-Lavalin's Consolidated Financial Statements and Management's Discussion and Analysis and other relevant financial materials are available in the Investors section of the Company's website at www.snclavalin.com. These and other Company reports are also available on the website maintained by the Canadian Securities regulators at www.sedar.com.