

FIRST QUARTER 2010

Conference call notes
May 6, 2010



Agenda

✓ **Forward-looking Statements**

- Denis Jasmin,
Vice-President, Investor Relations

✓ **Highlights and Outlook**

- Pierre Duhaime,
President and Chief Executive Officer

✓ **Financial Review**

- Gilles Laramée,
Executive Vice-President and Chief Financial Officer

Forward-looking statements

- ✓ Unless otherwise specified, all dollar amounts are expressed in Canadian dollars.
- ✓ Statements made in this presentation 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 2009 Financial Report under "Management's Discussion and Analysis". The forward-looking statements herein reflect the Company's expectations as at the date of this presentation and are subject to change after this date.
- ✓ Reference in this presentation 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.

Financial highlights

- ✓ Net income for the first quarter 2010 was \$72 million compared to \$77 million for the first quarter 2009, reflecting:
 - Net income excluding Infrastructure Concession Investments (ICI) of \$63 million compared to \$73 million
 - Net income from ICI of \$9 million compared to \$4 million
- ✓ For the first quarter 2010, revenues decreased to \$1.4 billion compared to \$1.6 billion for the same period in 2009
- ✓ Cash and cash equivalents = \$1.2 billion at March 31, 2010

Backlog highlights

- ✓ Total revenue backlog = \$11.4 billion at March 31, 2010, \$10.8 billion at December 31, 2009, \$9.0 billion at March 31, 2009
- ✓ Notable additions during first quarter 2010
 - An EPC contract to design and build the southeast section of Calgary's Stoney Trail Ring Road
 - An EPC contract for SaskPower's Boundary Dam Integrated Carbon Capture and Sequestration (CCS) Project in Saskatchewan
 - An EPC contract for the rehabilitation of the Princess Margaret Bridge in Fredericton
 - A contract to design and build camp facilities in Canada

ICI highlights

- ✓ Stoney Trail in Calgary
 - Chinook Roads Partnership, a 50-50 joint venture with Acciona
 - Contract by Alberta Transportation to design, build, operate, maintain and partially finance the southeast section of Calgary's Stoney Trail Ring Road
 - 30-year O&M contract once construction completed
 - Road to be open to traffic by the fall of 2013

- ✓ McGill University Health Centre (MUHC)
 - McGill Health Infrastructure Group, a consortium led by SNC-Lavalin with Innisfree as a partner, was named Preferred Proponent for the design, build and maintenance of the MUHC on April 1, 2010
 - Project to be completed late 2014

Worldwide opportunities

Infrastructure & Environment:	<p>Africa, Canada, Europe, India, Middle East, North Africa and South America</p> <p>Buildings, hospitals, mass transit systems, roads and water treatment and distribution facilities</p>
Power:	<p>Worldwide</p> <p>Hydro, nuclear and gas-fired thermal power generation, and transmission & distribution</p>
Chemicals & Petroleum:	<p>Africa, Canada, Middle East, Russia and South America</p>
Mining & Metallurgy:	<p>Worldwide</p> <p>Aluminum, copper, gold, iron ore and potash</p>
Operations & Maintenance:	<p>Mainly in Canada</p>
Infrastructure Concession Investments:	<p>Mainly in Canada and France</p>

Financial Review

Gilles Laramée,
Executive Vice-President and Chief Financial Officer

Consolidated income statement

(in millions of \$)

	First Quarter	
	2010	2009
Revenues by activity:		
Services	457.3	559.8
Packages	447.4	566.8
Operations & Maintenance	383.2	409.4
Infrastructure Concession Investments (ICI)	98.3	89.7
	1,386.2	1,625.7
Gross margin	265.9	267.8
Selling, general and administrative expenses	133.1	137.0
Interest and capital taxes:		
From ICI	29.8	26.3
From other activities	6.9	0.3
Income before inc. taxes and non-contr. interest	96.1	104.2
Income taxes	21.6	24.7
Non-controlling interest	2.6	2.0
Net income	71.9	77.5
Net income excluding ICI	63.2	73.1
SNC-Lavalin's net income from ICI	8.7	4.4
Net income	71.9	77.5

Revenues and operating income (loss) by segment

(in millions of \$)	Three Months Ended March 31			
	2010		2009	
	Revenues	Operating Income	Revenues	Operating Income (loss)
Services and Packages				
Infrastructure & Environment	323.8	42.5	405.1	55.5
Chemicals & Petroleum	193.8	12.5	236.7	(10.0)
Power	171.7	15.7	212.8	14.4
Mining & Metallurgy	149.5	11.9	199.4	26.2
Other Industries	65.9	5.1	72.6	7.4
Operations & Maintenance	383.2	11.9	409.4	10.4
Infrastructure Concession Investments	98.3	8.7	89.7	4.4
	1,386.2	108.3	1,625.7	108.3

Balance sheet

(in millions of \$)

	March 31, 2010	December 31, 2009
Assets		
Cash and cash equivalents	1,230.9	1,218.2
Other current assets	2,108.0	2,174.8
Property and equipment:		
From infrastructure concession investments	2,306.5	2,217.0
From other activities	108.9	114.0
Goodwill	512.1	520.9
Infrastructure concession investments	453.4	469.4
Other non-current assets	566.3	492.0
	7,286.1	7,206.3
Liabilities		
Current liabilities	2,833.1	2,849.0
Long-term debt:		
Recourse	348.1	348.0
Non-recourse from infrastructure concession investments	2,067.2	2,005.5
Other non-current liabilities and non-controlling interest	574.1	569.1
Shareholders' equity	1,463.6	1,434.7
	7,286.1	7,206.3

Revenue backlog by category of activity

(in millions of \$)

	March 2010	Dec. 2009	March 2009
Services	1,412.7	1,464.9	1,520.4
Packages	4,477.1	4,197.5	3,154.5
Operations & Maintenance	2,914.5	2,596.1	1,893.5
AltaLink	1,915.4	1,877.4	1,739.8
Highway 407	620.6	600.7	573.1
Others	101.0	100.6	99.4
Infrastructure Concession Investments	2,637.0	2,578.7	2,412.3
Total Backlog	11,441.3	10,837.2	8,980.7

Services and Packages revenue backlog by segment

(in millions of \$)

	At March 31 2010		At December 31 2009	
	Services	Packages	Services	Packages
Services and Packages				
Infrastructure and Environment	645.4	2,170.8	677.9	2,034.6
Chemicals and Petroleum	177.6	1,417.7	170.5	1,553.5
Power	242.5	740.1	253.5	436.1
Mining and Metallurgy	262.0	-	297.9	-
Other Industries	85.2	148.5	65.1	173.3
Total Services and Packages Backlog	1,412.7	4,477.1	1,464.9	4,197.5

- ✓ If you have further questions, please contact:

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- ✓ Replay of conference call:

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