Management's Discussion and Analysis

First Quarter of 2017 versus
First Quarter of 2016

May 3, 2017

All financial information in Canadian dollars, unless otherwise indicated.

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Management's Discussion and Analysis

May 3, 2017

Management's Discussion and Analysis ("MD&A") is designed to provide the reader with a greater understanding of the Company's business, the Company's business strategy and performance, as well as how it manages risk and capital resources. It is intended to enhance the understanding of the unaudited interim condensed consolidated financial statements for the first quarter of 2017 and accompanying notes, and should therefore be read in conjunction with these documents and with the Financial Report included in the Annual Report for the year ended December 31, 2016, and should also be **read together with the text below on forward-looking statements**. Reference in this MD&A 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.

The Company's quarterly and annual financial information, its Annual Information Form, its Management Proxy Circular and other financial documents are available on both the Company's website at **www.snclavalin.com** and through SEDAR at **www.sedar.com**. SEDAR is the electronic system for the official filing of documents by public companies with the Canadian securities regulatory authorities. None of the information contained on, or connected to the SNC-Lavalin website is incorporated by reference or otherwise part of this MD&A.

Unless otherwise indicated, all financial information presented in this MD&A, including tabular amounts, is in **Canadian dollars**, and is prepared in accordance with **International Financial Reporting Standards ("IFRS")**. **Certain totals, subtotals and percentages may not reconcile due to rounding. Not applicable ("N/A") is used to indicate that the percentage change between the current and comparative figures is not meaningful, or if the percentage change exceeds 1,000%.**

Non-IFRS Financial Measures and Additional IFRS Measures

Certain indicators used by the Company to analyze and evaluate its results, which are listed in the table below, are non-IFRS financial measures or additional IFRS measures. Consequently, they do not have a standardized meaning as prescribed by IFRS, and therefore may not be comparable to similar measures presented by other issuers. Management believes that these indicators provide useful information because they allow for the evaluation of the performance of the Company and its components based on various aspects, such as past, current and expected profitability and financial position. These non-IFRS financial measures and additional IFRS measures should not be considered as a substitute for measures of performance prepared in accordance with IFRS.

NON-IFRS FINANCIAL MEASURE OR ADDITIONAL IFRS MEASURE	
Performance	
› Adjusted diluted earnings per share from Engineering & Construction ("E&C") ("Adjusted diluted EPS from E&C") › Adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA") › Adjusted net income from E&C › Diluted earnings per share from E&C and Diluted earnings per share from Capital	› Earnings before interest and income taxes ("EBIT") › Earnings before interest, income taxes, depreciation and amortization ("EBITDA") › Gross margin from E&C and from Capital › Return on average shareholders' equity ("ROASE") › Revenue backlog › Segment EBIT
Liquidity	
› Cash net of recourse debt	

Definitions of all non-IFRS financial measures and additional IFRS measures are provided in section 10 to give the reader a better understanding of the indicators used by management. In addition, when applicable, the Company provides a clear quantitative reconciliation from these financial measures to the most directly comparable measure calculated in accordance with IFRS, refer to section 10 for further details.

Comparative figures

In the fourth quarter of 2016, the Company changed its measure of profit or loss for its reportable segments, such measure of profit or loss is referred to as the segment EBIT, which now excludes gains (losses) on disposals of Engineering & Construction ("E&C") businesses and Capital investments, whereas in the past it only excluded disposals of activities that qualified as restructuring. Therefore, segment EBIT from Capital for the first quarter of 2016 has been restated to exclude a $58.5 million gain on disposals of Capital investments.

In the first quarter of 2017, the Company combined the financial results of its Infrastructure & Construction and Operations & Maintenance sub-segments, which were previously presented separately as additional information of the Infrastructure segment. The combination mainly comes from the disposal of a significant portion of the Operations & Maintenance sub-segment in the fourth quarter of 2016, which decreased the level of activities of the Operations & Maintenance sub-segment. As a result of the combination, comparative figures have been adjusted, with no impact on the Infrastructure segmented results.

Caution Regarding Forward-Looking Statements

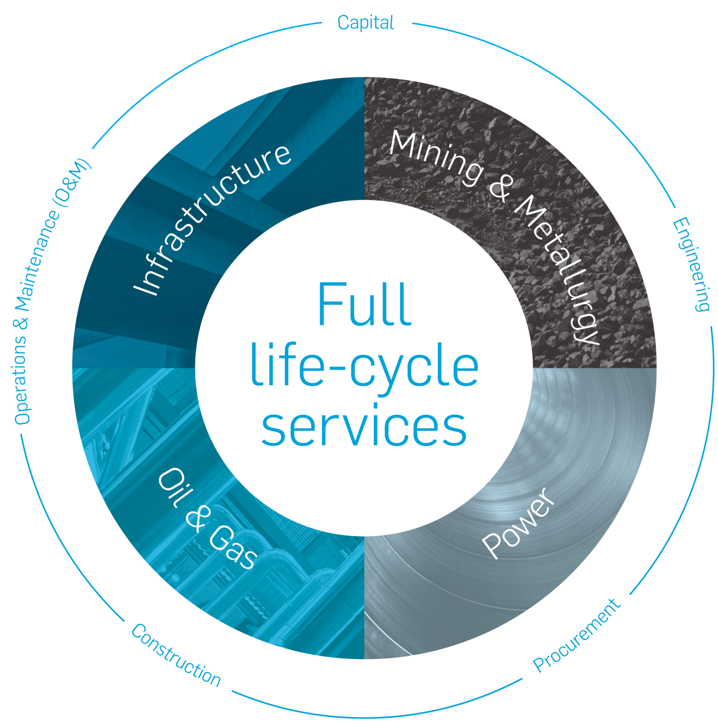
Statements made in this MD&A that describe the Company's or management's budgets, estimates, expectations, forecasts, objectives, predictions, projections of the future or strategies may be "forward-looking statements", which can be identified by the use of the conditional or forward-looking terminology 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.

Forward-looking statements made in this MD&A are based on a number of assumptions believed by the Company to be reasonable on May 3, 2017. 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), as updated in this MD&A. 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 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; (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 this 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, as updated in this MD&A, filed with the securities regulatory authorities in Canada, available on SEDAR at www.sedar.com and on the Company's website at www.snclavalin.com under the "Investors" section.

The forward-looking statements herein reflect the Company's expectations as at May 3, 2017, when the Company's Board of Directors approved this document, 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.

1 Our Business

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 our four industry sectors, Oil & Gas, Mining & Metallurgy, Infrastructure and Power.

SNC-Lavalin can also combine these services with its financing and Operations and Maintenance ("O&M") capabilities to provide complete end-to-end project solutions.

2 How We Analyze and Report Our Results

The Company reports its results separately for Engineering and Construction ("E&C") and Capital, as described below.

E&C

SNC-Lavalin provides engineering services, feasibility studies, planning, detailed design, contractor evaluation and selection, project and construction management, and commissioning. Certain contracts also include materials and/or multi-disciplinary construction services, namely provision of structural mechanical, electrical, instrumentation and piping services. The Company might also be responsible for not only rendering professional and technical services, but also to undertake the responsibility for supplying materials and providing or fabricating equipment, and could also include construction activities. In addition, SNC-Lavalin offers O&M services for many infrastructures, such as highways, buildings, light rail transit systems and power plants, and logistics solutions for construction camps and the military.

Contracts that provide for engineering, procurement and construction management services are often referred to as "EPCM" contracts. Contracts that include engineering services, providing materials and providing or fabricating equipment, and construction activities are often referred to as "EPC" contracts.

While our contracts are negotiated using a variety of contracting options, E&C revenues are derived primarily from two major types of contracts: Reimbursable contracts and Fixed-price contracts.

› Reimbursable contracts: Under reimbursable contracts, the Company charges the customer for the actual cost incurred plus a mark-up that could take various forms such as a fixed-fee per unit, a percentage of costs incurred or an incentive fee based on achieving certain targets, performance factors or contractual milestones. Reimbursable contracts also include unit-rate contracts for which a fixed amount per quantity is charged to the customer, and reimbursable contracts with a cap.

› Fixed-price contracts: Under fixed-price contracts, the Company completes the work required for the project at a lump-sum price. Before entering into such contracts, the Company estimates the total cost of the project, plus a profit margin. The Company's actual profit margin may vary based on its ability to achieve the project requirements at or below the initial estimated costs.

The Company presents the information in the way management performance is evaluated by regrouping its E&C projects within the following segments, which are as follows: i) Mining & Metallurgy; ii) Oil & Gas; iii) Power; and iv) Infrastructure.

CAPITAL

Capital is SNC-Lavalin's investment, financing and asset management arm, responsible for developing projects, arranging financing, investing equity, undertaking complex financial modeling and managing its infrastructure investments for optimal returns. Its activities are principally concentrated in infrastructure: from bridges and highways to mass transit systems, power facilities, energy infrastructure and water treatment plants.

Capital's business model incorporates new project creation in the Oil & Gas, Mining & Metallurgy, and Power sectors as well as the Company's geographical regions. Furthermore, many countries are turning to the private sector to take ownership, finance, operate and maintain their assets, usually for a defined period of time.

These arrangements allow for the transfer to the private sector of many of the risks associated with designing, building, operating, maintaining and financing such assets. In return, the client will either: i) commit to making regular payments, usually in the form of availability payments, upon the start of operations of the infrastructure for a defined period of time (typically 20 to 40 years); ii) authorize the infrastructure concession entity to charge users of the infrastructure for a defined period of time; or iii) a combination of both.

All investments are structured to earn a return on capital adequate for the risk profile of each individual project. **Capital investment revenues** are generated mainly from dividends or distributions received by SNC-Lavalin from the investment concession entities or from all or a portion of an investment concession entity's revenues or net results, depending on the accounting method required by IFRS.

3 First Quarter of 2017 Executive Summary

3.1 Executive Summary – Key Financial Indicators

FINANCIAL HIGHLIGHTS

(IN MILLIONS OF CA$, EXCEPT EARNINGS PER SHARE)	FIRST QUARTER 2017	2016
Income statement		
Revenues	**$ 1,849.3**	$ 1,988.2
Net income attributable to SNC-Lavalin shareholders for the period	**89.7**	122.1
Adjusted net income attributable to SNC-Lavalin from E&C[(1)]	**60.7**	57.2
Earnings per share - diluted ("Diluted EPS") (in $)	**0.60**	0.81
Adjusted diluted EPS from E&C (in $)[(1)]	**0.40**	0.38
EBIT[(1)]	**117.1**	147.8
EBITDA[(1)]	**145.5**	188.1
Adjusted E&C EBITDA (% of revenues)[(1)]	**5.6%**	5.2%
Financial position & Cash flows		
Cash and cash equivalents (at March 31)	**$ 810.5**	$ 1,388.4
Cash net of recourse debt (at March 31)[(1)]	**450.6**	1,022.5
Net cash used for operating activities	**(186.8)**	(239.8)
Additional indicators		
Revenue backlog (at March 31)[(1)]	**$ 10,078.7**	$ 13,417.3

(1) Non-IFRS financial measures or additional IFRS measures. Please refer to section 10 for further information on these financial measures and for the reference to the reconciliation from these financial measures to the most directly comparable measure specified under IFRS, when applicable.

› Revenues decreased by $138.9 million in the first quarter of 2017 compared with the corresponding quarter of 2016, mainly due to a decrease in revenues from Infrastructure following the sale, in the fourth quarter of 2016, of the Company's non-core Real Estate Facilities Management business in Canada and of its local French operations. Excluding the impact of this transaction, revenues were in line for the first quarter of 2017, compared with the same quarter of 2016;

› Net income attributable to SNC-Lavalin shareholders decreased by $32.4 million in the first quarter of 2017, mainly due to a decrease in Capital compared with the same quarter last year, when the Company recorded a net gain of $53.6 million on disposal of its indirect ownership interest in MML Holdings Malta Limited [formerly, SNC-Lavalin (Malta) Limited ("SNCL Malta")]. However, net income attributable to SNC-Lavalin shareholders from E&C has increased by $14.1 million in the first quarter of 2017 compared with the first quarter of 2016, primarily attributable to greater contributions from Oil & Gas and Power;

› Adjusted net income attributable to SNC-Lavalin shareholders from E&C increased to $60.7 million ($0.40 per diluted share) in the first quarter of 2017 from $57.2 million ($0.38 per diluted share) in the corresponding quarter of 2016, mainly due to an increase in segment EBIT;

- Net cash used for operating activities improved by $53.0 million in the first quarter of 2017, compared with the corresponding period of 2016, partly attributable to a decrease in cash used by the changes in non-cash working capital items;
- EBIT and EBITDA have decreased in the first quarter of 2017 compared to the same quarter of 2016, primarily due to a decrease in net income from Capital for the reason stated above, while Adjusted EBITDA has increased.
- Revenue backlog has decreased to $10.1 billion as at March 31, 2017, compared with a record revenue backlog of $13.4 billion as at March 31, 2016 and $10.7 billion as at December 31, 2016. However, the Company's contract bookings amounted to $1.2 billion in the first quarter of 2017 which contributed to an increase in revenue backlog in the Mining & Metallurgy segment.

3.2 Executive Summary – Other item

EVENT AFTER THE REPORTING PERIOD

Proposed Acquisition of WS Atkins plc

On April 20, 2017, SNC-Lavalin announced that it has reached an agreement to acquire WS Atkins plc ("Atkins"). Please refer to section 14 for further details.

4 Financial Performance Analysis

The financial information presented in the table below has been derived from the Company's unaudited interim condensed consolidated financial statements prepared in accordance with IAS 34 for the three-month periods ended March 31, 2017 and 2016, with the exception of the non-IFRS financial measures specifically identified in the "Additional financial indicators" section below.

(IN MILLIONS OF CA$, EXCEPT EARNINGS PER SHARE)	FIRST QUARTER 2017	FIRST QUARTER 2016
Revenues	**$ 1,849.3**	$ 1,988.2
Gross margin	**$ 293.0**	$ 291.9
Selling, general and administrative expenses	**$ 157.1**	$ 168.1
Restructuring costs	**2.8**	13.0
Acquisition-related costs and integration costs	**1.4**	1.2
Amortization of intangible assets related to Kentz acquisition	**15.4**	20.3
Gain on disposals of Capital investments	**–**	(58.5)
Gain from adjustment on disposals of E&C businesses	**(0.7)**	–
Earnings before interest and income taxes	**$ 117.1**	$ 147.8
Net financial expenses	**$ 13.2**	$ 9.5
Earnings before income taxes	**$ 103.9**	$ 138.3
Income taxes	**$ 8.8**	$ 10.9
Net income for the period	**$ 95.1**	$ 127.4
Net income attributable to:		
SNC-Lavalin shareholders	**$ 89.7**	$ 122.1
Non-controlling interests	**5.4**	5.3
Net income for the period	**$ 95.1**	$ 127.4
Supplementary information:		
Earnings per share (in $):		
Basic	**$ 0.60**	$ 0.82
Diluted	**$ 0.60**	$ 0.81
Additional financial indicators:		
Diluted EPS from E&C (in $)(1)	**$ 0.30**	$ 0.21
Adjusted diluted EPS from E&C (in $)(1)	**0.40**	0.38
Adjusted EBITDA from E&C(1)	**100.0**	99.9

(1) Non-IFRS financial measures or additional IFRS measures. Please refer to section 10 for further information on these financial measures and for the reference to the reconciliation from these financial measures to the most directly comparable measure specified under IFRS, when applicable.

4.1 Revenue and Gross Margin Analysis

	FIRST QUARTER	
(IN MILLIONS OF CA$)	**2017**	2016
Revenues:		
From E&C	**$ 1,788.3**	$ 1,930.8
From Capital	**60.9**	57.4
	$ 1,849.3	$ 1,988.2
Gross margin:		
From E&C	**$ 234.4**	$ 237.9
From Capital	**58.6**	54.0
	$ 293.0	$ 291.9
Gross margin-to-revenue ratio (%):		
From E&C	**13.1%**	12.3%
From Capital	**96.1%**	94.1%
	15.8%	14.7%

The Company analyses its revenue and gross margin separately for E&C and for Capital.

REVENUES AND GROSS MARGIN FROM E&C

Revenues from E&C for the first three months of 2017 totalled $1.8 billion, compared with $1.9 billion for the corresponding period of 2016. The decrease was mainly due to lower revenues from Infrastructure, following the sale, in the fourth quarter of 2016, of the Company's non-core Real Estate Facilities Management business in Canada and of its local French operations. Excluding the impact of this transaction, revenues from E&C were in line with the corresponding period of 2016, as the increase in revenues from Infrastructure and Oil & Gas was offset by a decrease in Mining & Metallurgy and Power.

The gross margin amount from E&C for the first quarter of 2017 was in line with the corresponding period of 2016, as the decrease in revenues from E&C was offset by a higher gross margin-to-revenue ratio in Infrastructure, Oil & Gas and Power.

REVENUES AND GROSS MARGIN FROM CAPITAL

Revenues from Capital for the first three months of 2017 totalled $60.9 million, compared with $57.4 million for the corresponding period of 2016, primarily due to higher dividends received from Highway 407 ETR.

The gross margin amount from Capital for the first quarter of 2017 increased compared with the corresponding period of 2016, mainly reflecting the reason related to revenues that was stated above.

4.2 Net Income Analysis

(IN MILLIONS OF CA$)	FIRST QUARTER 2017	2016
Net income attributable to SNC-Lavalin shareholders:		
From E&C	**$ 45.3**	$ 31.2
From Capital	**44.4**	90.9
Net income attributable to SNC-Lavalin shareholders	**$ 89.7**	$ 122.1
Non-controlling interests	**$ 5.4**	$ 5.3
Net income	**$ 95.1**	$ 127.4

The Company analyses its net income separately for E&C and for Capital.

For the first quarter of 2017, net income attributable to SNC-Lavalin shareholders from E&C was $45.3 million, compared with $31.2 million for the corresponding period of 2016. The higher net income from E&C was mainly attributable to an increase in contributions from Oil & Gas and Power, combined with lower restructuring costs.

For the first quarter of 2017, net income attributable to SNC-Lavalin shareholders from Capital was $44.4 million, compared with $90.9 million for the same period last year, primarily due to the $53.6 million net gain on disposal of the Company's indirect ownership interest in SNCL Malta in the first quarter of 2016. As previously mentioned, the dividends received from Highway 407 ETR have increased in the first quarter of 2017, compared with the same period last year.

Additionally, certain significant items had an impact on net income attributable to SNC-Lavalin shareholders in the first quarter of 2017 and 2016, namely:

› Restructuring costs amounted to $2.8 million ($2.6 million after taxes) in the first quarter of 2017, compared with $13.0 million ($9.2 million after taxes) in the first quarter of 2016; and

› Amortization of intangible assets related to the acquisition of Kentz, acquisition-related costs and integration costs amounted to $16.7 million ($13.4 million after taxes) in the first three months of 2017, compared with $21.5 million ($16.8 million after taxes) for the corresponding period of 2016.

4.3 Adjusted Net Income from E&C and Adjusted Diluted EPS from E&C

Adjusted net income from E&C and adjusted diluted EPS from E&C are non-IFRS financial measures. Definitions of these financial measures are provided in section 10.

FIRST QUARTER ENDED MARCH 31 (IN MILLIONS OF CA$, EXCEPT PER DILUTED SHARE INFORMATION ($))	**2017**				2016			
				PER DILUTED SHARE				PER DILUTED SHARE
Net income	**$**	**95.1**		**N/A**	$	127.4		N/A
Less:								
Non-controlling interests		**5.4**		**N/A**		5.3		N/A
Net income attributable to SNC-Lavalin shareholders from Capital		**44.4**	**$**	**0.30**		90.9	$	0.60
Net income attributable to SNC-Lavalin shareholders from E&C / Diluted EPS from E&C	**$**	**45.3**	**$**	**0.30**	$	31.2	$	0.21
Adjustments (net of income taxes):								
Restructuring and right-sizing costs	**$**	**2.6**	**$**	**0.02**	$	9.2	$	0.06
Acquisition-related costs and integration costs		**1.1**		**0.01**		1.0		0.01
Amortization of intangible assets related to Kentz acquisition		**12.3**		**0.08**		15.8		0.10
Gain from adjustment on disposals of E&C businesses		**(0.6)**		**(0.00)**		–		–
Adjusted net income attributable to SNC-Lavalin shareholders from E&C / Adjusted diluted EPS from E&C	**$**	**60.7**	**$**	**0.40**	$	57.2	$	0.38

Adjusted net income attributable to SNC-Lavalin shareholders from E&C was $60.7 million ($0.40 per share on a diluted basis) for the first quarter of 2017, compared with $57.2 million ($0.38 per share on a diluted basis) for the first quarter of 2016. The increase in adjusted net income from E&C was principally attributable to greater contributions from Oil & Gas and Power.

For the first quarter of 2017, adjusted net income attributable to SNC-Lavalin shareholders from E&C included the following adjustments, for a net total of $15.4 million ($0.11 per diluted share):

› $2.6 million ($0.02 per diluted share) that pertained to restructuring and right-sizing costs, compared with $9.2 million ($0.06 per diluted share) in the corresponding quarter of 2016;

› Acquisition-related costs and integration costs of $1.1 million ($0.01 per diluted share), compared with $1.0 million ($0.01 per diluted share) for the corresponding period of 2016;

› Amortization of intangible assets related to Kentz acquisition of $12.3 million ($0.08 per diluted share), compared with $15.8 million ($0.10 per diluted share) for the first quarter of 2016; and

› $0.6 million ($nil per diluted share) related to a gain from adjustment on disposals of E&C businesses in the first quarter of 2017, further explained in section 4.8.

4.4 EBIT, EBITDA and Adjusted EBITDA Analysis

EBIT, EBITDA and Adjusted EBITDA are non-IFRS financial measures. Definitions of these financial measures are presented in section 10.

FIRST QUARTER ENDED MARCH 31 (IN MILLIONS OF CA$)	2017			2016		
	FROM E&C	FROM CAPITAL	TOTAL	FROM E&C	FROM CAPITAL	TOTAL
Net income	**$ 50.7**	**$ 44.4**	**$ 95.1**	$ 36.5	$ 90.9	$ 127.4
Net financial expenses	**10.1**	**3.1**	**13.2**	6.1	3.4	9.5
Income taxes	**7.4**	**1.4**	**8.8**	2.7	8.2	10.9
EBIT	**$ 68.1**	**$ 48.9**	**$ 117.1**	$ 45.3	$ 102.5	$ 147.8
Depreciation and amortization	**$ 13.0**	**$ –**	**$ 13.0**	$ 20.0	$ –	$ 20.0
Amortization of intangible assets related to Kentz acquisition	**15.4**	**–**	**15.4**	20.3	–	20.3
EBITDA	**$ 96.5**	**$ 48.9**	**$ 145.5**	$ 85.6	$ 102.5	$ 188.1
(as % of Revenues)	**5.4%**	**N/A**	**7.9%**	4.4%	N/A	9.5%
Restructuring and right-sizing costs	**$ 2.8**	**$ –**	**$ 2.8**	$ 13.0	$ –	$ 13.0
Acquisition-related costs and integration costs	**1.4**	**–**	**1.4**	1.2	–	1.2
Gain on disposals of Capital investments	**–**	**–**	**–**	–	(58.5)	(58.5)
Gain from adjustment on disposals of E&C businesses	**(0.7)**	**–**	**(0.7)**	–	–	–
Adjusted EBITDA	**$ 100.0**	**$ 48.9**	**$ 148.9**	$ 99.9	$ 44.0	$ 143.8
(as % of Revenues)	**5.6%**	**N/A**	**8.1%**	5.2%	N/A	7.2%

For the first quarter of 2017, EBIT from E&C amounted to $68.1 million compared with $45.3 million for the corresponding period of 2016, mainly reflecting an increase in segment EBIT from Oil & Gas and Power. EBIT from E&C included $28.4 million of amortization of intangible assets related to the acquisition of Kentz and depreciation and amortization expenses in the first quarter of 2017, compared with $40.3 million in the first quarter of 2016. EBITDA from E&C was $96.5 million for the first quarter of 2017, compared with $85.6 million for the corresponding period of 2016. EBITDA from E&C included $2.8 million in restructuring and right-sizing costs in the first quarter of 2017, compared with $13.0 million in the corresponding quarter of 2016. Also, in the first quarter of 2017, the Company incurred $1.4 million in acquisition-related costs and integration costs, compared with $1.2 million in the first quarter of 2016. As such, the Adjusted EBITDA from E&C amounted to $100.0 million for the first quarter of 2017, compared with $99.9 million for the first quarter of 2016.

For the first quarter of 2017, EBIT and EBITDA from Capital amounted to $48.9 million compared with $102.5 million for the corresponding period of 2016. The difference was mainly due to the positive impact of the gain on disposal of the Company's indirect ownership interest in SNCL Malta in the first quarter of 2016.

4.5 Selling, General and Administrative Expenses Analysis

FIRST QUARTER ENDED MARCH 31 (IN MILLIONS OF CA$)	2017			2016		
	FROM E&C	FROM CAPITAL	TOTAL	FROM E&C	FROM CAPITAL	TOTAL
Selling costs	**$ 47.3**	**$ 2.0**	**$ 49.3**	$ 42.1	$ 3.3	$ 45.4
General and administrative expenses	**100.2**	**7.6**	**107.8**	116.0	6.7	122.7
Selling, general and administrative expenses	**$ 147.5**	**$ 9.6**	**$ 157.1**	$ 158.1	$ 10.0	$ 168.1

For the first three months of 2017, selling, general and administrative expenses decreased to $157.1 million, compared with $168.1 million for the corresponding period of 2016, a decrease that was mainly explained by the following:

- General and administrative expenses have decreased to $107.8 million in the first three months of 2017, compared with $122.7 million for the first three months of 2016, a decrease of 12.1% that was mainly due to the successful implementation of the “STEP Change” program in 2015 and the “Operational Excellence” program launched in 2016, which aims to improve and sustain a culture of efficiency and execution;
- Selling costs have increased to $49.3 million in the first three months of 2017, compared with $45.4 million for the first three months of 2016, an increase of 8.5% that was primarily attributable to higher proposals costs due to the Company’s bidding activities on large scale projects, mainly in the Infrastructure segment.

4.6 Restructuring Costs

	FIRST QUARTER	
(IN MILLIONS OF CA$)	**2017**	2016
Restructuring costs	**$ 2.8**	$ 13.0

The Company incurred restructuring costs totalling $2.8 million in the first quarter of 2017 (2016: $13.0 million).

The restructuring costs recognized in the first quarters of 2017 and 2016 were mainly for severances.

4.7 Acquisition-Related Costs and Integration Costs

(IN MILLIONS OF CA$)	FIRST QUARTER 2017	FIRST QUARTER 2016
Professional fees and other related costs	**$ 1.4**	$ 1.2
Acquisition-related costs and integration costs	**$ 1.4**	$ 1.2

In the first quarter of 2017, the Company incurred $1.4 million in acquisition-related costs and integration costs, compared with $1.2 million in the corresponding period of 2016.

4.8 Gain from Adjustment on Disposals of E&C Businesses

In the fourth quarter of 2016, the Company disposed of its ongoing local activities in France and in Monaco and of its non-core Real Estate Facilities Management business in Canada. The consideration receivable (payable) from these transactions is subject to certain adjustments. While the adjustments have not been finalized yet as at March 31, 2017, certain assumptions used to estimate such adjustments have been revised, resulting in a gain of $0.7 million before income taxes ($0.6 million after income taxes) in the first quarter of 2017.

4.9 Net Financial Expenses Analysis

FIRST QUARTER ENDED MARCH 31 (IN MILLIONS OF CA$)	2017			2016		
	FROM E&C	FROM CAPITAL	TOTAL	FROM E&C	FROM CAPITAL	TOTAL
Interest revenues	**$ (2.7)**	**$ (3.0)**	**$ (5.8)**	$ (2.7)	$ (3.4)	$ (6.2)
Net foreign exchange losses	**3.7**	**–**	**3.7**	0.6	–	0.6
Interest on debt:						
Recourse	**5.4**	**–**	**5.4**	5.5	–	5.5
Non-recourse	**–**	**6.1**	**6.1**	–	6.6	6.6
Other	**3.7**	**0.1**	**3.8**	2.8	0.2	3.0
Net financial expenses	**$ 10.1**	**$ 3.1**	**$ 13.2**	$ 6.1	$ 3.4	$ 9.5

For the first quarter of 2017, net financial expenses from E&C increased to $10.1 million, compared with $6.1 million for the first quarter of 2016, a variation that was primarily attributable to an increase in net foreign exchange losses.

For the first quarter of 2017, net financial expenses from Capital decreased to $3.1 million, compared with $3.4 million for the first quarter of 2016, primarily due to a decrease in interest on non-recourse debt in the first three months of 2017, compared with the corresponding period of 2016.

4.10 Income Taxes Analysis

(IN MILLIONS OF CA$)	FIRST QUARTER 2017	2016
Earnings before income taxes from E&C	**$ 58.1**	$ 39.2
Earnings before income taxes from Capital	**45.8**	99.1
Earnings before income taxes	**$ 103.9**	$ 138.3
Income taxes from E&C	**$ 7.4**	$ 2.7
Income taxes from Capital	**1.4**	8.2
Income taxes	**$ 8.8**	$ 10.9
Effective income tax rate from E&C (%)	**12.7%**	6.8%
Effective income tax rate from Capital (%)	**3.1%**	8.3%
Effective income tax rate (%)	**8.5%**	7.9%

For the first quarter of 2017, the income tax expense from E&C was $7.4 million, compared with $2.7 million for the corresponding period of 2016. In the first three months of 2017, the effective income tax rate from E&C was lower than the Canadian statutory income tax rate of 26.6%, mainly attributable to the geographic mix of earnings before income taxes and earnings not affected by tax, partially offset by non-deductible expenses and other permanent items. In the first quarter of 2016, the effective income tax rate from E&C was lower than the Canadian statutory income tax rate, mainly due to tax benefits arising from the use of previous losses on which no deferred tax asset was recognized and the geographic mix of earnings before income taxes, partly offset by non-deductible expenses and other permanent differences.

For the first quarter of 2017, the income tax expense from Capital was $1.4 million, compared with $8.2 million for the first quarter of 2016. The decrease in income tax expense from Capital in the first quarter of 2017, compared with the first quarter of 2016, was primarily attributable to the tax effect from the gain on disposal of the Company's indirect ownership interest in SNCL Malta in 2016, while a significant portion of the net income for the first quarter of 2017 was derived from non-taxable dividends received mainly from Highway 407 ETR.

5 Revenue Backlog

The Company reports revenue backlog, which is a non-IFRS financial measure, for E&C. Revenue backlog is a forward-looking indicator of anticipated revenues to be recognized by the Company. A definition of revenue backlog is provided in section 10.

The Company aims to provide a revenue backlog that is both meaningful and current. As such, the Company regularly reviews its backlog to ensure that it reflects any modifications, which include awards of new projects, changes of scope on current projects, and project cancellations, if any.

Revenue backlog includes reimbursable contracts (45% as at March 31, 2017 and 2016) and fixed-price contracts (55% as at March 31, 2017 and 2016).

The following table provides a breakdown of the Company's revenue backlog by segment:

(IN MILLIONS OF CA$)	MARCH 31 2017	DECEMBER 31 2016(1)
BY SEGMENT		
Mining & Metallurgy	**$ 451.1**	$ 294.0
Oil & Gas	**3,416.8**	3,909.6
Power	**2,222.0**	2,353.2
Infrastructure	**3,988.8**	4,120.6
Total	**$ 10,078.7**	$ 10,677.4

(1) Comparative figures have been restated to reflect a change made to the Company's reporting of its financial results related to the Infrastructure segment. Please refer to section 9.1 for further details.

As at March 31, 2017, the Company reported a revenue backlog of $10.1 billion, compared with $10.7 billion at the end of December 2016, mainly reflecting a decrease in Oil & Gas, Infrastructure and Power, partially offset by an increase in revenue backlog in Mining & Metallurgy. Contract bookings amounted to $1.2 billion for the first quarter of 2017, with $0.4 billion in Oil & Gas, $0.3 billion in Infrastructure, $0.2 billion in Mining & Metallurgy and $0.2 billion in Power.

In the first quarter of 2017, new additions to revenue backlog included a major contract award for the construction of two sulphuric acid plants in Latin America in the Mining & Metallurgy segment.

It should be noted that O&M activities, included in the Infrastructure backlog, are provided under contracts that can cover a period of up to 40 years. In order to provide information that is comparable to the revenue backlog of other categories of activity, the Company limits the O&M revenue backlog to the earlier of: i) the contract term; and ii) the next 5 years.

The following table shows the proportions of reimbursable contracts and fixed-price contracts included in each segment's backlog as at March 31, 2017:

	REIMBURSABLE CONTRACTS(1)	FIXED-PRICE CONTRACTS(1)
BY SEGMENT		
Mining & Metallurgy	**15%**	**85%**
Oil & Gas	**60%**	**40%**
Power	**65%**	**35%**
Infrastructure	**20%**	**80%**
Total	**45%**	**55%**

(1) Note that the percentages provided in the table above are rounded and therefore provide an approximation of the proportion of reimbursable contracts versus fixed-price contracts included in each segment's backlog.

6 Segmented Information

As mentioned in section 2, the Company's results are analyzed by segment, which regroup related activities within SNC-Lavalin consistent with the way management performance is evaluated.

The Company evaluates segment performance, using **segment EBIT**, which is a non-IFRS financial measure defined in section 10. In the fourth quarter of 2016, the Company changed its measure of profit or loss for its reportable segments; such measure of profit or loss is referred to as the segment EBIT, which now excludes gains (losses) on disposals of E&C businesses and Capital investments, whereas in the past it only excluded disposals of activities that qualified as restructuring. Therefore, segment EBIT from Capital for the first quarter of 2016 has been restated to exclude the $58.5 million gain on disposals of Capital investments, mainly due to the sale of the Company's indirect ownership interest in SNCL Malta.

SNC-Lavalin's Capital investments are accounted for as follows:

TYPE OF INFLUENCE	ACCOUNTING METHOD
Non-significant influence	Cost method
Significant influence	Equity method
Joint control	Equity method
Control	Consolidation method

Such investments are grouped into the Capital segment wherein its performance is evaluated, as follows:

ACCOUNTING METHOD	PERFORMANCE EVALUATION
Cost method	Dividends or distributions received from investments
Equity method	SNC-Lavalin's share of the net results of its investments, or dividends from Capital investments for which the carrying amount is $ nil (such as Highway 407 ETR), before taxes
Consolidation method	EBIT from investments

The Company derives its revenues from both reimbursable contracts (first three months of 2017: 60%, 2016: 55%) and fixed-price contracts (first three months of 2017: 40%, 2016: 45%).

The following table summarizes the Company's **revenues and segment EBIT and reconciles the segment EBIT to the Company's EBIT** for the **first quarters** ended March 31, 2017 and 2016:

(IN MILLIONS OF CA$)	FIRST QUARTER 2017				2016[1]			
BY SEGMENT	REVENUES	SEGMENT EBIT FROM E&C	SEGMENT EBIT FROM CAPITAL	TOTAL SEGMENT EBIT	REVENUES	SEGMENT EBIT FROM E&C	SEGMENT EBIT FROM CAPITAL	TOTAL SEGMENT EBIT
Mining & Metallurgy	**$ 101.4**	**$ 6.6**	**$ –**	**$ 6.6**	$ 117.5	$ 5.7	$ –	$ 5.7
Oil & Gas	**856.5**	**56.0**	**–**	**56.0**	853.5	42.1	–	42.1
Power	**373.5**	**32.3**	**–**	**32.3**	383.3	29.2	–	29.2
Infrastructure	**456.9**	**30.0**	**–**	**30.0**	576.6	31.5	–	31.5
Total E&C segments	**$ 1,788.3**	**$ 124.9**	**$ –**	**$ 124.9**	$ 1,930.8	$ 108.4	$ –	$ 108.4
Capital	**60.9**	**–**	**55.8**	**55.8**	57.4	–	50.4	50.4
Total revenues and segment EBIT	**$ 1,849.3**	**$ 124.9**	**$ 55.8**	**$ 180.8**	$ 1,988.2	$ 108.4	$ 50.4	$ 158.8
Less:								
Corporate selling, general and administrative expenses and others not allocated to the segments		**$ (43.3)**	**$ (6.9)**	**$ (50.2)**		$ (33.9)	$ (6.4)	$ (40.3)
Restructuring costs		**(2.8)**	**–**	**(2.8)**		(13.0)	–	(13.0)
Acquisition-related costs and integration costs		**(1.4)**	**–**	**(1.4)**		(1.2)	–	(1.2)
Amortization of intangible assets related to Kentz acquisition		**(15.4)**	**–**	**(15.4)**		(20.3)	–	(20.3)
Gain on disposals of Capital investments		**–**	**–**			–	58.5	58.5
Gain from adjustment on disposals of E&C businesses		**0.7**	**–**	**0.7**		–	–	
Reversal of non-controlling interests before income taxes included above		**5.4**	**–**	**5.4**		5.3	–	5.3
EBIT		**$ 68.1**	**$ 48.9**	**$ 117.1**		$ 45.3	$ 102.5	$ 147.8

(1) Comparative figures have been revised to reflect a change made to the measure of profit or loss for the Company's reportable segments and to reflect a change made to the Company's reporting of its financial results related to the Infrastructure segment. Please refer to section 9 for further details.

6.1 Mining & Metallurgy

(IN MILLIONS OF CA$)	FIRST QUARTER 2017	2016
Revenues from Mining & Metallurgy	**$ 101.4**	$ 117.5
Segment EBIT from Mining & Metallurgy	**$ 6.6**	$ 5.7
Segment EBIT over revenues from Mining & Metallurgy (%)	**6.6%**	4.8%

Mining & Metallurgy revenues for the first quarter of 2017 decreased to $101.4 million, compared with $117.5 million for the corresponding period of 2016. The decrease in revenues was attributable to a lower level of activity due to the near completion of certain major projects, notably sulphuric acid plants in the Middle East, partially offset by the revenues generated by contracts awarded in 2016, namely a sulphur dioxide mitigation project in Russia and the construction of sulphuric acid plants in Chile. Furthermore, global commodity prices remained low in the first quarter of 2017, which continue to have an adverse impact on capital investment in this sector.

Mining & Metallurgy segment EBIT was $6.6 million for the first quarter of 2017, compared with $5.7 million for the corresponding period of 2016, mainly due to a decrease in selling, general and administrative expenses, partially offset by a decrease in volume of activity, due to the reasons stated above, and a decrease in gross margin-to-revenue ratio.

The Mining & Metallurgy segment derives its revenues from both reimbursable contracts, 30% for the first three months of 2017 (2016: 30%), and fixed-price contracts, 70% for the first three months of 2017 (2016: 70%).

6.2 Oil & Gas

(IN MILLIONS OF CA$)	FIRST QUARTER 2017	2016
Revenues from Oil & Gas	**$ 856.5**	$ 853.5
Segment EBIT from Oil & Gas	**$ 56.0**	$ 42.1
Segment EBIT over revenues from Oil & Gas (%)	**6.5%**	4.9%

Revenues from Oil & Gas were $856.5 million for the first quarter of 2017, in line with the first quarter of 2016, as the increase in revenues generated in the Middle East was offset by a decrease in revenues from certain major projects nearing completion, notably in Australia.

For the first quarter of 2017, Oil & Gas segment EBIT was $56.0 million, compared with $42.1 million for the first quarter of 2016, principally due to an increase in gross margin-to-revenue ratio and a decrease in selling, general and administrative expenses. In the first quarter of 2017, there were some favourable cost reforecasts and outcomes which had a net positive impact on gross margin.

The Oil & Gas segment derives its revenues from both reimbursable contracts, 80% for the first three months of 2017 (2016: 80%), and fixed-price contracts, 20% for the first three months of 2017 (2016: 20%).

6.3 Power

(IN MILLIONS OF CA$)	FIRST QUARTER 2017	2016
Revenues from Power	**$ 373.5**	$ 383.3
Segment EBIT from Power	**$ 32.3**	$ 29.2
Segment EBIT over revenues from Power (%)	**8.6%**	7.6%

Power revenues were $373.5 million for the first quarter of 2017, in line with the first quarter of 2016, mainly due to an increase in revenues from certain nuclear and hydro power projects, offset by a decrease in revenues largely attributable to the completion of a gas-fired combined-cycle power plant project in the United States and near-completion of work on transmission lines in Western Canada.

For the first quarter of 2017, Power segment EBIT was $32.3 million, compared with $29.2 million for the corresponding quarter of 2016, primarily due to an increase in gross margin-to-revenue ratio and a decrease in selling, general and administrative expenses.

The Power segment derives its revenues from both reimbursable contracts, 50% for the first three months of 2017 (2016: 35%), and fixed-price contracts, 50% for the first three months of 2017 (2016: 65%).

6.4 Infrastructure

(IN MILLIONS OF CA$)	FIRST QUARTER 2017		2016	
Revenues from Infrastructure	**$**	**456.9**	$	576.6
Segment EBIT from Infrastructure	**$**	**30.0**	$	31.5
Segment EBIT over revenues from Infrastructure (%)		**6.6%**		5.5%

Infrastructure revenues for the first quarter of 2017 decreased to $456.9 million, compared with $576.6 million for the corresponding period of 2016, following the sale of the Company's non-core Real Estate Facilities Management business in Canada and of its local French operations at the end of 2016.

For the first quarter of 2017, Infrastructure segment EBIT was $30.0 million, compared with $31.5 million for the corresponding quarter of 2016, as the lower level of activity, due to the reasons explained above, and an increase in selling expenses were partly offset by an increase in gross margin-to-revenue ratio. Selling expenses were higher in the first quarter of 2017 compared with the same period last year, which was primarily attributable to an increase in proposals costs due to the Company's bidding activities on large scale projects.

The Infrastructure segment derives its revenues from both reimbursable contracts, 30% for the first three months of 2017 (2016: 35%), and fixed-price contracts, 70% for the first three months of 2017 (2016: 65%).

6.5 Capital

Capital is the investment and asset management arm of SNC-Lavalin. Its main purpose is to invest equity or subordinated debt into projects to generate integrated, whole life-cycle revenues in engineering and construction, as well as operations and maintenance. All investments are structured to earn a return on capital adequate for the risk profile of each individual project. SNC-Lavalin makes Capital investments in a variety of infrastructure assets such as bridges and highways, mass transit systems, power facilities, energy infrastructure and water treatment plants. These investments are grouped together in the Capital segment and described in section 7.5 of the Company's 2016 annual Management's Discussion and Analysis.

NET BOOK VALUE OF CAPITAL INVESTMENTS

The Company provides additional information on the net book value of its Capital investments in Note 4 to its unaudited interim condensed consolidated financial statements for the first quarter of 2017.

The following table presents the net book value of Capital investments segregated by the method used to account for the investments:

(IN MILLIONS OF CA$)		MARCH 31 2017		DECEMBER 31 2016
Capital investments accounted for by the consolidation method	**$**	**(25.2)**	$	(31.2)
Capital investments accounted for by the equity method		**408.4**		399.4
Capital investments accounted for by the cost method		**50.6**		48.3
Total net book value of Capital investments	**$**	**433.7**	$	416.5

As at March 31, 2017, the Company estimated that the fair value of its Capital investments portfolio was much higher than its net book value, with the Company's investment in Highway 407 ETR having the highest estimated fair value of its portfolio. As at March 31, 2017 and as at December 31, 2016, the net book value of the Company's investment in Highway 407 ETR was $ nil.

SEGMENT EBIT - CAPITAL

	FIRST QUARTER			
(IN MILLIONS OF CA$)		**2017**		2016 (1)
Revenues from Capital	**$**	**60.9**	$	57.4
Segment EBIT:				
From Highway 407 ETR	**$**	**34.8**	$	31.5
From other Capital investments (2)		**21.0**		19.0
Segment EBIT from Capital	**$**	**55.8**	$	50.4

(1) Comparative figures have been revised to reflect a change made to the measure of profit or loss for the Company's reportable segments.

(2) Segment EBIT from other Capital investments is net of divisional and certain directly related corporate selling, general and administrative expenses, as well as from selling, general and administrative expenses from all other Capital investments accounted for by the consolidation method.

The Company's Capital investments are accounted for by the cost, equity or consolidation methods depending on whether or not SNC-Lavalin exercises significant influence, joint control or control. In evaluating the performance of the segment, the relationship between revenues and segment EBIT is not meaningful, as a significant portion of the investments are accounted for by the cost and equity methods, which do not reflect the line by line items of the individual Capital investment's financial results.

The Capital segment EBIT amounted to $55.8 million for the first quarter of 2017, compared with $50.4 million for the same period last year. The variation was essentially due to an increase in the dividends received from Highway 407 ETR and a higher level of activity on certain Capital investments.

6.6 Corporate selling, general and administrative expenses and others not allocated to segments

Corporate selling, general and administrative expenses that are not directly related to projects or segments are not allocated to the Company's segments.

Corporate selling, general and administrative expenses and others not allocated to projects or segments amounted to $50.2 million for the first quarter of 2017, compared with $40.3 million for the first quarter of 2016. The increase of $9.9 million was mainly due to a lower amount of allocation of benefits, incentives and social security charges to projects or segments in the first quarter of 2017, compared with the corresponding quarter of 2016.

7 Liquidity and Capital Resources

This section has been prepared to provide the reader with a better understanding of the Company's liquidity and capital resources, and has been structured as follows:

- A **cash flows analysis**, providing details on how the Company generated and used its cash and cash equivalents;
- A review of the **cash net of recourse debt** of the Company;
- The presentation of the Company's **dividends declared** and **Return on Average Shareholders' Equity** ("ROASE");
- A discussion on the Company's **financial position** at the end of the first quarter of 2017, compared with its financial position as at December 31, 2016; and
- An update on the Company's credit ratings.

7.1 Cash Flows Analysis

THREE MONTHS ENDED MARCH 31 (IN MILLIONS OF CA$)		2017		2016
Net cash flows generated from (used for):				
Operating activities	**$**	**(186.8)**	$	(239.8)
Investing activities		**(21.8)**		58.7
Financing activities		**(41.7)**		(11.6)
Increase (decrease) from exchange differences on translating cash and cash equivalents		**5.3**		(0.9)
Net decrease in cash and cash equivalents		**(245.0)**		(193.4)
Cash and cash equivalents at beginning of period		**1,055.5**		1,581.8
Cash and cash equivalents at end of period	**$**	**810.5**	$	1,388.4

Cash and cash equivalents decreased by $245.0 million in the first quarter of 2017, compared with a decrease of $193.4 million in the first quarter of 2016, as discussed further below.

CASH FLOWS RELATED TO OPERATING ACTIVITIES

Net cash used for operating activities was $186.8 million for the first three months of 2017, compared with $239.8 million for the corresponding period of 2016, a variance of $53.0 million reconciled as follows:

(IN MILLIONS OF CA$)		THREE-MONTH PERIOD
Net cash used for operating activities for the first three months of 2016	$	(239.8)
Changes between the first three months of 2016 and the first three months of 2017:		
Decrease in net income for the period		(32.3)
Increase in income taxes paid		(16.7)
Decrease in interest paid (from E&C and from Capital investments)		3.4
Decrease in depreciation of property and equipment and amortization of other non-current assets		(11.9)
Decrease in income taxes recognized in net income		(2.1)
Higher net financial expenses recognized in net income		3.7
Increase in net change in provisions related to forecasted losses on certain contracts		(7.7)
Decrease in the gain on disposals of Capital investments		58.5
Decrease in restructuring costs recognized in net income		(10.2)
Decrease in restructuring costs paid		3.6
Increase in the gain from adjustment on disposals of E&C businesses		(0.7)
Other items		23.3
Changes in the net cash generated by operating activities before net change in non-cash working capital items	**$**	**10.9**
Decrease in cash used by the changes in non-cash working capital items	$	42.1
Net cash used for operating activities for the first three months of 2017	**$**	**(186.8)**

- **Net cash generated from operating activities before net change in non-cash working capital items totalled $72.4 million for the first three months of 2017**, compared with $61.5 million for the first three months of 2016, a variance of $10.9 million, mainly explained by the elements in the table above, most notably by the non-cash net gain totalling $58.5 million in the first three months of 2016 resulting primarily from the disposal of the Company's indirect ownership interest in SNCL Malta in the first quarter of 2016;

- As detailed in Note 10 B) to the unaudited interim condensed consolidated financial statements for the first quarter of 2017, **changes in non-cash working capital items used cash of $259.1 million in the first three months of 2017**, compared with $301.2 million in the corresponding period of 2016, mainly reflecting working capital requirements on certain major projects.

CASH FLOWS RELATED TO INVESTING ACTIVITIES

Net cash used for investing activities was $21.8 million for the first three months of 2017, compared with net cash generated from investing activities of $58.7 million for the corresponding period of 2016, a variance of $80.5 million reconciled as follows:

(IN MILLIONS OF CA$)		THREE-MONTH PERIOD
Net cash generated from investing activities for the first three months of 2016	$	58.7
Changes between the first three months of 2016 and the first three months of 2017:		
Increase in acquisitions of property and equipment		(4.2)
Decrease in payments for Capital investments		7.0
Higher increase in receivables under service concession arrangements, net of recovery		(5.6)
Lower decrease in short-term and long-term investments		(2.5)
Lower net cash inflow on disposals of Capital investments accounted for by the equity method		(101.9)
Other items		26.6
Net cash used for investing activities for the first three months of 2017	**$**	**(21.8)**

- The changes in cash flows related to investing activities between the first three months of 2017 and the same period of 2016 were primarily explained by the elements in the table above, most notably by a net cash inflow of $101.9 million on disposals of Capital investments in the first quarter of 2016, mainly resulting from the disposal of the Company's indirect ownership interest in SNCL Malta as described in Note 4 A) to the unaudited interim condensed consolidated financial statements for the first quarter of 2017.

CASH FLOWS RELATED TO FINANCING ACTIVITIES

Net cash used for financing activities was $41.7 million in the first three months of 2017, compared with $11.6 million for the corresponding period of 2016, a variance of $30.1 million reconciled as follows:

(IN MILLIONS OF CA$)		THREE-MONTH PERIOD
Net cash used for financing activities for the first three months of 2016	$	(11.6)
Changes between the first three months of 2016 and the first three months of 2017:		
Lower increase in recourse credit facility		(4.9)
Lower net increase in advances under contract financing arrangements		(16.6)
Decrease in proceeds from exercise of stock options		(0.8)
Increase in dividends paid to SNC-Lavalin shareholders		(2.1)
Other items		(5.7)
Net cash used for financing activities for the first three months of 2017	**$**	**(41.7)**

- The changes in cash flows related to financing activities between the first three months of 2017 and the corresponding period of 2016 were primarily explained by the elements in the table above, most notably by a net increase in advances under contract financing arrangements of $16.6 million in the first quarter of 2016. These advances under contract financing arrangements were related to the Ste-Justine and Evergreen projects and were repaid in full in the second half of 2016, therefore they do not have any cash flow impact in 2017;
- Dividends paid to SNC-Lavalin shareholders amounted to $41.1 million in the first quarter of 2017, compared with $39.0 million in the first quarter of 2016; and
- The issuance of shares pursuant to the exercise of stock options generated $1.7 million in cash in the first three months of 2017 (45,884 stock options at an average price of $37.65), compared with $2.6 million in the corresponding period of 2016 (65,975 stock options at an average price of $38.76). As at April 25, 2017, there were 548,980 stock options outstanding with exercise prices of $37.04 and of $40.98 per common share. At that same date, there were 150,424,337 common shares issued and outstanding.

7.2 Cash Net of Recourse Debt

Cash net of recourse debt is a non-IFRS financial measure. A definition of this financial measure is provided in section 10.

(IN MILLIONS OF CA$)		**MARCH 31 2017**		DECEMBER 31 2016
Cash and cash equivalents	**$**	**810.5**	$	1,055.5
Less:				
Cash and cash equivalents of Capital investments accounted for by the consolidation method		**10.5**		11.3
Recourse debt:				
Debentures		**349.4**		349.4
Cash net of recourse debt	**$**	**450.6**	$	694.9

Cash net of recourse debt (cash and cash equivalents less cash and cash equivalents of Capital investments accounted for by the consolidation method and recourse debt) as at March 31, 2017 was $0.5 billion, compared with $0.7 billion as at December 31, 2016, mainly due to a decrease in cash and cash equivalents as explained in Section 7.1 .

Management continues to believe, subject to the risks and limitations described herein, that its current liquidity position, including its cash position and unused capacity under its credit facility should be sufficient to fund its operations over the foreseeable future.

7.3 Dividends

A quarterly cash dividend of $0.273 per share was declared on March 2, 2017 and was paid on March 30, 2017, representing an increase of 5.0% compared with the corresponding quarterly cash dividends of $0.26 per share paid in 2016.

7.4 Return on Average Shareholders' Equity ("ROASE")

ROASE is a non-IFRS financial measure. A definition of this financial measure is provided in section 10. **ROASE was 6.2% for the 12-month period ended March 31, 2017**, compared with 12.4% for the 12-month period ended March 31, 2016.

7.5 Financial Instruments

The nature and extent of risks arising from financial instruments, and their related risk management, are described in Note 28 to the Company's 2016 annual audited consolidated financial statements and updated as needed in Note 12 to its unaudited interim condensed consolidated financial statements for the first quarter of 2017. In the first three months of 2017, there was no material change to the nature of risks arising from financial instruments, related risk management or classification of financial instruments. Furthermore, there was no change in the methodology used to determine the fair value of the financial instruments that are measured at fair value on the Company's consolidated statement of financial position. In April 2017, the Company entered into a foreign exchange instrument to hedge the foreign exchange exposure related to the agreement to acquire Atkins.

7.6 Financial Position

The following is an analysis of the changes to the Company's financial position between December 31, 2016 and March 31, 2017:

(IN MILLIONS OF CA$)	MARCH 31 2017	DECEMBER 31 2016	CHANGE ($)	EXPLANATIONS
Current assets	$ 4,040.1	$ 4,190.0	$ (149.9)	The decrease in current assets was mainly due to a decrease in cash and cash equivalents (refer to section 7.1 for details), trade receivables and other current financial assets, partially offset by an increase in contracts in progress.
Non-current assets	5,099.4	5,108.3	(8.8)	The decrease in non-current assets was principally due to the foreign currency translation on goodwill, the amortization expense and foreign currency translation of the intangible assets related to Kentz acquisition, partly offset by an increase in non-current portion of receivables under service concession arrangements.
Total assets	**$ 9,139.6**	$ 9,298.3	$ (158.7)	
Current liabilities	$ 3,815.3	$ 3,962.2	$ (146.9)	The decrease in current liabilities was mainly due to a decrease in other current non-financial liabilities, deferred revenues and current portion of provisions, partially offset by an increase in trade payables.
Non-current liabilities	1,410.5	1,439.8	(29.4)	The decrease in non-current liabilities was mainly due to a decrease in the non-current portion of provisions and deferred income tax liability.
Total liabilities	**$ 5,225.7**	$ 5,402.0	$ (176.3)	
Equity attributable to SNC-Lavalin shareholders	$ 3,885.5	$ 3,873.2	$ 12.3	The increase in equity attributable to SNC-Lavalin shareholders was primarily reflecting an increase in retained earnings mainly due to the net income for the first three months of 2017, partially offset by a decrease in other components of equity.
Non-controlling interests	28.3	23.1	5.2	-
Total equity	**$ 3,913.9**	$ 3,896.3	$ 17.5	
Total liabilities and equity	**$ 9,139.6**	$ 9,298.3	$ (158.7)	

7.7 Recourse Debenture – Credit Rating

On April 21, 2017, Standard & Poor's ("S&P") affirmed its BBB long-term corporate credit rating on SNC-Lavalin, after the Company announced its plan to acquire Atkins (refer to section 14 for further details on the proposed acquisition of Atkins). The outlook is stable. At the same time, S&P affirmed its BBB issue-level rating on the Company's $350 million senior unsecured notes due 2019.

On April 21, 2017, DBRS Limited ("DBRS") placed the BBB issuer Rating and BBB Senior Debentures rating of SNC-Lavalin Under Review with Developing Implications following the announcement that SNC-Lavalin plans to acquire Atkins.

8 Related Party Transactions

In the normal course of its operations, SNC-Lavalin enters into transactions with certain of its Capital investments. Investments in which SNC-Lavalin has significant influence or joint control, which are accounted for by the equity method, are considered related parties.

Consistent with IFRS, intragroup profits generated from revenues with Capital investments accounted for by the equity or consolidation methods are eliminated in the period they occur, except when such profits are deemed to have been realized by the Capital investments. Profits generated from transactions with Capital investments accounted for by the cost method are not eliminated.

The accounting treatment of intragroup profits is summarized below:

CAPITAL INVESTMENT	ACCOUNTING METHOD	ACCOUNTING TREATMENT OF INTRAGROUP PROFITS
Capital investments accounted for under IFRIC 12	Consolidation method	Not eliminated upon consolidation in the period they occur, as they are considered realized by the Capital investment through the contractual agreement with its client.
	Equity method	Not eliminated upon consolidation in the period they occur, as they are considered realized by the Capital investment through the contractual agreement with its client.
Others	Equity method	Eliminated in the period they occur, as a reduction of the underlying asset and subsequently recognized over the depreciation period of the corresponding asset.
	Cost method	Not eliminated, in accordance with IFRS.

For the first three months of 2017, SNC-Lavalin recognized revenues of $209.6 million (2016: $173.6 million) from contracts with Capital investments accounted for by the equity method. SNC-Lavalin also recognized its share of net income from these Capital investments accounted for by the equity method of $48.5 million for the three-month period ended March 31, 2017 (2016: $44.5 million).

SNC-Lavalin's trade receivables from Capital investments accounted for by the equity method amounted to $100.2 million as at March 31, 2017 (December 31, 2016: $90.2 million). SNC-Lavalin's other current financial assets receivable from these Capital investments accounted for by the equity method amounted to $83.4 million as at March 31, 2017 (December 31, 2016: $83.0 million). SNC-Lavalin's remaining commitment to invest in these Capital investments accounted for by the equity method was $98.0 million at March 31, 2017 (December 31, 2016: $98.0 million).

All of these related party transactions are measured at fair value.

9 Accounting Policies and Changes

The Company established its accounting policies used in the preparation of its unaudited interim condensed consolidated financial statements for the first quarter of 2017 in accordance with IAS 34, *Interim Financial Reporting*. See Note 2 to the Company's 2016 annual audited consolidated financial statements for more information about the significant accounting policies used to prepare the financial statements.

It should be noted that the Company changed its measure of profit or loss for its reportable segments in the fourth quarter of 2016, such measure of profit or loss is referred to as the segment EBIT, which now excludes gains (losses) on disposals of E&C businesses and Capital investments, whereas in the past it only excluded disposals of activities that qualified as restructuring. This change in an accounting policy did not have any impact on the Company's financial statements, other than on its segment disclosures, and was made in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

The key judgments, assumptions and basis for estimates that management has made under IFRS, and their impact on the amounts reported in the unaudited interim condensed consolidated financial statements were disclosed in the Company's 2016 annual audited consolidated financial statements and remain unchanged for the first quarter of 2017.

9.1 Change in Presentation

In the first quarter of 2017, the Company combined the financial results of its Infrastructure & Construction and Operations & Maintenance sub-segments, which were previously presented separately as additional information of the Infrastructure segment. The combination mainly comes from the disposal of a significant portion of the Operations & Maintenance sub-segment in the fourth quarter of 2016, which decreased the level of activities of the Operations & Maintenance sub-segment. As a result of the combination, comparative figures have been adjusted, with no impact on the Infrastructure segmented results.

9.2 Amendments Adopted in the Three-Month Period Ended March 31, 2017

The following amendments to existing standards have been adopted by the Company on January 1, 2017:

› *Disclosure Initiative* (Amendments to IAS 7, *Statement of Cash Flows*) require disclosures of information enabling users of financial statements to evaluate changes in liabilities arising from financing activities.

› Amendments to IFRS 12, *Disclosure of Interests in Other Entities*, clarify the scope of the standard by specifying that the disclosure requirements in the standard, except for summarized financial information for subsidiaries, joint ventures and associates, apply to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*.

The adoption of the amendments listed above did not have any impact on the Company's financial statements, other than on its disclosures of the financial information.

9.3 Standards and Amendments Issued to be Adopted at a Later Date

The following standards, amendments to standards and an interpretation have been issued and are applicable to the Company for its annual periods beginning on January 1, 2018 and thereafter, with an earlier application permitted:

› IFRS 9, *Financial Instruments*, ("IFRS 9") covers mainly: i) the classification and measurement of financial assets and financial liabilities; ii) the new impairment model for the recognition of expected credit losses; and iii) the new hedge accounting model.

› IFRS 15, *Revenue from Contracts with Customers*, ("IFRS 15") outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede current revenue recognition guidance including IAS 18, *Revenue*, IAS 11, *Construction Contracts*, and related Interpretations.

› Amendments to IFRS 15 clarify how to: i) identify a performance obligation in a contract; ii) determine whether a company is a principal or an agent; and iii) determine whether the revenue from granting a license should be recognized at a point in time or over time. In addition, the amendments to IFRS 15 include two additional transition reliefs.

› Amendments to IFRS 2, *Share-based Payment*, provide requirements on the accounting for: i) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; ii) share-based payment transactions with a net settlement feature for withholding tax obligations; and iii) a modification to the terms and conditions of a share-based payment that changes the classification of a transaction from cash-settled to equity-settled.

› Amendments to IAS 28, *Investments in Associates and Joint Ventures*, clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

› IFRIC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*, clarifies that: i) the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset and deferred income liability; and ii) if there are multiple payments or receipt in advance, a date of transaction is established for each payment or receipt.

› *Transfers of Investment Property* (Amendments to IAS 40, *Investment Property*) state that an entity shall transfer a property to, or from, investment property when, and only when, there is an evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.

The following standard has been issued and is applicable to the Company for its annual periods beginning on January 1, 2019 and thereafter, with an earlier application permitted for entities that have also adopted IFRS 15:

› IFRS 16, *Leases*, provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It will supersede IAS 17, *Leases*, and its associated interpretative guidance.

The Company is currently evaluating the impact of adopting these amendments, standards and interpretation on its financial statements.

CONSIDERATIONS FOR THE IMPLEMENTATION OF IFRS 9 AND IFRS 15

IFRS 9 and IFRS 15 are required to be applied for annual reporting periods beginning on or after January 1, 2018. SNC-Lavalin will not be early adopting IFRS 9 or IFRS 15.

IFRS 9 is applicable retrospectively in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, subject to certain exemptions and exceptions. In general, the main impacts of adopting IFRS 9 are expected to be on classification and measurement of financial assets, the introduction of a new impairment model based on expected losses (rather than incurred loss as per IAS 39, *Financial Instruments: Recognition and Measurement*), hedge accounting and significant additional disclosure requirements.

IFRS 15 can be applied using one of the following two methods: retrospectively to each prior reporting period presented in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, or retrospectively with the cumulative effect of initially applying IFRS 15 recognised at the date of initial application. The Company is currently evaluating the transition methods prescribed under IFRS 15. For companies like SNC-Lavalin that are currently applying IAS 11, *Construction Contracts*, the main impacts of adopting IFRS 15 are expected to be on timing of revenue recognition, contract assets and liabilities, as well as disclosure.

Although the Company has conducted a preliminary assessment of the effects of the application of IFRS 9 and IFRS 15 on the Company's interim and annual financial statements, it is not possible to make reasonable estimates of the impacts of the adoption of IFRS 9 and IFRS 15 at this date, as more data needs to be collected. The Company's current implementation roadmap extends into the fourth quarter of 2017; therefore, it will report on progress achieved over the course of 2017.

10 Non-IFRS Financial Measures and Additional IFRS Measures

The following section provides information regarding non-IFRS financial measures and additional IFRS measures used by the Company to analyze and evaluate its results. Management uses these measures as a more meaningful way to compare the Company's financial performance from period to period. Non-IFRS financial measures do not have any standardized meaning under IFRS and therefore 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 performance. These non-IFRS financial measures should not be considered as a substitute for measures of performance prepared in accordance with IFRS.

Performance

Adjusted diluted earnings per share from E&C ("Adjusted diluted EPS from E&C") is defined as adjusted net income from E&C, divided by the diluted weighted average number of outstanding shares for the period. Adjusted diluted EPS from E&C is a non-IFRS financial measure that is an indicator of the financial performance of the Company's E&C activities. Refer to section 4.3 for the reconciliation of adjusted diluted EPS from E&C to diluted EPS as determined under IFRS.

Adjusted EBITDA is defined as earnings before net financial expenses (income), income taxes, depreciation and amortization, and excludes charges related to restructuring, right-sizing and other, the acquisition-related costs and integration costs, as well as the gains (losses) on disposals of E&C businesses and Capital investments. Refer to section 4.4 for a reconciliation of adjusted EBITDA to net income as determined under IFRS.

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 related to Kentz acquisition, and the gain (loss) on disposals of E&C businesses. Adjusted net income from E&C is a non-IFRS financial measure that is an indicator of the financial performance of the Company's E&C activities. Refer to section 4.3 for the reconciliation of adjusted net income from E&C to net income as determined under IFRS.

Diluted earnings per share from E&C and Diluted earnings per share from Capital correspond to diluted earnings per share as determined under IFRS, reported separately for E&C and for Capital.

EBIT is an indicator of the entity's capacity to generate earnings from operations before taking into account management's financing decisions. Accordingly, EBIT is defined as earnings before net financial expenses (income) and income taxes. Refer to section 4.4 for a reconciliation of EBIT to net income as determined under IFRS.

EBITDA is defined as earnings before net financial expenses (income), income taxes, depreciation and amortization. Refer to section 4.4 for a reconciliation of EBITDA to net income as determined under IFRS.

Gross margin from E&C and Gross margin from Capital correspond to gross margin as determined under IFRS, reported separately for E&C and for Capital.

Return on Average Shareholders' Equity ("ROASE") corresponds to the trailing 12-month net income attributable to SNC-Lavalin shareholders, divided by a trailing 13-month average equity attributable to SNC-Lavalin shareholders, excluding "other components of equity".

Revenue Backlog is 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 activities, 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.

Segment EBIT consists of 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, integration costs and amortization of intangible assets related to Kentz acquisition, as well as gains (losses) on disposals of E&C businesses and Capital investments are not allocated to the Company's segments. See reconciliation of segment EBIT to the most directly comparable IFRS measure in sections 6 and 4.4.

Liquidity

Cash net of recourse debt is arrived at by excluding cash and cash equivalents from Capital investments accounted for by the consolidation method and its recourse debt from its cash and cash equivalents. Refer to section 7.2 for a reconciliation of cash net of recourse debt to cash and cash equivalents as determined under IFRS.

11 Risks and Uncertainties

Risks and uncertainties and certain risk management practices of the Company are described in section 12 of the Company's 2016 Financial Report under "Management's Discussion and Analysis". These risks and uncertainties and risk management practices have not materially changed in the first three months of 2017 except for the risks identified below in respect of the Company's agreement with Atkins on the terms of an acquisition by the Company of Atkins ("the Acquisition") (see also Section 14, "Event After the Reporting Period").

The Acquisition may be Delayed or may not Complete

The Acquisition closing is subject to the receipt of required regulatory approvals, Atkins shareholders' approval, High Court of Justice in England and Wales (the "U.K. Court") approval of the proposed Court-sanctioned scheme of arrangement under Part 26 of the *U.K. Companies Act 2006* (the "Scheme") and the satisfaction of certain closing conditions. There is no certainty, nor can the Company provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. A substantial delay in obtaining regulatory approvals or the imposition of unfavourable terms or conditions in the approvals could have a material adverse effect on the Company's ability to complete the Acquisition and on the Company's business, financial condition or results of operations. The Company intends to complete the Acquisition as soon as practicable after obtaining the required Atkins shareholders' approval and regulatory approvals and satisfying the required closing conditions. If the Acquisition closing does not take place as contemplated, the Company could suffer adverse consequences on the Company's business, financial condition or results of operations, and the loss of investor confidence in connection with the ability to execute the Company's strategic plan.

RISKS RELATED TO THE ACQUISITION

Possible Failure to Realize Anticipated Benefits of the Acquisition and Difficulties in the Integration of Atkins

The Company believes that the Acquisition will provide certain benefits to the Company. Achieving the benefits of the Acquisition depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Company's ability to realize the growth opportunities from combining the Atkins businesses and operations with those of the Company. To effectively integrate Atkins' business into its current operations, the Company must establish appropriate operational, administrative, finance, management systems and controls and marketing functions relating to Atkins. This will require the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the disruption of ongoing business, customer and employee relationships that may adversely affect the Company's ability to achieve the anticipated benefits of the Acquisition, including the Company's ability to realize the anticipated synergies from combining the two entities. A variety of factors may also adversely affect the likelihood that the anticipated benefits of the Acquisition may be realized for the Company or that they will occur within the time periods anticipated by the Company. In addition, the overall integration process of the two companies may result in unanticipated operational problems, costs, expenses, liabilities, customer loss and business disruption for the Company (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers and in retaining key employees of Atkins and its subsidiaries) and, consequently, the failure to realize, in whole or in part, the anticipated benefits of the Acquisition. The performance of Atkins' operations after completion of the Acquisition could be adversely affected if the combined entity cannot retain selected key employees to assist in the integration of the operations of the Company and Atkins. In addition, changes in laws or regulations, including tax laws, in the jurisdictions in which the Company, Atkins and their subsidiaries operate could have a negative effect on their respective businesses, financial condition and results of operations, or on the ability of the Company to achieve its anticipated benefits from the Acquisition. There can be no assurance that the Company will be successful in integrating Atkins' operations, or that the expected benefits will be realized.

Possible Failure to Complete the Acquisition

The Acquisition is subject to normal commercial risk that the Acquisition may not be completed on the terms negotiated or at all. The Acquisition is subject to termination events, certain of which are outside the control of the Company or Atkins. If closing of the Acquisition does not take place as contemplated, the Company could suffer adverse consequences, including the loss of investor confidence. The discovery or quantification of any material liabilities (including, without limitation, the expense of mounting the Acquisition, advisory fees, foreign currency hedging costs and an exposure to a £50 million (approximately CA$86 million) break fee if the Acquisition does not complete due to the absence of required regulatory approvals) could have a material adverse effect on the Company's business, financial condition or future prospects.

Absence of Deal Protection Mechanisms

The U.K.'s City Code on Takeovers and Mergers prohibits most forms of deal protection mechanisms in favour of a bidder in the context of an acquisition of control of a public company in the United Kingdom. As a result, the Company does not have the right under the Scheme to receive any termination fee in the event that the Acquisition does not close, nor is Atkins prohibited from soliciting third parties for a proposal relating to the Acquisition.

Period Prior to Acquisition Closing

Additionally, the Company expects that closing of the Acquisition will occur in the third quarter of 2017. However, the transaction could close on such later date as the Company and Atkins may agree for purposes of the Acquisition closing, with the consent of the Panel on Takeovers and Mergers under the U.K.'s City Code on Takeovers and Mergers (the "Panel") and, if required, the approval of the U.K. Court, which date shall be no later than October 27, 2017. Given the potentially long period prior to closing the Acquisition, there can be no assurance that the business, operations and assets of Atkins may not be adversely affected by intervening events. During the period prior to closing the Acquisition, the Company will have no right to control or direct the operations of Atkins and Atkins shall exercise complete unilateral control and supervision over its business operations and therefore the Company will, indirectly be reliant on the business judgment and decisions of the board and management of Atkins prior to closing the Acquisition.

Change of Control/Termination for Convenience

Atkins is party to agreements that contain change of control and/or termination for convenience provisions which may be triggered following completion of the Acquisition. The operation of these change of control or termination provisions, if triggered, could result in unanticipated expenses and/or cash payments following the consummation of the Acquisition or adversely affect Atkins' results of operations and financial condition. Unless these change of control provisions are waived, or the termination provisions not exercised, by the other party, the operation of any of these provisions could adversely affect the results of operations and financial condition of the combined entity.

Exchange Rate Risk

The Company is funding a substantial portion of the purchase price for the Acquisition from sources of funds denominated in Canadian dollars, however the purchase price is denominated in British pounds. A significant decline in the value of the Canadian dollar relative to the British pound could increase the cost to the Company of funding the purchase price. Although the Company has implemented certain hedging strategies with respect to the purchase price in order to mitigate its exposure to such currency exchange risk, there can be no assurance that such hedging or other risk management strategies, if any, undertaken by the Company will be effective. In addition, currency hedging entails a risk of illiquidity and, to the extent the British pound depreciates against the Canadian dollar, the risk of using hedges could result in losses greater than if the hedging had not been used. Also, hedging arrangements may have the effect of limiting or reducing the total returns to the Company if management's expectations concerning future events or market conditions prove to be incorrect, in which case the costs associated with the hedging strategies may outweigh their benefits.

Foreign Currency Exposure

After giving effect to the Acquisition, a larger portion of the Company's earnings and net assets will be denominated in multiple foreign currencies, including the British pound and the U.S. dollar. Accordingly, fluctuations in exchange rates between the Canadian dollar and such currencies may have an increased adverse effect on the Company's results and financial condition. Future events that may significantly increase or decrease the risk of future movement in the exchange rates for these currencies cannot be predicted.

Potential Undisclosed Liabilities Associated with the Acquisition

In connection with the Acquisition, there may be liabilities that the Company failed to discover or was unable to quantify in its due diligence which it conducted prior to entering into the Scheme and which could have a material adverse effect on the Company's business, financial condition or future prospects. In addition, the Company may be unable to retain existing Atkins customers or employees following the Acquisition. The Company will not be indemnified for any of these liabilities.

Increased Indebtedness

On April 20, 2017, SNC-Lavalin Highway Holdings Inc. (the "Borrower"), an indirect wholly-owned subsidiary of the Company, entered into a loan agreement with CDPQ Revenu Fixe Inc. (the "Lender"), a wholly-owned subsidiary of Caisse de dépôt et placement du Québec ("Caisse"), establishing a limited recourse loan in the original principal amount of $1.5 billion (the "SNC-Lavalin Highway Holdings Loan" and such agreement being the "SNC-Lavalin Highway Holdings Loan Agreement"). The proceeds of the SNC-Lavalin Highway Holdings Loan will be in turn on-loaned to the Company pursuant to an inter-company loan (the "Inter-Company Loan") and ultimately used to finance a portion of the purchase price for, and the costs of, the Acquisition.

In addition to the SNC-Lavalin Highway Holdings Loan, the Company has entered into a term facility in the amount of £300 million (approximately CA$517 million), and expects to draw an additional amount of £350 million (approximately CA$603 million) under the Company's existing syndicated credit facility. Such borrowings will represent a material increase in the Company's consolidated indebtedness. The Company expects to have approximately $1.5 billion of consolidated indebtedness as at December 31, 2016, excluding limited and non-recourse debt, on a pro forma basis after giving effect to the Acquisition and certain other transactions. There is no guarantee that the level of indebtedness estimated by management is correct. The level of indebtedness of the combined entity may be significantly higher. Such additional indebtedness will increase the Company's consolidated interest expense and debt service obligations and may have a negative effect on its results of operations or credit ratings.

Therefore, the Company will need to refinance or reimburse amounts outstanding under the Company's consolidated indebtedness. There can be no assurance that any indebtedness of the Company will be refinanced or that additional financing on commercially reasonable terms will be obtained, if at all.

The Company's degree of leverage could have other important consequences, including the following:

- it may have a negative effect on the current credit ratings of the Company's rated long-term debt;
- it may limit the Company's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes on commercially reasonable terms, if at all;
- most of the Company's borrowings are at variable rates of interest and expose the Company to the risk of increased interest rates;
- it may limit the Company's ability to adjust to changing market conditions and place the Company at a competitive disadvantage (including if the Company's investment grade credit rating is negatively affected) compared to its competitors that have less debt or greater financial resources;
- it may limit the Company's ability to declare and pay dividends on its Common Shares;
- the Company may be vulnerable in a downturn in general economic conditions; and
- the Company may be unable to make capital expenditures that are important to its growth and strategies.

The credit facilities and instruments governing the Company's consolidated debt contain certain financial covenants requiring the Company, on a consolidated basis, to satisfy net recourse debt to adjusted earnings before interest, taxes, depreciation and amortization ratios. Such credit facilities and instruments also contain covenants restricting the Company's ability to incur liens on its assets, incur additional debt or effect dispositions of assets or fundamental changes in its business, pay dividends and make certain other disbursements, or use the proceeds from the sale of assets and capital stock of subsidiaries. These covenants will limit the Company's discretion and financial flexibility in the operation of its business. Under the terms of these credit facilities and instruments, the Company and its subsidiaries are permitted to incur additional debt in certain circumstances. However, doing so could increase the risks described above. In addition, if the Company or its subsidiaries incur additional debt in the future, the Company may be subject to additional covenants, which may be more restrictive than those that it is subject to now.

A breach of any of these agreements or the Borrower's or the Company's, as the case may be, inability to comply with these covenants could, if not cured or waived, result in an acceleration of the Company's consolidated debt or a cross-default under certain of its debt. If the Company's indebtedness is accelerated, the Company may not be able to service its indebtedness, or borrow sufficient funds to refinance its indebtedness. Additionally, if the Borrower is unable to service its indebtedness and/or if any other condition for re-payment is triggered under the terms of its indebtedness, the Borrower may, in order to make payments owed thereon, be required to sell part or all of its shares in 407 International Inc. in compliance with that company's shareholders' agreement at a time, price and in circumstances outside of its control and/or that may not allow for an optimal sale price of such 407 International Inc. shares.

The Company's ability to service its increased consolidated debt will depend upon, among other things, its future financial and operating performance, which will be affected by prevailing economic conditions, interest rate fluctuations and financial, business, legal, regulatory and other factors, some of which are beyond the Company's control. If the Company's operating results or liquidity are not sufficient to service its current or future consolidated indebtedness, the Company may be forced to take actions such as reducing dividends, reducing or delaying business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt, or seeking additional equity capital.

Dependence on Subsidiaries

A significant portion of the Company's assets are the capital stock of its subsidiaries and the Company conducts an important portion of its business through its subsidiaries. Consequently, the Company's cash flow and ability to service its debt obligations are dependent to a great extent upon the earnings of its subsidiaries and the distribution of those earnings to the Company, or upon loans, advances or other payments made by these entities to the Company.

The Company's subsidiaries are separate and distinct legal entities and have significant liabilities. The ability of these entities to pay dividends or make other loans, advances or payments to the Company will depend upon their operating results and will be subject to applicable laws and contractual restrictions contained in the instruments governing their debt including, for example, the financial covenants applicable to the Borrower under the SNC-Lavalin Highway Holdings Loan Agreement that the Company's consolidated net recourse debt to adjusted earnings before interest, taxes, depreciation and amortization ratio not exceed a certain limit. In addition, certain other deeds and agreements governing certain subsidiaries of the Company contain restrictions on the payment of dividends and distributions, as well as specified liquidity covenants.

The ability of the Company's subsidiaries to generate sufficient cash flow from operations will depend on their future financial performance, which will be affected by a range of economic, competitive and business factors, including those discussed above, many of which are outside of the control of the Company or its subsidiaries. The cash flow and earnings of the Company's operating subsidiaries and the amount that they are able to distribute to the Company as dividends or otherwise may not generate sufficient cash flow from operations to satisfy the Company's debt obligations. Accordingly, the Company may have to undertake alternative financing plans, such as refinancing or restructuring its debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. The Company cannot assure purchasers of securities under the prospectus supplement dated April 24, 2017 that any such alternatives would be possible, that any assets could be sold, or, if sold, of the timing of the sales and the amount of proceeds realized from those sales, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of the Company's various debt instruments then in effect. The Company's inability to generate sufficient cash flow to satisfy its debt obligations, or to refinance its obligations on commercially reasonable terms, would have an adverse effect on its business, financial condition and results of operations.

Security under the SNC-Lavalin Highway Holdings Loan

The SNC-Lavalin Highway Holdings Loan is secured by a universal movable hypothec/security interest in favour of the Lender over all of the Borrower's assets, but specifically excluding the 407 International Inc. shares held by the Borrower (until such time as the Borrower may elect to grant a pledge thereon), as well as the rights and receivables of the Borrower under the Inter-Company Loan. In addition to this security, SNC-Lavalin Inc. has agreed to provide a guarantee (the "Guarantee") in favour of the Lender secured by a pledge given by SNC-Lavalin Inc. to the Lender over 20,900 common shares held by the former in the share capital of the Borrower (representing approximately 29.9% of the outstanding common shares of the Borrower). The Lender has agreed that its sole recourse against SNC-Lavalin Inc. in connection with the Guarantee and any potential breach or default by the Borrower under the SNC-Lavalin Highway Holdings Loan shall be limited to enforcement on or against the shares of the capital of the Borrower held by SNC-Lavalin Inc. The Company has a 16.77% ownership interest in 407 International Inc. through its wholly-owned subsidiary, the Borrower. The terms of the SNC-Lavalin Highway Holdings Loan include various covenants that must be satisfied by the Borrower. There can be no assurance that such covenants will be satisfied. Any event of default under the SNC-Lavalin Highway Holdings Loan Agreement, including in respect of covenants thereunder, could result in the Lender canceling any undrawn commitment and/or demanding immediate payment of all amounts outstanding under the SNC-Lavalin Highway Holdings Loan, or forcing the sale of the 407 International Inc. shares in compliance with the 407 International Inc. shareholders' agreement at a time, price and in circumstances outside of the Company's control and/or that may not allow for an optimal sale price of such 407 International Inc. shares, which could have a material adverse effect on the Company's business and financial position.

Nature of Acquisitions

Acquisitions of professional services firms are based in large part on an acquired company's goodwill and client base. Atkins' customers may, in response to the announcement of the Acquisition, delay or defer decisions concerning their use of its services because of uncertainties related to the consummation of the Acquisition, including the possibility that the Acquisition may not be completed if all the conditions of the Acquisition are not fulfilled. This circumstance could have an adverse effect on the Company's revenues and profitability.

Dilutive Effects on Holders of Common Shares

The funding for the Acquisition includes a CA$800 million public bought deal offering of the Company's common shares by way of subscription receipts, and a CA$400 million private placement with Caisse of common shares by way of subscription receipts. The issuance by the Company of such common shares, when and if it happens, will have a dilutive effect on the holders of the Company's common shares.

Dividends

The declaration and payment of dividends on Common Shares are at the discretion of the board of directors of the Company. The cash available for dividends is a function of numerous factors, including the Company's financial performance, the impact of interest rates, debt covenants and obligations, working capital requirements and future capital requirements. Following the Acquisition, the Company's ability to pay dividends could be adversely affected if the free cash flow resulting from the Acquisition does not materialize as expected when coupled with the potentially dilutive effect of the additional common shares issued to fund the Acquisition. In addition, the Company's ability to pay dividends depends upon the payment of dividends by certain of the Company's subsidiaries or the repayment of funds to the Company by its subsidiaries. The Company's subsidiaries, including Atkins following the Acquisition, in turn, may be restricted from paying dividends, making repayments or making other distributions to the Company for financial, regulatory, legal or other reasons. To the extent the Company's subsidiaries are not able to pay dividends or repay funds to the Company, it may adversely affect the Company's ability to pay dividends on common shares.

Information provided by Atkins

Much of the information relating to Atkins relied upon by the Company for the Acquisition is based on public filings by Atkins. Although the Company has conducted what it believes to be an adequate level of investigation in connection with the Acquisition, an unavoidable level of risk remains regarding the accuracy and completeness of such information.

Significant Transaction and Related Costs

The Company expects to incur a number of costs associated with completing the Acquisition (a substantial portion of which will be incurred whether or not the Acquisition is completed) and integrating the operations of the Company and Atkins. The substantial majority of such costs will be non-recurring expenses resulting from the Acquisition and will consist of transaction costs related to the Acquisition, facilities and systems consolidation costs and employment-related costs. Additional unanticipated costs may be incurred in the integration of the Company and Atkins' respective businesses.

RISKS RELATED TO THE BUSINESS OF THE COMBINED ENTITY

The risk factors set forth in the 2016 MD&A and herein relating to the business and operations of the Company that are similar to Atkins' business, apply equally in respect of similar components of Atkins' business. In addition, investors should, if the Acquisition is completed, carefully consider the following incremental risks in relation to Atkins' business as set forth below.

Atkins' Pension-Related Obligations

Atkins operates two significant defined benefit plans, namely the Atkins Pension Plan and the Railways Pension Scheme, with combined net significant post-retirement liabilities of £265.3 million (or approximately CA$443.1 million) as at March 31, 2016. The majority of Atkins' post-employment benefits obligations sits within its U.K. business and is comprised of defined benefit pension obligations. In the U.K., defined benefit pension schemes funding requirements are based on actuarial valuations of the assets and liabilities of each scheme. A scheme's assets are determined by the value of investments held by the scheme and the returns. The valuation of plan liabilities requires significant levels of judgement and technical expertise in choosing appropriate assumptions. Changes in a number of key assumptions can have a material impact on the calculation of the liability. There is also some judgement in the measurement of the fair value of pension assets giving rise to a risk of material misstatement in their valuation.

The nature of the funding regime in the U.K. creates uncertainty around the size and timing of cash that Atkins will be required to pay to the pension schemes. Pension deficit contributions of £32.8 million (or approximately CA$54.8 million) were made to the Atkins Pension Plan during Atkins' financial year ended March 31, 2016. Under the latest agreed recovery plan that ends in March 2025, Atkins was to contribute £33.6 million (or approximately CA$56.1 million) to the Atkins Pension Plan for the year ending March 31, 2017, with annual contributions escalating by 2.5% each year until March 31, 2025. If Atkins is required to increase cash funding contributions, this will reduce the availability of such funds for other corporate purposes and limit its ability to invest in growth. Deteriorating economic conditions may result in significant increases in Atkins' funding obligations, which could restrict available cash for Atkins' operations, capital expenditures and other requirements, and have a material adverse effect on Atkins' business, financial condition and results of operations.

Assuming and upon completion of the Acquisition, Atkins' pension-related liabilities and its future payment obligations thereunder could restrict cash available for the Company's operations, capital expenditures and other requirements and may materially adversely affect its financial condition and liquidity.

12 Quarterly Information

(IN MILLIONS OF CA$, EXCEPT EARNINGS PER SHARE AND DIVIDENDS PER SHARE)	**2017** FIRST QUARTER	2016 FOURTH QUARTER	2016 THIRD QUARTER	2016 SECOND QUARTER	2016 FIRST QUARTER	2015 FOURTH QUARTER	2015 THIRD QUARTER	2015 SECOND QUARTER
Revenues	**$ 1,849.3**	$ 2,211.1	$ 2,168.5	$ 2,103.0	$ 1,988.2	$ 2,646.3	$ 2,433.2	$ 2,250.4
EBIT	**$ 117.1**	$ 2.3	$ 42.5	$ 119.5	$ 147.8	$ 73.5	$ 303.3	$ 43.6
Net income (loss) attributable to SNC-Lavalin shareholders from E&C	**$ 45.3**	$ (38.4)	$ 0.7	$ 52.9	$ 31.2	$ 14.0	$ 33.3	$ (18.5)
Net income attributable to SNC-Lavalin shareholders from Capital:								
From Highway 407 ETR	**34.8**	34.8	34.8	31.5	31.5	31.5	31.5	31.5
From other Capital investments	**9.6**	5.2	7.8	4.2	59.5	3.8	159.4	13.6
Net income attributable to SNC-Lavalin shareholders	**89.7**	1.6	43.3	88.5	122.1	49.2	224.2	26.5
Net income (loss) attributable to non-controlling interests	**5.4**	0.1	(8.1)	3.8	5.3	19.3	9.1	4.4
Net income	**$ 95.1**	$ 1.6	$ 35.2	$ 92.3	$ 127.4	$ 68.6	$ 233.3	$ 30.9
Basic earnings per share ($)	**$ 0.60**	$ 0.01	$ 0.29	$ 0.59	$ 0.82	$ 0.33	$ 1.50	$ 0.17
Diluted earnings per share ($)	**$ 0.60**	$ 0.01	$ 0.29	$ 0.59	$ 0.81	$ 0.33	$ 1.49	$ 0.17
Dividends declared per share ($)	**$ 0.273**	$ 0.273	$ 0.26	$ 0.26	$ 0.26	$ 0.26	$ 0.25	$ 0.25

13 Controls and Procedures

The Company's Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") are responsible for establishing and maintaining the Company's disclosure controls and procedures as well as its internal control over financial reporting, as those terms are defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") of the Canadian securities regulatory authorities.

The CEO and CFO have designed disclosure controls and procedures, or caused them to be designed under their supervision, to provide reasonable assurance that:

› Material information relating to the Company is made known to them by others, particularly during the period in which the interim filings are being prepared; and

› Information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The CEO and CFO have also designed internal control over financial reporting, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There have been no changes in the Company's internal control over financial reporting that occurred during the period beginning on January 1, 2017 and ended on March 31, 2017, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

14 Event After the Reporting Period

On April 20, 2017, SNC-Lavalin announced that it has reached an agreement with Atkins, approved by the boards of directors of both companies, on the terms of a cash acquisition by which SNC-Lavalin will acquire the entire issued and to be issued share capital of Atkins for £20.80 per share in cash, representing an aggregate cash consideration of approximately $3.6 billion based on the GBP:CAD exchange rate of 1.7229 on that date (the "Acquisition"). Headquartered in the United Kingdom ("U.K."), Atkins is a global design, engineering and project management consultancy, with a position across the infrastructure, transportation and energy sectors. Subject, among other things, to the satisfaction of waiver of the conditions, the approval of the scheme of arrangement by the Atkins shareholders, the receipt of applicable regulatory approvals and the High Court of Justice in England and Wales' (the "U.K. Court") sanction of the scheme of arrangement, it is expected that the Acquisition will be completed in the third quarter of 2017.

The Acquisition will be funded through a combination of equity and debt issuance and is supported by Caisse de dépôt et placement du Québec ("Caisse"), SNC-Lavalin's largest shareholder. The funding includes a $1.5 billion loan from Caisse, an $800 million public bought deal offering, a $400 million private placement with Caisse, as well as £300 million (CA$517 million) term loan, and approximately £350 million (CA$603 million) draw on the Company's unsecured revolving credit facility.

On April 24, 2017, the Company filed a prospectus supplement to its short form base shell prospectus dated March 13, 2017 for its $800 million public bought deal offering. This prospectus supplement provides, among other things, pro forma financial results of the proposed transaction.

On April 27, 2017, the Company announced that it has closed its previously announced $800 million public offering which, including the over-allotment option exercised in full by the syndicate of underwriters, resulted in aggregate gross proceeds of $880 million.

On April 27, 2017, SNC-Lavalin also completed its previously announced private placement with Caisse for aggregate gross proceeds of $400 million.