

## > Third quarter 2009



Conference call notes

Nov. 6, 2009



✓ **Forward-looking Statements**

- Denis Jasmin,  
Vice-President, Investor Relations

✓ **Highlights and Outlook**

- Pierre Duhaime,  
President and Chief Executive Officer

✓ **Financial Review**

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

# Forward-looking statements

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- ✓ Unless otherwise specified, all dollar amounts are expressed in Canadian dollars.
- ✓ Statements made in this presentation that describe the Company's or management's budgets, estimates, expectations, forecasts, objectives, predictions or projections of the future may be "forward-looking statements", which can be identified by the use of the conditional or forward-looking terminology such as "anticipates", "believes", "estimates", "expects", "may", "plans", "projects", "should", "will", or the negative thereof or other variations thereon. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that its actual actions and/or results could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes. For more information on risks and uncertainties, and assumptions that would cause the Company's actual results to differ from current expectations, please refer to the section "Risks and Uncertainties" and the section "How We Budget and Forecast Our Results and Basis for Providing Financial Guidance", respectively, in the Company's 2008 Annual Report under "Management's Discussion and Analysis". Unless otherwise mentioned, the forward-looking statements herein reflect the Company's expectations as of the date of this presentation and are subject to change after this date.
- ✓ Reference in this presentation to the "Company" or to "SNC-Lavalin" means, as the context may require, SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint ventures, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint ventures.

# Bodes well for 2010

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- ✓ Total backlog = \$10.2 billion at September 30, 2009, compared to \$9.6 billion at December 31, 2008
  - Services revenue backlog remained in line at \$1.6 billion
  - Packages revenue backlog remained in line at \$3.5 billion
  - O&M revenue backlog increased to \$2.6 billion from \$2.2 billion
  - ICI revenue backlog increased to \$2.5 billion from \$2.3 billion
- ✓ Encouraging list of prospects
  - Pursuing large capital projects in Canada and in key markets internationally

# Strong financial position

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- ✓ Cash and cash equivalents = \$1.2 billion at September 30, 2009, compared to \$988.2 million at December 31, 2008
  - Proceeds for the issuance of \$350 million of 10-year unsecured debentures in July 2009
  - Cash generated from operations
  - Partially offset by cash used for investing activities
- ✓ Solid balance sheet provides us the flexibility to:
  - Bid on large projects
  - Make acquisitions
  - Invest in concessions
- ✓ We are considering selling certain non-strategic concessions

# Net income growth

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- ✓ Net income for the third quarter 2009 increased to \$103.1 million from \$91.3 million for the third quarter 2008
- ✓ Net income for the nine-month period ended September 30, 2009 increased by 9.7% to \$260.7 million mainly due to:
  - Explanations by activity:
    - Increase in Packages gross margin-to-revenue ratio
    - Partially offset by
      - Anticipated lower level of Packages activities
      - Higher level of selling, general and administrative expenses
      - Lower Services gross margin-to-revenue ratio
  - Explanations by segment:
    - Higher operating income in infrastructure & Environment and Power
    - Partially offset by a loss in Chemicals & Petroleum  
(no additional loss recorded in Q3)

# Worldwide Opportunities

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Infrastructure & Environment:	Africa, Canada and Europe  Airports and mass transit systems Buildings, hospitals, roads and water treatment and distribution facilities
Power:	Worldwide  Hydro, nuclear and gas-fired thermal power generation, and transmission & distribution
Chemicals & Petroleum:	Africa, Canada, Middle East, Russia and Venezuela
Mining & Metallurgy:	Worldwide  Copper, gold, iron ore and potash
Operations & Maintenance:	Canada
Infrastructure Concession Investments:	Canada and France

1. Be recognized as a global leader in the following key sectors:
  - Mining & Metallurgy (light metals, base metals, iron ore)
  - Oil & Gas
  - Power (Hydro, Nuclear, Transmission & Distribution)
  - Transport (Airports, Mass Transit Systems, Ports)
2. Be recognized as a leader in infrastructure in local markets
3. Add well-established engineering bases in the following key geographic areas:
  - India, Middle East, South America, South East Asia
4. Continue to selectively invest in infrastructure concessions
5. Invest in risk management
6. Grow through quality work



# Financial Review

Gilles Laramée,  
Executive Vice-President and Chief Financial Officer

# Consolidated income statement

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(in millions of \$)

	Third Quarter		Nine months ended September 30	
	2009	2008	2009	2008
<b>Revenues by activity:</b>				
Services	535.7	548.7	1,664.3	1,593.4
Packages	472.5	791.4	1,614.8	2,451.0
Operations & Maintenance	311.9	249.6	962.6	855.4
Infrastructure Concession Investments	102.3	95.7	276.8	263.2
	<b>1,422.4</b>	1,685.4	<b>4,518.5</b>	5,163.0
<b>Gross margin</b>	<b>306.0</b>	259.5	<b>834.6</b>	746.0
Selling, general and administrative expenses	128.9	120.1	397.5	358.1
Interest (revenues) and capital taxes:				
From infrastructure concession investments	32.6	24.2	80.1	85.6
From other activities	7.2	(3.4)	8.7	(12.8)
<b>Income before inc. taxes and non-contr. interest</b>	<b>137.3</b>	118.6	<b>348.3</b>	315.1
Income taxes	32.8	25.7	82.2	73.0
Non-controlling interest	1.4	1.6	5.4	4.5
<b>Net income</b>	<b>103.1</b>	91.3	<b>260.7</b>	237.6

# Revenues and operating income (loss) by segment

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(in millions of \$)

	Nine Months Ended September 30			
	2009		2008	
	Revenues	Operating Income	Revenues	Operating Income (loss)
<b>Services and Packages</b>				
Infrastructure & Environment	1,183.2	183.1	1,197.1	68.8
Power	654.9	61.4	891.1	(0.4)
Chemicals & Petroleum	607.4	(14.1)	1,065.7	114.7
Mining & Metallurgy	596.3	67.7	614.4	74.9
Other Industries	237.3	28.1	276.1	30.4
<b>Operations &amp; Maintenance</b>	962.6	21.0	855.4	10.5
<b>Infrastructure Concession Investments</b>	276.8	14.2	263.2	23.6
	<b>4,518.5</b>	<b>361.4</b>	<b>5,163.0</b>	<b>322.5</b>

# Balance sheet

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(in millions of \$)

	<b>September 2009</b>	December 2008
<b>Assets</b>		
Cash and cash equivalents	<b>1,221.3</b>	988.2
Other current assets	<b>2,235.7</b>	2,564.2
Property and equipment:		
From infrastructure concession investments	<b>2,153.4</b>	1,750.7
From other activities	<b>112.0</b>	123.4
Goodwill	<b>515.7</b>	496.1
Infrastructure Concessions Investments	<b>443.8</b>	343.4
Other long-term assets	<b>541.7</b>	505.5
	<b>7,223.6</b>	6,771.5
<b>Liabilities</b>		
Current liabilities	<b>2,881.7</b>	3,276.0
Long-term debt:		
Recourse	<b>348.0</b>	104.7
Non-recourse from infrastructure concession investments	<b>2,106.4</b>	2,003.3
Other long-term liabilities and non-controlling interest	<b>544.3</b>	298.3
<b>Shareholders' equity</b>	<b>1,343.2</b>	1,089.2
	<b>7,223.6</b>	6,771.5

# Revenue backlog by activity

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(in millions of \$)	<b>September 2009</b>	June 2009	Dec. 2008
<b>Services</b>	<b>1,570.2</b>	1,612.1	1,545.3
<b>Packages</b>	<b>3,495.2</b>	3,809.9	3,508.0
<b>Operations &amp; Maintenance</b>	<b>2,587.0</b>	2,004.9	2,196.2
AltaLink	<b>1,839.7</b>	1,792.4	1,685.2
Highway 407	<b>592.5</b>	584.0	558.4
Others	<b>111.5</b>	110.9	99.1
<b>Infrastructure Concession Investments</b>	<b>2,543.7</b>	2,487.3	2,342.7
<b>Total Revenue Backlog</b>	<b>10,196.1</b>	9,914.2	9,592.2

# Services and Packages Revenues backlog by segment

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(in millions of \$)

	<b>At September 30</b>		<b>At December 31</b>	
	<b>2009</b>		<b>2008</b>	
	<b>Services</b>	<b>Packages</b>	<b>Services</b>	<b>Packages</b>
<b>Services and Packages</b>				
Infrastructure & Environment	<b>694.9</b>	<b>1,560.4</b>	676.8	2,174.4
Power	<b>263.4</b>	<b>318.8</b>	194.7	546.0
Chemicals & Petroleum	<b>183.0</b>	<b>1,476.1</b>	179.5	647.9
Mining & Metallurgy	<b>352.9</b>	-	392.0	-
Other Industries	<b>76.0</b>	<b>139.9</b>	102.3	139.7
<b>Total Services and Packages Backlog</b>	<b>1,570.2</b>	<b>3,495.2</b>	<b>1,545.3</b>	<b>3,508.0</b>

✓ If you have further questions, please contact:

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✓ Replay of conference call:

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