

**TUTOR PERINI CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(in thousands, except per common share data)

	Year Ended December 31,		
	2017	2016	2015
<b>REVENUE</b>	\$ 4,757,208	\$ 4,973,076	\$ 4,920,472
<b>COST OF OPERATIONS</b>	(4,302,803)	(4,515,886)	(4,564,219)
<b>GROSS PROFIT</b>	454,405	457,190	356,253
General and administrative expenses	(274,928)	(255,270)	(250,840)
<b>INCOME FROM CONSTRUCTION OPERATIONS</b>	179,477	201,920	105,413
Other income, net	43,882	6,977	13,569
Interest expense	(69,384)	(59,782)	(45,143)
<b>INCOME BEFORE INCOME TAXES</b>	153,975	149,115	73,839
Income tax benefit (provision)	569	(53,293)	(28,547)
<b>NET INCOME</b>	\$ 154,544	\$ 95,822	\$ 45,292
<b>LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS</b>	(6,162)	—	—
<b>NET INCOME ATTRIBUTABLE TO TUTOR PERINI CORPORATION</b>	148,382	95,822	45,292
<b>BASIC EARNINGS PER COMMON SHARE</b>	\$ 2.99	\$ 1.95	\$ 0.92
<b>DILUTED EARNINGS PER COMMON SHARE</b>	\$ 2.92	\$ 1.92	\$ 0.91
<b>WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING:</b>			
BASIC	49,647	49,150	48,981
DILUTED	50,759	49,864	49,666

The accompanying notes are an integral part of these consolidated financial statements.

**TUTOR PERINI CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share data)

	As of December 31,	
	2017	2016
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash, including cash equivalents of \$1,481 and \$15,302 (\$53,067 and \$0 related to VIEs)	\$ 192,868	\$ 146,103
Restricted cash	4,780	50,504
Restricted investments	53,014	—
Accounts receivable, including retainage of \$535,939 and \$569,391 (AR of \$42,413 and \$0 related to VIEs)	1,801,656	1,743,300
Costs and estimated earnings in excess of billings	932,758	831,826
Other current assets	89,316	66,023
Total current assets	3,074,392	2,837,756
<b>PROPERTY AND EQUIPMENT:</b>		
Land	41,382	41,382
Building and improvements	125,029	124,157
Construction equipment	477,988	444,153
Other equipment	182,288	181,717
	826,687	791,409
Less accumulated depreciation	(359,188)	(313,783)
Total property and equipment, net (\$11,641 and \$0 related to VIEs)	467,499	477,626
<b>GOODWILL</b>	585,006	585,006
<b>INTANGIBLE ASSETS, NET</b>	89,454	92,997
<b>OTHER ASSETS</b>	47,772	45,235
<b>TOTAL ASSETS</b>	<b>\$ 4,264,123</b>	<b>\$ 4,038,620</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Current maturities of long-term debt	\$ 30,748	\$ 85,890
Accounts payable, including retainage of \$261,820 and \$258,294 (AP of \$19,243 and \$0 related to VIEs)	961,791	994,016
Billings in excess of costs and estimated earnings (\$120,952 and \$0 related to VIEs)	456,869	331,112
Accrued expenses and other current liabilities	132,438	107,925
Total current liabilities	1,581,846	1,518,943
<b>LONG-TERM DEBT, less current maturities, net of unamortized discounts and debt issuance costs totaling \$45,631 and \$56,072</b>	<b>705,528</b>	<b>673,629</b>
<b>DEFERRED TAX LIABILITIES</b>	<b>108,504</b>	<b>131,007</b>
<b>OTHER LONG-TERM LIABILITIES</b>	<b>163,465</b>	<b>162,018</b>
<b>TOTAL LIABILITIES</b>	<b>2,559,343</b>	<b>2,485,597</b>
<b>CONTINGENCIES AND COMMITMENTS (Note 6)</b>		
<b>EQUITY</b>		
<b>Stockholders' equity:</b>		
Preferred stock – authorized 1,000,000 shares (\$1 par value), none issued	—	—
Common stock – authorized 75,000,000 shares (\$1 par value), issued and outstanding 49,781,010 and 49,211,353 shares	49,781	49,211
Additional paid-in capital	1,084,205	1,075,600
Retained earnings	622,007	473,625
Accumulated other comprehensive loss	(42,718)	(45,413)
Total stockholders' equity	1,713,275	1,553,023
<b>Noncontrolling interests</b>	<b>(8,495)</b>	<b>—</b>
<b>TOTAL EQUITY</b>	<b>1,704,780</b>	<b>1,553,023</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 4,264,123</b>	<b>\$ 4,038,620</b>

The accompanying notes are an integral part of these consolidated financial statements.

**TUTOR PERINI CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Year Ended December 31,		
	2017	2016	2015
<b>Cash Flows from Operating Activities:</b>			
Net income	\$ 154,544	\$ 95,822	\$ 45,292
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	48,387	63,759	37,919
Amortization of intangible assets	3,543	3,543	3,715
Share-based compensation expense	21,174	13,423	9,477
Excess income tax benefit from share-based compensation	—	(269)	(186)
Change in debt discounts and deferred debt issuance costs	17,595	10,968	2,095
Deferred income taxes	(23,096)	(10,169)	22,214
Loss (gain) on sale of property and equipment	1,131	453	(2,909)
Changes in other components of working capital	(60,214)	(90,530)	(128,777)
Other long-term liabilities	3,656	28,210	28,912
Other, net	(3,170)	(1,874)	(3,680)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>163,550</b>	<b>113,336</b>	<b>14,072</b>
<b>Cash Flows from Investing Activities:</b>			
Acquisition of property and equipment	(30,280)	(15,743)	(35,912)
Proceeds from sale of property and equipment	2,744	1,899	4,980
Investments in securities, restricted	(54,504)	—	—
Investments in securities	(6,463)	—	—
Proceeds from maturities of investments in securities	1,370	—	—
Change in restricted cash	45,724	(4,651)	(1,483)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(41,409)</b>	<b>(18,495)</b>	<b>(32,415)</b>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from debt	2,161,384	1,353,895	1,013,205
Repayment of debt	(2,195,068)	(1,562,684)	(1,054,371)
Debt issuance and extinguishment costs	(15,266)	(15,086)	—
Issuance of convertible notes	—	200,000	—
Cash payments related to share-based compensation	(11,769)	(584)	(808)
Excess income tax benefit from share-based compensation	—	269	186
Distributions paid to noncontrolling interests	(17,499)	—	—
Contributions from noncontrolling interests	2,842	—	—
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(75,376)</b>	<b>(24,190)</b>	<b>(41,788)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>46,765</b>	<b>70,651</b>	<b>(60,131)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>146,103</b>	<b>75,452</b>	<b>135,583</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 192,868</b>	<b>\$ 146,103</b>	<b>\$ 75,452</b>

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