

PERINI CORP  
Form PRER14A  
July 03, 2008  
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## **SCHEDULE 14A**

**(Rule 14a-101)**

### **INFORMATION REQUIRED IN PROXY STATEMENT**

#### **SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. 1)**

Filed by the registrant  x

Filed by a party other than the registrant  ..

Check the appropriate box:

x Preliminary Proxy Statement

.. **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

.. Definitive Proxy Statement

.. Definitive Additional Materials

.. Soliciting Material under Rule 14a-12

**PERINI CORPORATION**

**(Name of Registrant as Specified in its Charter)**

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of filing fee (Check the appropriate box.):

- .. No fee required
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated, and state how it was determined.):

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(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2), and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration number or the form or schedule and the date of its filing.

(1) Amount previously paid:

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(2) Form, schedule, or registration statement no.:

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(3) Filing party:

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(4) Date filed:

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*Perini Corporation*

*73 Mt. Wayte Avenue*

*Framingham, Massachusetts 01701*

To Perini Corporation Shareholders:

On behalf of the board of directors of Perini Corporation, we are pleased to deliver our proxy statement for our 2008 annual meeting of shareholders, at which you will be asked to vote upon proposals relating to the merger between Perini and Tutor-Saliba Corporation, as well as other matters. Upon completion of the merger, Perini shareholders prior to the merger will own approximately 55% of the combined company's outstanding shares of common stock and the Tutor-Saliba shareholders prior to the merger will own approximately 45% of the combined company's outstanding shares of common stock. We will use the term "combined company" to refer to Perini as it will exist after completion of the merger.

We believe the merger will create a strong combined company that will deliver important benefits to our shareholders. We enthusiastically support the merger and recommend that you vote **FOR** the proposals related to the merger (which are the share issuance proposal and the articles amendment proposal), each of the board of directors' nominees of Class III directors and the other proposals described in the accompanying notice of annual meeting and proxy statement.

The annual meeting of shareholders will be held on [ ], 2008, at [ ] at [ ], local time. The accompanying notice of annual meeting and proxy statement describe the matters to be presented at the meeting.

Before voting, you should carefully review all the information contained in the accompanying proxy statement. **For a discussion of risk factors which you should consider in evaluating the merger, please see RISK FACTORS beginning on page 25 of the accompanying proxy statement.**

**Your vote is important.** Whether or not you plan to attend the annual meeting, please complete your proxy card and return it to us to ensure that your vote is counted. If you hold your shares through an account with a brokerage firm, bank or other nominee, please follow the instructions you receive from them to vote your shares.

Thank you for your continued support.

Sincerely,

Michael R. Klein

Vice Chairman and Lead Director of the Perini Board of Directors

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the merger described in the accompanying proxy statement or the securities to be issued pursuant to the merger described in the accompanying proxy statement or determined if the accompanying proxy statement is accurate or adequate. Any representation to the contrary is a criminal offense.

The accompanying proxy statement is dated [ ], 2008 and is first being mailed to shareholders on or about [ ], 2008.

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**2008 ANNUAL MEETING OF SHAREHOLDERS**

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*Perini Corporation*

*73 Mt. Wayte Avenue*

*Framingham, Massachusetts 01701*

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON [ ], 2008**

TO THE SHAREHOLDERS OF PERINI CORPORATION:

NOTICE IS HEREBY GIVEN that the 2008 annual meeting of the shareholders of Perini Corporation, a Massachusetts corporation ( Perini ), will take place at [ ], on [ ], 2008, at [ ], local time.

At the meeting, holders of Perini common stock will consider and vote on the following matters:

1. a proposal to approve the issuance of 22,987,293 shares of Perini common stock in the merger contemplated by the Agreement and Plan of Merger, dated as of April 2, 2008, by and among Perini, Trifecta Acquisition LLC, Tutor-Saliba Corporation, a California corporation ( Tutor-Saliba ), Ronald N. Tutor and shareholders of Tutor-Saliba, as amended by Amendment No. 1 thereto, dated as of May 28, 2008;
2. a proposal to amend our amended and restated articles of organization to increase the number of authorized shares of Perini common stock from 40 million to 75 million shares;
3. the election of four (4) Class III directors, to hold office for a three-year term, expiring at our 2011 annual meeting of shareholders and until their successors are duly elected and qualified;
4. a proposal to ratify the selection of Deloitte & Touche LLP, independent registered public accountants, as auditors of Perini for the fiscal year ending December 31, 2008;
5. a proposal to amend our 2004 Stock Option and Incentive Plan to increase the number of shares authorized for issuance under the plan from 3 million to 5.5 million;
6. a proposal to approve the adjournment or postponement of the annual meeting if necessary to solicit additional proxies or as otherwise necessary; and
7. such other business as may properly come before the meeting.

The board of directors has fixed the close of business on [ ], 2008 as the record date for the determination of the shareholders entitled to vote at the meeting. Only shareholders of record as of the close of business on the record date will be entitled to notice of and to vote at the meeting and any adjournments or postponements thereof.

A proxy is being solicited from holders of Perini common stock. Whether or not you plan to attend the meeting, please vote as soon as possible. Shareholders have three options for submitting their vote. You may vote by mail by executing and returning the enclosed proxy card in the enclosed envelope, which requires no postage if mailed in the United States. You may also vote electronically by logging on to the Internet at

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*www.investorvote.com/PCR* and following the instructions. The third option is to call 1-800-652-VOTE (8683) and follow the recorded instructions. There is no charge for the call if initiated from the United States.

By order of the board of directors,

Susan C. Mellace,

Corporate Secretary

Framingham, Massachusetts

[ ], 2008

### **Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be Held on [ ], 2008**

This proxy statement and the 2007 Annual Report are available for viewing, printing and downloading at <http://phx.corporate-ir.net/staging/phoenix.zhtml?c=106886&p=proxy>.

Copies of our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, as filed with the Securities and Exchange Commission, and as amended on April 29, 2008, except for exhibits, will be furnished without charge to any shareholder upon written or oral request to Perini Corporation, Attn: Investor Relations Dept., 73 Mt. Wayte Ave., Framingham, MA 01701, telephone 508-628-2000.



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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE MEETING**

*The following questions and answers address briefly some questions you may have regarding the matters to be voted upon at the annual meeting. These questions and answers may not address all questions that may be important to you as a Perini shareholder. Please refer to the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement. In this proxy statement, the terms the Company, Perini, we, us, and our, and any derivation thereof, refer to Perini Corporation prior to the merger with Tutor-Saliba.*

**Why am I receiving this proxy statement?**

Perini is soliciting proxies for the 2008 annual meeting of shareholders. You are receiving a proxy statement because you owned shares of Perini common stock on [ ], 2008, the record date, and that entitles you to vote at the meeting. By use of a proxy, you can vote whether or not you attend the meeting. This proxy statement describes the matters on which we would like you to vote and provides information on those matters so that you can make an informed decision.

**How does this annual meeting differ from Perini's typical annual meeting?**

In addition to the annual task of electing directors and ratifying the appointment of our independent registered public accounting firm, our shareholders will be asked to vote upon a proposal to increase the number of shares authorized under our 2004 Stock Option and Incentive Plan and proposals relating to a merger which, if completed, will significantly expand our scale of operations, increase our geographic scope, and position us for future growth by adding substantial management capacity, client relationships and other financial and operational resources.

**Why has Perini decided to merge with Tutor-Saliba?**

We believe that the merger will provide substantial strategic and financial benefits to our company, our shareholders and our customers, including the following:

increased scale and greater diversification of our business;

entry into additional high-growth and high-margin markets and projects;

consolidation of Ronald N. Tutor's, our chief executive officer and chairman, management activities on the growth and development of the combined company, and elimination of risk that he might leave Perini to focus on Tutor-Saliba;

additional management depth and enhanced management capabilities;

enhanced commercial building and civil business operations, due to the complementary and synergistic strengths of the two companies in these market segments;

greater opportunities to win new, substantial contracts to drive accelerated revenue growth;

ability to use the strength of Perini's balance sheet to win additional large civil and public works projects that require surety capacity in excess of what Tutor-Saliba was able to obtain; and

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opportunities to realize significant synergies.

Please see "Reasons for the Merger" beginning on page 45 for a detailed discussion of the reasons for and benefits of the merger.

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**When do you expect the merger to be completed?**

We hope to complete the merger as soon as reasonably practicable. We are working to complete the merger by the end of the third quarter of 2008. We cannot consummate the merger until the Perini shareholders approve the proposals related to the merger described in this proxy statement and until the other conditions set forth in the Agreement and Plan of Merger, dated as of April 2, 2008, by and among Perini, Trifecta Acquisition LLC, Tutor-Saliba, Ronald N. Tutor and shareholders of Tutor-Saliba (which we refer to in this proxy statement as the Merger Agreement), are satisfied or waived by the respective parties to the Merger Agreement. In addition, other factors outside of our control could require us to complete the merger at a later time or not to complete it at all. For a discussion of the conditions to the completion of the merger and of the risks associated with the failure to satisfy such conditions, please see The Merger Agreement beginning on page 68 and Risks Factors The merger may not be completed, which could adversely affect Perini's business operations and stock price. beginning on page 25.

**What are the specific proposals that shareholders will consider with respect to the merger?**

There are two proposals related to the merger:

1. a proposal to approve the issuance of 22,987,293 shares of Perini common stock in the merger contemplated by the Merger Agreement, referred to in this proxy statement as the share issuance proposal; and
2. a proposal to amend our amended and restated articles of organization to increase the number of authorized shares of Perini common stock from 40 million to 75 million shares, referred to in this proxy statement as the articles amendment proposal.

**What other proposals will shareholders be asked to vote on at the annual meeting?**

In addition to the merger proposals, Perini shareholders are being asked to vote on the following matters:

the election of four (4) Class III Directors, to hold office for a three-year term, expiring at our 2011 annual meeting of shareholders and until their successors are duly elected and qualified;

a proposal to ratify of the selection of Deloitte & Touche LLP, independent registered public accountants, as auditors of Perini for the fiscal year ending December 31, 2008;

a proposal to amend of our 2004 Stock Option and Incentive Plan to increase the number of shares authorized for issuance under the plan from 3 million to 5.5 million, referred to in this proxy statement as the plan amendment proposal; and

a proposal to approve the adjournment or postponement of the annual meeting if necessary to solicit additional proxies or as otherwise necessary.

**What is the purpose of the amendment of the Perini amended and restated articles of organization?**

Under our current amended and restated articles of organization, we do not have a sufficient number of shares of Perini common stock authorized to satisfy our obligations to issue approximately 23 million shares to the Tutor-Saliba shareholders in connection with the merger. We are proposing to amend our amended and restated articles of organization to increase the number of authorized shares of Perini common stock available for issuance from 40 million to 75 million. Perini does not intend to amend its amended and restated articles of organization to effect this change unless the merger will be completed (even if the Perini shareholders have approved the articles amendment proposal).

**Are there risks I should consider in deciding how to vote on the proposals related to the merger?**

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Yes. In evaluating the proposals related to the merger, you should carefully read this proxy statement, including the factors discussed in the section "Risk Factors" beginning on page 25. *You are urged to read this proxy statement in its entirety prior to voting or submitting a proxy.*

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### **What votes are required to adopt the proposals that will be submitted to shareholders at the annual meeting?**

Assuming a quorum is present (other than with respect to Proposal 6), the following votes are required to approve the proposals:

*Proposal 1:* Approval of the share issuance proposal requires the affirmative vote of the holders of a majority of the votes cast at the annual meeting (provided that the total votes cast on the proposal represents over 50% in interest of all Perini common stock entitled to vote on the proposal at the annual meeting).

*Proposal 2:* Approval of the articles amendment proposal requires the affirmative vote of holders of a majority of the outstanding shares of Perini common stock entitled to vote at the annual meeting (regardless of whether such holders are present in person or represented by proxy at the annual meeting).

*Proposal 3:* Election of each of the nominees for director requires the affirmative vote of a plurality of the votes cast at the annual meeting.

*Proposal 4:* Ratification of the selection of Deloitte & Touche, LLP as our independent auditors for 2008 requires the affirmative vote of a majority of the votes cast on the proposal at the annual meeting.

*Proposal 5:* Approval of the plan amendment proposal requires the affirmative vote of the holders of a majority of the votes cast at the annual meeting (provided that the total votes cast on the proposal represents over 50% in interest of all Perini common stock entitled to vote on the proposal at the annual meeting).

*Proposal 6:* Approval of a proposal to adjourn or postpone the annual meeting requires the affirmative vote of holders of a majority of the votes cast on the proposal at the annual meeting, whether or not a quorum is present.

The actions contemplated by Proposals 1, 2 and 5, even if approved by our shareholders, will not occur unless we complete the merger.

### **Why is my vote important?**

If you do not return your proxy card or submit your proxy by telephone or via the Internet or vote in person at the annual meeting, it will be more difficult for Perini to obtain the necessary quorum to hold the annual meeting. For the Perini annual meeting, the presence, in person or by proxy, of holders of a majority of the issued and outstanding shares entitled to vote at the meeting constitutes a quorum for the transaction of business. If a quorum is not present at Perini's annual meeting, our shareholders will not be able to take action on any of the proposals at that meeting.

In addition, your vote is important because, in light of the voting requirements described above, abstentions, failures to vote and broker non-votes will have the same effect as a vote against the articles amendment proposal (Proposal 2). Moreover, if you do not return your proxy card, submit your proxy by telephone or via the Internet, vote in person at the annual meeting or provide your bank, broker, custodian or other recordholder with instructions on how to vote your shares on Proposal 1 and Proposal 5, or you abstain on Proposal 1 or Proposal 5, it will be more difficult for Perini to ensure that the total votes cast on each of the share issuance proposal and the plan amendment proposal represent over 50% in interest of all Perini common stock entitled to vote on each such proposal. Accordingly, if you do not vote, it will be less likely that the votes necessary to approve the merger and the amendment to the plan will be obtained.

### **What do I need to do now?**

After carefully reading and considering the information in this proxy statement, please submit your proxy by telephone or via the Internet in accordance with the instructions set forth in the enclosed proxy card, or fill out, sign and date the proxy card, and then mail your signed proxy card in the enclosed prepaid envelope so that your shares may be voted at the annual meeting.

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### **Do I need to send in my stock certificates if the merger is completed? Should I send in my stock certificates?**

No. You will not be required to exchange your certificates representing shares of Perini common stock in connection with the merger. Tutor-Saliba is merging with a wholly owned subsidiary of Perini. In the merger, Perini will issue additional shares of its common stock to the shareholders of Tutor-Saliba in exchange for their shares of Tutor-Saliba common stock. The previously outstanding shares of Perini common stock will continue to remain outstanding following the merger. You will not receive any cash or securities in connection with the merger, but instead you will continue to hold your existing shares of Perini common stock.

### **May I vote in person?**

Yes. If you are a shareholder of record as of [ ], 2008, you may attend our annual meeting and vote your shares in person instead of returning your signed proxy card or submitting your proxy by telephone or via the Internet. However, because you can revoke a previously granted proxy by attending our annual meeting and voting your shares in person, we urge you to return your proxy card or submit your proxy by telephone or via the Internet even if you are planning to attend our annual meeting.

### **If my shares are held in street name by my broker, will my broker vote my shares for me even if I do not give my broker voting instructions?**

Your broker will vote your shares if you provide instructions on how to vote. In addition, brokerage firms have the authority under the rules of the NYSE to vote their clients' unvoted shares on certain routine matters. The election of directors (Proposal 3), the ratification of Deloitte & Touche LLP as our independent auditors for the fiscal year ending December 31, 2008 (Proposal 4) and the proposal to adjourn or postpone the annual meeting (Proposal 6) are considered routine matters, therefore, your brokerage firm may vote your shares for you if you do not return your proxy. However, the proposals related to the merger and the plan amendment proposal are not routine matters under the NYSE rules, and your broker does not have discretionary authority to vote on those proposals. Therefore, if your shares are held in street name by your broker and you do not provide your broker with instructions on how to vote your street name shares, your broker will not be permitted to vote on (i) the share issuance proposal, (ii) the articles amendment proposal or (iii) the plan amendment proposal. You should therefore be sure to provide your broker with instructions on how to vote your shares. Please check the voting form used by your broker to see if it offers telephone or Internet submission of proxies.

### **Can I revoke my proxy and change my vote?**

Yes. You have the right to revoke your proxy at any time prior to the time your shares are voted at the annual meeting. If you are a shareholder of record, your proxy can be revoked in several ways: by timely delivery of a written revocation to our corporate secretary, by submitting another valid proxy bearing a later date or by attending the annual meeting and voting your shares in person.

You may also revoke your proxy and submit a new proxy by telephone or via the Internet.

However, if your shares are held in the name of your bank, broker, custodian or other recordholder, you must check with your bank, broker, custodian or other recordholder to determine how to revoke your proxy.

### **How will my shares be voted if I send in my signed proxy without providing any voting instructions?**

If no direction is indicated, the proxies will be voted (1) **FOR** each director nominee and **FOR** approval of Proposals 1, 2, 4, 5 and 6, and (2) as to any matters for which Perini did not have notice on or before [ ], 2008 properly brought before the annual meeting, in the sole discretion of the Perini board of directors as to such matters.

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**When and where is the annual meeting?**

The Perini annual meeting will take place at [ ], on [ ], 2008, at [ ], local time.

**Who can help answer my questions regarding the meeting or the merger?**

INNISFREE M&A INCORPORATED

501 Madison Avenue, 20th Floor

New York, New York 10022

Shareholders call toll-free: (877) 750-5836

Banks and Brokers may call collect: (212) 750-5833

You may also contact:

Perini Corporation

73 Mt. Wayte Avenue

Framingham, MA 01701

Attention: Susan C. Mellace, Corporate Secretary

(508) 628-2000

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**SUMMARY**

*This summary highlights selected information from this proxy statement with respect to the proposed merger and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the Merger Agreement and the related agreements, you should carefully read this entire proxy statement. Please see *Where You Can Find Additional Information* beginning on page 146. We have included references to other portions of this proxy statement to direct you to a more complete description of the topics presented in this summary, which you should review carefully in their entirety.*

**The Companies (see page 33)**

*Perini Corporation Trifecta Acquisition LLC 73 Mt. Wayte Avenue Framingham, Massachusetts 01701 (508) 628-2000*

Perini is a leading construction services company that operates in three primary segments: building, civil and management services. Our building segment focuses on large, complex projects in the hospitality and gaming, sports and entertainment, educational, transportation, corrections, healthcare, biotech, pharmaceutical and high-tech markets in New York, Connecticut, New Jersey, Massachusetts, Florida, Washington, D.C., Arizona, Nevada and California. Our civil segment focuses on public works construction primarily in the northeastern and mid-Atlantic United States, including the repair, replacement and reconstruction of public infrastructure such as highways, bridges, mass transit systems and wastewater treatment facilities. Our management services segment provides diversified construction, design-build and maintenance services to the United States military and government agencies as well as surety companies and multi-national corporations in the United States and overseas.

Trifecta Acquisition LLC is a California limited liability company and a wholly owned subsidiary of Perini. It was formed solely for the purpose of entering into the Merger Agreement with Perini and Tutor-Saliba and completing the merger. It has not conducted any business operations other than those contemplated by the Merger Agreement.

*Tutor-Saliba Corporation 15901 Olden Street Sylmar, California 91342 (818) 362-8391*

Tutor-Saliba is a leading civil infrastructure and commercial building construction company that operates in three segments: domestic building, domestic civil and international. Tutor-Saliba's domestic building operations focus on large, complex buildings in the gaming and hospitality, sports and entertainment, transportation, education and healthcare markets, primarily in Nevada and California. Tutor-Saliba's domestic civil operations focus on large, complex public infrastructure construction, including highways, bridges, airports, wastewater treatment facilities and mass transit systems focused primarily in California and New York. Tutor-Saliba's primary customers in its domestic civil segment are federal and state government agencies and local municipalities. Tutor-Saliba's international operations are conducted primarily on the island of Guam and in the Philippines.

Tutor-Saliba is a privately held corporation. Its principal shareholders are two trusts controlled by Ronald N. Tutor, who is our chairman and chief executive officer.



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**The Merger and the Merger Agreement (see page 33)**

In the merger, Tutor-Saliba will merge with and into Trifecta Acquisition LLC, with Trifecta Acquisition LLC surviving the merger and continuing as a wholly owned subsidiary of Perini. Upon completion of the merger, Trifecta Acquisition LLC will be renamed Tutor-Saliba LLC.

The merger will be completed only after the satisfaction or waiver of the conditions to the completion of the merger set forth in the Merger Agreement among Perini, Tutor-Saliba and the other parties thereto. The Merger Agreement as executed is attached as *Annex A* to this proxy statement. Amendment No. 1 to the Merger Agreement is attached as *Annex AA* to this proxy statement. Unless specifically stated otherwise, reference to the Merger Agreement in this proxy statement refers to the Merger Agreement, as amended. We encourage you to read the Merger Agreement carefully and fully, as it is the legal document that governs the merger.

**Merger Consideration (see page 69)**

In the merger, Perini will issue 22,987,293 shares of Perini common stock to the Tutor-Saliba shareholders in exchange for their shares of Tutor Saliba common stock. Upon completion of the merger, Perini shareholders prior to the merger will own approximately 55% of the combined company's outstanding shares of common stock and Tutor-Saliba shareholders prior to the merger will own approximately 45% of the combined company's outstanding shares of common stock. Two trusts controlled by Mr. Tutor, which collectively own approximately 96% of the outstanding shares of Tutor-Saliba common stock, will own approximately 43% of the outstanding shares of the combined company's common stock upon completion of the merger. In this proxy statement, we refer to the Tutor-Saliba shareholders immediately prior to the merger who will receive Perini common stock in connection with the merger as the former Tutor-Saliba shareholders.

Based on the closing price per share of Perini common stock of \$38.25 on April 2, 2008, which is the date on which we publicly announced execution of the Merger Agreement after the end of the full trading day, the dollar value of the shares of Perini common stock to be issued as consideration for the merger was approximately \$879.3 million. On a preliminary basis, we estimate that the purchase price, together with transaction costs that are currently estimated to be approximately \$19.2 million, will be allocated to the net assets of Tutor-Saliba as follows:

Net tangible assets as of March 31, 2008 at estimated fair value: \$4.6 million

Identifiable intangible assets: \$234.9 million

Deferred tax liabilities: \$(87.4 million)

Goodwill: \$746.4 million

Based on these amounts, and after reflecting the pro forma adjustments described in the section of this proxy statement entitled "Unaudited Pro Forma Condensed Combined Financial Statements" beginning on page 108, the pro forma diluted earnings per common share of the combined company for the three months ended March 31, 2008 is \$0.74 and the pro forma diluted earnings per common share of the combined company for the year ended December 31, 2007 is \$2.70 (excluding Tutor-Saliba's non-recurring gain on the sale of marketable securities). The unaudited pro forma condensed combined financial statements apply certain assumptions and adjustments which are based upon available information and assumptions that the managements of Perini and Tutor-Saliba believe reasonably reflect the merger.

**Exchange Ratio (see page 69)**

Pursuant to the Merger Agreement, each share of Tutor-Saliba common stock issued and outstanding immediately prior to the completion of the merger, but excluding shares of Tutor-Saliba common stock owned by



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Tutor-Saliba or any of its subsidiaries, will be converted into the right to receive a number of shares of Perini common stock equal to the quotient obtained by dividing (i) 22,987,293 shares of Perini common stock by (ii) the total number of shares of Tutor-Saliba common stock issued and outstanding as of immediately prior to the effective time of the merger. This quotient, which is referred to in this proxy statement as the exchange ratio, determines the number of shares of Perini common stock that would be received by the former Tutor-Saliba shareholders in the merger in exchange for each share of Tutor-Saliba common stock that is outstanding immediately prior to the effective time of the merger (other than certain excluded shares specified in the Merger Agreement).

As of June 30, 2008, there were 900,043 shares of Tutor-Saliba common stock outstanding. The exchange ratio, if computed as of such date, would be 25.54 shares of Perini common stock for each outstanding share of Tutor-Saliba common stock. As the number of shares of Perini common stock to be issued in the merger is fixed, any change to the number of shares of Tutor-Saliba common stock that are outstanding immediately prior to completion of the merger will result in a change in the exchange ratio but will have no effect on the capitalization of the combined company.

### **The Shareholders Agreement (see page 81)**

In connection with the execution of the Merger Agreement, Perini, Mr. Tutor and the other former Tutor-Saliba shareholders who will become Perini shareholders pursuant to the merger entered into a shareholders agreement. In this proxy statement, we refer to this agreement as the Shareholders Agreement. The Shareholders Agreement will become effective upon the completion of the merger.

The Shareholders Agreement imposes certain restrictions on, and provides certain rights to, the former Tutor-Saliba shareholders, in particular with respect to the shares of Perini common stock they will receive in the merger. The terms of the Shareholders Agreement are intended to (i) limit the degree of influence that Mr. Tutor and the other former Tutor-Saliba shareholders will be able to exert as Perini shareholders over the governance of Perini and on matters that are subject to a vote of Perini shareholders (other than in Mr. Tutor's capacity as a member of the Perini board of directors), (ii) require that a significant amount of Mr. Tutor's personal net worth, including through two trusts controlled by him, will be tied to the performance of the combined company, and (iii) prevent a disorderly sale of the shares of Perini common stock to be issued in the merger. The Special Committee negotiated with Tutor-Saliba for the restrictions on Mr. Tutor's influence as a Perini shareholder in light of the large percentage of the combined company to be held by the trusts controlled by Mr. Tutor and the potential influence that he might otherwise have had (and that the other Perini shareholders would have lost) by virtue of this large ownership interest. In particular, the Special Committee sought to limit Mr. Tutor's ability as a Perini shareholder to influence or control certain actions that are subject to a vote of all Perini shareholders. The Special Committee also sought to restrict Mr. Tutor from acquiring the combined company (without the consent of the Perini board of directors) or from completing block transfers of shares of Perini common stock at a premium price not generally available to other Perini shareholders.

The Shareholders Agreement includes voting restrictions providing that for at least three years following the merger (and longer if Mr. Tutor, two trusts controlled by him and any other affiliates of Mr. Tutor or the trusts, which we refer to collectively in this proxy statement as the Tutor Group, continue to hold at least 20% of the outstanding shares of Perini common stock), all of the shares of Perini common stock held by the Tutor Group will be voted in favor of the slate of director nominees recommended by the Perini board of directors. On all other matters subject to a vote of shareholders, the Tutor Group will be permitted to vote no more than 20% of the outstanding shares of Perini common stock in their discretion, with all shares owned by the Tutor Group in excess of 20% being voted in the same proportion as shares are voted by all other Perini shareholders (excluding the Tutor Group) on the applicable matter.

The Shareholders Agreement also includes standstill restrictions. These standstill restrictions prohibit the Tutor Group, subject to certain exceptions, from taking certain actions that could facilitate an unsolicited

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acquisition of control of Perini or from acquiring (collectively) a greater percentage of the outstanding shares of Perini than they owned (collectively) upon completion of the merger for at least three years following the merger (and longer if the Tutor Group continues to hold at least 20% of the outstanding shares of Perini common stock).

In addition, the Shareholders Agreement includes transfer restrictions with respect to the shares of Perini common stock to be received in the merger. These restrictions provide that none of the former Tutor-Saliba shareholders may sell or otherwise transfer any shares of Perini common stock to unaffiliated third parties for six months after the completion of the merger. Thereafter, until the later of the fifth anniversary of the completion of the merger and such time as the Tutor Group ceases to own 20% of the outstanding shares of Perini common stock, the Tutor Group must continue to own at least 70% of the shares of Perini common stock they received (collectively) in the merger unless otherwise approved by a majority of the Perini board of directors other than Mr. Tutor and any director designated by the shareholder representative. However, following the fifth anniversary of the completion of the merger, or the termination of Mr. Tutor's employment without Cause (as defined in the Employment Agreement), the Tutor Group may transfer shares of Perini common stock so long as the transfers are not in the form of transfers of shares in excess of 15% of the outstanding shares of Perini common stock to any person or group. In addition, all transfer restrictions under the Shareholders Agreement terminate on the date that is the later of the fifth anniversary of the completion of the merger and such time as the Tutor Group ceases to own 20% of the aggregate issued and outstanding shares of Perini common stock.

In addition, the Shareholders Agreement provides the former Tutor-Saliba shareholders with registration rights with respect to shares of Perini common stock acquired pursuant to the merger.

The Shareholders Agreement also contains certain agreements related to the composition of the Perini board of directors after the merger described below in Post-Merger Governance and Management.

**The Employment Agreement (see page 83)**

In connection with the execution of the Merger Agreement, Perini and Mr. Tutor entered into an employment agreement. We refer to this agreement as the Employment Agreement in this proxy statement. The Employment Agreement will become effective upon the completion of the merger.

Pursuant to the Employment Agreement, Mr. Tutor has agreed that he will serve as chairman and chief executive officer of Perini. The initial term of the Employment Agreement is five years (beginning on the date of completion of the merger), and it renews automatically thereafter for successive one-year periods.

**The Merger Proposals (see page 34)**

At the annual meeting, among other matters, the holders of Perini common stock will be asked to consider and vote on the following proposals related to the merger:

*Proposal 1:* A proposal to approve the issuance of 22,987,293 shares of Perini common stock in the merger contemplated by the Merger Agreement; and

*Proposal 2:* A proposal to amend our amended and restated articles of organization to increase the number of authorized shares of Perini common stock from 40 million to 75 million shares.

The actions contemplated by these proposals, even if approved by our shareholders, will not occur unless we complete the merger.

**THE MERGER WILL NOT BE COMPLETED UNLESS, AMONG OTHER THINGS, THE PERINI SHAREHOLDERS APPROVE BOTH (1) THE SHARE ISSUANCE PROPOSAL AND (2) THE**

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**ARTICLES AMENDMENT PROPOSAL. UNDER THE MERGER AGREEMENT, COMPLETION OF THE MERGER IS SUBJECT TO THE SATISFACTION (OR, IF LEGALLY PERMITTED, WAIVER) OF SPECIFIED CLOSING CONDITIONS. APPROVAL BY THE PERINI SHAREHOLDERS OF THE MERGER PROPOSALS IS SUCH A CONDITION, WHICH MAY NOT BE WAIVED BY EITHER PERINI OR TUTOR-SALIBA.**

**Required Shareholder Approvals (see page 21)**

Under NYSE rules, approval of the share issuance proposal requires the affirmative vote of the holders of a majority of Perini common stock casting votes (provided that the total votes cast on the proposal represents over 50% in interest of all Perini common stock entitled to vote on the proposal at the annual meeting). Pursuant to the Massachusetts Business Corporation Act and the terms of Perini's amended and restated articles of organization, approval of the articles amendment proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Perini common stock entitled to vote at the annual meeting.

Under the Merger Agreement, completion of the merger is subject to the satisfaction (or, if legally permitted, waiver) of specified closing conditions. Approval by Perini shareholders of both the share issuance proposal and the articles amendment proposal are two of these conditions, and neither Tutor-Saliba nor we may waive them.

On the record date, directors and executive officers of Perini and their affiliates beneficially owned or had the right to vote shares of Perini common stock representing approximately [ ]% of the shares of Perini common stock outstanding on the record date. To Perini's knowledge, directors and executive officers of Perini and their affiliates intend to vote their shares of Perini common stock in favor of the merger proposals.

**Recommendations of the Special Committee and the Perini Board of Directors (see pages 44 and 45)**

*Special Committee.* The special committee (which is referred to in this proxy statement as the Special Committee) is a committee of the Perini board of directors comprised of four independent and disinterested members of the Perini board of directors. On January 7, 2008, the Perini board of directors formed the Special Committee for the purpose of exploring and evaluating potential strategic transactions, including in particular a business combination transaction with Tutor-Saliba, as well as to discuss and negotiate the terms of any transactions with Tutor-Saliba or other parties. The Special Committee was formed because of the conflict that Mr. Tutor, as the chairman and chief executive officer of Perini as well as the chairman, president, chief executive officer and principal shareholder (through trusts controlled by him) of Tutor-Saliba, would have in any transaction between Perini and Tutor-Saliba. The Special Committee unanimously determined that the Merger Agreement and the transactions contemplated thereby, including the merger, the issuance of shares of Perini common stock in the merger and the amendment of the Perini amended and restated articles of organization, are advisable, fair to and in the best interests of Perini and Perini shareholders and recommended that the Perini board of directors approve the Merger Agreement and the transactions contemplated thereby.

*Board of Directors.* The Perini board of directors, acting upon the unanimous recommendation of the Special Committee, unanimously (excluding Mr. Tutor, who did not participate in the meeting) (A) determined that the Merger Agreement and the transactions contemplated thereby, including the merger, the issuance of shares of Perini common stock in the merger and the amendment of the Perini amended and restated articles of organization, are advisable, fair to and in the best interests of Perini and Perini shareholders, (B) approved the Merger Agreement and the transaction contemplated thereby, including the merger, and (C) recommended that the Perini shareholders adopt the share issuance proposal and the articles amendment proposal, and directed that such matters be submitted for the consideration of the Perini shareholders at the annual meeting.

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***THE PERINI BOARD OF DIRECTORS RECOMMENDS THAT PERINI SHAREHOLDERS VOTE FOR THE SHARE ISSUANCE PROPOSAL AND THE ARTICLES AMENDMENT PROPOSAL.***

**Opinion of UBS Securities LLC (see page 56)**

On April 2, 2008, UBS Securities LLC delivered its oral opinion to the Special Committee, which was subsequently confirmed by delivery of UBS' written opinion, dated April 2, 2008, to the effect that, as of such date, and based upon and subject to various assumptions, matters considered and limitations described in the opinion, the exchange ratio provided for in the merger was fair, from a financial point of view, to Perini.

The full text of UBS' opinion is attached as *Annex E* to this proxy statement. **UBS' opinion was provided to the Special Committee in connection with, and for purposes of, its evaluation of the merger. UBS' opinion is directed only to the fairness, from a financial point of view, to Perini of the exchange ratio provided for in the merger. The opinion does not address the relative merits of the merger as compared to other business strategies or transactions that might be available to Perini or Perini's underlying business decision to effect the merger. The opinion does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to the merger. We encourage you to read UBS' opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by UBS.**

**Risk Factors (see page 25)**

There are a number of significant risks related to the merger, including the following:

If the public markets assign lower values to the Tutor-Saliba business than the values used in negotiating the terms of the merger, the trading price of Perini common stock may decline;

If we cannot complete the merger on the negotiated terms or at all, we will not be able to realize the anticipated benefits of the merger and the trading price of our common stock may decline;

The combined company may not realize some or all of the expected benefits of the merger that were considered in negotiating the terms of the merger;

Upon completion of the merger, Mr. Tutor will have significant influence over corporate matters of the combined company through his indirect control of approximately 43% of the outstanding common stock of the combined company;

The issuance of shares of Perini common stock in the merger will substantially reduce the percentage interests of current Perini shareholders in the earnings, voting power and market value of the combined company;

Perini will incur significant transaction, compliance, restructuring and other merger-related fees and costs;

The public resale by former Tutor-Saliba shareholders of Perini common stock received in the merger could have a negative effect on the trading price of Perini common stock following completion of the merger;

The combined company will record goodwill that could become impaired and adversely affect its operating results;

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Tutor-Saliba's excess cash flows will be dedicated to repaying the notes issued to the Tutor-Saliba shareholders in the merger and will not be generally available to Perini until the notes are repaid; and

The combined company will have continuing contractual obligations with Mr. Tutor, which may create conflicts of interest or may not be practical to enforce on Perini's behalf.

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In addition, the combined company will be subject to a number of significant risks related to the markets in which it will operate as well as other risks, including the following:

The combined business will have a substantially increased backlog and may not fully realize the revenue value of such backlog;

The growth prospects and future earnings of the combined company may be adversely affected, and the anticipated benefits of the merger may not be fully realized, if the combined company is unable to retain the services of Mr. Tutor; and

If Tutor-Saliba is unable to sustain its recent, significant rate of growth, the growth prospects and future results of the combined company are likely to be adversely affected.

**Conditions to the Completion of the Merger (see page 78)**

The completion of the merger is subject to the satisfaction or, to the extent legally permissible, the waiver of a number of conditions in the Merger Agreement, such as:

the approval by Perini shareholders of the share issuance proposal and the articles amendment proposal;

the receipt of required statutory approvals, including the expiration or termination of the waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (which condition was satisfied on May 16, 2008);

the absence of any law, judgment, injunction or other order by a governmental entity prohibiting completion of the merger and the absence of any proceeding by any governmental entity seeking such an order;

the receipt of the approval for listing by the NYSE of Perini common stock to be issued pursuant to the merger, subject to the official notice of issuance of the stock;

the articles of amendment of the Perini amended and restated articles of organization having been filed and declared effective;

compliance in all material respects by the parties with their respective obligations under the Merger Agreement;

the absence of breaches of representations and warranties in the Merger Agreement, subject to a material adverse effect qualification;

the receipt of required third-party consents under contracts or permits, subject to a material adverse effect qualification;

the receipt of an opinion of the parties' respective counsel stating that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended; and



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the absence since April 2, 2008 of any change, event or development that has had a material adverse effect on Perini or Tutor-Saliba.  
**Termination of the Merger Agreement (see page 79)**

The Merger Agreement may be terminated at any time prior to the completion of the merger in any of the following ways:

by mutual written consent of us and Tutor-Saliba;

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by either us or Tutor-Saliba (subject to certain limitations and exceptions):

if the merger has not been completed by September 30, 2008; provided that this date is automatically extended to December 31, 2008 if the conditions relating to the receipt of shareholder approval for the merger proposals, the receipt of required statutory and regulatory approvals and/or the absence of injunctions or other legal or regulatory restraints and the filing of the amendment to the articles of organization have not been satisfied but all other conditions to closing have been satisfied or waived or are then capable of being satisfied;

if a court or other governmental entity issues an order or injunction, or if there is a law in effect, preventing completion of the merger; or

if Perini shareholders fail to approve the share issuance proposal or the articles amendment proposal;

by Perini (subject to certain limitations and exceptions):

if there has been an uncured breach or failure to perform in any material respect of any representation, warranty, covenant or other agreement made by Tutor-Saliba or any of its shareholders in the Merger Agreement, and the breach or failure to perform would result in the applicable closing condition to the merger not being satisfied; or

if the Perini board of directors adversely modifies any of its recommendations with respect to the merger proposals in order to approve, adopt or enter into a contract providing for an alternative acquisition proposal for Perini;

by Tutor-Saliba (subject to certain limitations and exceptions):

if there has been an uncured breach or failure to perform in any material respect of any representation, warranty, covenant or other agreement made by Perini in the Merger Agreement, and the breach or failure to perform would result in the applicable closing condition to the merger not being satisfied; or

if the Perini board of directors adversely modifies any of its recommendations with respect to the merger proposals.

**Restrictions on Alternative Transactions (see page 70)**

The Merger Agreement contains restrictions on the ability of each of Tutor-Saliba and Perini to solicit or engage in discussions or negotiations with a third party with respect to a proposal to acquire a significant interest in the applicable company.

Notwithstanding these restrictions, the Merger Agreement provides that if Perini receives an unsolicited acquisition proposal from a third party prior to the approval of the merger proposals by the Perini shareholders, it may under limited circumstances furnish nonpublic information to that third party, engage in negotiations regarding the proposal with that third party, change its recommendation in favor of the merger proposals and ultimately terminate the Merger Agreement to commit itself to the transaction being proposed by the third party (subject to payment of the termination fee and expense reimbursement discussed below).

**Termination Fees/Reimbursement of Expenses (see page 80)**

If the Merger Agreement is terminated due to the failure to receive Perini shareholder approval of the merger proposals or following a change in the recommendation of the Perini board of directors in support of the merger proposals, we will be required to pay a termination fee of \$30 million to Tutor-Saliba under certain circumstances if Perini enters into an agreement for or consummates an alternative transaction within 12

months following the termination of the Merger Agreement.

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In addition, we have agreed to reimburse Tutor-Saliba for up to \$5 million of Tutor-Saliba's reasonable, documented, out-of-pocket expenses following the termination of the Merger Agreement due to the failure to receive Perini shareholder approval of the merger proposals or following a change in the recommendation of the Perini board of directors in support of the merger proposals.

### **Amendment to Perini Articles of Organization (see page 63)**

In connection with the approval of the merger, the Perini board of directors has adopted, subject to shareholder approval and subject to the completion of the merger, a resolution recommending that Perini's amended and restated articles of organization be amended to increase the number of authorized shares of Perini common stock to 75 million from 40 million shares. A copy of the proposed amendment to our amended and restated articles of organization is attached as *Annex F* to this proxy statement.

The increase in the number of authorized shares of common stock is required to provide sufficient common stock for issuance of common stock to the Tutor-Saliba shareholders in connection with the merger and to have adequate available authorized but unissued shares of capital stock following the merger.

### **Post-Merger Governance and Management (see page 85)**

Mr. Tutor will continue to serve as the chairman of the Perini board of directors, a director of Perini and the chief executive officer of Perini following the completion of the merger.

The Shareholders Agreement provides that, following completion of the merger, the Perini board of directors will consist of up to eleven members, a majority of which will continue to be independent. Mr. Tutor, in his role as shareholder representative, will have the right pursuant to the Shareholders Agreement to designate up to two persons as nominees for election to the Perini board of directors, as long as the Tutor Group continues to own at least 22.5% of the outstanding shares of Perini common stock. Mr. Tutor, in his role as shareholder representative, will have the right pursuant to the Shareholders Agreement to designate only one nominee if the Tutor Group owns less than 22.5%, but at least 11.25% of the outstanding shares of Perini common stock. Mr. Tutor has designated C.L. Max Nikias as one of the shareholder representative's board designees, and he will be appointed as a new member of the Perini board of directors upon completion of the merger. As of the date of this proxy statement, Mr. Tutor has not elected to exercise his right to nominate a second director for election, although he has not waived the right to do so in the future. In addition, for so long as Mr. Tutor serves as the chief executive officer of Perini, he will be nominated for election to the Perini board of directors.

### **NYSE Listing (see page 64)**

It is a condition to the merger that the shares of Perini common stock to be issued in the merger be approved for listing on the NYSE, subject to official notice of issuance. Shares of Perini common stock will continue to be traded on the NYSE under the symbol *PCR* immediately following the completion of the merger.

### **Appraisal Rights (see page 64)**

Holders of Perini common stock do not have dissenters or appraisal rights under Massachusetts law in connection with the merger.

### **Material United States Federal Income Tax Consequences to Existing Perini Shareholders (see page 62)**

As a condition to the merger, Perini will receive the opinion of its counsel, Kirkland & Ellis LLP, and Tutor-Saliba will receive the opinion of its counsel, Latham & Watkins LLP, each to the effect that the merger

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will be treated as a tax-free reorganization within the meaning of Section 368(a) of the United States Internal Revenue Code. Perini shareholders generally will not be subject to any United States federal income tax consequence as a result of the merger.

### **Anticipated Accounting Treatment (see page 62)**

The merger will be accounted for using the purchase method of accounting in accordance with accounting principles generally accepted in the United States under Statement of Financial Accounting Standards No. 141, *Business Combinations*. Perini will be the acquiring entity for financial reporting purposes and Tutor-Saliba will be treated as the acquired company for financial reporting purposes, and the assets and liabilities of Tutor-Saliba will be recorded, as of the completion of the merger, based on their estimated fair values and added to those of Perini.

### **Additional Interest of Directors, Executive Officers and Certain Beneficial Owners (see page 65)**

In considering the Perini board of directors' recommendation to approve the merger proposals, our shareholders should be aware that Mr. Tutor has interests in the transaction that are different from, or in addition to, the interests of Perini shareholders generally. These additional interests arising from the merger, which create an actual conflict of interest for Mr. Tutor, include:

Mr. Tutor, through two trusts that he controls (which own 96% of the shares of Tutor-Saliba common stock), and directly or through one or more entities that he owns, have received or will receive pre-closing distributions from Tutor-Saliba and shares of Perini common stock in the merger with an aggregate net value of approximately \$998.9 million. This amount is comprised of the pre-closing distributions made and to be made by Tutor-Saliba discussed below (with an aggregate net value to Mr. Tutor of approximately \$153.3 million) and 96% of the shares of Perini common stock issued to the former Tutor-Saliba shareholders in the merger (with a value of approximately \$845.6 million based on the closing price per share of Perini common stock of \$38.25 on April 2, 2008);

in the Merger Agreement, Perini has agreed to cooperate with Tutor-Saliba to obtain consents and seek amendments to certain guaranties, including guarantees of surety bonds and bank agreements, issued by Mr. Tutor in his personal capacity on behalf of Tutor-Saliba to remove Mr. Tutor as an obligor, guarantor or surety, including approximately \$115 million in guarantees to banking institutions; and

Mr. Tutor's right to designate up to two nominees for election to the Perini board of directors pursuant to the Shareholders Agreement following completion of the merger.

In addition, in connection with the Merger Agreement, Mr. Tutor entered into the Employment Agreement, which will become effective upon completion of the merger. The terms and benefits of the Employment Agreement are summarized in detail in The Employment Agreement beginning on page 83. The terms on which Mr. Tutor would be employed and compensated by the combined company create an actual conflict of interest for Mr. Tutor.

The Special Committee and the Perini board of directors were aware of these conflicts of interest and considered them, among other matters, in reaching their decisions, as applicable, to approve the Merger Agreement and the merger and to recommend that our shareholders vote in favor of adopting the merger proposals.

As a result of these additional interests, we expect Mr. Tutor would be more likely to recommend the approval of the merger proposals than if these additional interests did not exist. For this reason, Mr. Tutor was not part of the Special Committee that considered and ultimately negotiated the Merger Agreement on behalf of Perini and recommended it and the merger to the Perini board of directors, nor did Mr. Tutor negotiate the merger or any of the related transactions or agreements on behalf of Perini or take part in the deliberations or vote of the Perini board of directors in any matter relating to the merger or any of the related agreements.

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In connection with the merger, none of our directors or officers will receive any transaction bonuses and none of their existing equity awards will vest or become payable on an accelerated basis, and no director or officer has any change of control arrangement under an employment agreement or any pension or other benefit plan that would entitle such director or officer to additional compensation or other benefits following completion of the merger.

**Pre-Closing Distribution of Property (see page 66)**

In connection with the completion of the merger, Tutor-Saliba has distributed or will distribute to its shareholders (and Perini will not acquire in the merger) the following assets:

a residence in Ketchum, Idaho, with a market value of \$3.5 million;

cash in the amount of \$15 million for tax payments as described below; and

up to \$120 million of dividends in a combination of cash and notes of which \$10 million in cash has been distributed (with any notes being entitled to prepayment out of the excess cash flow of Tutor-Saliba).

The \$120 million of dividends noted above represents a return of invested capital, earnings and profits from years prior to Tutor-Saliba's S election and amounts of its net income that have been or will be subject to taxes to its shareholders in respect of periods prior to December 31, 2007, less distributions previously made to its shareholders with respect to such net income.

Because Tutor-Saliba is a subchapter S corporation, its taxable income is attributed to the shareholders of Tutor-Saliba for federal income tax purposes meaning that its shareholders are responsible for paying the income taxes on their proportionate share of the income. The Merger Agreement permits Tutor-Saliba to make cash distributions to its shareholders that are intended to cover their income tax obligations for Tutor-Saliba's income from January 1, 2008 through the completion of the merger. The combined company will retain such income. In April 2008, Tutor-Saliba distributed approximately \$11.6 million of cash to its shareholders in respect of their April 2008 income tax payment obligations arising from Tutor-Saliba's operations. Shortly before completion of the merger, the balance of the permissible tax distributions will be determined, and Tutor-Saliba will make additional cash distributions to its shareholders that are intended to cover their income tax obligations not covered by the April tax distribution.

The Merger Agreement acknowledges that Perini will not acquire in the merger Tutor-Saliba's previously owned interests in a high-rise office building in San Pedro, California, commonly known as Pacific Place. Tutor-Saliba and an entity owned by Mr. Tutor completed an exchange transaction that resulted in Mr. Tutor's entity receiving a distribution of Tutor-Saliba's interests in Pacific Place and related assets and liabilities, with an aggregate net value (in excess of the assets received by Tutor-Saliba in the transaction) of \$21.3 million, as described more fully in Recent Developments and Expected 2008 Events - Distribution of Commercial Real Estate; Distribution of Residential Real Estate and in Note 14 of the Audited Financial Statements of Tutor-Saliba attached as *Annex H* to this proxy statement.

These pre-closing distributions were taken into account in determining the merger consideration, as the distributed assets were not deemed assets to be acquired by Perini in the merger.

**Dividend Notes (see page 74)**

At the request of Perini, the Tutor-Saliba shareholders have agreed that a portion of the cash that Tutor-Saliba would otherwise have distributed as dividends to its shareholders prior to the merger as noted above will be retained by Tutor-Saliba following the merger. These amounts will be retained by Tutor-Saliba by its issuance of notes as dividends in lieu of the payment of cash dividends, thereby in essence loaning the cash back to the combined company in order to support the surety requirements of the combined company.

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Accordingly, immediately prior to the completion of the merger, Tutor-Saliba will declare and distribute to the former Tutor-Saliba shareholders a dividend payable in the form of one or more notes. The maximum principal amount of the notes is the amount by which \$120 million exceeds the aggregate amount of the cash dividends declared by Tutor-Saliba between the date of the Merger Agreement and the closing, less amounts of indebtedness to be repaid to Tutor-Saliba prior to the effective time of the merger by the former Tutor-Saliba shareholders which have not been repaid by the date of the issuance of the note. As reflected in the pro forma financial statements appearing in Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 108, Perini estimates that Tutor-Saliba will issue notes with an aggregate principal amount equal to approximately \$55 million prior to the completion of the merger. Those notes will remain outstanding following the completion of the merger. The notes provide that the unpaid principal balance of the notes and all accrued and unpaid interest thereupon will become due and payable in full on June 30, 2012. Tutor-Saliba may prepay any amounts outstanding under the notes at any time. In addition, Tutor-Saliba will be required to prepay the notes with 100% of excess cash flow of Tutor-Saliba (as described in the note) for the preceding fiscal year (or, for the year in which the closing of the merger occurs, the partial fiscal year from the closing through the end of such fiscal year) within 90 days of the end of each fiscal year until the principal and interest of the notes has been repaid.

## **Selected Historical Data**

### *Perini Selected Historical Financial Information*

The selected historical financial data set forth below is derived in part from and should be read in conjunction with Perini's consolidated financial statements, the related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations, which are included in previously filed annual reports on Form 10-K of Perini. The consolidated statement of income data for each of the years ended December 31, 2003, 2004, 2005, 2006 and 2007 and the consolidated balance sheet data as of December 31, 2003, 2004, 2005, 2006 and 2007 were derived from Perini's audited consolidated financial statements, which are included in previously filed annual reports on Form 10-K of Perini. The consolidated statement of income data for the three-month periods ended March 31, 2007 and 2008 and the consolidated balance sheet data as of March 31, 2007 and 2008 were derived from Perini's unaudited consolidated condensed financial statements included in the previously filed quarterly report on Form 10-Q of Perini for the period ended March 31, 2008. This information is unaudited but, in Perini management's opinion, has been prepared on the same basis as the audited consolidated financial statements and related notes in previously filed annual reports on Form 10-K of Perini, and includes all adjustments, consisting only of normal recurring adjustments, that Perini's management considers necessary for a fair presentation of the information for the periods presented. Historical results are not necessarily indicative of results to be expected for future periods.

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	Three Months Ended March 31,			Year Ended December 31,			
	2008	2007	2007	2006	2005 (1)	2004	2003
<b>Consolidated statement of income data:</b>							
Revenues:							
Building	\$ 1,163,020	\$ 886,855	\$ 4,248,814	\$ 2,515,051	\$ 1,181,103	\$ 1,298,771	\$ 898,254
Civil	60,156	57,103	234,778	281,137	275,584	138,095	176,877
Management Services	33,160	43,398	144,766	246,651	276,790	405,449	298,972
Total	1,256,336	987,356	4,628,358	3,042,839	1,733,477	1,842,315	1,374,103
Cost of Operations	1,189,774	929,459	4,379,464	2,873,444	1,663,773	1,750,549	1,304,138
Gross Profit	66,562	57,897	248,894	169,395	69,704	91,766	69,965
G&A Expense	27,599	25,157	107,913	98,516	61,751	43,049	39,762
Income From Construction							
Operations	38,963	32,740	140,981	70,879	7,953	48,717	30,203
Other Income (Expense), Net	1,505	2,356	15,361	2,581	971	(3,087)	1,722
Interest Expense	(355)	(690)	(1,947)	(3,771)	(2,003)	(704)	(1,003)
Income Before Income Taxes	40,113	34,406	154,395	69,689	6,921	44,926	30,922
(Provision) Credit for Income Taxes	(14,960)	(11,753)	(57,281)	(28,153)	(2,872)	(8,919)	13,096
<b>Net Income</b>	<b>\$ 25,153</b>	<b>\$ 22,653</b>	<b>\$ 97,114</b>	<b>\$ 41,536</b>	<b>\$ 4,049(3)</b>	<b>\$ 36,007</b>	<b>\$ 44,018</b>
Income Available for Common Stockholders (2)							
	\$ 25,153	\$ 22,653	\$ 97,114	\$ 41,117	\$ 5,330	\$ 34,819	\$ 49,619
Per Share of Common Stock:							
Basic Earnings	\$ 0.93	\$ 0.85	\$ 3.62	\$ 1.56	\$ 0.21	\$ 1.47	\$ 2.18
Diluted Earnings	\$ 0.91	\$ 0.84	\$ 3.54	\$ 1.54	\$ 0.20	\$ 1.39	\$ 2.10
Weighted Average Common Shares Outstanding:							
Basic	27,145	26,638	26,819	26,308	25,518	23,724	22,763
Diluted	27,653	27,120	27,419	26,758	26,150	25,061	23,583
<b>Consolidated balance sheet data:</b>							
Working Capital	\$ 297,022	\$ 203,443	\$ 293,521	\$ 193,952	\$ 153,335	\$ 178,029	\$ 125,397
Current Ratio	1.23x	1.22x	1.24x	1.22x	1.23x	1.41x	1.31x
Long-term Debt, less current maturities							
	\$ 13,635	\$ 16,414	\$ 13,358	\$ 34,135	\$ 39,969	\$ 8,608	\$ 8,522
Stockholders Equity	\$ 396,354	\$ 271,292	\$ 368,334	\$ 243,859	\$ 183,175	\$ 174,034	\$ 120,560
Ratio of Long-term Debt to Equity	.03x	.06x	.04x	.14x	.22x	.05x	.07x
Total Assets	\$ 1,730,179	\$ 1,268,675	\$ 1,654,115	\$ 1,195,992	\$ 915,256	\$ 654,265	\$ 565,443
<b>Other data:</b>							
Backlog at end of period (4)	\$ 7,206,239	\$ 8,561,590	\$ 7,567,665	\$ 8,451,381	\$ 7,897,784	\$ 1,151,475	\$ 1,666,464



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New Business Awarded (5)	\$ 894,909	\$ 1,097,565	\$ 3,744,642	\$ 3,596,436	\$ 8,479,786	\$ 1,327,326	\$ 2,050,392
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