



**TerniEnergia**

*Erbusco (BS) – March 2012*

TerniEnergia



Terni Enterprise for Research  
and New Industries

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60,67%



62%



100 %

50 %

100 %

100 %

4 SPV for  
full equity plants

11 JV with EDF EN Italia S.p.A.  
and other national partners

TerniEnergia  
Hellas M.e.p.e.

Future Newcos  
in abroad markets

Listed on STAR Italian Stock Exchange

**2020  
European Target**

**20%<sup>01</sup>  
Renewables**

**20%<sup>02</sup>  
Energy  
efficiency**

**20%<sup>03</sup>  
CO<sub>2</sub>  
Reduction**

**TerniEnergia Group**

**192,7 MWp<sup>4</sup>  
PV plants**

**200 mln kWh<sup>5</sup>  
saved**

**2,4 mln ton  
CO<sub>2</sub> avoided**

**€153 mln<sup>6</sup>  
revenues**

**€31 mln<sup>7</sup>  
equity**

**€75 mln<sup>8</sup>  
capitalization**

1 20% of energy consumption from renewable sources

2 20% of reduction in final energy consumption than the trend calculated from the average of the years 2001-2005

3 20% of reduction of CO<sub>2</sub> emitted into the atmosphere compared to 1990

4 Data as at January 04, 2012, 245 plants built

5 Savings achieved through the company owned “Lucos Alternative Energies SpA”

6 Consolidated as at 3Q 2011

7 Net income for 2010: € 9 million

8 As at October 28, 2010. Company listed on the STAR segment of the MTA of the Italian Stock Exchange

### “A strong reaction to changes in PV regulatory and incentives”

- **Advanced approach in the new industrial energy efficiency business in 2011 since now. Business no policy driven**
- **Starting abroad PV industrial activity through first EPC contract in Greece with a subsidiary of european major utilities and scouting in new abroad markets (eg. South Africa)**
- **PV activities as EPC Turnkey and JV providers: target capacity over 120 MWp in 2012-2013 (PV modules partially included)**
- **Profitability in power generation business through JV and Full equity plants guaranteed for 20 years**
- **Keep unchanged the dividend value. Net Result expected in 2011 present a light increase compared to 2010 Net result**

## New “Quarto Conto Energia”

- Increases the incentive decalage
- Introduces restrictions on large ground PV plants and an annual installation cap

## Market changing

- Focus on reduction of production costs and increasing installation quality, e.g. on roof top
- Return of foreign and large utilities investments

## Competitive framework

- Retreat of foreign investors
- Overproduction of PV panels

## TerniEnergia’s challenge to grow

- Property management systems of the PV plants to maximize revenues from incentivized fees and sale of produced energy
- Optimization of plant operation and maintenance in order to achieve revenues stability and high margins
- Expansion into foreign countries, attraction strategy of foreign investor (e.g. international PV panels producers) and focus on industrial roof top plants
- Acquiring stakes in other companies in order to enforce industrial activity and diversifying energy efficiency business

## Market Overview

Market size limited but grew in the late 90's, to reach € 10 billion between the USA and EU in 2008

Hold strong growth over the next 10 years in Europe, even after approval of the Directive "Pacchetto Clima"

European market (EU-25) estimated at least € 75 billion for 2020, with expected growth of 10 times between 2008 and 2020

## Energy Efficiency Experience

- Accredited by the AEEG and the GME
- investments in projects that generate energy efficiency for the customers
- The energy savings generated by our projects amounted to over 150 million kWh

## Our activities and our proposal

- Identification of intervention areas, verification of technical feasibility and verification of the economic and financial viability of the project
- Planning of the intervention, supply of materials, execution of work - retrofitting and upgrading – plant testing
- Management and maintenance of the facility, ensuring the smooth functioning of the same

**Industrial Energy Efficiency produces High Margins (over 30%)**

Lightning  
projects  
In FTT

- Contracts for Energy Spread or Energy Service with Public and Private
- Target: 34,000 LA in management by 2013, total investments of € 15 mln
  - Focus: Public illumination
  - Medium and large industrial groups and multi-facility in private lighting

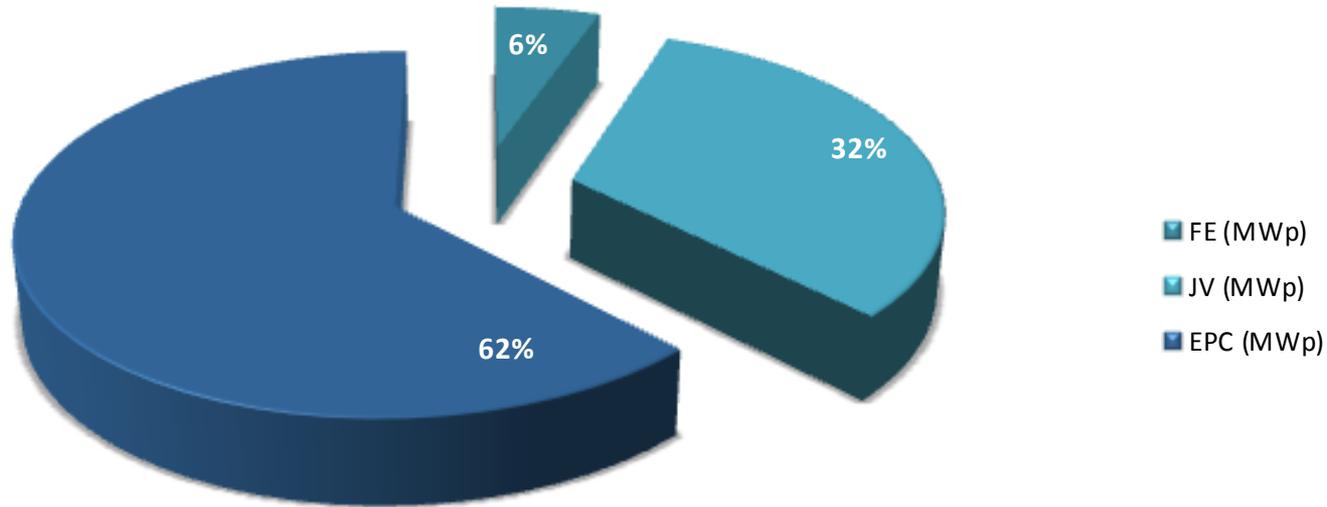
ORC  
Organic Rankine  
Cycle

Technologies: ORC (TerniEnergia), motors, inverter, others (es., actions on productivity lines, ecc.)

Engineering  
EPC

- Achievements "turnkey" for the redevelopment of lighting systems for other energy efficiency
- *target*: 23,000 LA in management by 2013;

## Total installed PV plants



<b>Total installed plants</b>	<b>247</b>
<b>Total installed capacity (MWp)</b>	<b>192,80</b>

<b>FE (MWp)</b>	<b>10,40</b>
<b>JV (MWp)</b>	<b>62,10</b>
<b>EPC (MWp)</b>	<b>120,30</b>

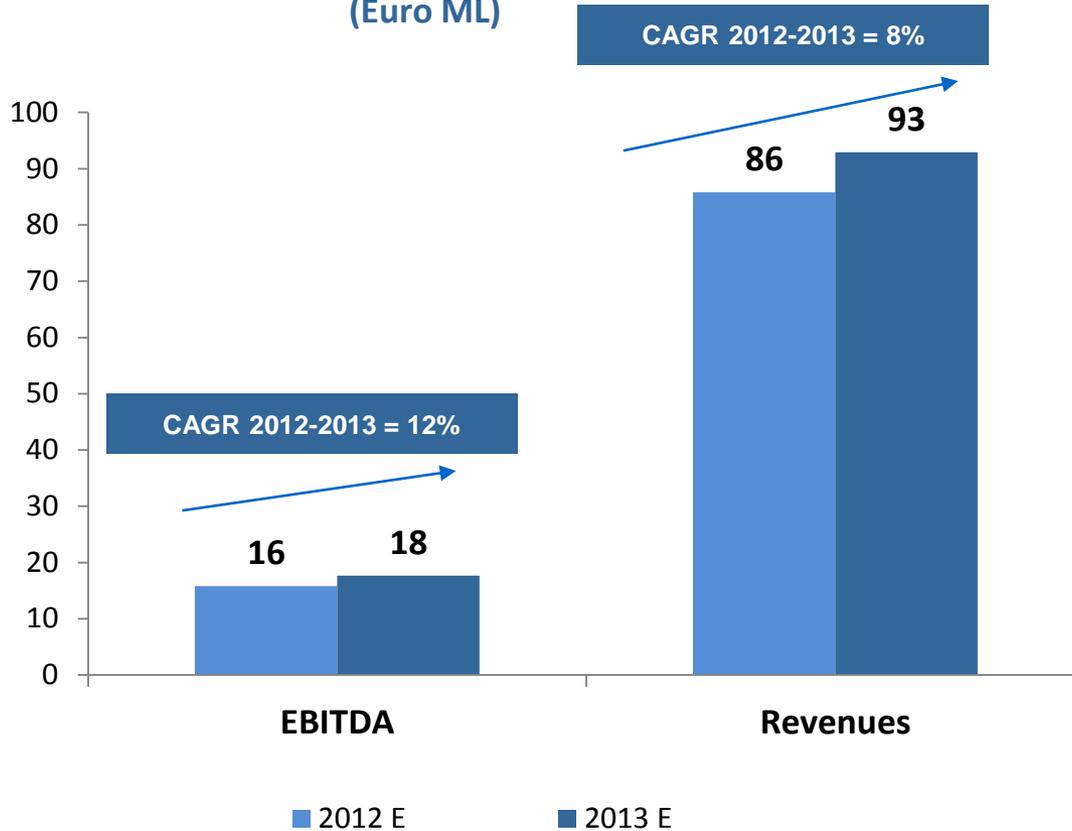
### PV Business

- **Over 120 MWp of PV new installed capacity in 2012 – 2013**

### New Business of Energy Efficiency

- **Industrial lighting**  
Over 57.000 areas light
- **Organic Rankine Cycle (ORC)**  
Starting in energy recovery plants installation

## EBITDA and REVENUES TREND (Euro ML)



### Target 2012E-2013E

**2012E**

- Revenues: 86 Euro Mln
- EBITDA: 16 Euro Mln

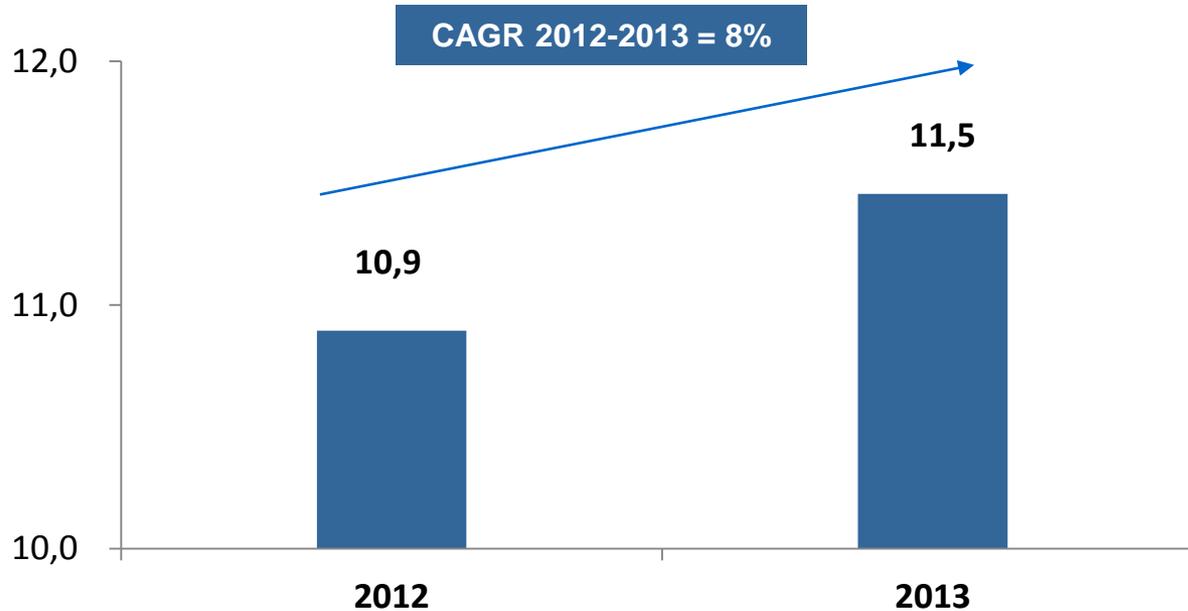
**2013E**

- Revenues: 93 Euro Mln
- EBITDA: 18 Euro Mln

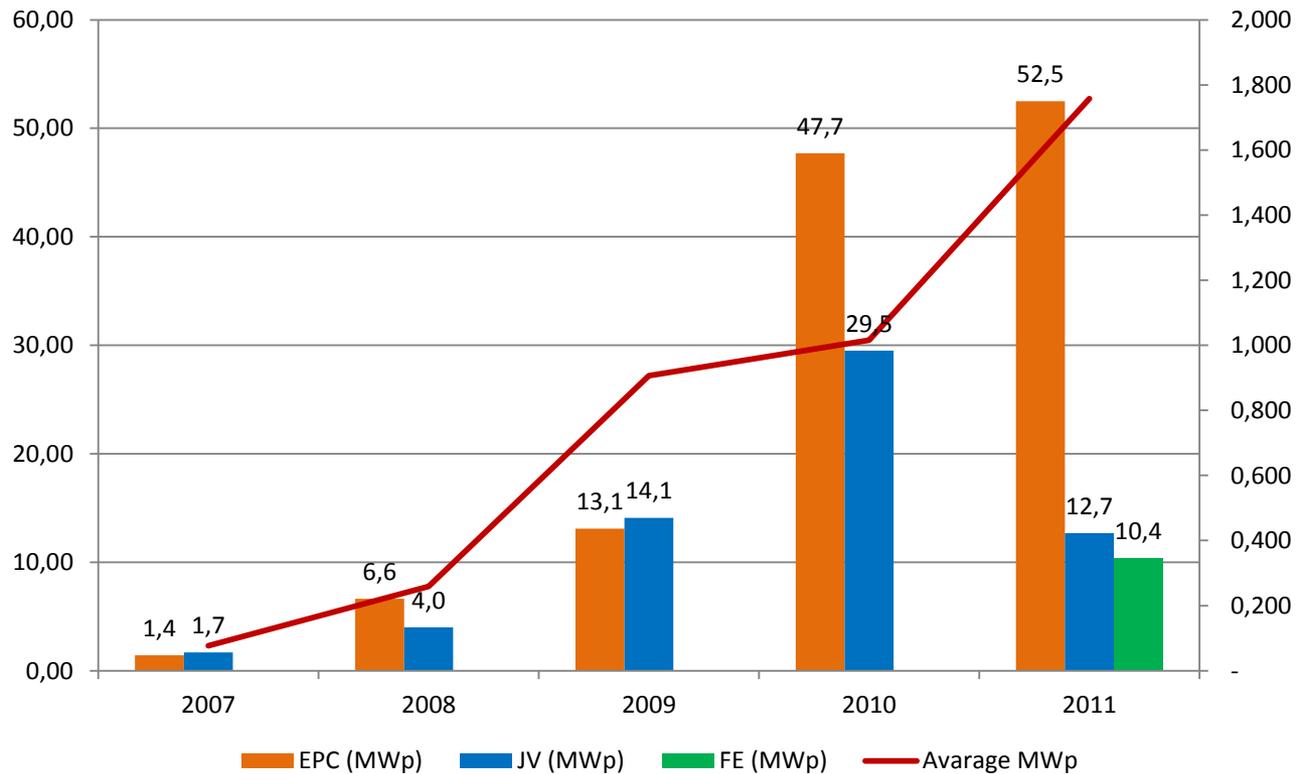
### EBITDA Margin

2012 E: 18%  
2013 E: 19%

### Capex Targeted 2012-2013 (ML euro)



**Total targeted Capex for JV and Energy Efficiency Business**  
**D/E 2013: 1.0**

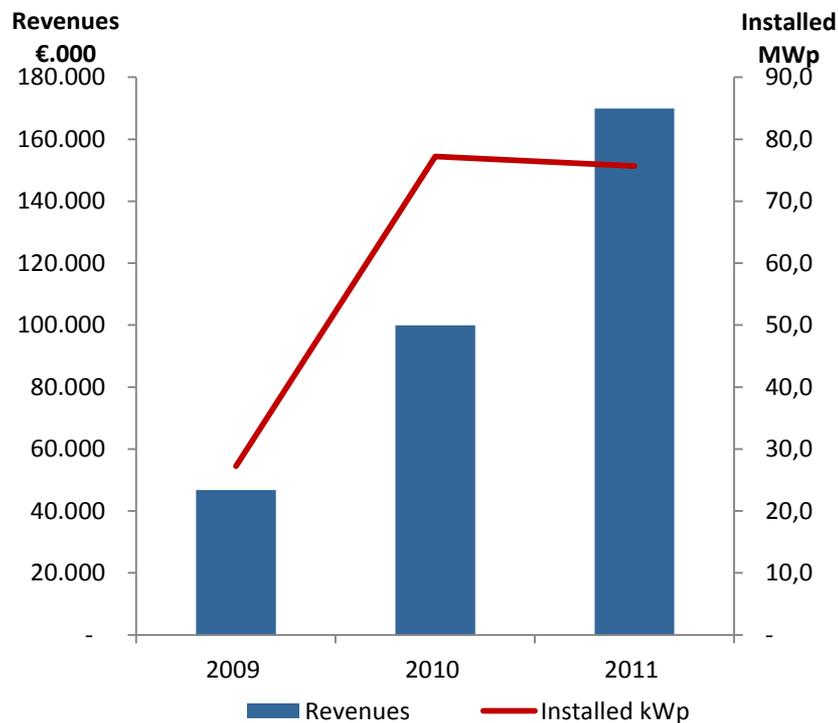


## Installed Power (MWp)

	2007	2008	2009	2010	2011
EPC (MWp)	1,44	6,62	13,10	47,70	52,50
JV (MWp)	1,70	3,99	14,10	29,50	12,70
FE (MWp)					10,40
<b>Total Installed Power (MWp)</b>	<b>3,14</b>	<b>10,61</b>	<b>27,20</b>	<b>77,20</b>	<b>75,60</b>
EPC	39	36	17	46	22
JV	2	5	13	30	11
FE					10
<b>Total Installed Plants</b>	<b>41</b>	<b>41</b>	<b>30</b>	<b>76</b>	<b>43</b>
<b>Average MWp</b>	<b>0,076</b>	<b>0,259</b>	<b>0,907</b>	<b>1,016</b>	<b>1,758</b>

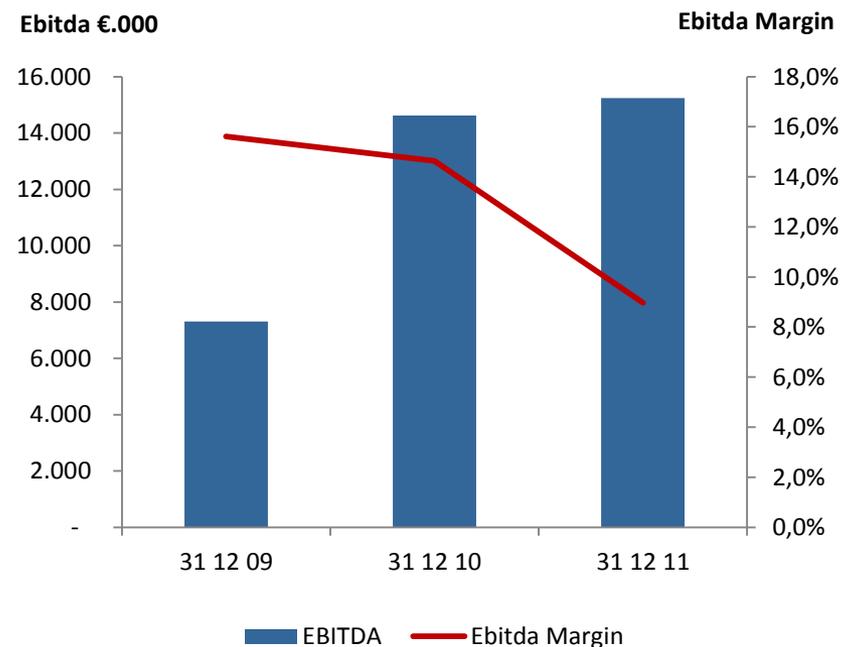
## Revenues

Revenues	2009	2010	2011
Total Revenues	46.831	99.933	169.845



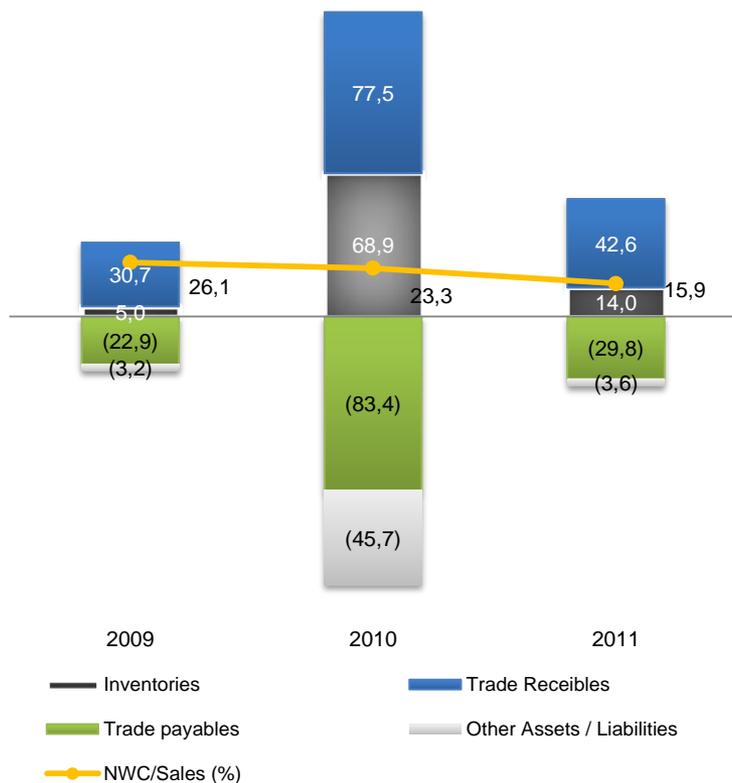
## Ebitda

EBITDA	2009	2010	2011
EBITDA	7.313	14.625	15.235
Ebitda Margin	15,6%	14,6%	9,0%

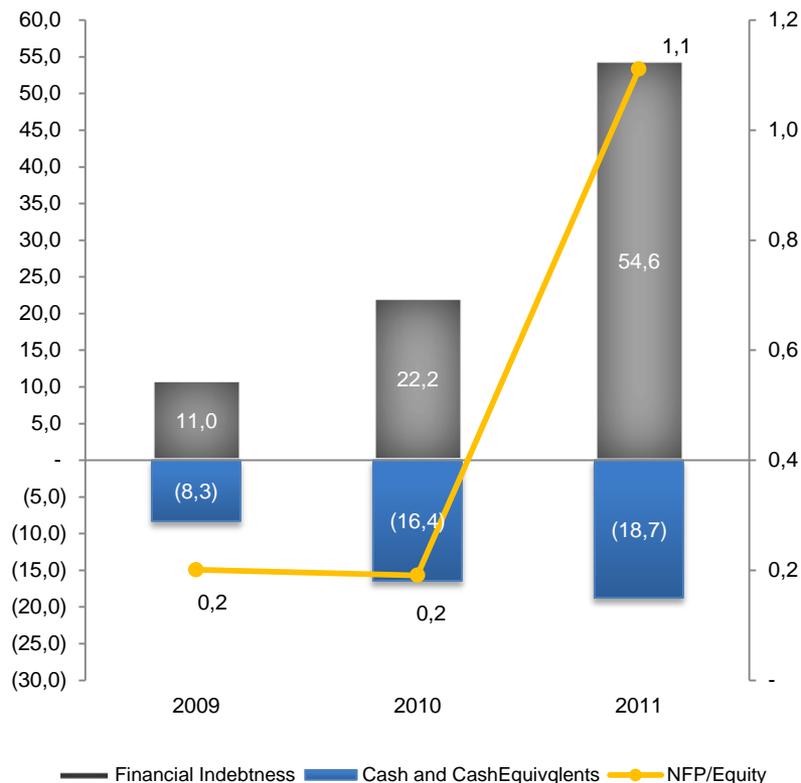


**Financial results FY2011 - Euro 9,048 ml (9,022 ml FY2010)**

## Net Working Capital



## Net Financial Position



	2009	2010	2011
Inventories	5,0	68,9	14,0
Trade Receivables	30,7	77,5	42,6
Trade payables	(22,9)	(83,4)	(29,8)
Other Assets / Liabilities	(3,2)	(45,7)	(3,6)
NWC/Sales (%)	26,1	23,3	15,9

	2009	2010	2011
Financial Indebtness	11,0	22,2	54,6
Cash and CashEquivalents	(8,3)	(16,4)	(18,7)
NFP/Equity	0,2	0,2	1,1