

FAMILY OFFICE INVESTOR DAY



Milano, Sala Convegni Intesa Sanpaolo - 8 marzo 2012

TerniEnergia

Milan – 8 March 2012

TerniEnergia



Terni Enterprise for Research
and New Industries

This document has been prepared by TerniEnergia solely for information purposes and for use in presentations of the Group's strategies and financials. The information contained herein has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. Neither the company, its advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this document.

The forward-looking information contained herein has been prepared on the basis of a number of assumptions which may prove to be incorrect and, accordingly, actual results may vary. This document does not constitute an offer or invitation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. The information herein may not be reproduced or published in whole or in part, for any purpose, or distributed to any other party. These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities.



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%⁰¹
Renewables**

**20%⁰²
Energy
efficiency**

**20%⁰³
CO₂
Reduction**

TerniEnergia Group

**192,7 MWp⁴
PV plants**

**200 mln kWh⁵
saved**

**2,4 mln ton
CO₂ avoided**

**€153 mln⁶
revenues**

**€31 mln⁷
equity**

**€75 mln⁸
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 CO₂ 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

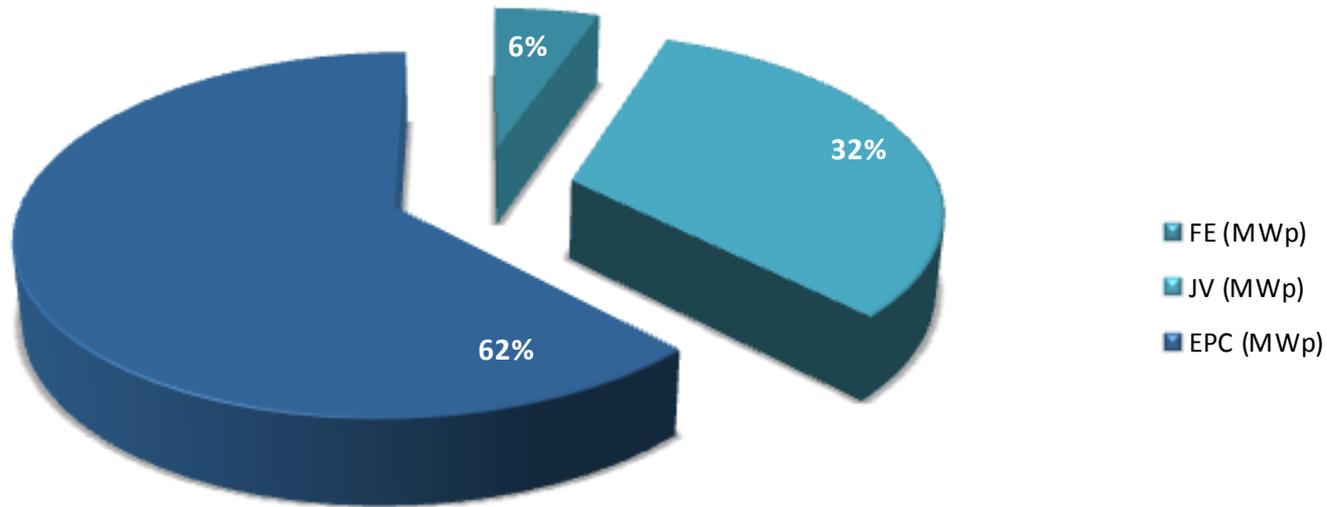
ORC
Organic Rankine
Cycle

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



Total installed plants	245	FE (MWp)	10,40
Total installed capacity (MWp)	192,70	JV (MWp)	62,10
		EPC (MWp)	120,20

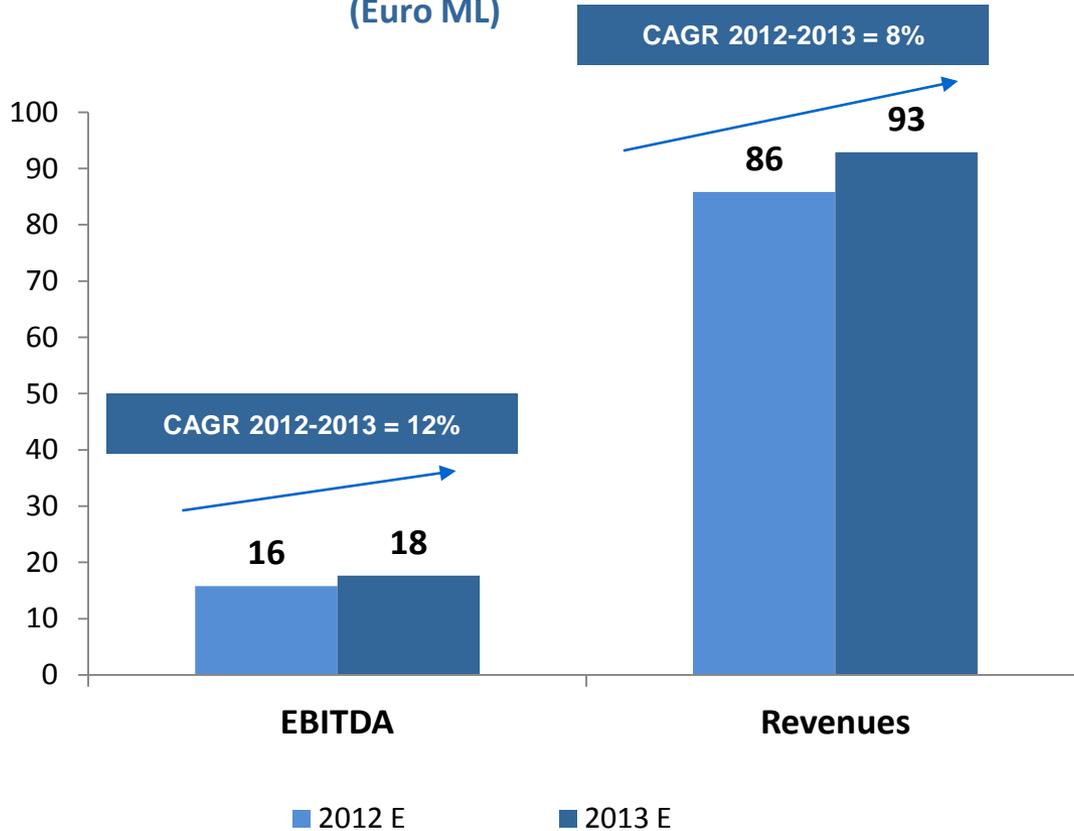
PV Business

- 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

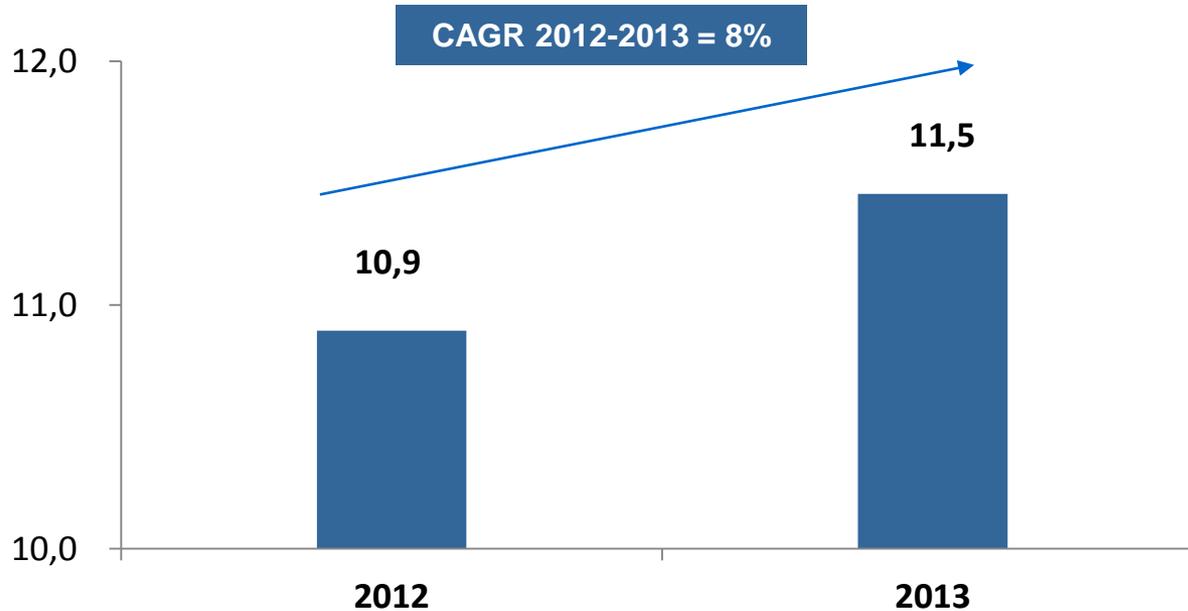
2013E

- 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