

Tesmec Group

FAMILY OFFICE INVESTOR DAY



Milano, Sala Convegni Intesa Sanpaolo - 8 marzo 2012



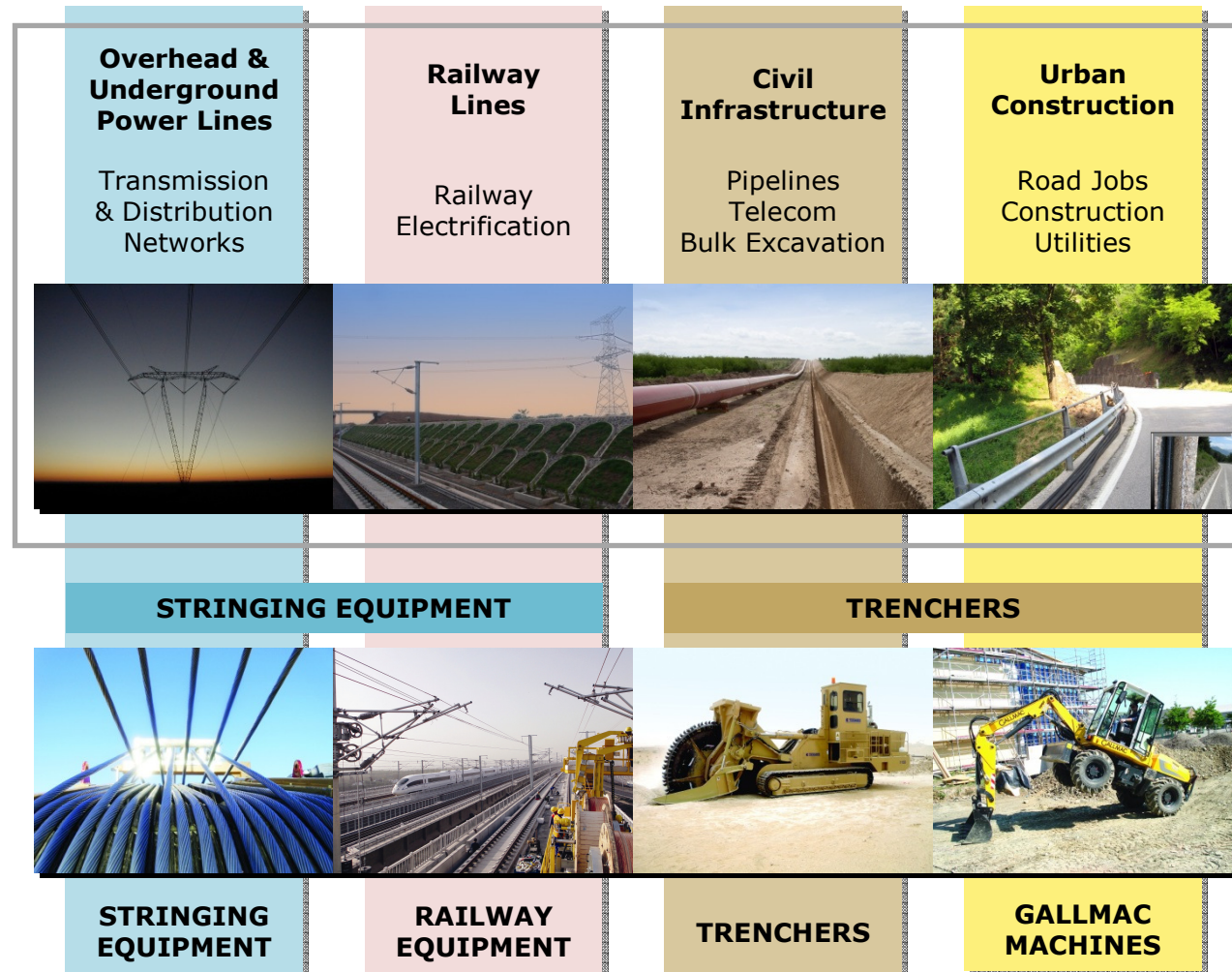
Corporate



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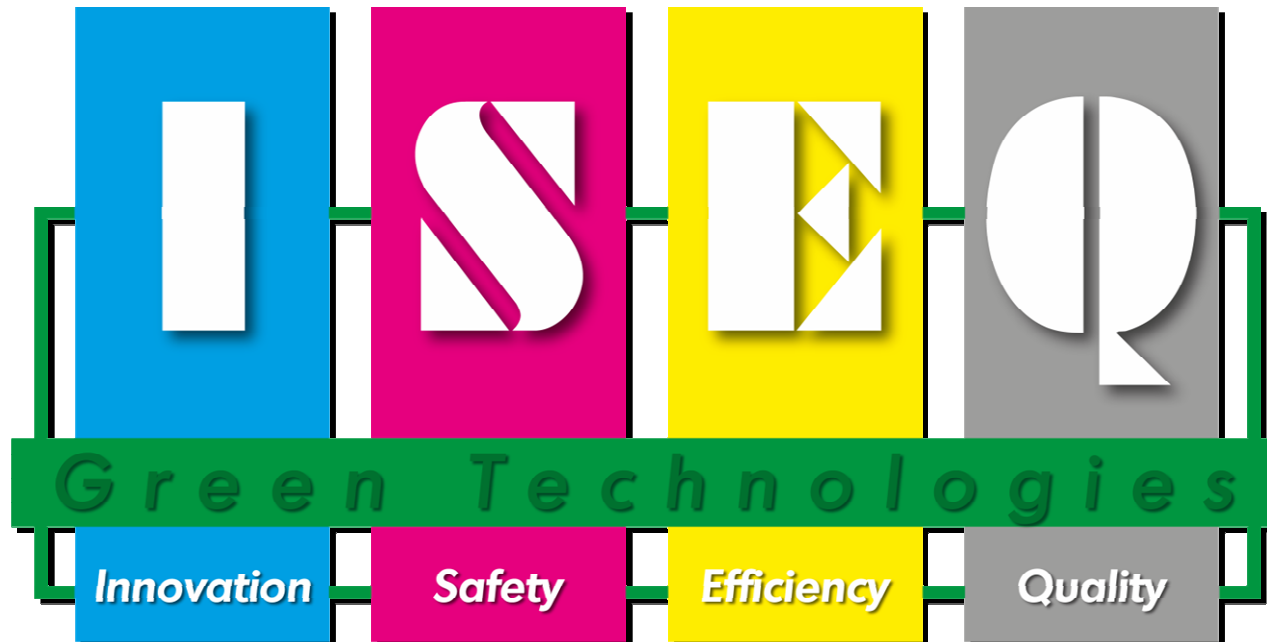
Technological Solution for INFRASTRUCTURES CONSTRUCTION



MISSION

Become a global player in the market of energy and data transport by providing integrated solutions (machines or equipment + engineering) for the realization of different projects in all the countries

Technologies for a Sustainable Development



ISEQ Concept

The advanced technologies developed by Tesmec are always focused on getting the best in terms of Innovation, Safety, Efficiency and Quality. The common denominator is respect for the Environment.

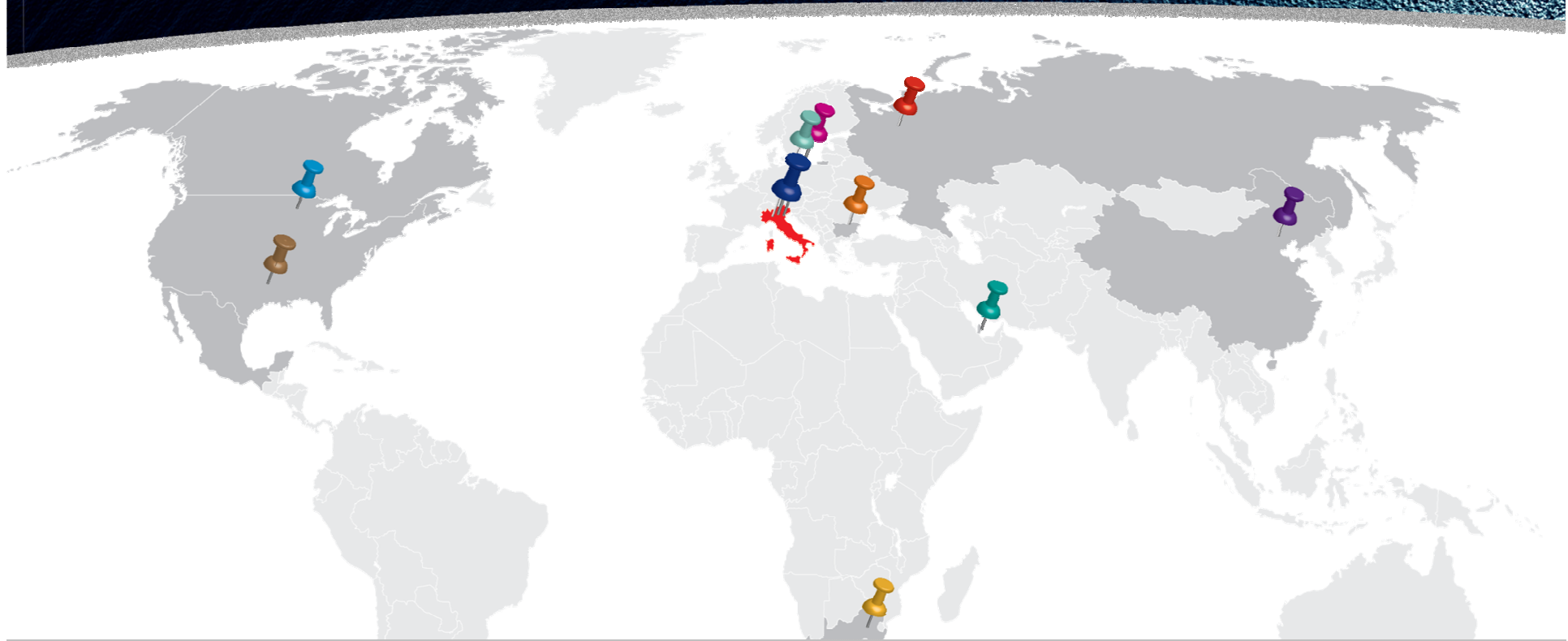
INNOVATION has made it possible for Tesmec to become what it is today. The development of better or more effective technologies, processes and products is a priority for everyone in Tesmec.

Tesmec has always been extremely sensitive to **SAFETY**. The SAFETY of Tesmec machines is the result of 60 years' experience in designing and manufacturing. At Tesmec, no job is so urgent that it cannot be done safely.

We have a commitment to our customers: **EFFICIENCY**. That means fast execution and cost savings. To achieve even greater EFFICIENCY, Tesmec R&D Division works with the aim to optimize all the processes.

QUALITY is a mandatory requirement for Tesmec. QUALITY is a must: everything we make must be as good as it can be. Superior QUALITY standard leads to leadership positions.

Global presence



1 Headquarter (Grassobbio) and 3 production sites in Italy (Grassobbio, Endine, Sirone)



Trencher production facility in Alvarado



JV for the supply of stringing equipment to the US market



Qatar JV for Arabic Peninsula



Representative office in China



Group subsidiary for Balkan area



Group subsidiary for Services activities



Group subsidiary for the supply of trenchers



Group subsidiary in Russia



Group subsidiary for trenching services



Strategic investment for power grid management

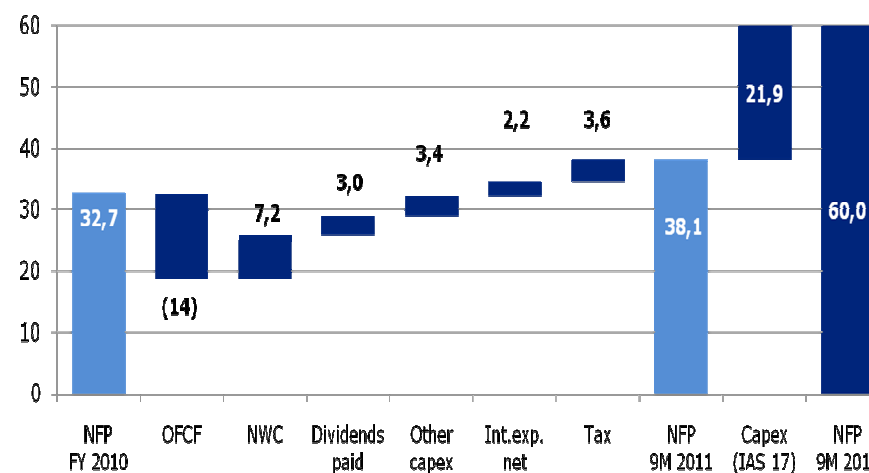
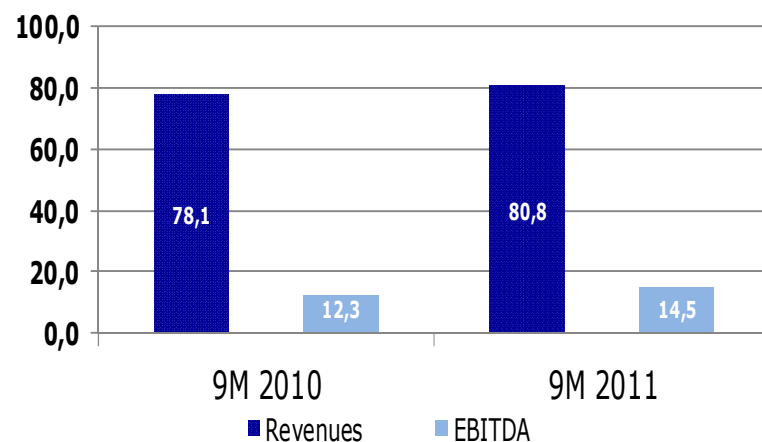
First 9M 2011 Results



Income Statement (€ mln)	9M 2010	9M 2011	9M 2011 vs 9M 2010 delta %
Revenues	78,1	80,8	3,5%
EBITDA	12,3	14,5	17,7%
% Revenues	16%	18%	
EBIT	8,7	10,3	18,4%
% Revenues	11%	13%	
Net income/(loss)	5,0	4,7	-6,0%
% Revenues	6%	6%	

Financial Information (€m)	2010	9M 2011
Net working capital	40,2	47,5
Non current assets	26,1	47,3
Other LT assets/(liab)	1,1	1,3
Net invested capital	67,4	96,1
Net financial indebtedness	32,7	60,0
Equity	34,7	36,1
Total equity and net financial indebtedness	67,4	96,1

€ mln 9M 2011 RESULTS



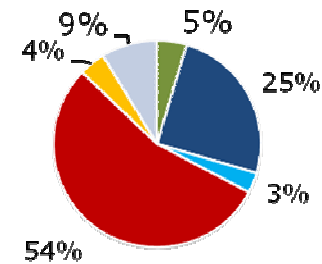
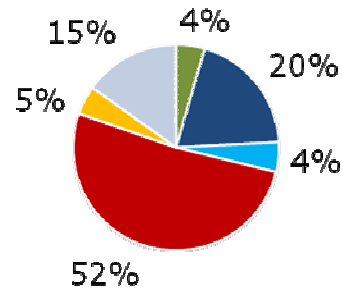
Revenues: international scale and exposure to growing economies



9M 2010

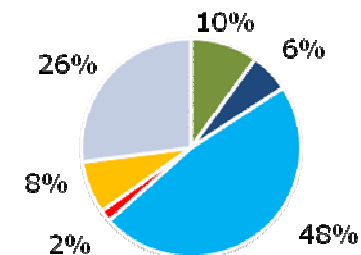
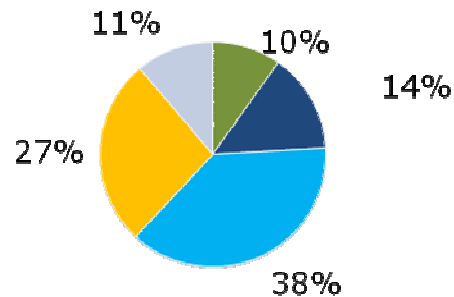
9M 2011

Stringing equipment on Revenue 60%



Italy Europe Middle East BRICS and Oceania Africa North-Central America

Trenchers on Revenue 40%



Italy Europe Middle East BRICS and Oceania Africa North-Central America

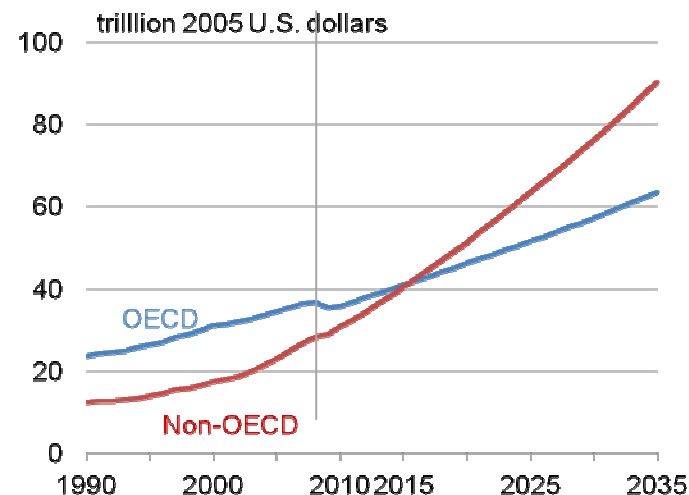
Macroeconomic framework

GDP projections**

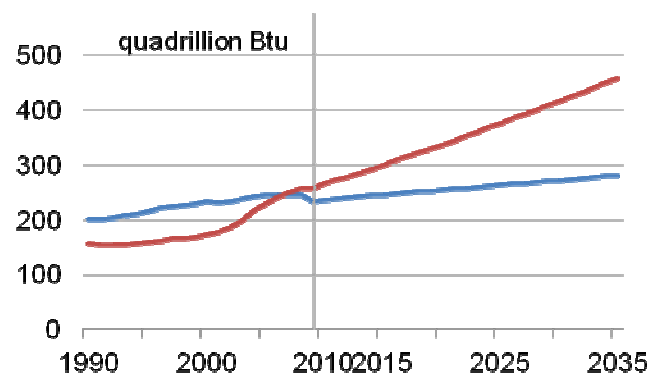
2012-2013

World output	3.3	3.9
Advanced Economies	1.2	1.9
United States	1.8	2.2
Germany	0.3	1.5
France	0.2	1.0
Italy	-2.2	-0.6
Emerging and Developing Economies	5.4	5.9
Russia	3.3	3.5
China	8.2	8.8
Brazil	3.0	4.0
Middle East and North Africa	3.2	3.6

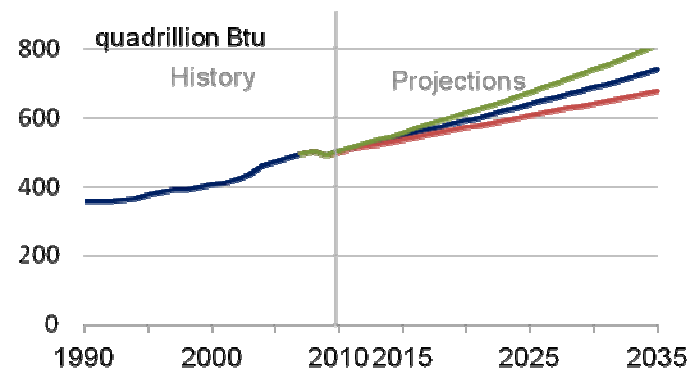
OECD and Non-OECD total gross domestic product 1990-2035* (Release date July 27.2010)



World marketed energy consumption: OECD and Non-OECD 1990-2035* (Release date July 27.2010)



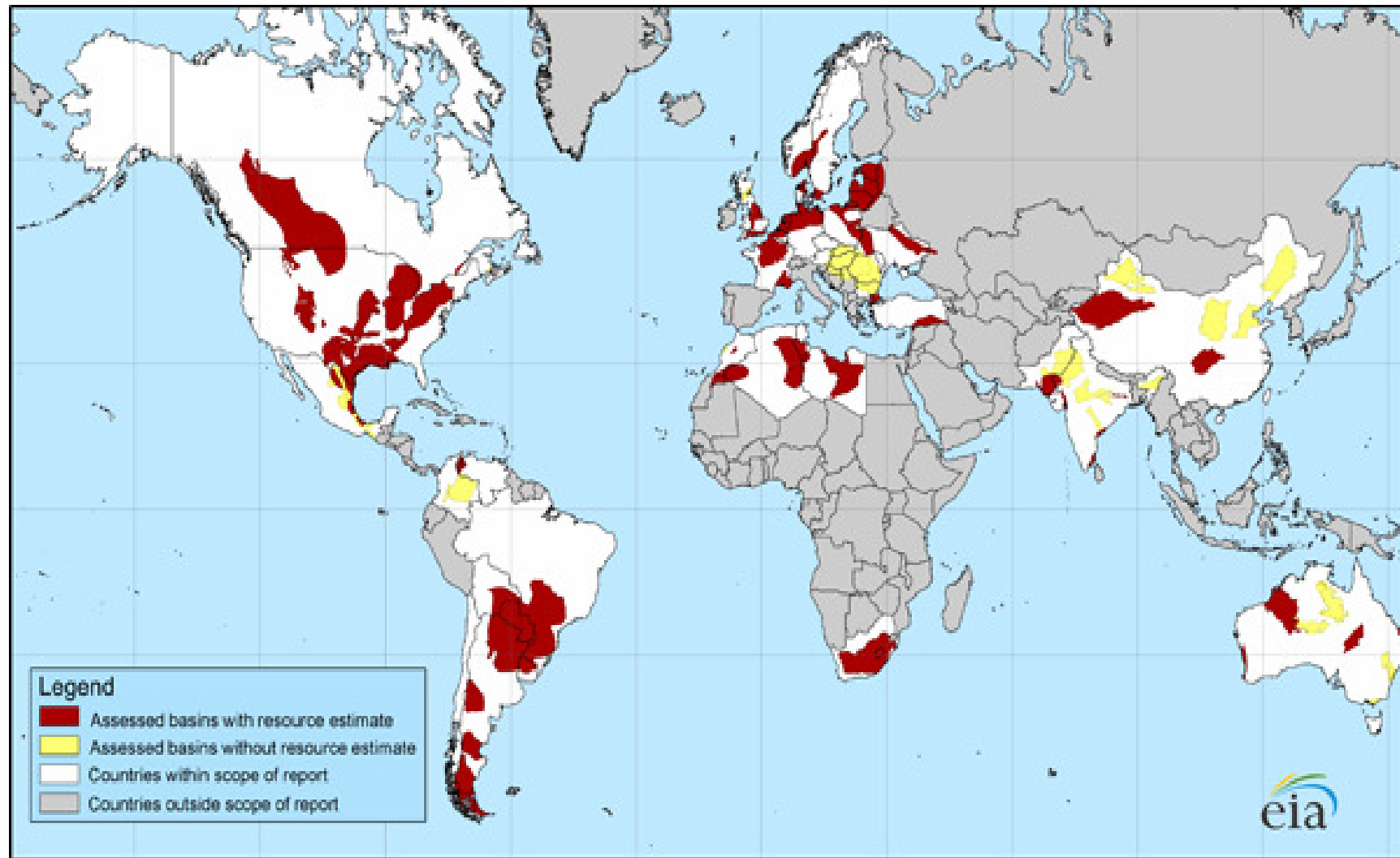
World marketed energy consumption in three Economic Growth cases 1990-2035* (Release date July 27.2010)



*Source: OECD (www.oecd.org) and EIA (www.eia.gov) websites

**Source: FMI (www.ifm.org) World Economic Outlook updated January 2012

Shale Gas is a global phenomenon



*Source: [U.S. Energy Information Administration](http://205.254.135.24/todayinenergy/detail.cfm?id=811) based on Advanced Resources International, Inc. data
(<http://205.254.135.24/todayinenergy/detail.cfm?id=811>)

Australia future major projects



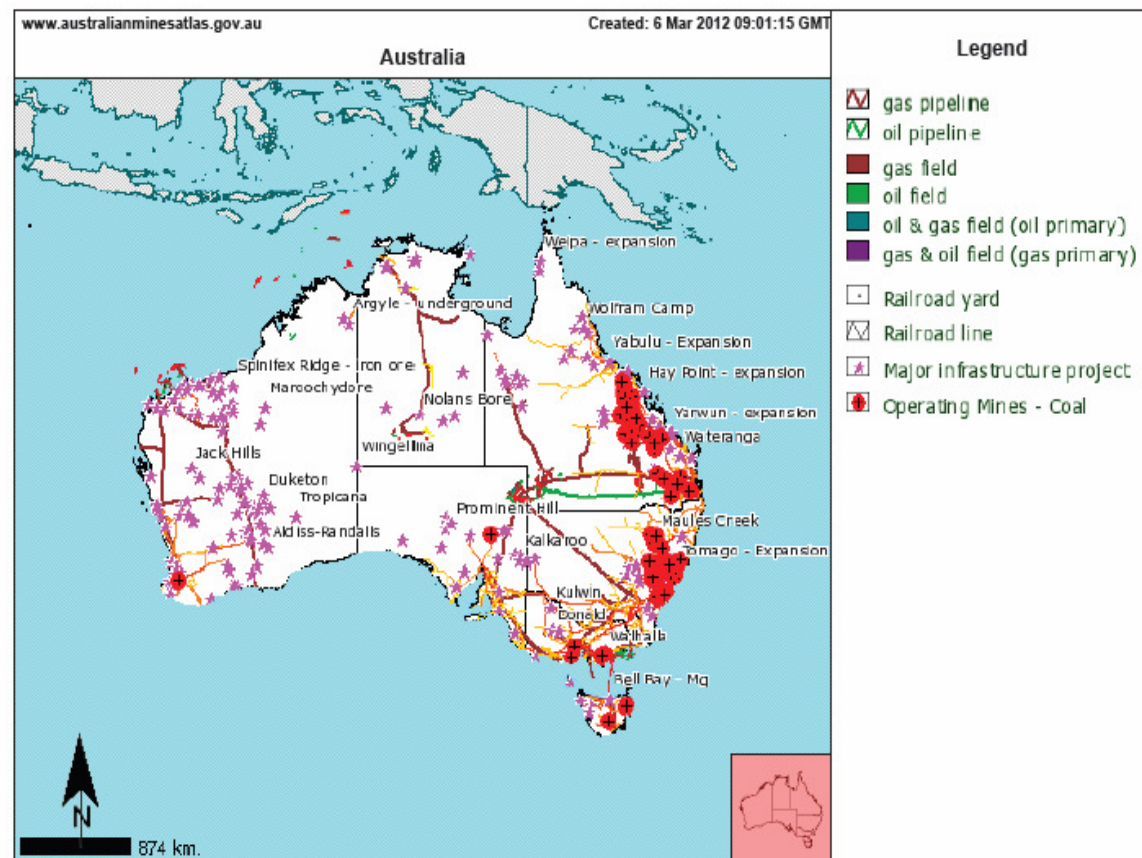
Brisbane Cross River Rail
(AU\$5B – heavy rail, likely to involve PPP)

Melbourne Metro
(AU\$7B - rail, likely to involve PPP)

Pacific Highway upgrade
(AU\$6B - duplication of NSW major road)

Sydney North West Rail Link
(AU\$8B - heavy rail, likely to involve PPP)

Iron ore, Coal and LNG developments - private
(AU\$100B - mines, offshore/onshore plants, rail, ports)



Coordinate System: Geocentric Datum of Australia 1994 (GDA94)

Map Centre: 26° 23' 60.0" S, 133° 33' 0.0" E

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MARKET

Energy & Data Transportation

GROWTH DRIVERS

Worldwide large investments in infrastructures

Electricity and data

- Increase in electricity consumption worldwide
- Growth of green sources

Railway

- Increase in oil and water consumption worldwide
- Increasingly importance of Shale Gas in the United States and in other specific countries

Oil, Gas and Water

- Growth in investments in railway lines, in particular in high speed lines
- Demand of maintenance on existing railways network

Stringing Equipment



Business Opportunities

Strong & Smart Grid

Construction of new Power Lines

Upgrading of the existing Power Lines

Grids efficiency improvement

Grids monitoring and management

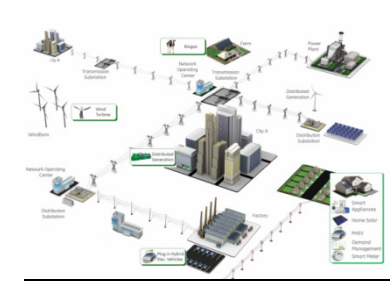


Tesmec Technologies

Integrated Solutions

Integrated system and services for power lines and fiber optic

Integrated solution for efficient management and for energy saving on high, medium & low voltage grids



Business Opportunities

Electrification

Construction of new Railway Lines

Maintenance operation



Tesmec Technologies

Integrated Solutions

Solutions for construction, maintenance and diagnostic of railway catenary power lines



Trenchers



Business Opportunities

Pipelines

Huge long distance pipeline networks

Specialized gathering gas pipeline and transferring pipelines

Drainage and Dewatering



Tesmec Technologies

Integrated Solutions

High powered tracked trenchers for underground cable networks pipelines and bulk excavation

Integrated services for efficiently manage projects



- **Internationalization**

Keep developing the business in key areas North America, Russia and ex-USSR, South Africa, Persian Gulf, the Balkans area and in 2013 and the constitution of a new trading company in China.

- **Efficiency in energy transport network**

To find business opportunities in the efficiency field on the existing network of Low, Medium or High Voltage. The two technology start-ups, I-Light (100%) and Bertel (40%) marks the beginning of this strategy.

- **Railway electrification**

Investment in new high-speed lines and in the maintenance of overhead related to the progressive development of the lines of high speed throughout the world permit to open the new segment of the "diagnostic" for preventing failures.

- **Excavation systems**

Offering of technical services related to heavy duty truck trencher for to increase the efficiency of the yard. The combination of a cutting-edge product and a deep knowledge on the use of innovative technologies is a winning combination for high performance in digging.

Tesmec Group strengths and opportunity



- Global Business with exposure to emerging markets with a “glocal” presence (Central & West Europe, Africa, Americas and Oceania, Est Europe, Middle East and Central Asia)
- Strong exposure to growth trend of transport and energy infrastructure
- Business niche (small markets, few competitors) and high margin
- High technological know-how improved every year with investment in R&D
- Good dividend pay-out ratio in industrial sector
- High investors quality



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