

**KINEXIA Company Presentation**

***LUGANO SMALL & MID CAP  
INVESTOR DAY - 2012***

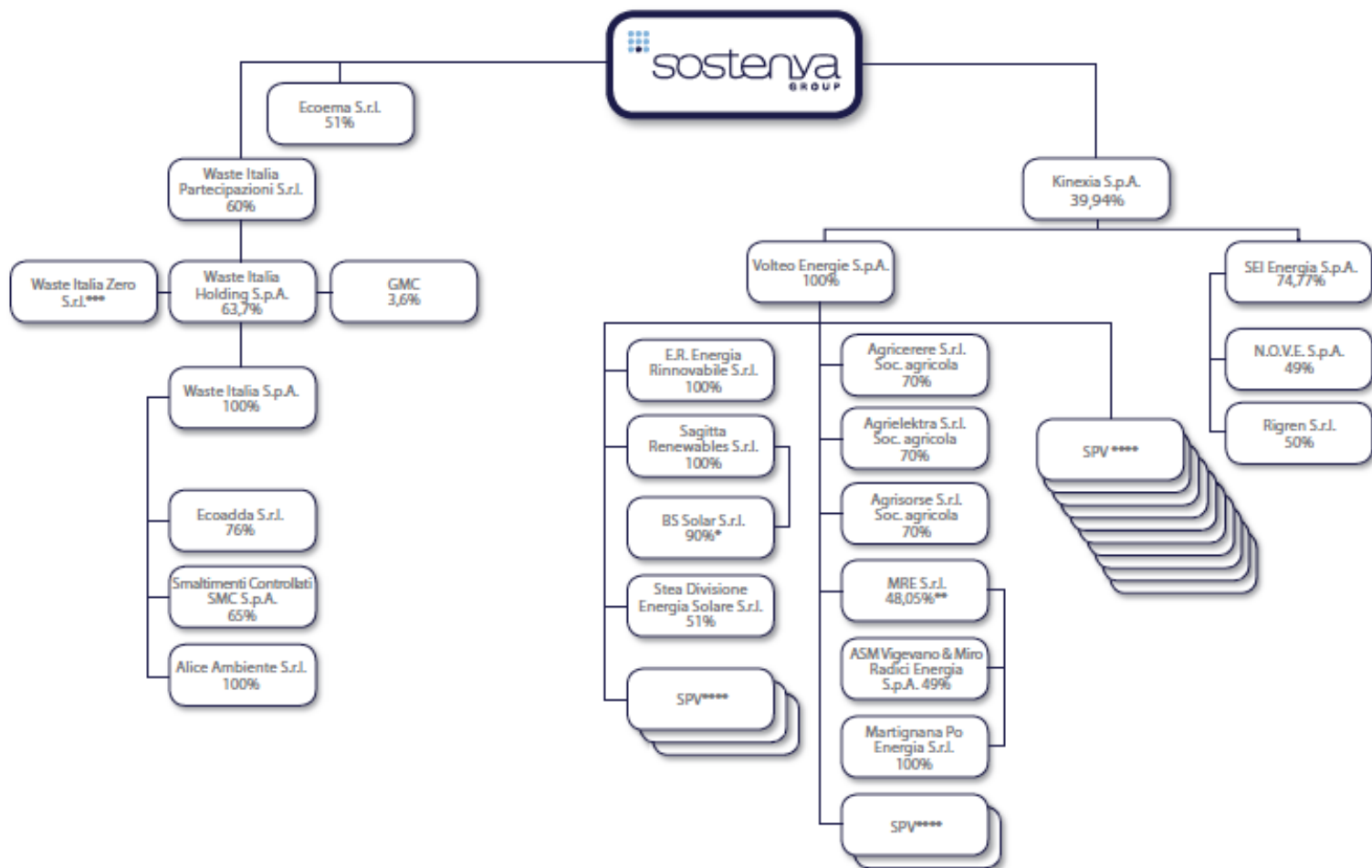
***Lugano, 28th September 2012***

***Energy and Environment: the Strength of a Group***

# AGENDA

- Overview
- Core Business
- Financials FY2011, 1H2012
- Outlook and Strategy Developments
  - 2013 - 2015: Our Business Guidelines
  - Company strategy and Key Drivers 2012
  - Internationalisation
- Corporate Social Responsibility

# OVERVIEW: Company Organisation



The following diagram is only a draft of the Group's organisation chart in February 2012.

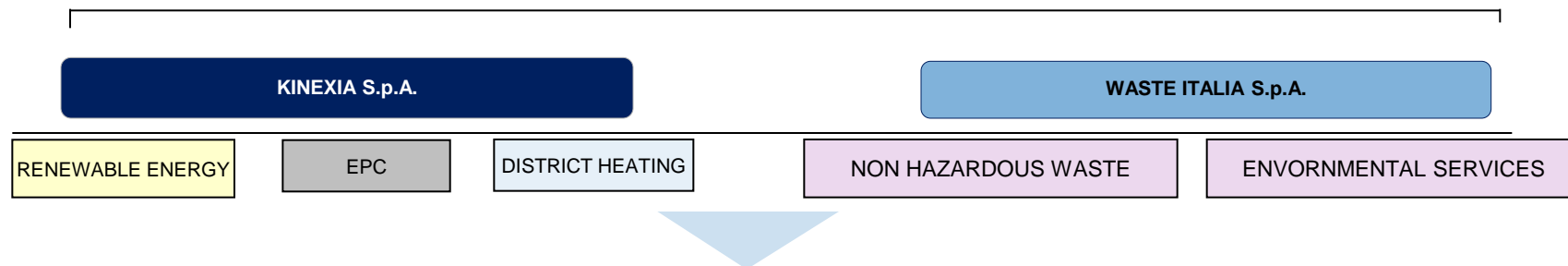
\*Volteo Energie S.p.A. directly controls the remaining 10% of joint stock.

\*\*Kinexia S.p.A. directly controls the remaining 51.95% of joint stock.

\*\*\* Synergy SGR Private Equity Fund.

\*\*\*\*Special Purpose Vehicle, each being dedicated to the construction and management of single plants in the sectors of Photovoltaic, Bioenergies and Wind power.

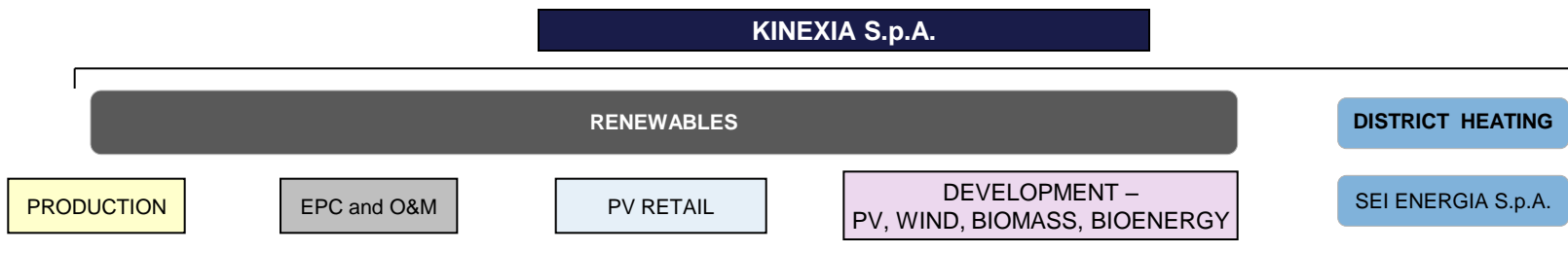
# CORE BUSINESS: SOSTENYA GROUP – A diversified Group in the Renewable Energy and Environment Sectors



2011 FIGURES (mn€)	2011
VALUE OF PRODUCTION	182
EBITDA	52
PRE – TAX RESULTS	14*

\* Before goodwill amortisations and depreciations

# CORE BUSINESS KINEXIA: A diversified Group in the Renewable Energy Sector



## KEY STRENGTHS

- High quality of already authorised projects in pipeline
- Alliance with Antin Fund which raises visibility on the financial sustainability of the pipeline
- Industrial and commercial synergies with the associate company Waste Italia, with a fast track to environmental market
- Flexibility in decision making and rapidity to catch opportunities in an evolving market

**Kinexia Pipeline (MW) as per Oct 12**

Line of business	Production	Costruction	Authoriz.	Permits Requested	Prelimin. to Permit	Total
Wind Power Plants	0	30	0	239	478	747
Landfill Biogas	6	0	1	0	0	7
Solid & Liquid Biomass	0	0	0	24	10	34
Agric. & Man Biogas	0	7	2	4	5	18
Hydro Power Plants	0	0	0	1	4	5
El. Power Cogen. Plant	19	0	0	0	0	19
<b>Total</b>	<b>25</b>	<b>37</b>	<b>3</b>	<b>268</b>	<b>497</b>	<b>830</b>
Th. Power Cogn. Plant	27	0	0	0	0	27
Th. Power Plant	98	18	0	0	0	116

PV Plants built <i>today</i>	46
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# FINANCIALS 2011

➤ Double digit growth in 2011 EBITDA: +57% vs 2010; After 20 years ... shareholders dividend of € 0.04 per share (48% pay out ratio)

➤ Reduction of 2011 NFP at €56mn (€97 mn end 2010)

➤ 28W PV directly owned plants and 18MW of PV plants for third parties built during the last two years

➤ Improvement of electric power production from its PV plants and biogas plants; District Heating produces electric and heat power with an installed capacity of 19.4MWe and around 100MWth

➤ Diversification between Renewable Sources IN PIPELINE as well as in integration solution between environmental and energy services

➤ Strategic agreement with Antin Infrastructure Partners Fund for the sale of some PV plants in operation and future JVs as well as others Funds

€89mn Value of Production

EBITDA €16mn  
% 17%

NFP €-56mn

46MWp PV  
PLANTS built

16MWp PV  
PLANTS  
energy  
production

6MW BIOGAS  
PLANTS  
energy  
production

electrical and heat  
power installed  
capacity 19,4MWe  
and 100MWth

mn€	2011	2010	Change
Value of Production	89.0	97.9	-9%
EBITDA	15.6	9.9	+57%
<b>Pre – Tax Results*</b>	<b>5.8</b>	<b>3.9</b>	<b>+49%</b>
<b>Net Profit *</b>	<b>3.2</b>	<b>2.6</b>	<b>+23%</b>
Net Profit	(2.8)	0.6	n.m.
Net Financial Debt	(56.1)	(96.6)	+42%

\* Before depreciations

Value of production (mn€)	2011	2010
District heating	20.3	23
Renewables	68.7	74.3
Holding	1.6	1.4
Adjustments	-1.6	-0.8
Total	89.0	97.9

Value of production (mn€)	2011	2010
Production	5.1	4.7
Mini-photovoltaic	7.4	16.1
Costruction	58.6	59.5
Development	0.0	0.0
Adjustments	-2.4	-6.0
Total	68.7	74.3

- Positive Net Result at €2.8mn in line with 6M2011 despite a decrease of the Renewable business due to Italian regulation uncertainties in the period as well as the worsening of the general macroeconomic and credit conditions, partially offset by a continuous improvement of District Heating business and by a one-off sale of 15MWp PV plants to Antin

€25mn Value of Production

EBITDA €6mn  
23%

NFP €-40mn

- The decrease in the Construction business reflected a time shift in the 2H12 of the EPC activities, with a backlog of about €30mn

46MWp PV PLANTS  
built and 7MW  
bioenergies on-going

Average 14MWp  
PV PLANTS  
energy  
production

6MW BIOGAS  
PLANTS  
energy  
production

electrical and heat  
power installed  
capacity 19,4MWe  
and 100MWth

- Double digit % EBITDA: 23 per cent

- Reduction of NFP at €-40mn (€-56 mn end 2011) Debt reduction mirroring benefits from the 'Antin deals'.

- 7MW bioenergies plants in on-going *in-house* construction

- Diversification between Renewable Sources IN PIPELINE as well as in integration solution between environmental and energy services

- Strategic agreement with Antin Infrastructure Partners Fund for future JVs as well as with others Funds and Partners

Mn€	6M2012	6M2011	Change
Value of Production	24.9	41.1	-39%
EBITDA	5.8	11.6	-50%
Pre – Tax Results	4.4	6.1	-28%
Net Profit	2.8	2.7	+3%
Mn€	Jun 2012	Dec 2011	Change
Net Financial Debt	-40.3	-56.1	-28%

	6M 2012	6M 2011
Value of Production (mn€)		
District heating	13.2	10.9
Renewables	11.7	30.2
Holding	0.2	0.3
Adjustments	-0.2	-0.3
Total	24.9	41.1

+21%

	6M 2012	6M 2011
Value of Production (mn€)		
Production	2.0	2.5
Mini-photovoltaic (Costruction)	2.8	4.3
Construction	6.9	23.8
Development	0.0	0.0
Adjustments	0.0	-0.4
Total Renewables	11.7	30.2

-65%

-61%

## MOVING TOWARDS TO A COMBINATION OF RENEWABLES AND ENVIRONMENT IN ITALY AND ABROAD

### ENERGY

**Wind**

**Biogas from  
agriculture and  
landfill**

**PV Retail**

**District Heating**

**Energy Efficiency**

### ENVIRONMENT

**Waste to Energy**

**biogas from  
anaerobic digestion  
of waste**

**Treatment plants  
asbestos removed  
from the roof on  
which they are  
installed PV  
modules**

### INTERNATIONALISATION

**Starting activities in  
the renewables  
together with  
environment business  
as a plus**

**North Africa, China  
and Far East including  
the former Soviet  
republics and India**



# 2012 OUTLOOK AND STRATEGIES:

## The Future: Proud to be Flexible

### Company strategy and Key Drivers 2012

#### ➤ Confirmation of its key business lines:

- Photovoltaic
- Agricultural and waste biogas
- Wind power
- District heating
- EPC and O&M services

*Also in JV with the Antin Fund and commercial interaction with the associate company Waste Italia SpA.*

#### ➤ Energy efficiency

Identifying industrial and commercial partnerships with target companies already experienced in EET business;

#### ➤ Energy from alternative fuel sources

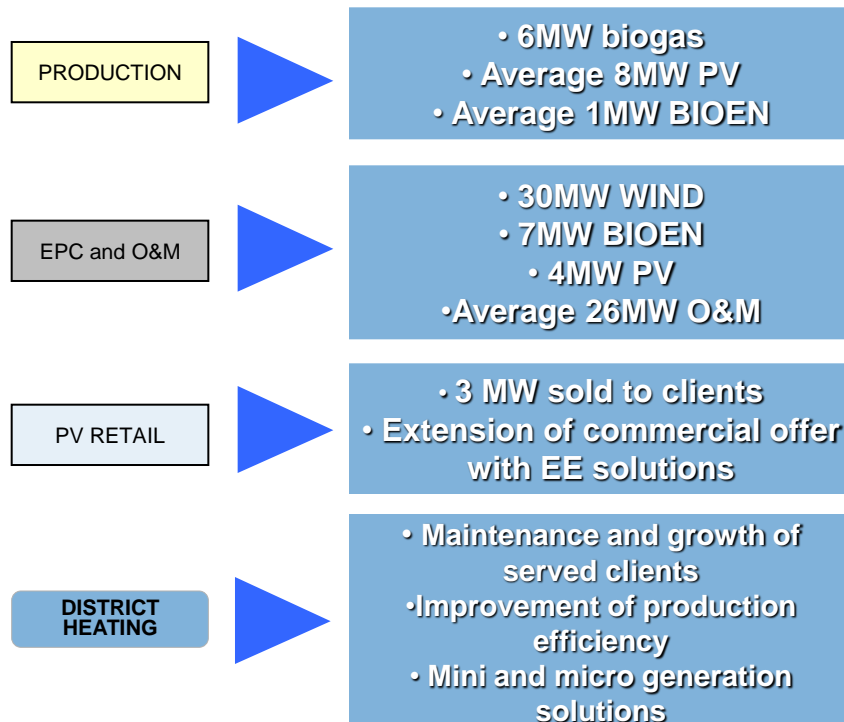
Energy and materials recovery from non-hazardous waste and anaerobic digestion of organic waste;

#### ➤ Cement and asbestos

from renovation of buildings where new photovoltaic equipment is being installed.

2012 OBJECTIVES (mn€)	2012
VALUE OF PRODUCTION	89
EBITDA*	10
% EBITDA <i>net EPC in house</i>	21%
NFP	(98)

\* Renewable energy production of "Pontinia" and "Borgo" totalling 15MW PV plants for the 1° half 2012 of €2,5mn is not contributing 2012 EBITDA Objective due to posting for IAS principles in the "Results of discontinued operation"



# 2012 OUTLOOK AND STRATEGIES:

## The Future: Internationalisation

### Company Strategy

- Three years of nation wide consolidation of experience and knowledge in Renewables development, investment and construction, enabled Kinexia to undertake first exploratory steps to move abroad;
- Valuation for foreign countries entry has been taken scoring opportunity drivers:
  - growing or changing economy;
  - internal or external availability of capital resources;
  - starting or in progress development of environmental care/policy;
  - “stimulus” for investments centered on national needs in energy and environment , not in short term speculative feed in tariff



### Company Tactics

- Integrated energy and environment plant is the entry key, with knowledge and technology transfer;
- Incremental process in low risk approach:
  - Engineering and procurement contract from private and public client(s);
  - Minority stakes in foreign Ventures, granted by operations management control;
  - Sectorial cross sharing when foreign capitals and technologies are injected in Italian projects

## Company strategy

### **The value of sustainability is in the heart of our company**

- Create real value taking care of future generation, business impact to climate change, dialogue with the communities and employees
  
- Be in accordance with the ideals of sustainable development:
  - Research of the equilibrium between the use of natural resources and economical development
  - Pay attention to the gravity of the impact that our operations have on all stakeholders
  - Produce periodical reports regarding the impact caused on the surrounding environment
  - Provide compensatory solutions to the territories and populations of the areas where we operate



**Through the Sustainability Report we give account to stakeholders of our performance regarding economic, social and environmental activities. The document illustrates values and principles that guide the Group, as well as activities, results, and objectives that have been or will be achieved, best performances and areas of improvement, in compliance with commitments and obligations towards all stakeholders**

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# CONTACTS

Valerio **Verderio** (Chief Operations Officer)

[valerio.verderio@lkinexia.it](mailto:valerio.verderio@lkinexia.it)

Phone: +39 02 41305 253

Raffaele **Vanni** (CFO, Head of Investor Relations)

[investorrelator@kinexia.it](mailto:investorrelator@kinexia.it)

Phone: +39 02 87211700

Alessandra **Fornasiero** (Communication and Organization Director, CSR and Special Projects)

[alessandra.fornasiero@kinexia.it](mailto:alessandra.fornasiero@kinexia.it)

Phone: +39 02 41305 715

Mobile Phone: +39 335 70 21 449

Press Office – **Accento S.r.l.**

Davide **Greco** [d.greco@accento.it](mailto:d.greco@accento.it)

Alberto **Murer** [a.murer@accento.it](mailto:a.murer@accento.it)

Phone: +39 02 8978531 Fax: +39 02 86465306\_

**Kinexia S.p.A.**

ICEM: [kinexia@legalmail.it](mailto:kinexia@legalmail.it)

Fax: +39 02 87211720

Phone: +39 0287211700

Via Bensi 12/3 - 20152 Milano

<http://www.kinexia.it>