



**LUGANO SMALL & MID CAP  
INVESTOR DAY**

**IR** TOP  
INVESTMENT RESEARCH

**IV Edizione**  
**Hotel Splendide Royal**  
**20 settembre 2013**

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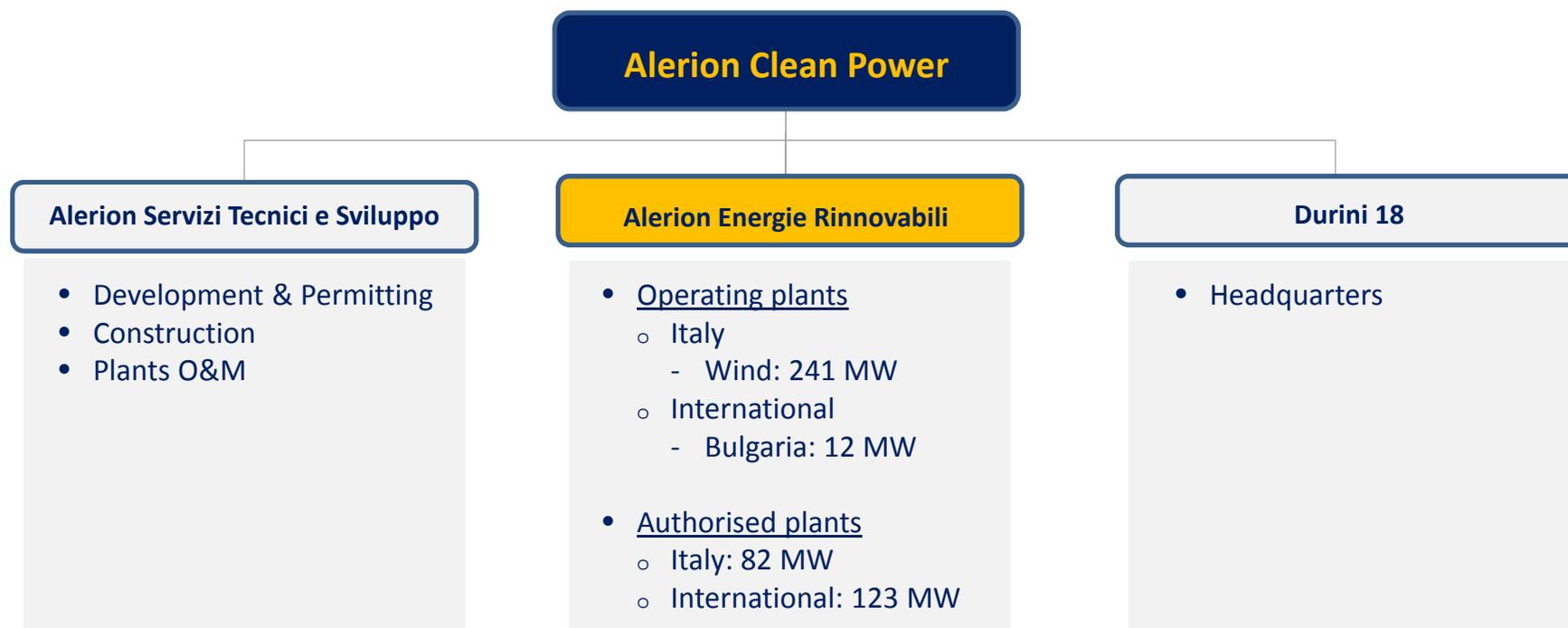
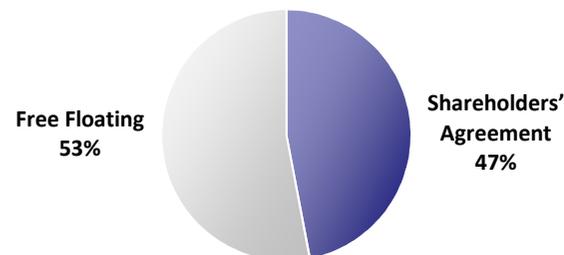
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# Shareholders and Group structure

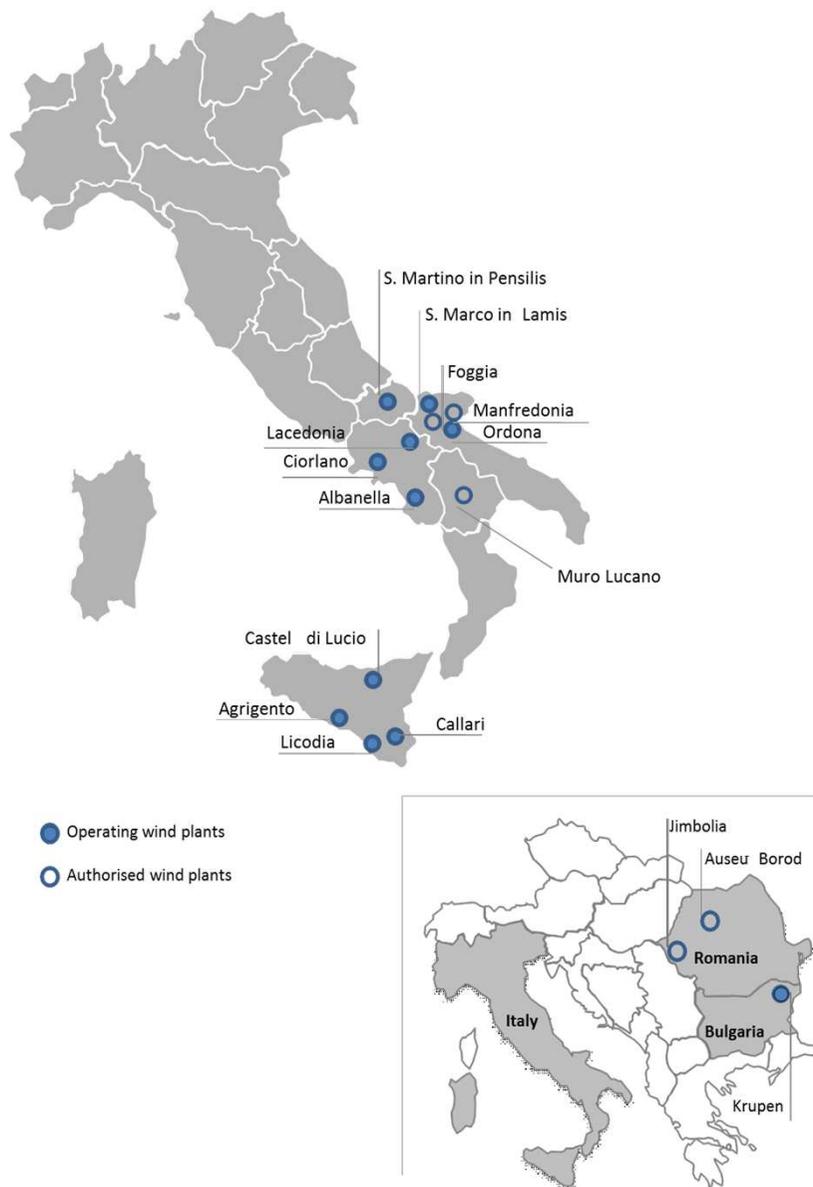
One of the few independent players in the European renewables market, with a strong shareholders base

Main Shareholders:

- **F2i: 15,7% (through capital increase @9,2/S in Dec. 2008)**
- **Monte dei Paschi di Siena: 6,2% (Banking)**
- **Allianz: 2,5% (Insurance & banking)**
- **Management: 7,7%**



# Alerion Clean Power: one of the leading independent renewable players in the EU



## Operating wind plants

Sites	Gross capacity (MW)	Ownership	Consolidated capacity (MW)
Albanella	9	100%	9
Agrigento	34	50%	17
Ciorlano	20	100%	20
Lacedonia	15	50%	8
Callari	36	100%	36
Ortona	34	100%	34
Castel di Lucio	23	100%	23
Licodia	22	80%	22
San Martino in Pensilis	58	50%	29
San Marco in Lamis	44	100%	44
Krupen (Bulgaria)	12	51%	12
<b>Total</b>	<b>307</b>		<b>253</b>

## Authorised wind plants

Sites	Gross capacity (MW)
Manfredonia	18
Muro Lucano	56
Foggia	9
Auseu-Borod (Romania)	65
Jimbolia (Romania)	58
<b>Total</b>	<b>205</b>

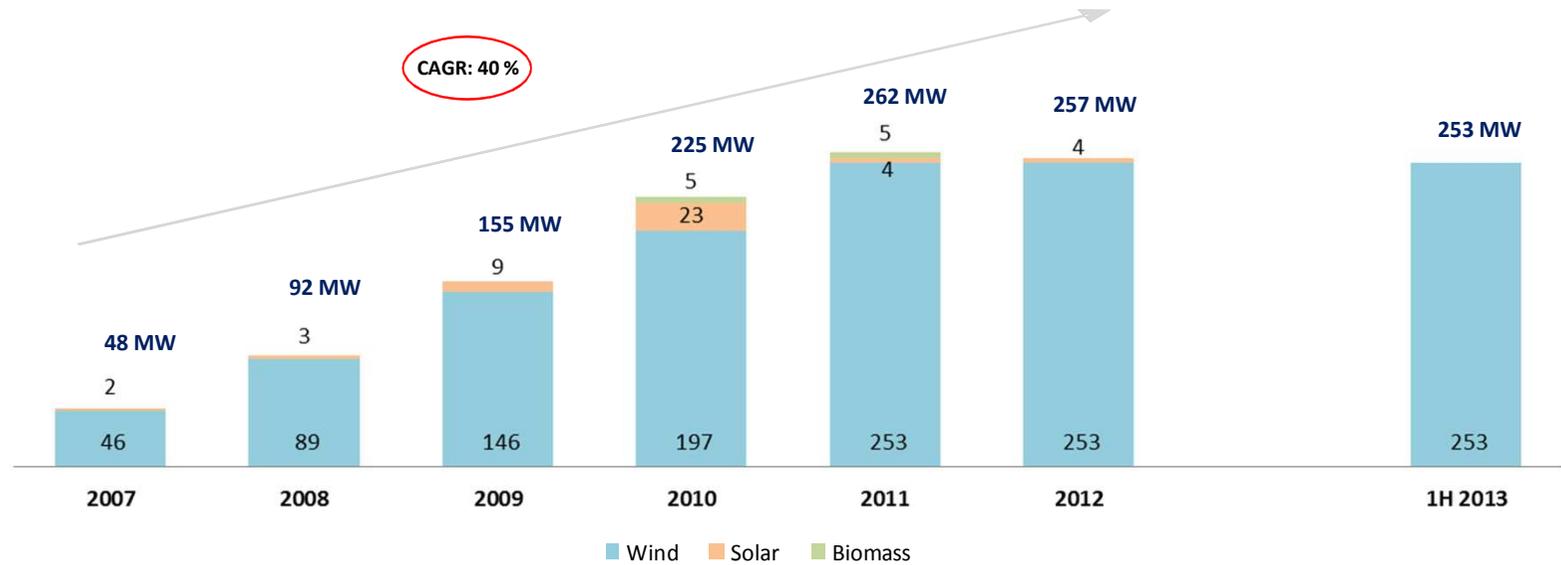
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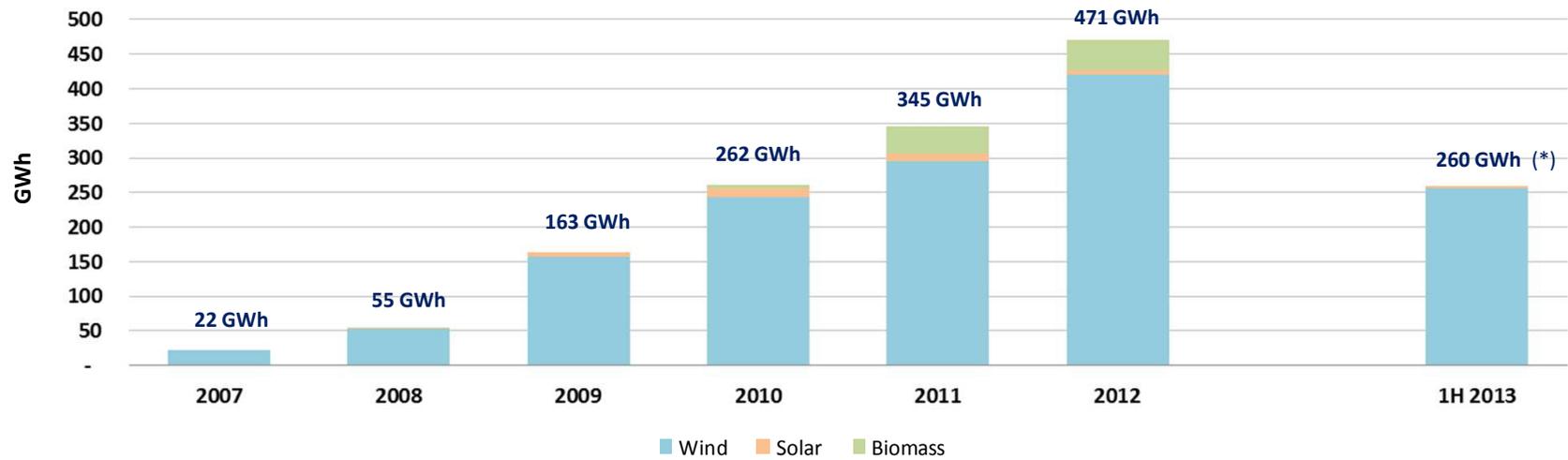
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# Evolution of Power Capacity and Production

Consolidated power capacity by business area



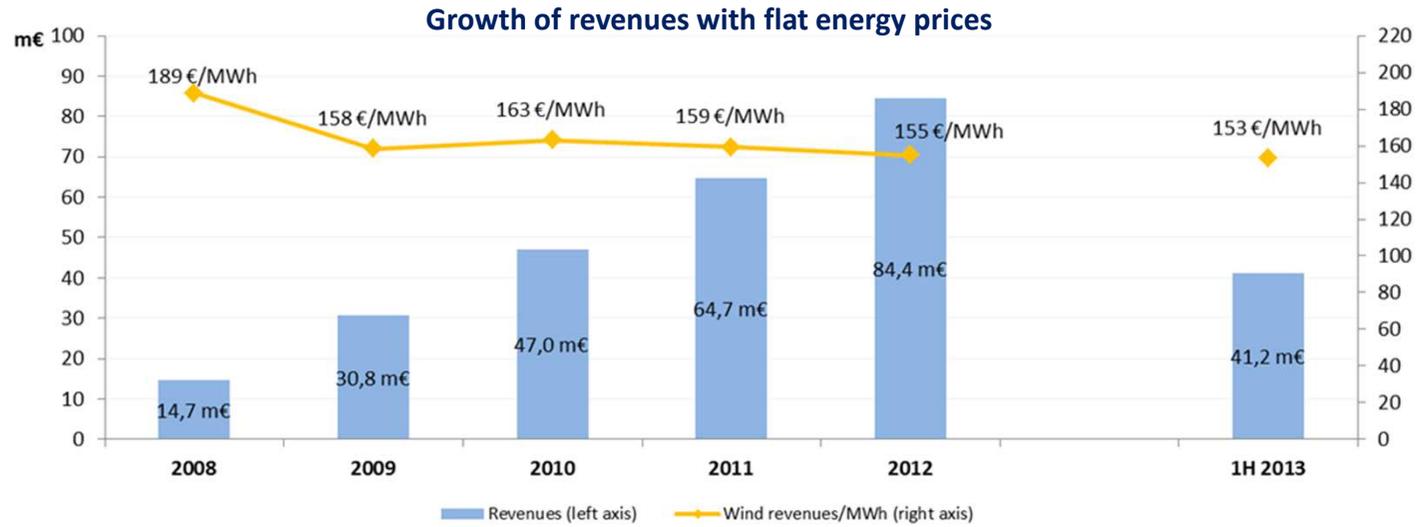
Production



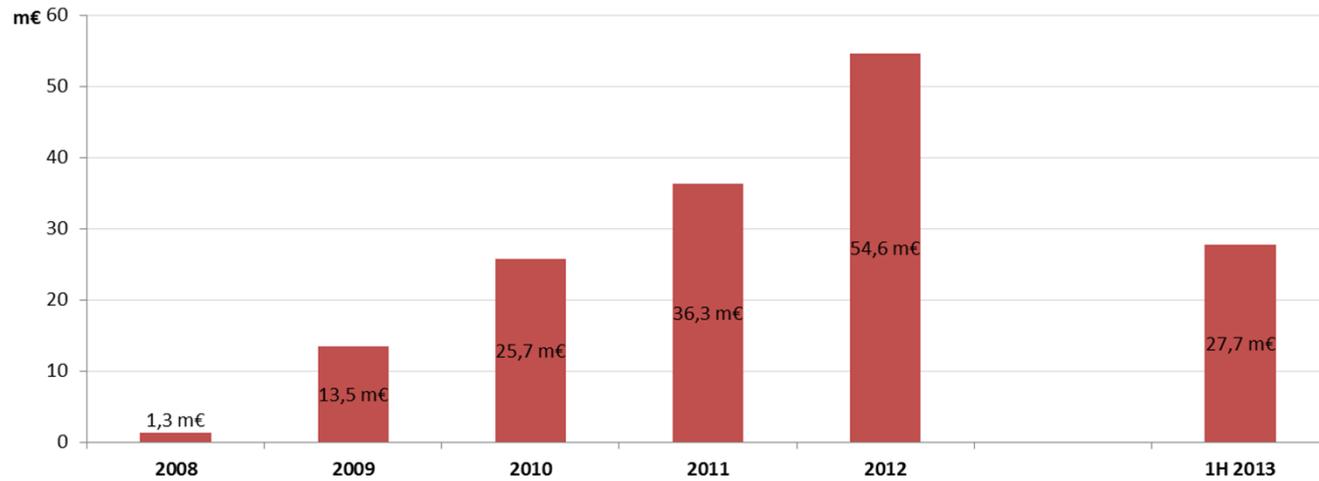
(\*) 99% wind

# Revenues and EBITDA

**Revenues**  
Yearly growth:  
55%

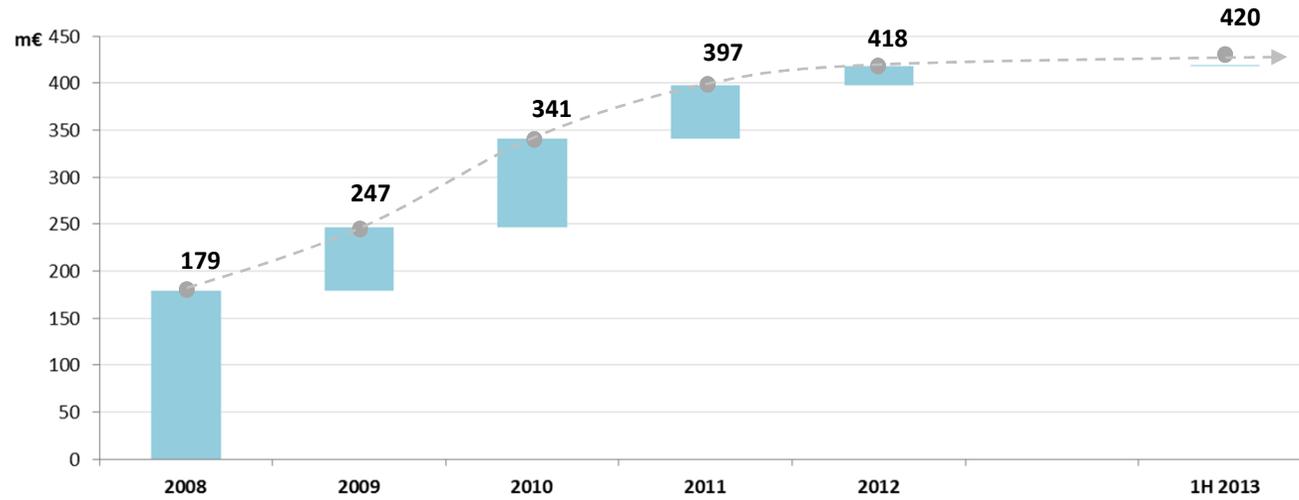


**EBITDA**  
Yearly growth :  
155%

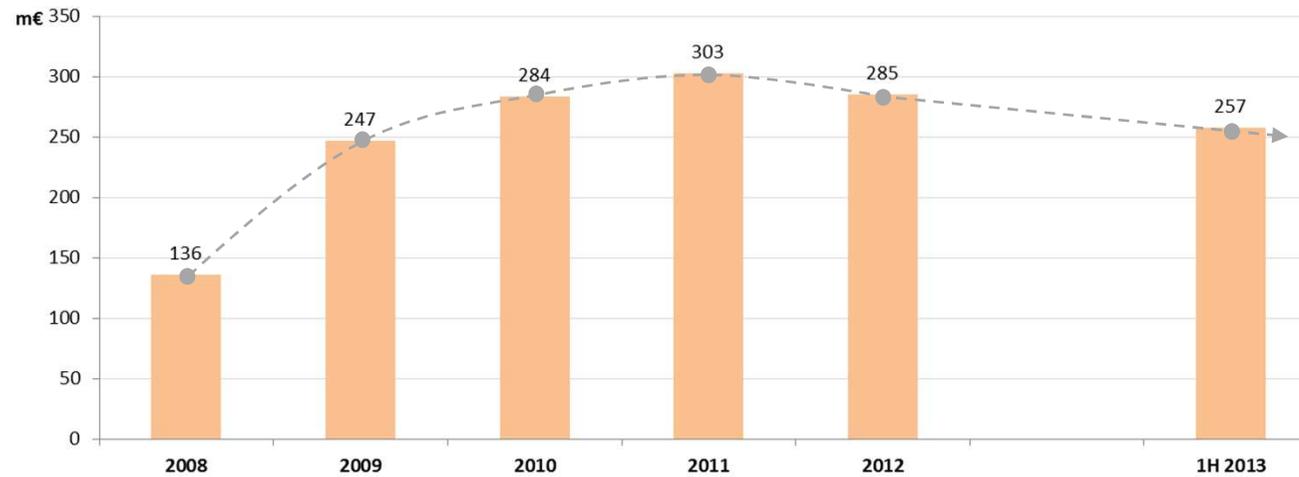


# Investments and Net Financial Position

Cumulated Investments in Renewable Assets

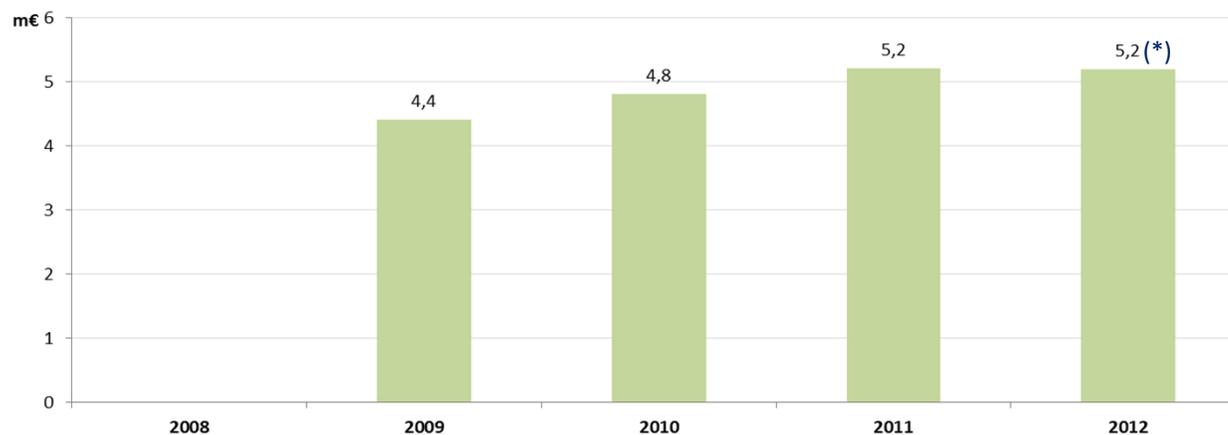


Financial Debt (net of hedging-variable to fixed interest rate)



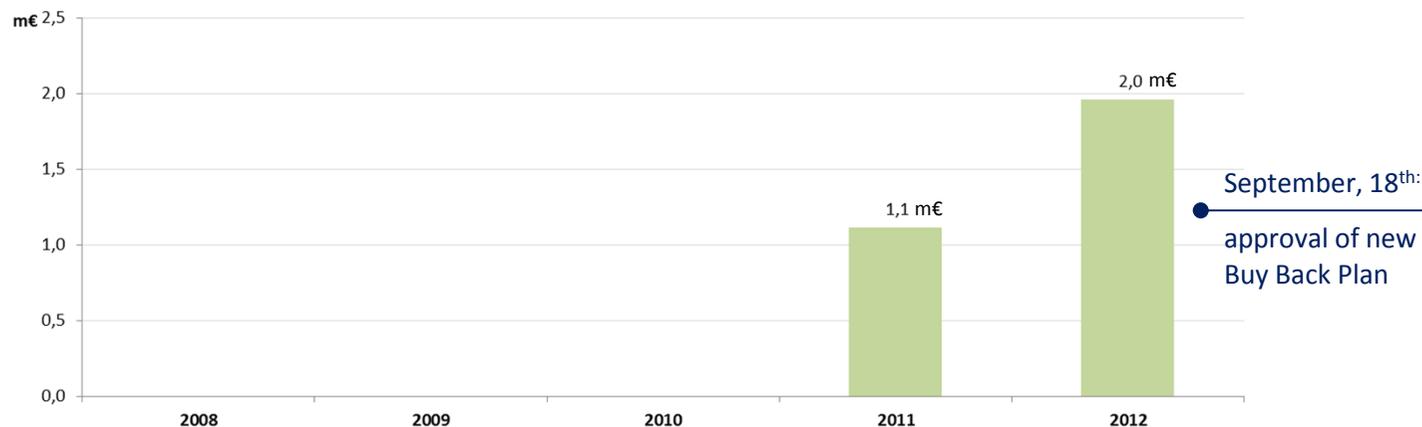
# Dividends

Dividends



<b>Dividends/share (€)</b>	-	<b>0,10</b>	<b>0,11</b>	<b>0,12</b>	<b>0,12</b>
<b>Dividend Yield (%)</b>	-	<b>2,0%</b>	<b>2,1%</b>	<b>3,0%</b>	<b>3,3%</b>
<b>Dividends + treasury shares/Share price (%)</b>	-	-	-	<b>3,6%</b>	<b>4,5%</b>

Purchase of Treasury Shares



(\*) In 2012 have been canceled treasury shares, equal to approximately 1% of share capital

## Profit & Loss as of 30.06.2013

Profit & Loss (m€)	June 30th	Year End		
	1H 2013	2012	2011	Delta Y 12-11
<i>Production (GWh)</i>	259,6	471,1	345,2	125,9
<b>Total Operating Income</b>	<b>41,2</b>	<b>84,4</b>	<b>64,7</b>	<b>19,7</b>
Total Operating Costs	(13,5)	(29,8)	(28,4)	(1,4)
<b>EBITDA</b>	<b>27,7</b>	<b>54,6</b>	<b>36,3</b>	<b>18,3</b>
<i>Ebitda margin %</i>	67%	65%	56%	
Amortization and Depreciation	(10,9)	(26,3)	(22,7)	(3,6)
<b>EBIT</b>	<b>16,7</b>	<b>28,3</b>	<b>13,6</b>	<b>14,7</b>
Net Financial Income/(Expenses)	(8,8)	(21,0)	(18,2)	(2,8)
<b>Profit/(Loss) before taxes</b>	<b>8,0</b>	<b>7,3</b>	<b>(4,7)</b>	<b>11,9</b>
Taxes	(3,5)	(3,6)	(0,4)	(3,2)
<b>Net income/(Loss) on Continuing Operations</b>	<b>4,4</b>	<b>3,6</b>	<b>(5,1)</b>	<b>8,7</b>
Net Income/(Loss) from sold assets			12,5	(12,5)
<b>Net Income/(Loss)</b>	<b>4,4</b>	<b>3,6</b>	<b>7,5</b>	<b>(3,8)</b>
Minorities Net Income/(Loss)	0,8	(0,5)	(0,5)	(0,0)
<b>Group Net Income/(Loss)</b>	<b>3,6</b>	<b>4,1</b>	<b>8,0</b>	<b>(3,9)</b>

## Balance Sheet as of 30.06.2013

Balance Sheet (m€)	June 30th	Year End		
	1H 2013	2012	2011	Delta Y 12-11
Intangible Fixed Assets	81,0	86,3	92,9	(6,6)
Tangible Fixed Assets	311,8	340,7	366,8	(26,1)
Financial Fixed Assets	0,6	0,6	0,6	(0,0)
<b>Total Fixed Assets</b>	<b>393,4</b>	<b>427,6</b>	<b>460,3</b>	<b>(32,7)</b>
Non-Current Assets held for sale	3,5	0,0		
<b>Other Non-Financial Activities</b>	<b>67,7</b>	<b>65,8</b>	<b>66,3</b>	<b>(0,5)</b>
<i>of which receivables for electricity and incentives</i>	40,3 (*)	37,4	32,9	4,5
<b>Other Non-Financial Liabilities</b>	<b>26,5</b>	<b>20,7</b>	<b>33,3</b>	<b>(12,6)</b>
<b>Net Invested Capital</b>	<b>438,1</b>	<b>472,8</b>	<b>493,3</b>	<b>(20,5)</b>
Shareholders' Equity	144,7	138,3	150,2	(11,9)
Minority Shareholders' Equity	3,5	2,2	2,6	(0,4)
<b>Shareholders' Equity</b>	<b>148,2</b>	<b>140,5</b>	<b>152,8</b>	<b>(12,3)</b>
Cash and Cash Equivalents	50,8	54,5	51,6	2,9
Other Financial Assets and Liabilities	(340,7)	(386,8)	(392,1)	5,3
<b>Net Financial Position</b>	<b>(289,9) (**)</b>	<b>(332,3)</b>	<b>(340,5)</b>	<b>8,3</b>
<b>SHAREHOLDERS' EQUITY + NET FINANCIAL POSITION</b>	<b>438,1</b>	<b>472,8</b>	<b>493,3</b>	<b>(20,5)</b>

(\*) Credit vs. GSE

(\*\*) Includes hedging instruments fair value

## Net Financial Position as of 30.06.2013

NFP (m€)	June 30th	Year End		
	1H 2013	2012	2011	Delta Y 12-11
Cash and Cash Equivalents	50,8	54,5	51,6	2,9
Current Financial Receivables	12,4	8,6	25,2	(16,6)
<b>Total Activities</b>	<b>63,2</b>	<b>63,1</b>	<b>76,8</b>	<b>(13,6)</b>
Banks Debt	(303,6)	(330,6)	(357,1)	26,5
Other Financial Debts	(16,9)	(17,6)	(22,1)	4,5
<b>Total Liabilities</b>	<b>(320,5)</b>	<b>(348,2)</b>	<b>(379,2)</b>	<b>31,0</b>
<b>NFP excluding Derivative Instruments</b>	<b>(257,3)</b>	<b>(285,1)</b>	<b>(302,5)</b>	<b>17,4</b>
Derivative Instruments	(32,6)	(47,2)	(38,0)	(9,2)
<b>Net Financial Position</b>	<b>(289,9)</b>	<b>(332,3)</b>	<b>(340,5)</b>	<b>8,2</b>

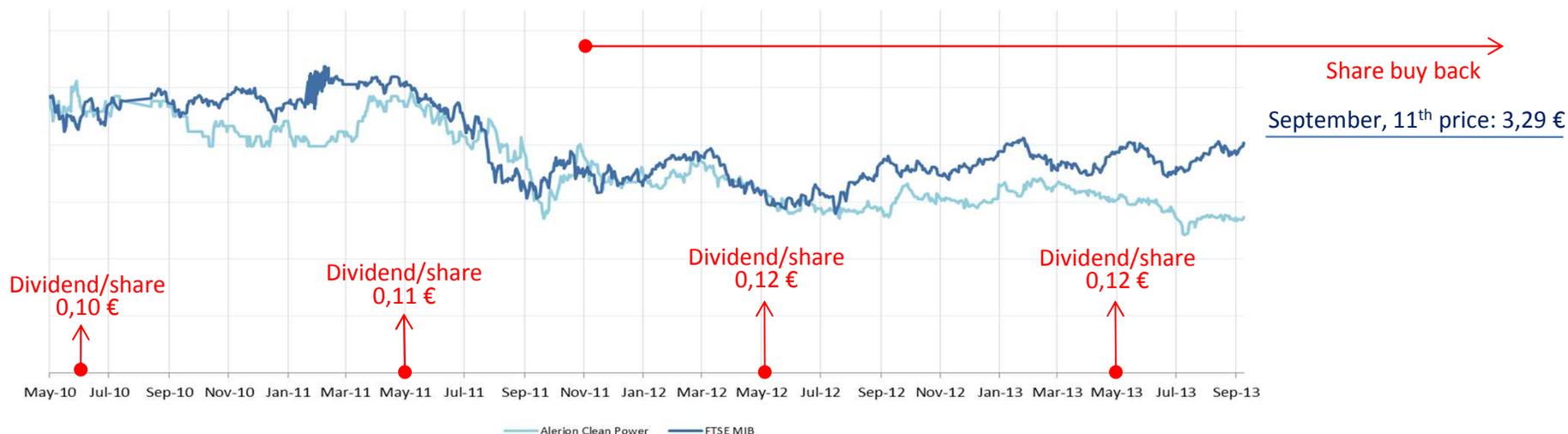
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## Alerion and market value

- In the last three years Alerion's share price has remained basically flat, despite its continued growth in terms of installed capacity, profitability and dividend yield.



### Market Cap vs Value

Profitability of the operating assets portfolio in the M/L term; terminal value not recognized by the market: opportunity for long-term investors

Company's ability to grow (Development)

# Strategy

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- How to maximize the shareholders value in this context?

Alerion is one of the first companies to have invested with an industrial approach in the renewable space in Italy, growing in two areas that today the Market values differently

## Operating Assets Portfolio

- Long-term stable cash flows



- Size for listed companies is a critical factor, the free float market and the capitalization must be suitable to international market requests: X 2 ÷ X 3 times the current size

## Development and industrial know-how

- Company's ability to develop its business and manage it efficiently



- Development of captive business by extending it to third investors, through joint ventures with other operators in the services for Renewable Energy Sources

## Development of construction for third parties

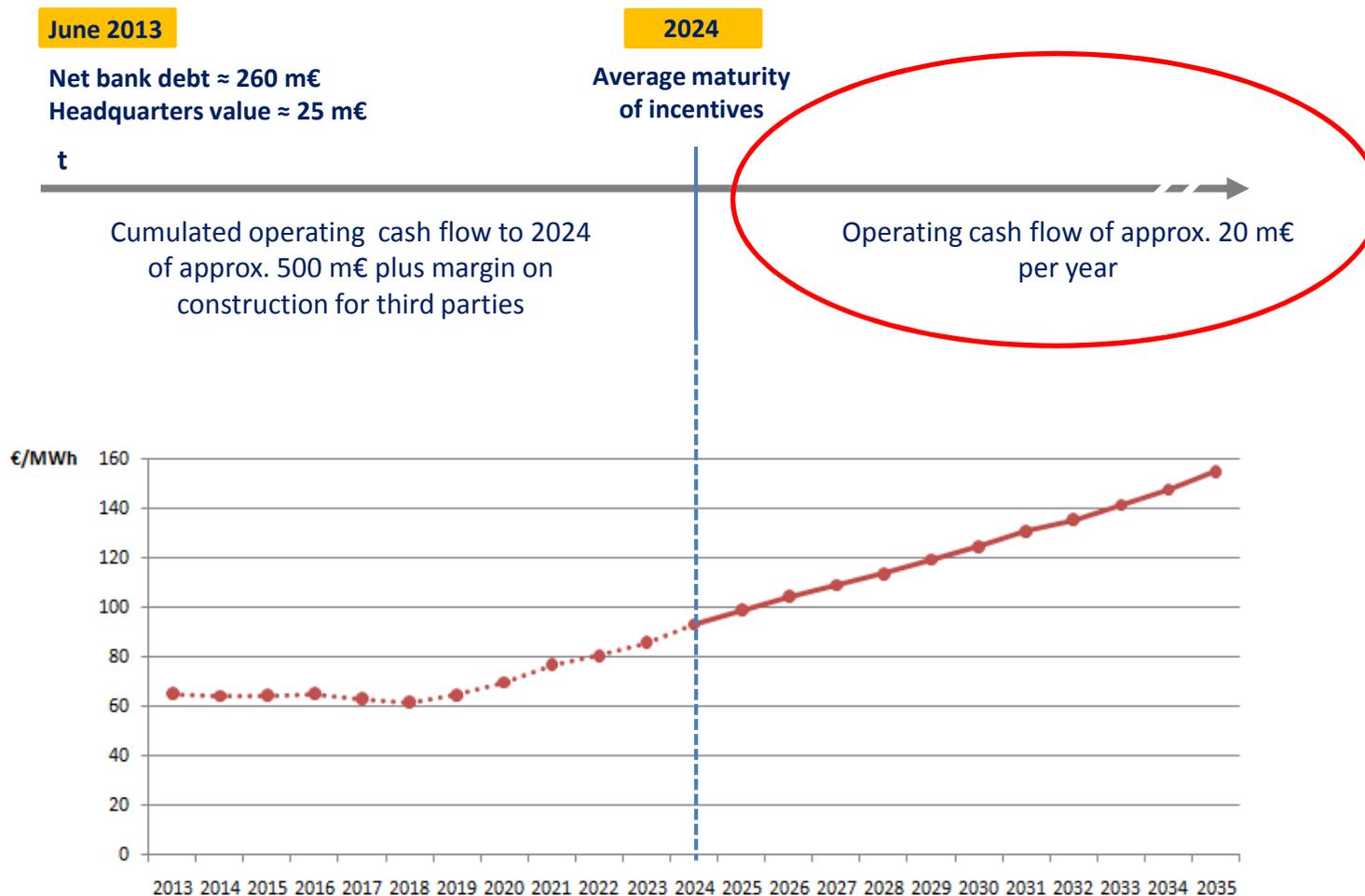
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- Development, engineering and construction activities for third parties, relying on the experience gained over the years in the development and construction of 16 wind plants
- New activities will join the core business of construction and operation of plants for own account

August 2013: agreement with Santander for the construction of a 17.5 MW wind farm

- *Alerion authorised a wind farm (17.5 MW) and gained auction for incentive scheme*
- *Santander provides equity financing for construction, while Alerion retains a minority stake*
- *Alerion will generate revenues from the coordination of construction and the guarantee of start up of operations*
- *After construction Santander and Alerion will sell the wind operating plant (Alerion has also a call option to buy Santander stake)*

# Strategy: "Hidden Value" of operating assets



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## Wind: Operating plants

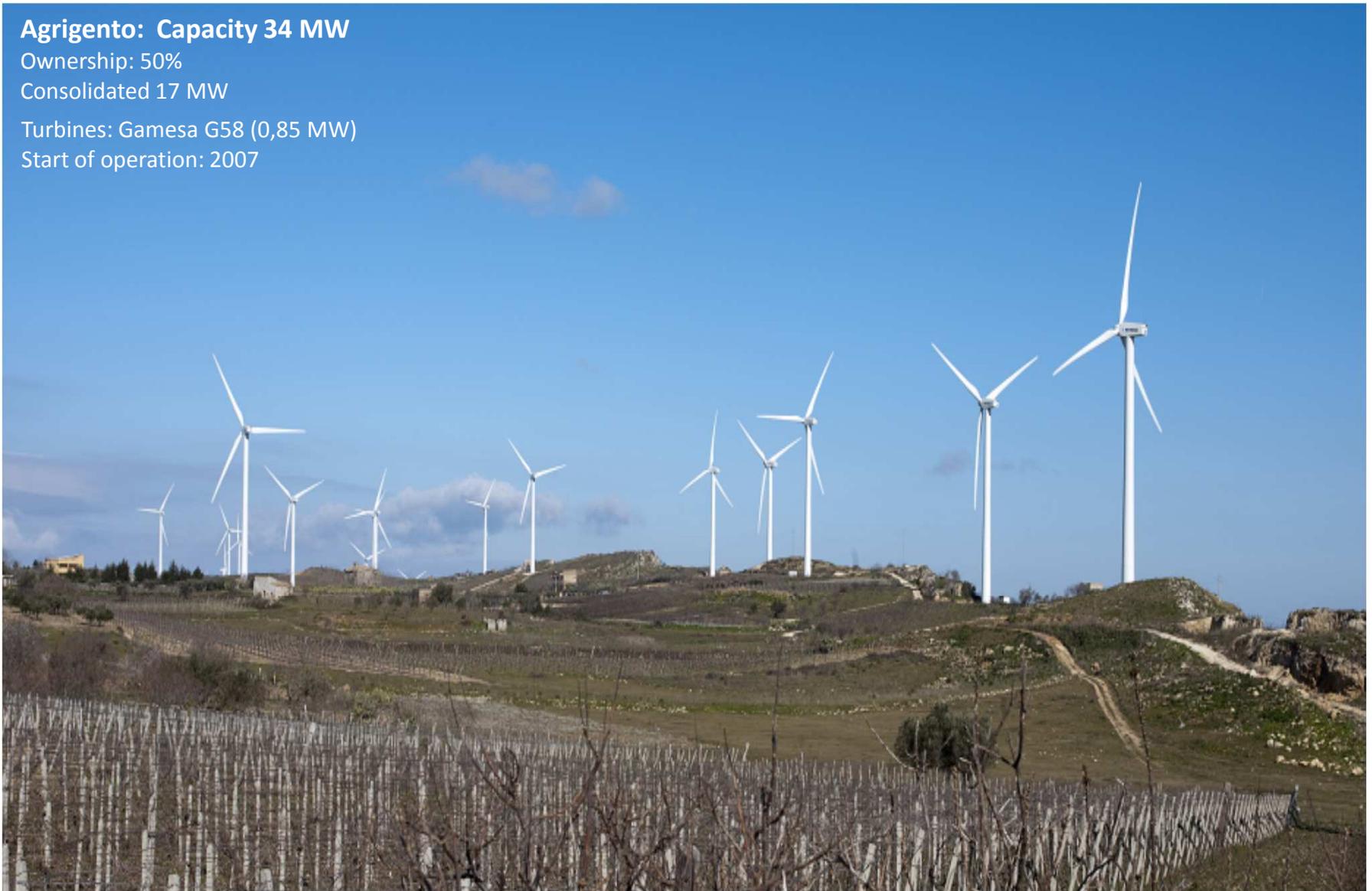
**Agrigento: Capacity 34 MW**

Ownership: 50%

Consolidated 17 MW

Turbines: Gamesa G58 (0,85 MW)

Start of operation: 2007



## Wind: Operating plants

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### **Ordona: Capacity 34 MW**

Ownership: 100%

Consolidated 34 MW

Turbines: Repower MM92 (2 MW)

Start of operation: 2009



## Wind: Operating plants

### Castel di Lucio: Capacity 23 MW

Ownership: 100%

Consolidated 23 MW

Turbines: Vestas V52 (0,85 MW)

Start of operation: 2010



## Wind: Operating plants

**Lacedonia: Capacity 15 MW**

Ownership: 50%

Consolidated 7,5 MW

Turbines: Vestas V90 (3 MW)

Start of operation: 2008



## Wind: Operating plants

### **Albanella: Capacity 8,5 MW**

Ownership: 100%

Consolidated 8,5MW

Turbines: Vestas V52 (0,85MW)

Start of operation: 2004



## Wind: Operating plants

### Licodia: Capacity 22 MW

Ownership: 80%

Consolidated 22 MW

Turbines: Gamesa G58 (0,85 MW)

Start of operation: 2010



## Wind: Operating plants

**Ciorlano: Capacity 20 MW**

Ownership: 100%

Consolidated 20 MW

Turbines: Vestas V80 (2 MW)

Start of operation: 2008



## Wind: Operating plants

### San Martino in Pensilis: Capacity 58 MW

Ownership: 50%

Consolidated 29 MW

Turbines: Vestas V90 (2 MW)

Start of operation: 2010



## Wind: Operating plants

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### Callari: Capacity 36 MW

Ownership: 100%

Consolidated 36 MW

Turbines: Vestas V90 (2 MW)

Start of operation: 2009



## Wind: Operating plants

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### San Marco in Lamis: Capacity 44,2 MW

Ownership : 100%

Consolidated 44,2 MW

Turbines: Repower M104 (3,4 MW)

Start of operation : 2012



## Wind: Operating plants

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### **Krupen (Bulgaria): Capacity 12 MW**

Ownership : 51%

Consolidated 12 MW

Turbines: Vestas V90 (3 MW)

Start of operation : 2010



## Disclaimer

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- *This document has been prepared solely for the use at investors and analysts meetings*
- *This document does not constitute an offer or an invitation to purchase or subscribe any shares and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever*
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- *Forward looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward looking statement. Such factors include, but are not limited to: changes in global economic business, changes in the price of certain commodities including electricity and gas, the competitive market and regulatory factors*
- *Moreover, forward looking statements are valid only at the date are made*



Lugano, 20<sup>th</sup> September 2013