



European Midcap Event - Paris 1.7.15

Partner in a changing world



2015 company overview

People change history

Tesmec was established in **1951** in Bergamo - Italy as a pioneering stringing equipment manufacturer.

Since then Tesmec Group has evolved as one of the most innovative world leaders in the stringing business. At a later stage, Tesmec has positioned itself as a solution leader for the infrastructure market with the development of today's leading design of trenchers.

Products range became wider and wider, following the "3xi" approach: Internationalization, Innovation, Integration. These keywords drive Tesmec towards a growing future.

**FOCUS on
INVENTION**



1960

Edison patent for the new tension stringing system

Second
product
line



1984

Trenchers in USA

From
FAMILY company
to **PUBLIC**
company



2010

Entry in the Italian
Stock Exchange
(STAR segment)

**FOCUS on
INTERNATIONALIZATION**



Establishment of new
subsidiaries, JV and
Rep. Offices: Tesmec
Peninsula, Tesmec SA,
Tesmec RUS, Condux
Tesmec, Tesmec
Service, Tesmec New
Technology (Beijing) Ltd

**FOCUS on
INNOVATION**



Start up
- Railway,
- Grids management
- Specialist digging
services

**FOCUS on
INTEGRATION**



2008-2015

Cooperation agreements
and partnerships with key
market player

Imagination for progress

Modern societies, as well as the emerging ones, face **future challenges** to invest in energy and telecommunications sectors.

New technologies can fill the infrastructural gaps existing between countries; these will improve the efficiency and the needs for **future generations**. The need to rationalize energy costs and to improve the transmission speed of information, makes the global investments in energy and telecommunication sectors necessary for the global growth. This is the reason why, Tesmec mission contemplates higher investments in technologies for efficiency and management of grids.



vision

Tesmec Advanced technologies are developed in accordance with the ISEQ philosophy "Innovation, Safety, Efficiency, Quality" always respecting the environment.

Our challenge:

to drive growth and modernization of every Country

mission

We look at technological challenges presented by the markets more as opportunities than as threats

We have a responsibility:

to provide the BEST product at the BEST possible price





A widespread network of people

Tesmec Group is **Leader** in the market of the infrastructures related to the transport and distribution of energy, data and material.

Tesmec people are **pioneers** since the origins, and their proud R&D spread the name towards huge and new challenges.

Our goal is to create a **high performance environment**, which supports the implementation of our business strategy.

All this will be possible with the collaboration of our people - employees, customers, and partners - all over the world.

+60 years of
experience

+600 people

R&D
investment
avg. **8%** of total
revenues

Customers
from **+135** Countries
worldwide
choose
Tesmec

90% Export

Global partner with local presence

Tesmec Group **headquarters** are located in Grassobbio, in the vicinity of the Northern Italian town of Bergamo.

Tesmec has also other four production plants: three in Italy, in Endine Gaiano (Bergamo), Sirone (Lecco), Monopoli (Bari), and one in the USA, in Alvarado (Texas).

Tesmec pursues a "**Glocal**" growth strategy: we are global, but at the same time we have a local presence in the most strategic areas of the world, in order to meet the market's needs in the best way.



6

Production Plants
(4 in Italy,
1 in USA,
1 in France)

2

Joint Ventures
(ConduxTesmec,
Tesmec Peninsula)

9

Subsidiaries
in the
World

2

Associated companies
(Bertel,
Locavert)



Strategic Innovation

The **development** of better or more effective technologies, processes and products is a priority for everyone in Tesmec.

The development process for Tesmec product innovation - from the first idea in the job site - requires investments and engages the effort of several departments.

This is a **global process** that involves all Tesmec experts by establishing **partnerships** with leading suppliers and collaborations with the academic world, to take customer's hands and drive him across new challenges.

PRODUCTS SUPPLIER

Equipment, machines, tools and technical services

INFRASTRUCTURE CONSTRUCTION

Sector sensitive to economic cycles and dependent on investment plans

COLLABORATION WITH ACADEMIC WORLD AND RESEARCH INSTITUTIONS

VALUE ADDED SOLUTIONS PROVIDER

Intelligence, specialists' competences, expertise, technologies

INFRASTRUCTURE MANAGEMENT & MAINTENANCE

Sectors not dependent on economic cycles, but recurrent



Bergamo



Milano



Milano



Pisa



Beijing

We focus on **strategic markets** for the growth and modernization of every country.

Solutions partner for your world

Tesmec designs, manufactures and sells products, technologies and integrated solutions for the construction, maintenance and efficiency of infrastructures related to the transport and distribution of energy, data and material, such as: overhead and underground networks, traditional and high speed railway lines, energy cables and pipelines. In addition to traditional businesses, Tesmec is increasing its market presence offering solutions for Power Grid's efficiency & management.



ENERGY



RAILWAY



UNDERGROUND



Committed to quality



ENERGY

POWER LINES
CONSTRUCTION &
MAINTENANCE



UNDERGROUND
CABLES
LAYING



GRID MANAGEMENT &
AUTOMATION
DEVICES



Main business highlights



ENERGY

Stringing

EXECUTION OF BIG ORDER FOR OVERHEAD POWER LINES CONSTRUCTION IN BRAZIL IN TIMING WITH THE TOUGH PROJECT SCHEDULE

Automation

NEW ORDERS OF ELECTRONIC DEVICES AND SENSORS FOR SMART MANAGEMENT OF MEDIUM VOLTAGE GRIDS CONFIRMING THE ADDED VALUE OF TESMEC SOLUTIONS

STRINGING EQUIPMENT

Global Leadership

ENERGY AUTOMATION

Italy, South America, USA,
Russia + CIS, Turkey





MAIN PROJECTS

1 Reconductoring USA

NHPL Texas jobsite
Live line reconductoring operations
(with a by-pass phase)
CTC ACCC conductor



2 Top efficiency BRAZIL

500 kV line, 6 T&D lines
5000 km long
70 sets of stringing equipment
Value of the contract: ca. 36 mln €



3 In altitude PERU

500 kV line at 1000 mt a.s.l.,
900 km long
2 modular machines for stringing 4
bundled conductors per phase



4 Fjord crossing NORWAY

Special machines for fjord
crossing and modular machines
Voltage: 420 kV



1 Fault passage indicators BRAZIL

Fault detectors for MV lines
Application on the national grid with
monitoring purpose, both
in substations and on poles



5 Extreme temperature RUSSIA

Huge crossing of Lena river
Two bundled conductors 220 kV
Extreme working conditions:
-50°C (-58°F)



6 Line construction SAUDI ARABIA

Yanbu-Madinah 380 kV line
Longest project portion: 230 km
4-500mm² AAAC conductors per
phase



7 Tower Erection INDIA

Technical advice and training
activity for tower erection works



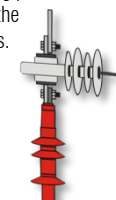
8 Big crossing CHINA

Ningbo-Zhoushan 500kV line sea
crossing | length: 2.09km |
span: 1897m | clearance: 90 m
conductor D=39mm | force 120kN



2 Smart Sensors ITALY

Innovative TA/TV installed in
medium voltage switchboard
fitting for existing plants and
connectable to the
incoming cables.



3 SMT RUSSIA

Smart Metering Tool (SMT) for
the measurement of energy and
all related electric data on
Medium Voltage network



Entrepreneurs of efficiency



RAILWAY

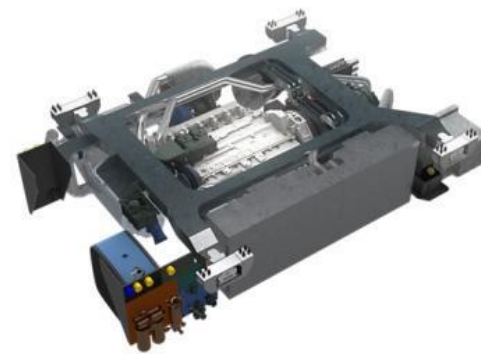
CATENARY INSTALLATION



MAINTENANCE



POWERING & REPOWERING



Main business highlights



RAILWAY

TESTING PHASE FOR MAIN ITALIAN AND US PROJECTS.
UP TO DATE RESULTS ARE VERY GOOD BUT STILL IN
PROGRESS SO ACQUISITION OF NEW ORDERS HAS BEEN
POSTPONED IN THE COMING QUARTERS

ONGOING NEGOTIATIONS WITH KEY PLAYERS ON
EUROPEAN MARKET

RAILWAY EQUIPMENT

Italy, North Europa, USA, Russia, China





MAIN PROJECTS

1 Eagle P3 Project USA

Constant Tension Stringing Unit
for a very fast rail wire installation
Tesmec Equipment:
OCPC501, CTSU204



2 Huge, top performing unit USA

Special-purpose equipment for
stringing and recovering wires.
Tesmec Equipment:
CTSC301, OWSC600



3 TGV FRANCE

TGV high speed railway
Max speed line: 515.3 km/h
Tesmec Equipment:
FR412



4 High level maintenance ITALY

Multipurpose machines (APV),
vehicles for standard and High speed
lines over the whole national grid
Tesmec Equipment: OCPC400



5 Snow removal NORWAY

TSNC700 is a maintenance unit
operative at low temperatures
(-40°C; -40°F), and can be
equipped with snowblowers.



6 Extreme temperature RUSSIA

Constant Tension Stringing Unit
Tesmec Equipment:
CTSU300, CFT601



7 High speed CHINA

1,318km BEIJING-SHANGHAI
High Speed Dedicated Line. Max
Speed line :380km/h (228mph)
Made with 5 sets CFB546



8 HSDL project CHINA

505 km Zhengzhou-Xi'an
Passenger Dedicated Line. Max
Speed line:350km/h (228mph)
Made with 5 sets CFB536



Maximized attitude



UNDERGROUND

PIPELINES, TELECOM,
DRAINAGE



BULK EXCAVATION,
SURFACE MINING



SPECIALIST DIGGING
SERVICE



Main business highlights



TRENCHERS

- GROWING SALES VOLUMES IN THE US, COMMERCIAL EFFORT CONCENTRATED ON NEW MARKET SEGMENT (INFRASTRUCTURES, WATER PROJECTS..)

- IMPORTANT WATER PIPELINE PROJECTS IN SOUTH AMERICA

- KEY INFRASTRUCTURAL PROJECTS IN MIDDLE EAST

TRENCHERS

North America, Middle East,
South Equatorial Africa, France





MAIN PROJECTS

1 Permafrost cutting CANADA

675 miles natural gas pipeline
depth: 7' (215 cm)
width: 32" (80 cm)
Models: 1075 BW



2 Hard rock trenching USA

Granite, quartz and massive
micaschist trenching
Attachment: 6'x36"
Models: M5



3 Agricultural drainage USA

Fully automatic guidance system
depth: 6'6" (198 cm)
width: 30" (76 cm)
Models: 775 DT CS



4 Gas Pipeline MEXICO

382 km 36" gas pipeline
Soft soil to hard rock
2 mt depth avg.
Models: 2 x 1475 CS, 2 X 1575 BW



5 Desert Pipeline CHILE

Double parallel water pipeline
Rock conditions: caliche (<40 MPa).
Depth: 10' (305 cm) width: 60"
(150 cm) Models: 3 x 1675 CS



6 Bulk excavation FRANCE

Granulated quarry of limestone
(60 -100MPa) unfractured
Models: 2 x 1150 RH,
1 x 1475 RH



7 Permafrost pipeline RUSSIA

Extreme temperature (-20°/-40°)
and very abrasive soil
depth: 8' (240cm) width: 3'3" (100cm)
Models: 1075 BW



8 Al-Ula water pipeline SAUDI ARABIA

Sandstone – limestone (50 MPa)
depth: 10' (305 cm)
width: 72" (183 cm)
Models: 1675 CS



9 Riyadh Metro station SAUDI ARABIA

Limestone (50-90 MPa)
Bulk excavation dimensions:
328'x52'x59' (100x16x18 m)
Models: 1475 RH



10 Fiber Optic network INDIA

Fiber optic for 4G network installation
depth: 1'11" (60 cm)
width: 2" (5 cm)
Models: 10 x 300 RS



11 Multi-product pipeline SOUTH AFRICA

Integrated services supply
depth: 6,2'-7,8' (190-240 cm)
width: 36" (92 cm) length: 233 miles
(375 km) Models: 4 x 1475 CS



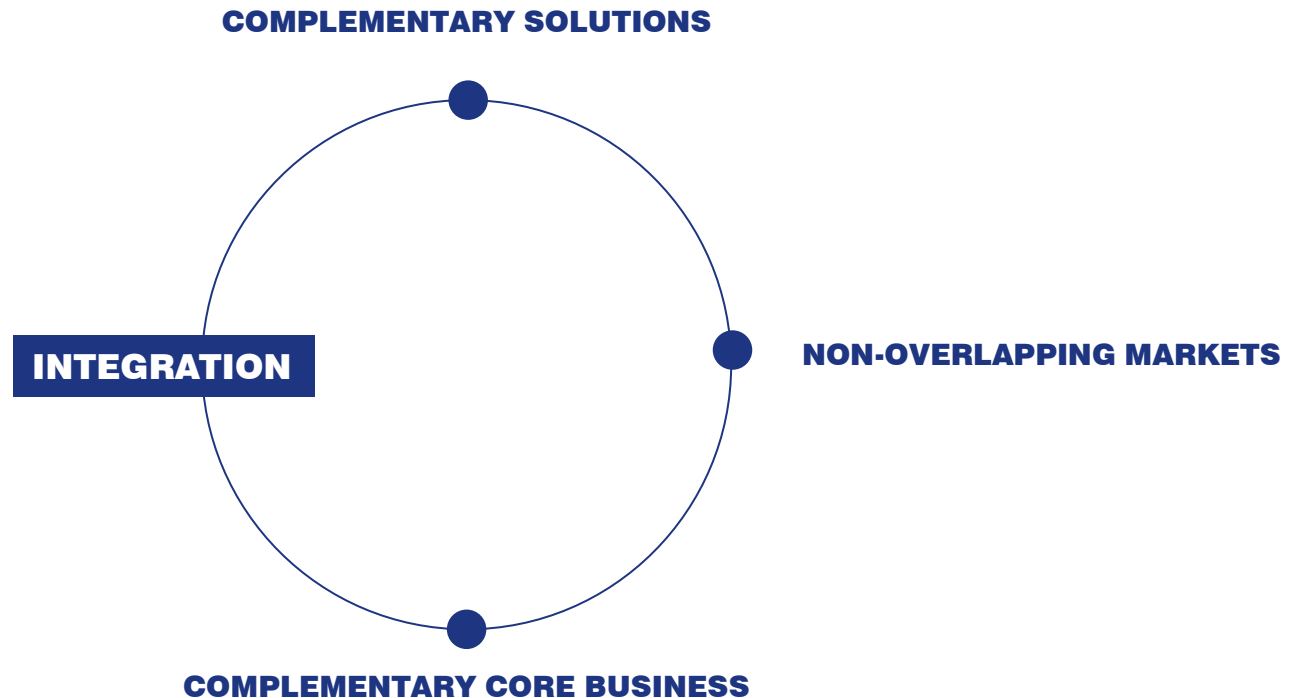
Marais Acquisition - April 8, 2015

The acquisition is of strategic importance for Tesmec in that it will allow the Group to use the technological skills developed by Marais as part of the service activities in **telecommunications** and laying of **optical fibers** and of **underground electrical cables** and to use them in markets where the Tesmec Group has already acquired an important market positioning.

Moreover, the acquisition will allow Tesmec to enter in the **French market** and, more in general, in all the markets where Marais is a leader (**Africa, Australia, New Zealand**, etc.) with the aim to further expand its activities in telecommunications, where significant investments are planned over the next few years. Finally, the transaction will allow the Tesmec Group to use the expertise of Marais in the **rental of machines** and in complementary services.

MARAIS TECHNOLOGIES:

French company at the head of an international group leader in rental services and construction of machines for infrastructures in telecommunications, electricity and gas.



Why France?



TRENCHERS

Trenching technology is well known and appreciated especially for fiber optic installation and energy cable laying



POWER LINES

EDF is a worldwide technological leader and RTE is one of the most advanced utility in the world. They are key drivers of innovation in the field of power line construction and management



INNOVATION HUB TECHNOLOGICAL MARKET



RAILWAY LINES

The French railways sector is large and growing. SNCF has joined the French State, local and regional governments, and Réseau Ferré de France in a sweeping network modernization program.





ENERGY

- State Power Grids and grids owners involved in construction or management of electricity networks;
- contractors operating in the construction of infrastructure for data and electricity transmission;
- specialist companies operating as sub-contractors for the design and development of infrastructure;
- EPC (engineering, procurement & construction) contractors



RAILWAY

- railway operators;
- construction companies;
- urban transport authorities;



TRENCHERS

- contractors operating in the design and development of infrastructures;
- subcontractors for excavation and installation works;
- companies specialized in excavation

Human Values

128

306

7

7

17

37

2

5

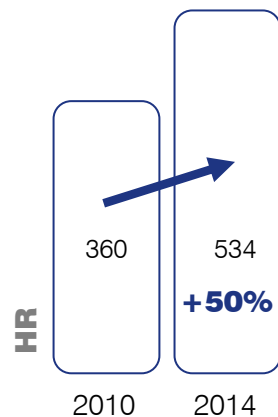
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Tesmec identifies in honesty, membership and respect the values that distinguish our history.

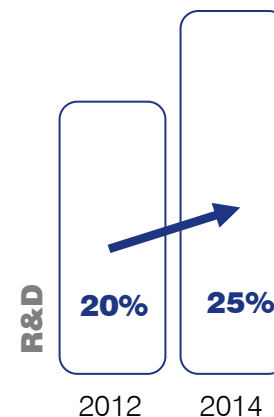
We are resolute to continue building our future on **human respect**, acting with coherence and honesty towards colleagues, clients and suppliers.

Our will is to be an attraction pole for people who are brilliant, smart, resolute, creative in order to enrich and empower our **social core**, creating a group of highly motivated people.

Figures as at March 31, 2015



OUR STAFF
HAS GROWN
with us



Importance of
R&D people



1Q2015 Economic and financial data

1Q2015 Economic Results

GROUP	1Q2015	1Q2014	Delta %
Revenues	34,4	27,2	26,4%
EBITDA	4,4	3,2	37,5%
% on Revenues	13%	12%	
EBIT	2,4	1,6	50,0%
% on Revenues	7%	6%	
Profit Before Taxes	4,1	0,6	583,3%
% on Revenues	12%	2%	
NET INCOME	2,8	0,2	1300%
% on Revenues	8%	1%	

GROUP	1Q2015	2014	Delta %
PFN (IAS17)	80,9	73,4	10,2%
PFN (without IAS17)	62,3	54,5	14,3%



ENERGY	1Q2015	1Q2014	Delta %
Revenues	19,5	13,8	41,3%
EBITDA	3,5	2,2	59,1%
% on Revenues	17,9%	15,9%	

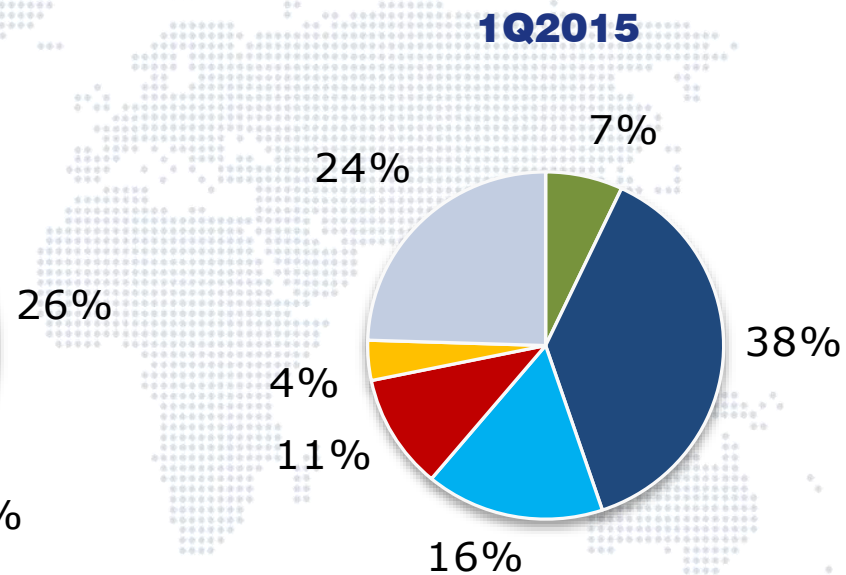
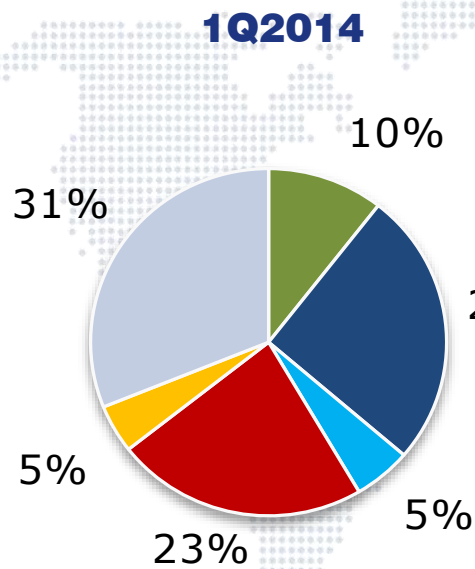


TRENCHERS	1Q2015	1Q2014	Delta %
Revenues	14,3	11,7	22,6%
EBITDA	1,2	0,8	50,0%
% on Revenues	8,4%	6,8%	



RAILWAY	1Q2015	1Q2014	Delta %
Revenues	0,6	1,7	-65,8%
EBITDA	-0,2	0,3	-183,0%
% on Revenues	-41,5%	17,6%	

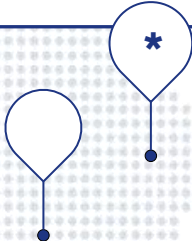
**INTERNATIONAL SCALE
AND EXPOSURE TO
GROWING ECONOMIES**



Foreign subsidiaries



JV CONDEX-TESMEC (50%)
Revenue 0.8 million €
(-79% vs 1Q2014)



TESMEC USA (100%)
Revenue 8.7 million €
(+11.5% vs 1Q2014)



TESMEC SERVICE (100%)
Revenue 0.6 million €
(-40% vs 1Q2014)



SGE (100%)
Revenue 0.6 million €
First revenues of Automation business



JV TESMEC PENINSULA (49%)
Revenue 1.7 million €
(- 54% vs 1Q2014)



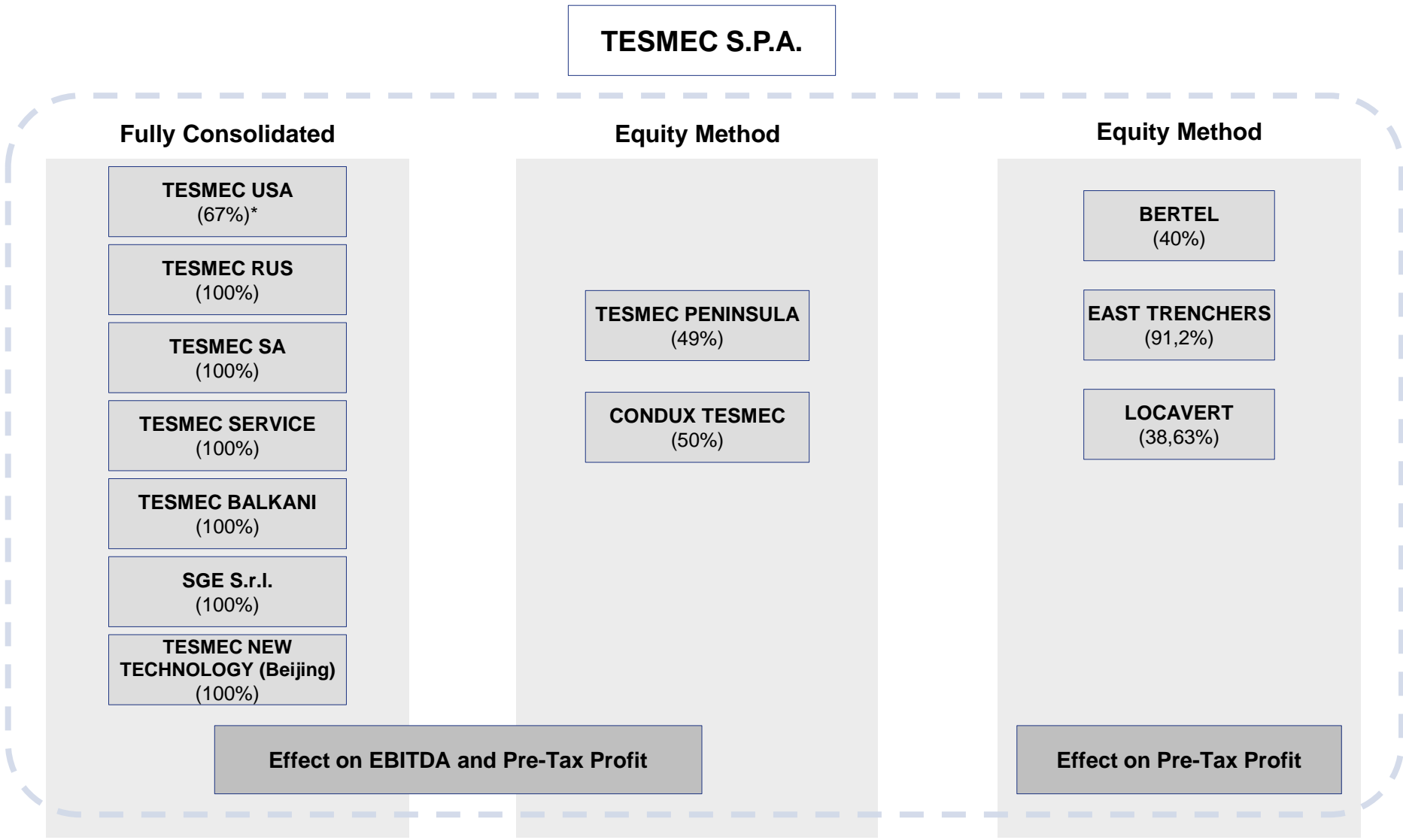
TESMEC SA (100%)
Revenue 0.3 million €
(+ 50% vs 1Q2014)

PERFORMANCE OF GROUP SUBSIDIARIES CONSOLIDATED

*** CONSOLIDATED by
EQUITY METHOD**

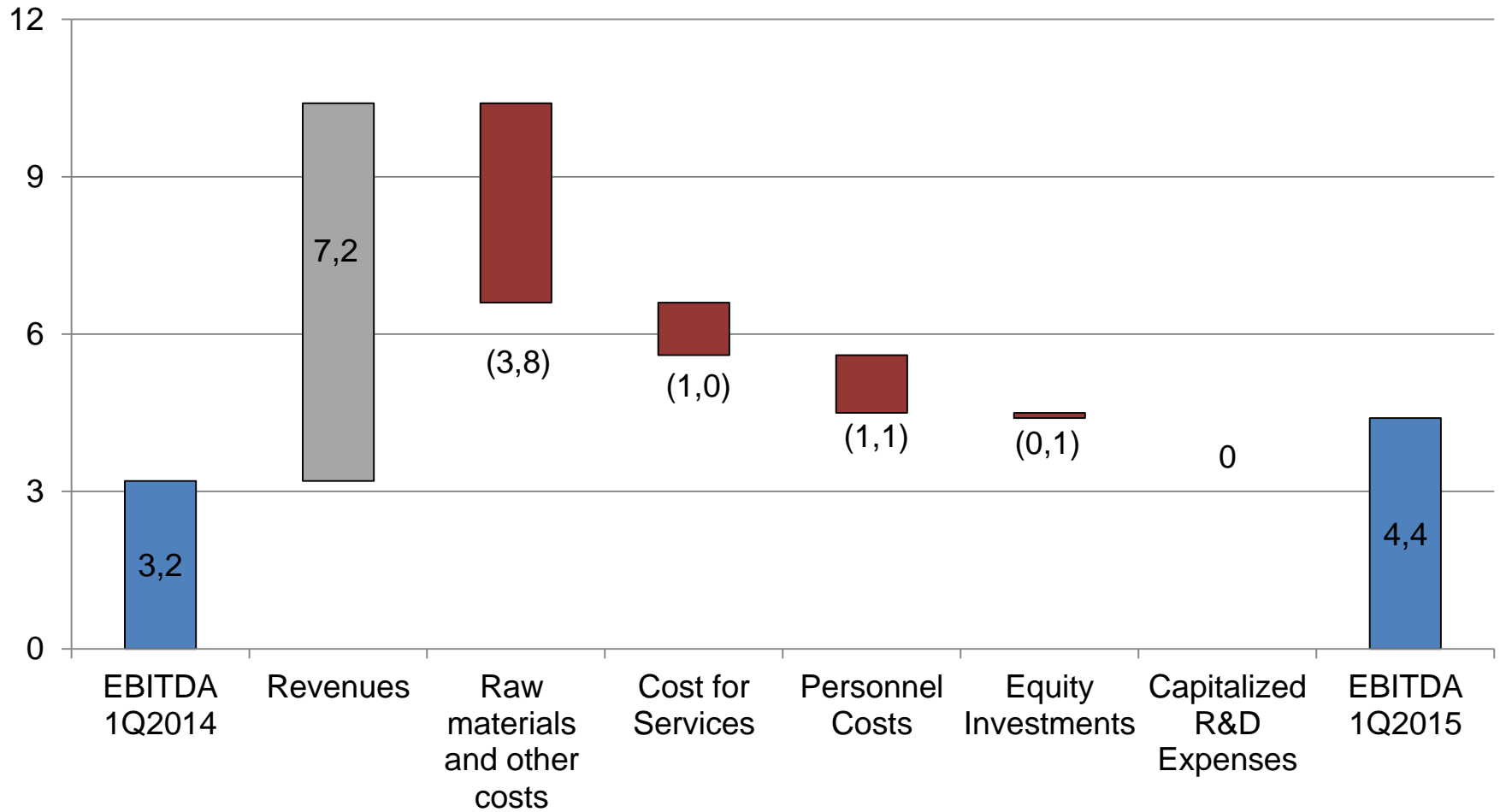
Group Structure at March 31, 2015

Operating Companies



* The remaining 33% is held by Simest S.p.A. Since Tesmec has an obligation to buy it back from Simest S.p.A., from an accounting point of view the participation is consolidated on a 100% basis.

EBITDA 1Q2015



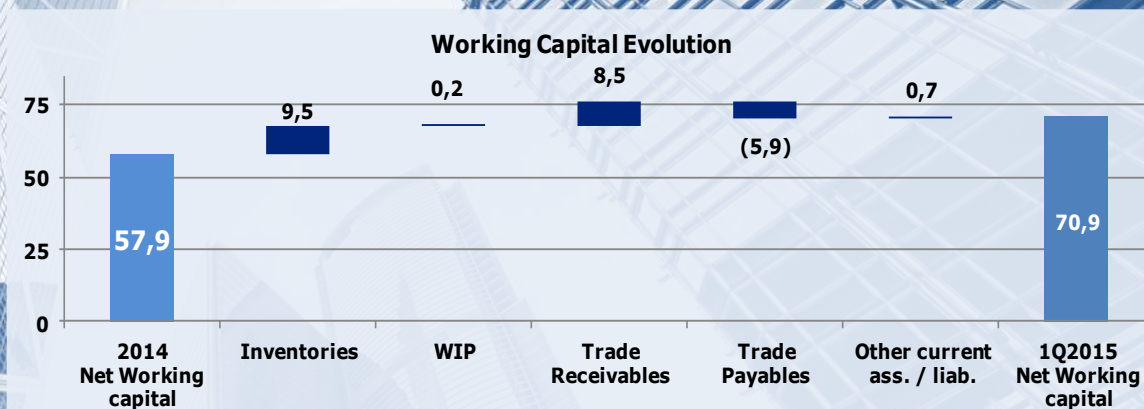
1Q2014

Increase both in absolute and in relative terms.
Different trend across Sectors.

1Q2015

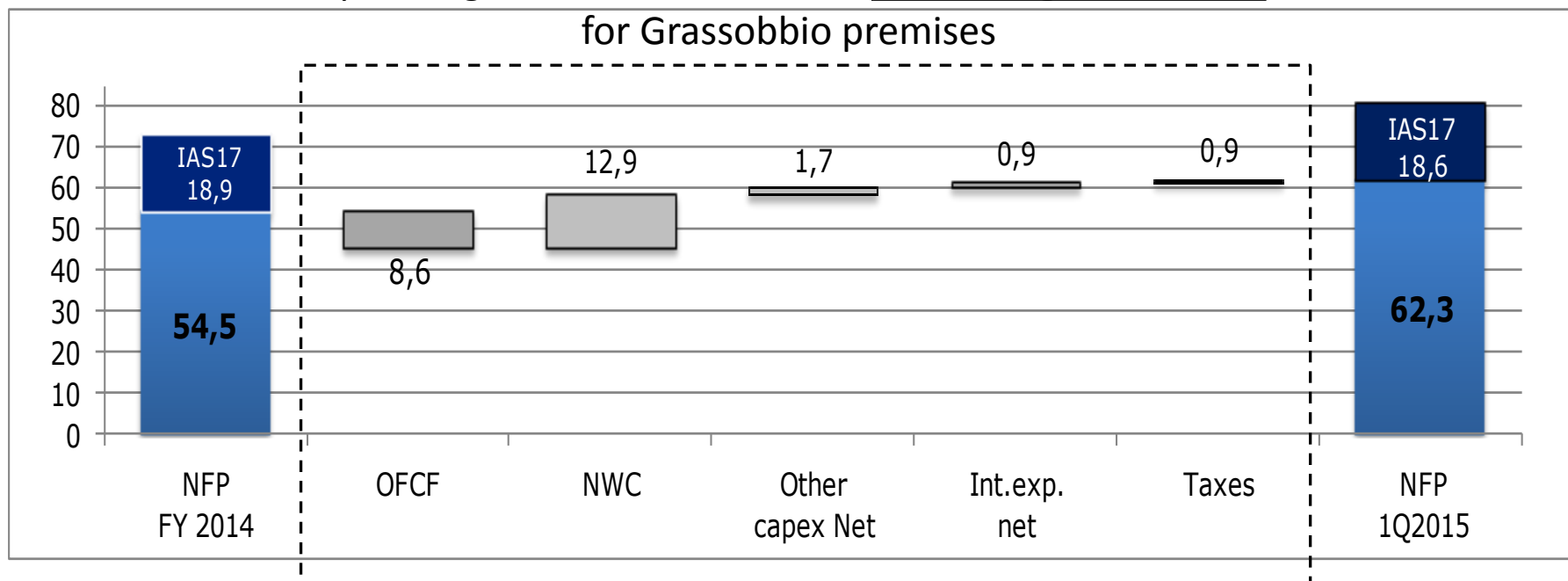
Financial Information (Euro mln)	1Q2015	2014
Net Working Capital	70.9	57.9
Non Current assets	67.5	65.3
Other Long Term assets/liabilities	(2.7)	(1.7)
Net Invested Capital	135.7	121.5
Net Financial Indebtness	80.9	73.4
Equity	54.8	48.1
Total Sources of Financing	135.7	121.5

Working Capital Evolution



Euro Mln	1Q2015	2014	Days 1Q2015	Days 2014
Trade Receivables	49,8	41,3	130	129
Inventories	64,8	55,4	184	190
Work in progress contracts	5,4	5,2		
Trade Payables	(40,1)	(34,2)	105	107
Other Current Assets/(Liabilities)	(9,0)	(9,8)	24	32
Net Working Capital	70,9	57,9		

Operating Net Financial Position without figurative debt
for Grassobbio premises



2014

NFP increase has been mainly influenced by the increase of working capital

1Q2015

Tesmec has been assigned a solicited rating
by Cerved Group on March 19, 2015

A 2.2

corresponding to **high credit rating**
with Probability of Default index of 0.35%

TESMEC S.p.A. 6% 2014-2021

Trading Venue: ExtraMOT - Professional Segment

Nominal amount: 15,000,000 €

Form of the Bonds: 150 bearer bonds with a nominal value of
Euro 100,000.00

Issue price: issued at par at a price equal to 100% of the
nominal value

Duration: 7 years

Interest rate: 6%

Minimum Trading Lot: 100,000 €

Trading Currency: EUR

Interest Accrual Date: April 10, 2014

Maturity Date: April 10, 2021

Redemption: Principal amount paid at maturity

CERVED GROUP - CLASSES OF RISK

A 1.1

A 1.2

A 1.3

A 2.1

A 2.2

A 3.1

SAFETY

B 1.1

B 1.2

SOLVENCY

B 2.1

B 2.2

VULNERABILITY

C 1.1

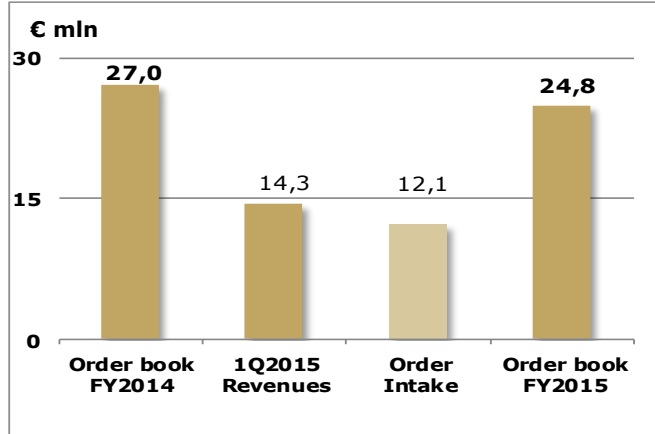
C 1.2

C 2.1

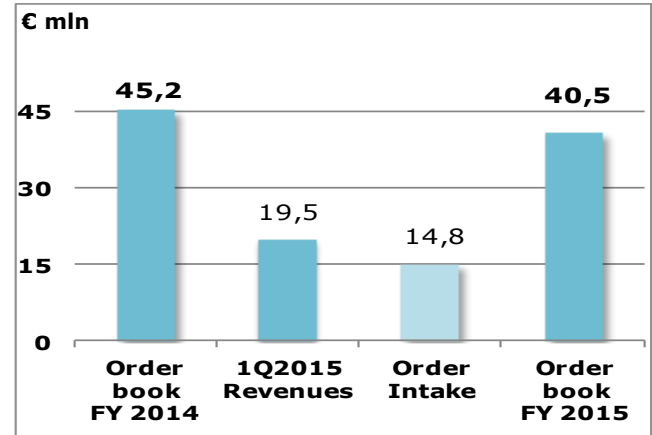
RISK

Order Book 1Q2015

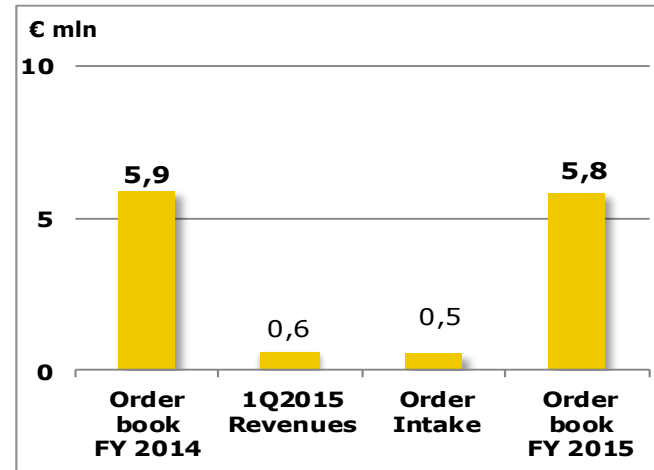
TRENCHERS



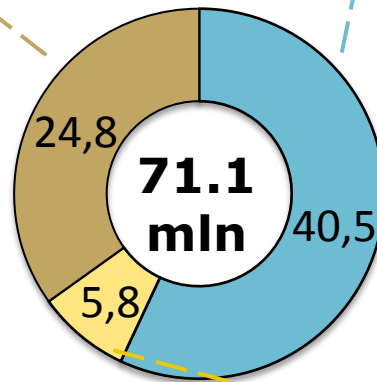
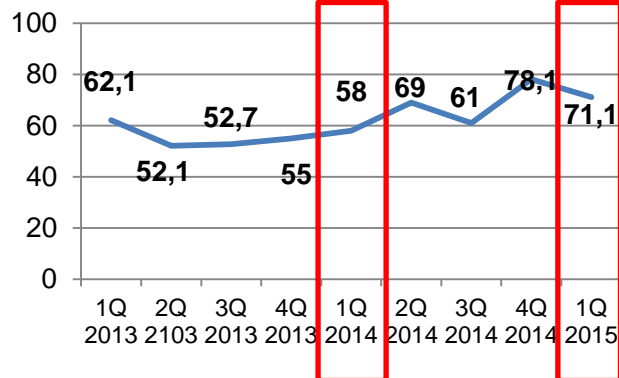
ENERGY



RAILWAY



Backlog Trend





CONFIRMATION OF THE GROWTH IN ENERGY AUTOMATION BUSINESS

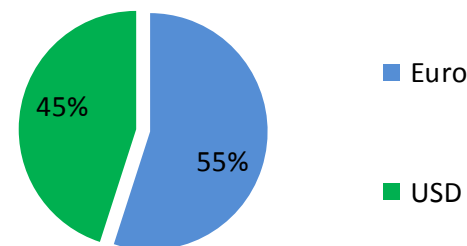
NORMALIZATION OF RESULTS IN THE RAILWAY SECTOR THANKS TO THE FINALIZATION OF PROJECTS IN THE SECOND HALF OF THE YEAR

STRATEGIC CHOICE TO INCREASE THE PRESENCE IN MARKET SEGMENTS SUCH AS WATER PIPELINES AND INFRASTRUCTURES IS SUPPORTING THE GROWTH OF TRENCHER DIVISION IN USA AND MIDDLE EAST DESPITE THE COMPLEX OIL&GAS SECTOR

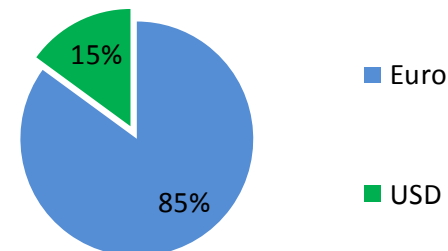
HIGHER OPPORTUNITIES IN TELECOMMUNICATION AND FIBER OPTIC MARKET THANKS TO THE ACQUISITION OF THE FRENCH COMPANY MARAIS.
FIGURES OF MARAIS GROUP WILL BE CONSOLIDATED IN THE HALF-YEAR OF 2015

REDUCTION OF WORKING CAPITAL IS EXPECTED AS A RESULTS OF SALES DEVELOPMENT ESPECIALLY IN TRENCHER SECTOR

Revenues



Operating Costs



Summary 1Q2015 Profit & Loss statement

Profit & Loss Account (€ mln)	1Q2015	1Q2014	Delta vs 2014	Delta %
Net Revenues	34,4	27,2	7,2	26,4%
Raw materials costs (-)	(17,7)	(13,9)	(3,8)	28%
Cost for services (-)	(5,7)	(4,8)	(0,9)	19%
Personnel Costs (-)	(7,4)	(6,3)	(1,1)	17%
Other operating revenues/costs (+/-)	(0,6)	(0,6)	(0,0)	7%
Portion of gain/(losses) from equity investments evaluated using the equity method	0,2	0,3	(0,1)	-33%
Capitalized R&D expenses	1,2	1,2	0,0	0%
Total operating costs	(30,0)	(24,1)	(5,9)	25%
<i>% on Net Revenues</i>	<i>-87%</i>	<i>(88%)</i>		
EBITDA	4,4	3,2	1,2	37,5%
<i>% on Net Revenues</i>	<i>13%</i>	<i>12%</i>		
Depreciation, amortization (-)	(2,0)	(1,7)	(0,3)	20%
EBIT	2,4	1,5	0,9	50,0%
<i>% on Net Revenues</i>	<i>7%</i>	<i>6%</i>		
Net Financial Income/Expenses (+/-)	1,7	(1,0)	2,7	-270%
Taxes (-)	(1,3)	(0,3)	(1,0)	333%
Minorities	-	-	-	-
Net Income (Loss)	2,8	0,2	2,6	1300%
<i>% on Net Revenues</i>	<i>8%</i>	<i>1%</i>		

Summary 1Q2015 Balance Sheet

Balance Sheet (€ mln)	1Q2015	2014
Inventory	64,8	55,4
Work in progress contracts	5,4	5,2
Accounts receivable	49,8	41,3
Accounts payable (-)	(40,1)	(34,2)
Op. working capital	79,9	67,7
Other current assets (liabilities)	(9,0)	(9,8)
Net working capital	70,9	57,9
Tangible assets	49,4	48,1
Intangible assets	13,2	12,4
Financial assets	4,9	4,8
Fixed assets	67,5	65,3
Net long term liabilities	(2,7)	(1,7)
Net invested capital	135,7	121,5
Cash & near cash items (-)	(27,8)	(18,7)
Short term financial assets (-)	(8,6)	(6,8)
Short term borrowing	54,3	36,6
Medium-long term borrowing	63,0	62,3
Net financial position	80,9	73,4
Equity	54,8	48,1
Funds	135,7	121,5

Disclaimer

The Manager responsible for preparing the company's financial reports, Andrea Bramani, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this presentation corresponds to the document results, books and accounting records.

Certain information included in this document is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially.

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In addition to the standard financial reporting formats and indicators required under IFRS, this document contains a number of reclassified tables and alternative performance indicators. The purpose is to help users better evaluate the Group's economic and financial performance. However, these tables and indicators should not be treated as a substitute for the standard ones required by IFRS.