

TESMEC GROUP STRENGTHENS ITS PRESENCE IN KUWAIT

- A master JV agreement has been signed with the company **Saba Group International General Trading and Contracting Co** to jointly manage the excavation works in the whole territory of Kuwait;
- The **South Al Mutlaa Project - Phase 2** is the first started project with a value of around Euro 5.35 million, of which about 3 pertaining to Tesmec for the rental of the trenchers, the supply of spare parts and the support for the execution activities by the Group high specialized personnel;
- This agreement confirms the winning strategy undertaken by Tesmec Group, based on technological innovation and service activities, as well as on the direct coverage of the most important markets, such as Kuwait.

Grassobbio (Bergamo - Italy), 2nd July 2018 – **Tesmec S.p.A.** (MTA, STAR: TES), at the head of a group leader in the market of infrastructures related to the transport and distribution of energy, data and materials, announces that it has signed a master JV agreement with the Kuwaiti company **Saba Group International General Trading and Contracting Co** to jointly manage the excavation works in the Country, strengthening in this way its local presence.

The **South Al Mutlaa Project - Phase 2** is the first started project with a value of around Euro 5.35 million concerning the supply and operational management of the fleet of trenchers necessary for the construction of infrastructure for the largest city in Kuwait. The role of Tesmec, of around Euro 3 million, includes the rental of the trenchers, the supply of spare parts and the support for the execution activities by the Group high specialized personnel. In particular, 3 Tesmec trenchers are used for excavation works, in double shift for 6 days a week. Furthermore, there are other 2 Tesmec trenchers as back up units to assure the max efficiency and service on the jobsite. The project will require approximately 25-27 people, of which 4-5 high specialized people are guaranteed directly by the Tesmec Group. The **South Al Mutlaa Project - Phase 2** will last approximately 12 months.

This agreement confirms the winning strategy undertaken by Tesmec Group, based on technological innovation and service activities, as well as on the direct coverage of the most important markets. This business model strengthens the presence of the Group in a strategic market like Kuwait thanks to the joint management with a local partner and the greater control of the activity in the Country.

The Government of Kuwait, in fact, is investing large resources, which will amount to over USD 28 billion by 2020, for the development of numerous infrastructure projects. In this context, the Tesmec Group technologies have been chosen in several projects underway in the Country for the capability to guarantee quality work with reduced time and higher productivity, as well as a lower environmental impact compared to traditional methods. In Kuwait there are currently 12 Tesmec trenchers.

In Kuwait 3 Tesmec trenchers with several digging configurations, as well as a specialized operator able to ensure the proper and efficient use of the machines, are working in Phase 1 of the **South Al Mutlaa Housing Project**, concerning the construction of the largest city in Kuwait. The new residential complex will be built



on an area of about 12 thousand hectares, located 40 km northwest of Kuwait City, and will welcome, upon its completion, around 400 thousand inhabitants who will have the most modern housing and logistics services, shopping centers and meeting places, hospitals, schools and social assistance centers. The project foresees the construction of 150 kilometers of new roads with junctions and numerous other works, lighting networks, water distribution, rainwater and sewerage collection, as well as all the civil works necessary for the high voltage power distribution, the installation of telecommunications networks and traffic control systems.

Another chainsaw trencher of the Group is working in the project "Lowers Fars Heavy Oil Development Project" for the construction of pipelines.

Thanks to the brilliant results achieved starting from the testing phase, 3 Tesmec trenchers, with 5 different digging configurations, are also used in the Phase 2 of the South Al Mutlaa Housing Project by the Chinese group Gezhouba (GCCG), active in the construction sector and in engineering services, for bulk excavation works. Also in this case, the contract includes a service package for which Tesmec Group guarantees to the Customer specialized resources, as well as spare parts for the trenchers.

The **Chairman and Chief Executive Officer Ambrogio Caccia Dominioni** commented as follows: "This agreement strengthens Tesmec presence in Kuwait. Our Group has been chosen in the many projects underway in Kuwait for its capability to offer a complete package of solutions, not only for the well-known quality of its products, but also for the service activity (assistance, maintenance, customer support) that distinguishes Tesmec on the market. The solutions of the Group, in fact, combine state-of-the-art machines, equipped with advanced digitized systems, to the offer of services that allow an efficient jobsite management. Not just equipment, therefore, but an integrated offer of technologies and knowhow based on Tesmec long experience in the field".

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This press release is also available on www.tesmec.com in the "Investors" section: <http://investor.tesmec.com/Investors/Notices.aspx>.



Tesmec Group

Tesmec Group is leader in designing, manufacturing and selling of systems, technologies and integrated solutions for the construction, maintenance and efficiency of infrastructures related to the transport and distribution of energy, data and material. In details, the Group is active in the following sectors: 1) transmission and distribution power lines (stringing equipment for the installation of conductors and the underground cable laying, electronic devices and sensors for the management, monitoring and energy automation); 2) underground civil infrastructures (high powered tracked trenchers for linear excavation of oil, gas and water pipelines, telecommunication networks and drainage operations; surface miners for bulk excavation, quarries and site preparation; specialized digging services); 3) railway lines (railway equipment for the installation and maintenance of the catenary and for special applications, e.g. snow removal from track; new generation power unit).

The Group, established in 1951 and led by Chairman & CEO Ambrogio Caccia Dominioni, relies on more than 800 employees and has the production plants in Italy - in Grassobbio (Bergamo), Endine Gaiano (Bergamo), Sirone (Lecco), Monopoli (Bari), in the USA, in Alvarado (Texas) and in France, in Durtal, as well as three research and development units respectively in Fidenza (Parma), Padua and Patrica (FS). The Group also has a global commercial presence through foreign subsidiaries and sales offices in USA, South Africa, Russia, Qatar, Bulgaria, China, France, Australia, New Zealand, Tunisia and Ivory Coast.

The know-how achieved in the development of specific technologies and solutions, and the presence of engineering teams and highly skilled technicians, allow Tesmec to directly manage the entire production chain: from the design, production and sale of machinery, to all pre-sales and post-sales. All product lines are developed in accordance with the ISEQ (Innovation, Safety, Efficiency and Quality) philosophy, with environmental sustainability and energy conservation in mind.