



TESMEC S.p.A.: NEW CONTRACT IN QATAR RELATED TO THE MANAGEMENT OF A FLEET OF TRENCHERS

- **The customer is the QBC group that has been awarded the excavation work for the construction of a series of infrastructures in the industrial area of Doha by Ashghal;**
- **Tesmec Group, through its joint venture Tesmec Peninsula, awarded a contract of estimated value of approximately USD 4.3 million, for a duration of around 23 months;**
- **The order confirms the winning strategy undertaken by the Tesmec Group in recent years based on technological innovation and service activities, as well as on direct supervision of the most important markets, such as the Middle East.**

Grassobbio (Bergamo), 8 March 2018 - Tesmec S.p.A. (MTA, STAR: TES), head of a leading group in the infrastructure market for the transportation and distribution of electricity, data and materials, announces the award, through its joint venture Tesmec Peninsula, of a contract related to the management of a fleet of 7 large trencher machines for the customer Qatar Building Company (QBC), one of the major Qatari Groups active in the infrastructure sector.

The estimated contract value is approximately USD 4.3 million, for a duration of around 23 months.

In detail, QBC awarded by Ashghal, Qatar Public Works Agency, responsible for the planning, design, procurement, construction, delivery and asset management activities of all the country's infrastructural projects and public buildings, excavation work related to the construction of a series of infrastructures, mainly sewers and drainage systems, in the industrial area of Doha in the construction of PACKAGE 3 (which covers an area of 457 hectares). Tesmec Group will manage a fleet of 7 large trencher machines (models 1675 and 1475) - owned by QBC - supplying spare parts, consumables, operators, mechanics, specialized technicians and know-how in the context of a contract for fleet management.

The new contract confirms the winning strategy undertaken by Tesmec Group in recent years, based on technological innovation and service activities, as well as on direct supervision of the most important markets, such as the Middle East.

The stable local presence, the high technology of the solutions offered, as well as the strong integration with the local partner, QBC, which has already won numerous projects in the country have, in fact, allowed Tesmec Group to become one of the major players of this market, in strong economic recovery as well as affected by the start of large infrastructure works. Among these there is the Project relating to the industrial area of Doha, which concerns a network of urban highways that stretch for about 230 km and is divided into a series of packages of similar size and object. In addition, Qatar is even more relevant for the Group, depending on the role of a real hub for the development of strategic markets such as Oman and Kuwait, also characterized by great growth potential.

Tesmec Peninsula, incorporated in March 2011, is a joint-venture company owned 49% by Tesmec S.p.A., while the remaining 51% is owned by Abdul Hameed Mustafawi (2%) and TME (49%), a wholly-owned subsidiary of Mustafawi family, which also owns QBC. Tesmec Group is linked by a consolidated and lasting business relationship with Mustafawi family, which has led it to be over the years, first customer, then distributor, and finally the Group's strategic partner in the Persian Gulf area. Tesmec Peninsula is a



commercial platform in the Gulf area for the supply of trenchers, consulting services, design, after-sales, renting, outsourcing of works with trencher technology and fleet management.

The Chairman and Chief Executive Officer Ambrogio Caccia Dominioni commented: "Our greatest satisfaction is that we have started such a significant project in Qatar, a country with a strong economic recovery and a critical point in strategic markets such as Oman and Kuwait, also characterized by great growth potential. "

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<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 750 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, China and France.

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.