

7.03.2011

Tesmec S.p.A.:

- **signed a joint venture contract in Qatar**
 - **the new company will be named Tesmec Peninsula LLC and it will be owned 49% by Tesmec S.p.A.;**
 - **through the agreement, Tesmec Group has a direct presence in the Middle East market with a local partner that has a proven experience in the field;**
 - **Tesmec Peninsula will be active in the resale of trenchers for digging and the acquisition of construction projects to excavation in the entire Arabian Peninsula**

- **stipulated a syndicated loan which amounts to EUR 21 million**

Grassobbio (Bergamo), March, 7th, 2011 – Tesmec S.p.A. (MTA, STAR: TES), among the world's leading producers of stringing solutions for aerial high-voltage electrical-line transmission networks and of high-powered trenchers for linear excavation, announces that it has today signed a joint venture with TME, a company that has a strong background in the field. The local operator has already been an exclusive trencher dealer of Tesmec Group in the market of Qatar, since some years.

The NewCo, called Tesmec Peninsula, will be owned 49% by Tesmec SpA and 51% by local partner (particularly 49% owned by TME and 2% owned directly by Hamid Mustafawi. The Mustafawi family owns and manage QBC Group, a leader in construction industry in Qatar).

The joint venture will allow the Tesmec Group to have a direct presence in a very strategic market, as the Middle East. It will focus on the resale trencher activity for Tesmec Group in the Arabian peninsula - with the exception of Qatar that will be directly followed by TME partner. Furthermore it will also focus on acquisition of new contract service related to the excavation works in the entire Arabian Peninsula.

From this transaction, the Group Tesmec expects an increase in revenue either in the sale of trencher and in the development of service project.

Tescmec also communicates that on 4 March 2011 it was successfully closed a syndicated contract loan of an amount equal to 21 million euro. The contract was organized by Banca Nazionale del Lavoro, BNP Paribas Group, as arranger bank.

The syndication was closed oversubscription getting a more than 20% compared to the original amount.

The lenders were: Banca Nazionale del Lavoro, Banca Popolare di Milano, Banca Popolare di Vicenza, GE Capital, Intesa Sanpaolo, Unicredit. The contract, that has been signed, is finalized either to refinance the existing financial debt and to find the capital for new investment moreover to support the development and growth of the Group.

In addition to the information document on the conclusion by TESMEC SpA a lease on real estate sites in warehouses Grassobbio (BG) published on February 7, 2011, the Company has made available to the public at its headquarters at the head office in Grassobbio, Via Zanica No 17 and on its website www.tesmec.com an appendix to the document that contains an illustration of the effects of letting of the accounting operation of Grassobbio. The simulation was made on the basis of the consolidated financial statements contained in the consolidated half-yearly report published on August 10, 2010.

Start of trading on the Milan Stock Exchange: July 1, 2010

Global Coordinator, Bookrunner, Sponsor and Specialist: Mediobanca – Banca di Credito Finanziario S.p.A.

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This press release is available at www.tesmec.com under the section "Investors".

Tesmec Group:

Tesmec Group is mainly active in the design, production and marketing of integrated solutions for the construction and maintenance of infrastructures such as aerial and underground networks and pipelines. Tesmec Group operates in two business lines in the design, production and marketing of: 1) **integrated systems and machinery for stringing** electrical networks and optical fibre cables, and for stringing railway power lines; and 2) **high-powered crawler trenchers** used in excavation for the installation of underground networks and pipelines or earth-moving operations and, to a lesser extent, multi-purpose machinery for construction sites (Gallmac).

The Group, founded in 1951 and led by the Chairman and Managing Director Ambrogio Caccia Dominioni, can rely on a workforce of more than 300 employees, has four manufacturing units; three in Italy, in Grassobbio (Bergamo), Endine Gaiano (Bergamo), Sirone (Lecco) and one in the United States, located in Alvarado (Texas). The Group markets, sells and distributes its products through a direct presence - locally incorporated companies, joint ventures and branches - in 5 countries and indirectly through dealers and agents, in 57 countries. The technological leadership of its products, the experience acquired in its markets (approximately 50 years in the stringing sector and more than 25 years in the trencher sector) and the research & development activities developed by a specialized team of technician and engineers, in Italy and in the United States, guarantee to Tesmec a strong know-how in the development of specific technologies in the design and production of customized solutions according to fulfil customer's needs.