

Tesmec Group

Corporate Presentation

Italian Minibond Day - London February 26 , 2014

<http://investor.tesmec.com/InvestorHomePage.aspx>

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Tesmec: 60 years of technical innovation and commercial development



1951
Foundation
of
Tesmec



1984
Establishment
of Tesmec
USA for the
production of
trenchers.

2007
3T Finanziaria
acquires a
40% stake in
Tesmec;
corporate
restructuring.



2010
Listing on the Italian
Stock Exchange,
STAR segment, on 1
July, 2010.

2011
Tesmec buy a
technology start-up
in the grid efficiency
in the
segment of medium
and low voltage

2012
On July 2012, Tesmec
Service S.r.l. leased a
business unit of the AMC2
Progetti e Prototipi S.r.l.
company, operating in
mechanical design,
electrical engineering and
railway rolling stock
production for the
maintenance of the railway
infrastructure.

1951 1960 1984 2000 2007 2009 2010 2011 2012

1960
Acquisition of
patent from
Edison for
stringing under
tension.



2000
Construction of
the Grassobbio
(BG) and
Alvarado
(Texas)
facilities.



2009
JV with
Condux for the
distribution of
stringing
machines in
the US Market.

2011
New subsidiaries in
the world:
• JV with TME in
Qatar (49%);
• Tesmec Russia
(100%);
• Tesmec SA in
South Africa (100%)

2012
Tesmec invests in
the share capital
(40%)
of Bertel,
a Technology Start-
up t in the
High-Voltage Grid
Efficiency



2012
Tesmec won a contract
related to the supply of two
railway wagons with the
US National Railroad
Passenger Corporation
("AMTRAK"), group active
in the United States in the
segment of railway
suburban transport.



ENERGY



Power lines Construction & Maintenance



Underground Cables Laying



Grid Efficiency & Management

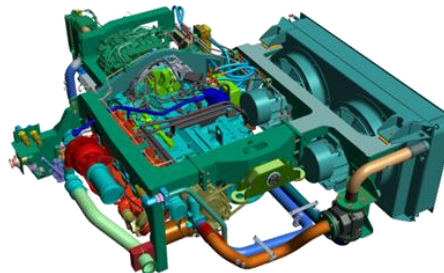
RAILWAY



Railway line Construction & Maintenance



Special application



New eco-friendly technology

UNDERGROUND INFRASTRUCTURES



Large-scale infrastructure



Shale Gas & Oil



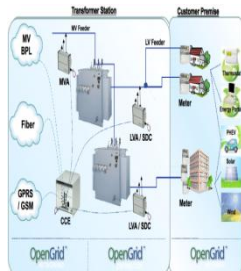
Drainage & Dewatering

Stringing Equipment

Machines and integrated systems for aerial and underground stringing, power lines and fiber optic cables.



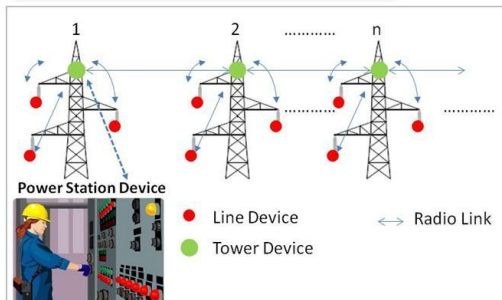
Grid Efficiency



Local power generation

Grids efficiency

Predictive maintenance



TRANSMISSION LINES

HIGH VOLTAGE LINES

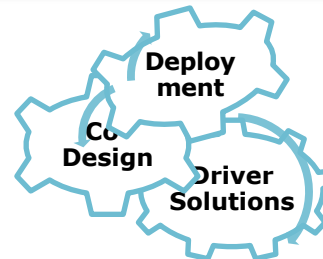
SMART GRIDS

MEDIUM & LOW VOLTAGE LINES

SENSING, ANALYTICS AND CONTROL

COMMUNICATIONS

TELE-PROTECTION



Catenary Installation



Railway Business until 2012

Constant Tension Stringing Units specifically designed and manufactured for stringing cables in construction and maintenance of railways lines electrification or refurbishment.

Products range upgrade by strategic acquisition in 2012

Catenary Installation & Maintenance Operations



- Fast-moving work cars with on board signaling and diagnostic devices
- Vehicles suitable for maintenance and diagnostic operations
- Snow removal vehicles



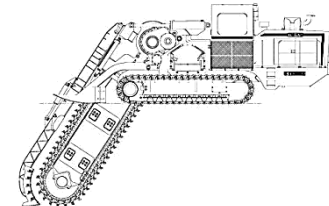
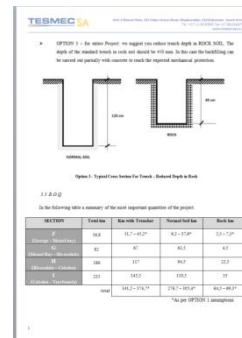
Trencher

High powered tracked trenchers for linear excavation of underground networks and pipelines, and delivery of data, raw materials, and liquid and gaseous materials; high powered tracked trenchers for mining and levelling works (RockHawg).



Specialist Digging Services











Consulting services and specialized excavation



Production sites

Production

The Group, established in 1951 relies on more than 430 employees and has five production plants: four in Italy, in Grassobbio (Bergamo), Endine Gaiano (Bergamo), Sirone (Lecco), Monopoli (Bari), and one in the USA, in Alvarado (Texas).

		TOTAL AREA (m ²)	COVERED AREA (m ²)	PRODUCTS	ACTIVITIES
GRASSOBBIO (BG - Italy)					
	 North of Italy	68,000	32,500	<ul style="list-style-type: none"> Stringing equipment Trenchers Gallmac machines 	<ul style="list-style-type: none"> Mechanical works Quality control Assembly Testing
ENDINE GAIANO (BG - Italy)					
	 North of Italy	20,000	7,500	<ul style="list-style-type: none"> Stringing equipment Railway equipment 	<ul style="list-style-type: none"> Quality control Assembly Testing
ALVARADO (TEXAS - USA)					
	 TEXAS	93,000	16,000	<ul style="list-style-type: none"> Trenchers Railway cars 	<ul style="list-style-type: none"> Assembly Testing Quality control
SIRONE (LC - Italy)					
	 North of Italy	18,000	6,750	<ul style="list-style-type: none"> Components 	<ul style="list-style-type: none"> Mechanical works Quality control Assembly
MONOPOLI (BA - Italy)					
	 South of Italy	3,950	2,850	<ul style="list-style-type: none"> Railway cars 	<ul style="list-style-type: none"> Mechanical works Quality control Assembly Testing

Brief description of Subsidiaries, Joint Venture and associated companies

Tesmec USA Inc., a company that is 100% owned by Tesmec S.p.A. (with participation in the equity of Simest), is based in Alvarado (Texas) and operates in the Trencher segment and in the Stringing equipment (Railways) segment (as from 2012).

Tesmec Service S.r.l., which is 100% owned by Tesmec S.p.A. and based in Grassobbio (BG), is focused on the service activity, primarily in support of the Trencher segment and in 2012 with the rental of the business division of the AMC2 Progetti e Prototipi S.r.l. company obtained important orders in the railway sector for the production of wagons for the maintenance of the railway lines.

Tesmec SA (Pty) Ltd, with registered office in Johannesburg (South Africa), 100% owned by Tesmec S.p.A., was set up in August 2011. The South African market is considered a market with a strong growth of projects in the telecommunications and pipelines sector in general.

OOO Tesmec Rus, with registered office in Moscow (Russia), 100% owned by Tesmec S.p.A., was set up in November 2011. The company operates in the Stringing equipment segment and Grid Efficiency.

Condux Tesmec Inc., a joint venture that is 50% owned by Tesmec S.p.A. and 50% by US shareholder Condux, which is based in Mankato (USA), has been active since June 2009 in selling products for the North American stringing equipment market.

Tesmec Peninsula WLL, Joint Venture with registered office in Doha (Qatar), 49% owned by Tesmec S.p.A. is the hub with which the Tesmec Group is present on the market of the Arabian Peninsula; the activity of Tesmec Peninsula started in the second quarter of 2011 .

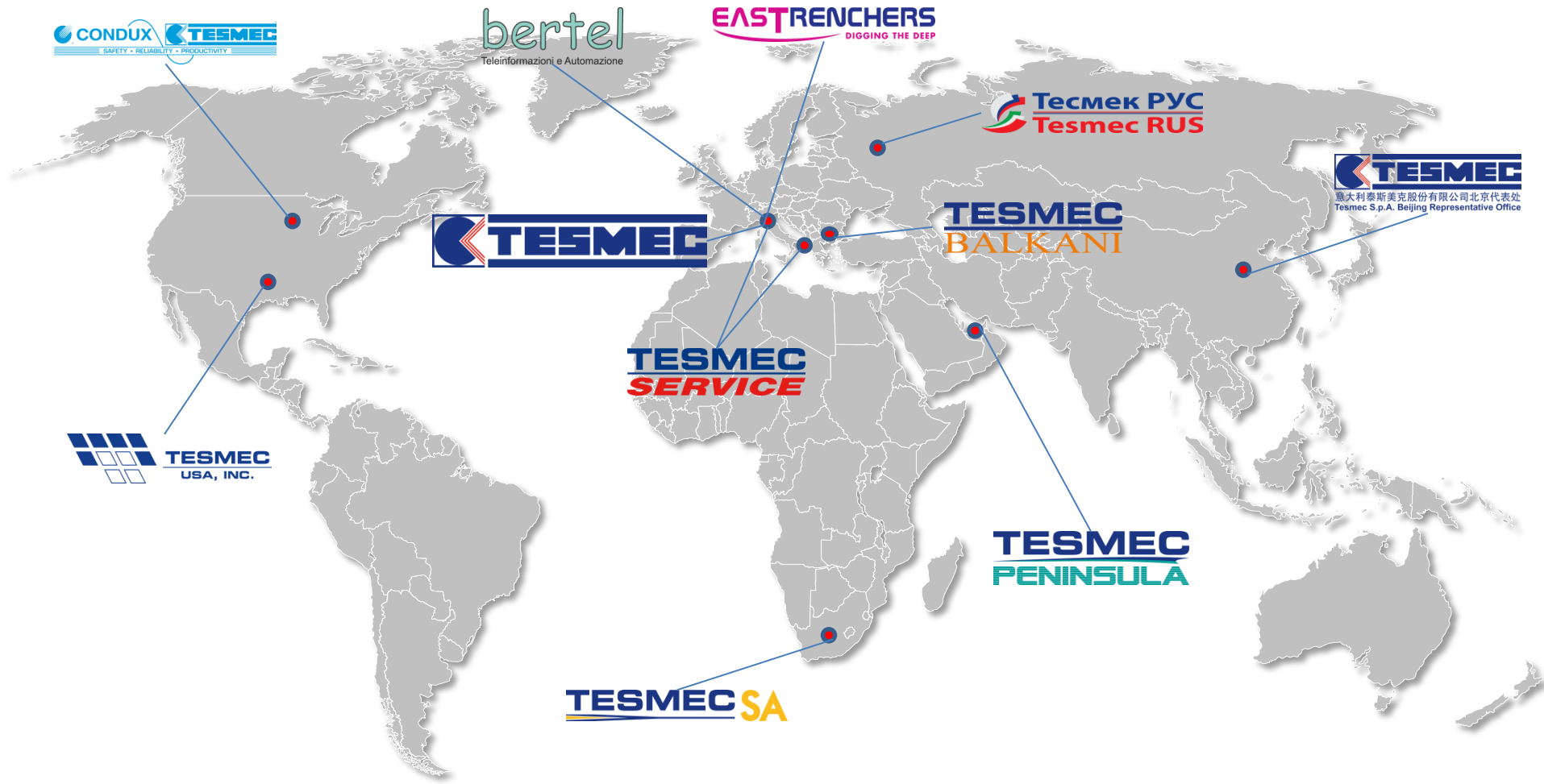
Locavert SA, an associated company 38.63% owned by Tesmec S.p.A. and based in Bouillargues (France) leases trenchers and carries out excavation works.

Tesmec Balkani EAD, a company that is 100% owned by Tesmec S.p.A. with Headquarters in Plovdiv (Bulgaria) aims to develop sales of trenchers in the Balkans where interesting projects are in place, especially in the oil & gas and civil infrastructures area.

East Trenchers S.r.l., Treviso (Italy) , 91% owned by Tesmec S.p.A. the controlled company is specialised in the hire/service of trencher machines with the inclusion of pre/post-sales services that traditionally are coupled with this kind of activity.

Bertel S.p.A., Piacenza (Italy), 40% owned by Tesmec, Bertel offers innovative technological solutions and is a technology start-up active in a market with a high technology which is the efficiency of high-voltage power networks. The company has a very high expertise in continuous development through the use of highly specialized young technicians that leads to a very advanced technological specialization.

International presence in key areas

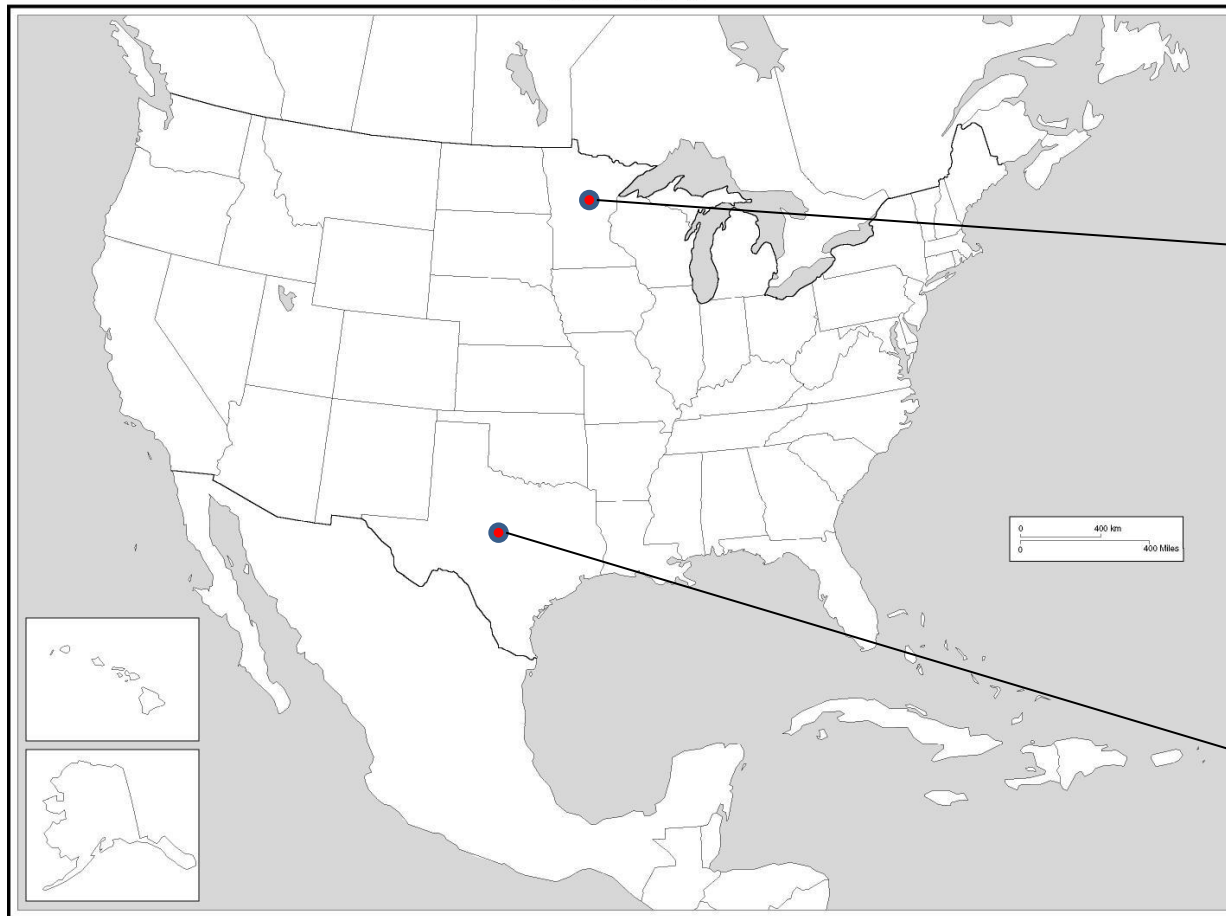


Tesmec Group: subsidiaries, participated companies and representative offices

Strong presence on US Market



UNITED STATES



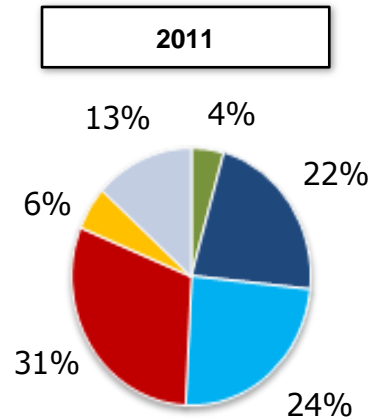
Produced by the Cartographic Research Lab
University of Alabama

Condux-Tesmec Inc JV in Minnesota

Condux Tesmec Inc., a joint venture that is 50% owned by Tesmec S.p.A. and 50% by US shareholder Condux, which is based in Mankato (USA), has been active since June 2009 in selling products for the North American **stringing equipment market**.

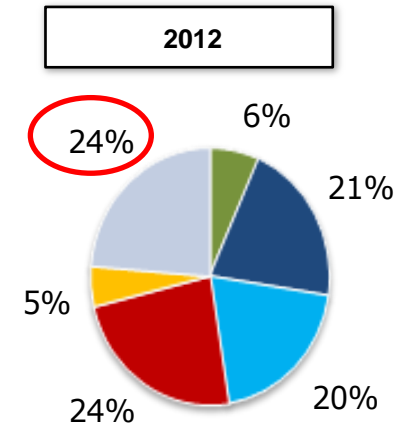
Tesmec USA Inc Texas

Tesmec USA Inc., a company that is 100% owned by Tesmec S.p.A. (with participation in the Equity of Simest), is based in Alvarado (Texas) and **operates in the Trencher segment and in the Stringing equipment (Railways) segment (as from 2012)**.



The Group has a commercial presence globally in most foreign countries and can count on a direct presence in several continents, consisting of foreign companies and sales offices in USA, South Africa, Russia, Qatar, Bulgaria and China.

Commercial Activities in more than 135 countries worldwide



Italy

Europe

Middle East

BRICs and Oceania

Africa

North-Central America

Energy

The stringing machines customers are public-sector companies 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 and companies that are mainly active in the maintenance of existing power lines. The Grid Efficiency customers operate in sectors such as telecontrol, industrial automation and telecommunications, both in private and public domains.

Railway

The customers for railway equipment are railway operators, construction firms, urban transport authorities, industrial and mine railways.

Underground Infrastructures

The main direct customers for trenchers are contractors operating in the design and development of infrastructures, companies acting as subcontractors for excavation and installation works and companies that specialized in excavation.

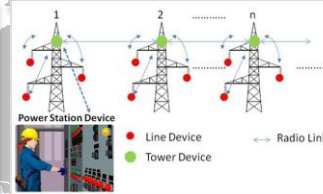
Key Projects

Americas

RAILWAY
New technologies for
RFI in Italy



GRIDS EFFICIENCY
Agreement with FSK
in Russia



RAILWAY
Catenary Installation
in China



**Europe
&
Africa**

Asia

STRINGING
Big Projects



RAILWAY
Strategic Project with
Amtrak



TRENCHERS
Shale Gas projects



TRENCHERS
Development in
Qatar&Saudi Arabia

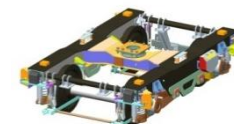
**SPECIALIST
SERVICES**
Platform in MiddleEast



Innovation

On-going investments in Research and Development and technological innovation to consolidate its leading position in the supply of technologically advanced solutions

Technological innovation of the machines -> digitalization



Integration

Strategic partnerships to create synergies with industry-leading companies and offer solutions for special projects with high added value.

Technology agreement with Rosseti, to propose a new type of electric lines (compact lines) and to the new methodology of work safety (live work).



Internationalization

Geographic expansion, to increase the company's direct presence in strategic countries with the greatest growth opportunities, by opening local branches or through partnerships with local companies.



Rating assigned to Tesmec from Cerved Group



Tesmec has been assigned
a solicited rating
by Cerved Group on
February 24, 2014,
of

A 2.2

equivalent to
a high credit rating with a
PDI index of 0.34%

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

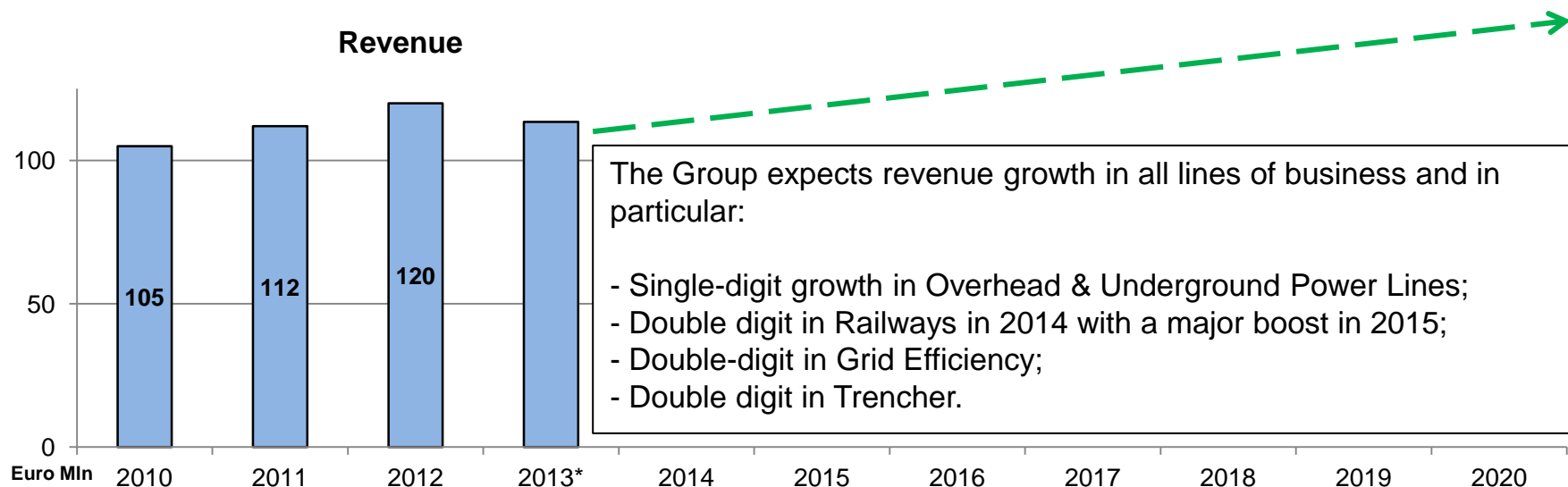
Classes of
risk for
Cerved
Group

Main Financial Highlights 2013 and Outlook 2014

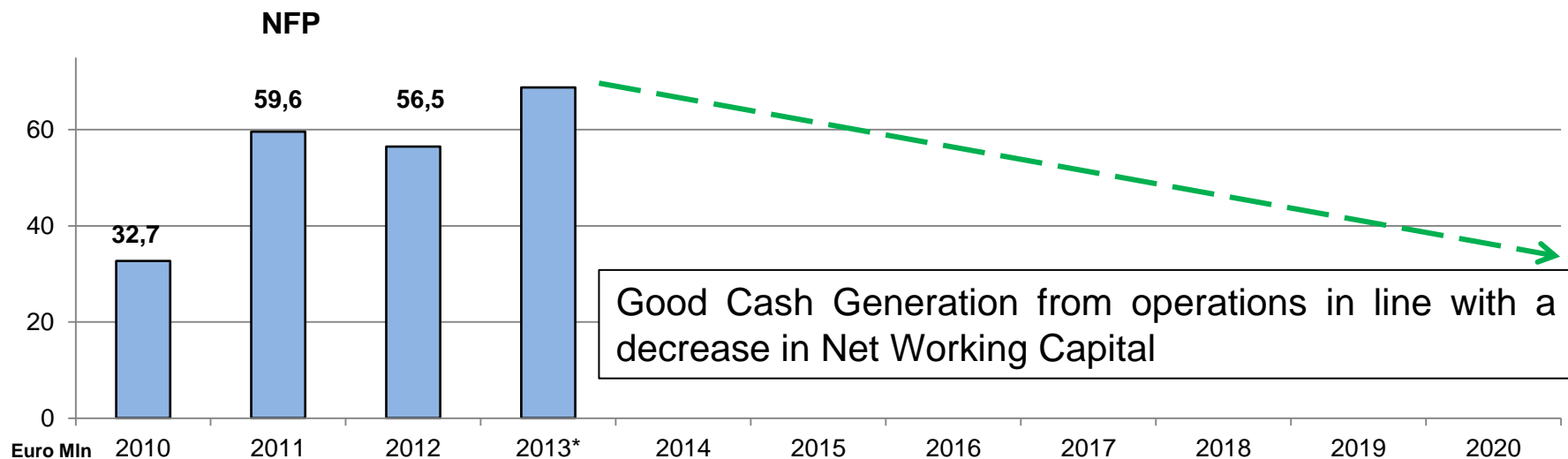
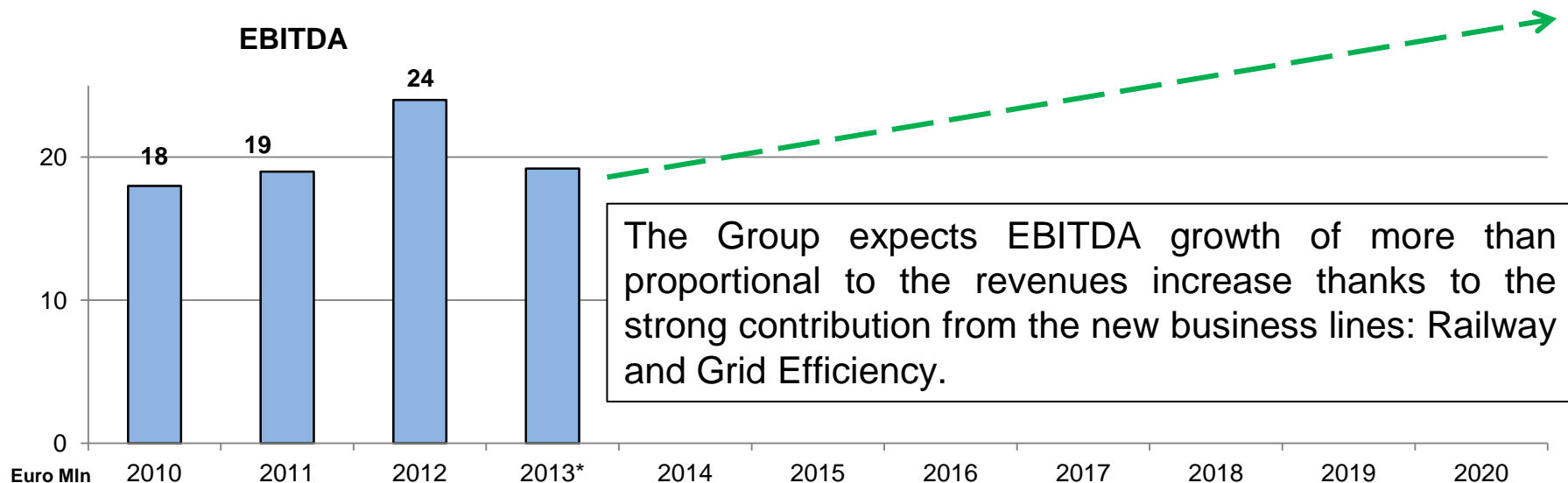


2013 has been impacted by:

- > postponement in the implementation of infrastructure projects linked to the crisis in some important markets (Brics Area where local currencies have strongly devaluated against the Euro);
- > unfavorable exchange rate Euro vs USD (Euro revaluated in 2013 by 4% against USD);
- > delay in revenue from the railway sector;
- > positive trend in the North American Market for both the Energy (JV Condux Tesmec) and for Underground Infrastructure (Tesmec USA Trencher division);
- > investments in know-how increasing skilled personnel to develop technology solutions with high added value for the railway sector and for grid efficiency sector.



Main Financial Highlights 2013 and Outlook 2014



• 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.

• Any estimates or forward-looking statements contained in this document are referred to the current date and, therefore, any of the assumptions underlying this document or any of the circumstances or data mentioned in this document may change. Tesmec S.p.A. expressly disclaims and does not assume any liability in connection with any inaccuracies in any of these estimates or forward-looking statements or in connection with any use by any third party of such estimates or forward-looking statements.

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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.



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