



60 YEARS
ANNIVERSARY
1951 - 2011

Tesmec Group First Half 2011 Results

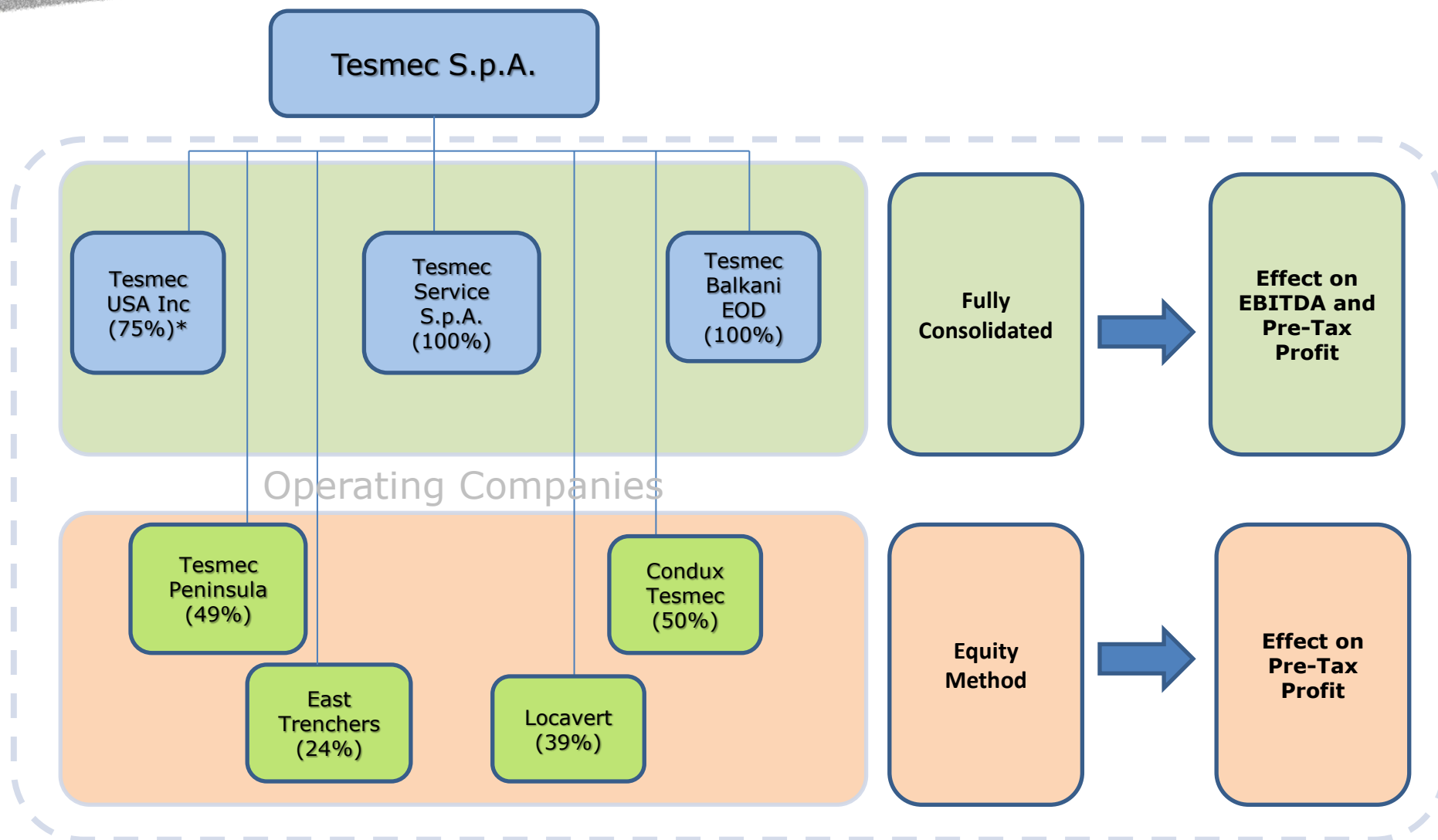
STAR Conference
London, 3rd October 2011



Corporate



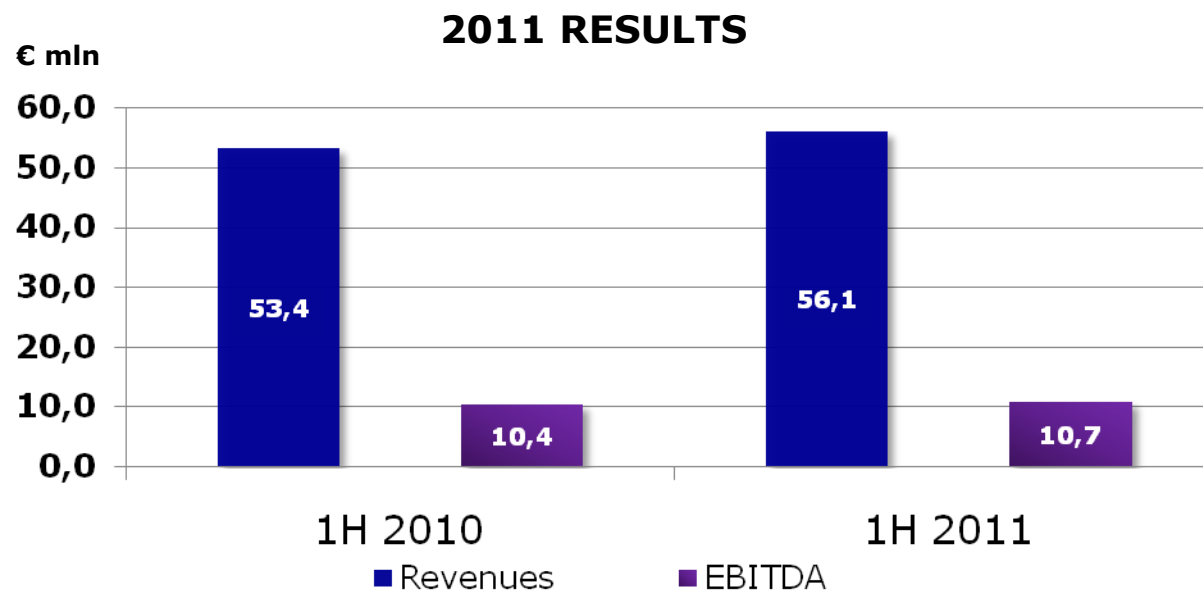
Group Structure



* The remaining 25% 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 of the Parent Company in Tesmec S.p.A. is consolidated on a 100% basis.

First Half 2011 Results

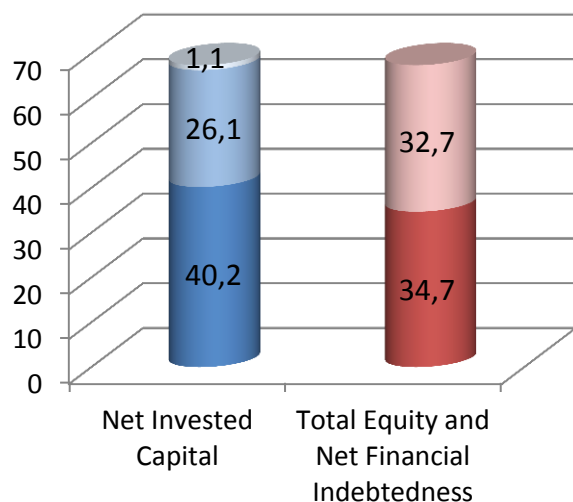
Income Statement (€ m)	Tesmec (Cons.)						
	1Q 2010	2Q 2010	1H 2010	1Q 2011	2Q 2011	1H 2011	1H 2011 vs 1H 2010
Revenues	29,3	24,1	53,4	26,5	29,6	56,1	5%
EBITDA	5,5	4,9	10,4	5,3	5,4	10,7	3%
% Revenues	18,8%	20,3%	19,4%	20,0%	18,2%	19,0%	
EBIT	4,3	3,6	7,9	3,9	4,1	8,0	1%
% Revenues	14,7%	14,9%	14,9%	14,7%	13,9%	14,2%	
Net income/(loss)	2,5	2,2	4,7	1,9	1,4	3,3	-30%
% Revenues	8,5%	9,1%	8,8%	7,2%	4,7%	5,8%	



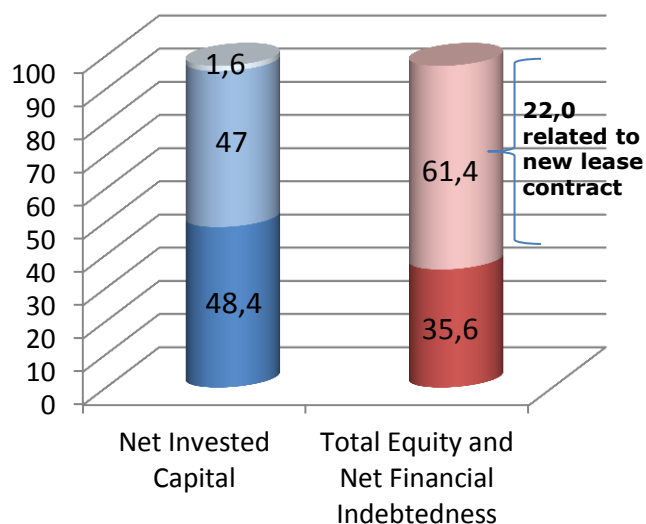
Financial Information

Financial Information (€m)	Tesmec (Cons.)			
	2010	1Q 2011	1H 2011	1H 2011 vs 2010 delta %
Net working capital	40,2	48,4	43,0	7%
Non current assets	26,1	47,0	46,4	78%
Other LT assets/(liab)	1,1	1,6	1,7	55%
Net invested capital	67,4	97,0	91,1	35%
Net financial indebtedness	32,7	61,4	57,5	76%
Equity	34,7	35,6	33,6	-3%
Total equity and net financial indebtedness	67,4	97,0	91,1	35%

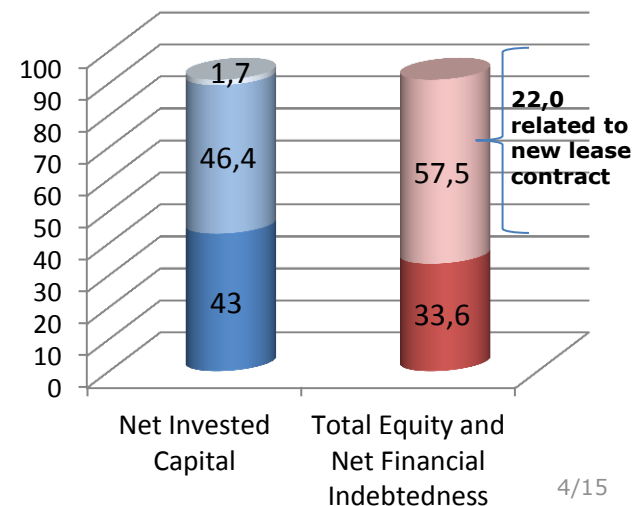
2010



1Q 2011



1H 2011

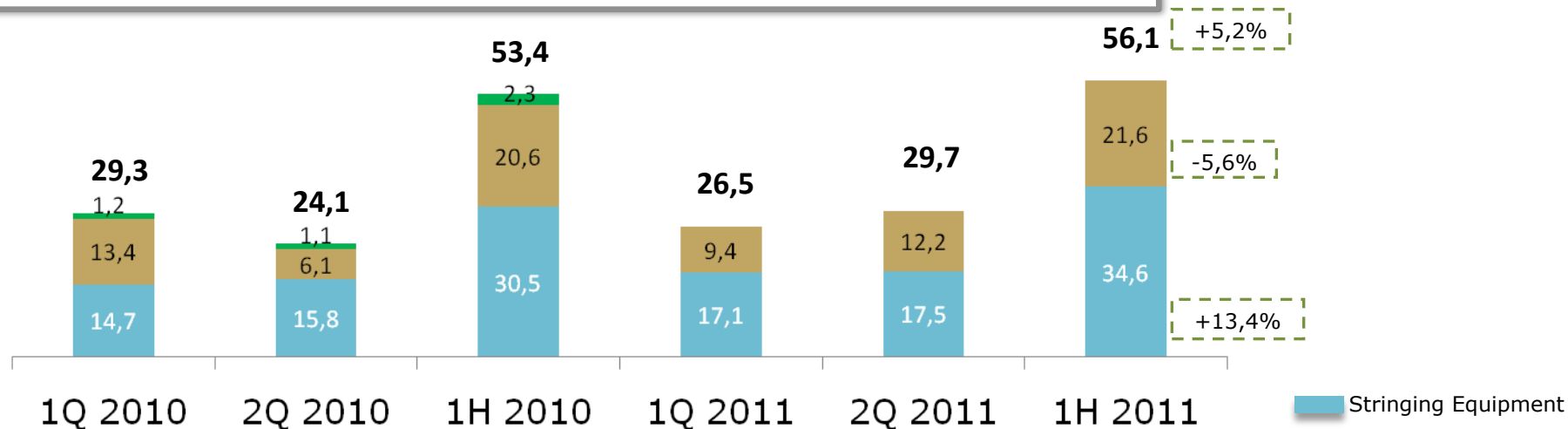


- **Strong sales** (+13,3%) driven mainly by Russia and Brazil market;
- **Technological agreement** signed with FSK (russian federation), Third world-wide TSO (Transmission System Operator);
- **Railway**: signed contract for the supply of the first set of equipment for railway in Russia;
- **ICT solutions to manage energy flow**: cooperation with renowned Italian Universities and acquisition of I-light business line, Italian leader in smart grid business;
- **Russia**: start up of the process to create a wholly owned newco;

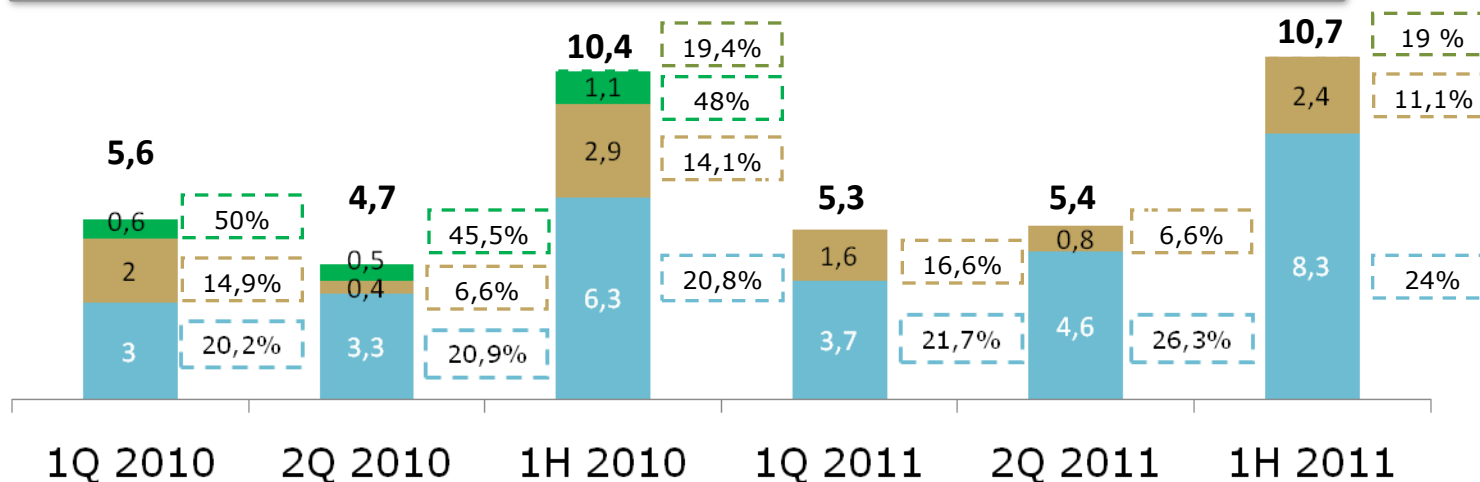
- **Sales recovery in Q2** (+46,6% vs. SPPY) driven mainly by Middle East and Usa market;
- **Tesmec Peninsula** start up in q2 to develop sales in arabian gulf area;
- **Contracting**: new project in Saudi Arabia (KAJD) start up and structure in place to manage other incoming projects;
- **Tesmec USA**: Pennsylvania branch activities developments alongside with the increased activities in the Shale Gas fields;
- **South Africa**: start up of the process to create a wholly owned newco;

First Half 2011 - Revenues and EBITDA for Stringing and Trencher Division

Revenues (€ mln)



EBITDA (€ mln and % of Net Revenues)

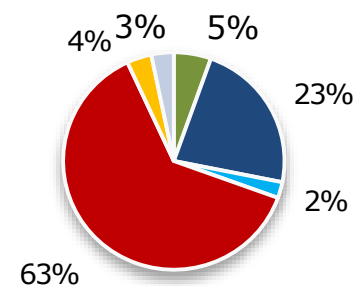
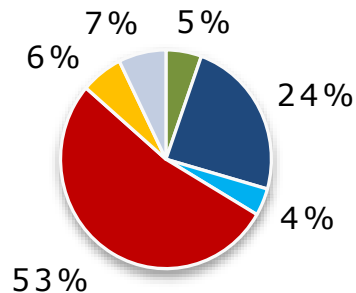


First Half 2011 - Revenues: international scale and exposure to growing economies

2010

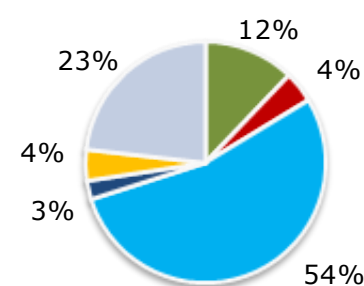
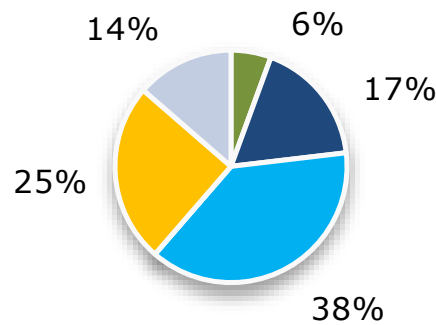
2011

Stringing equipment



Italy Europe Middle East BRICs and Oceania Africa North-Central America

Trenchers

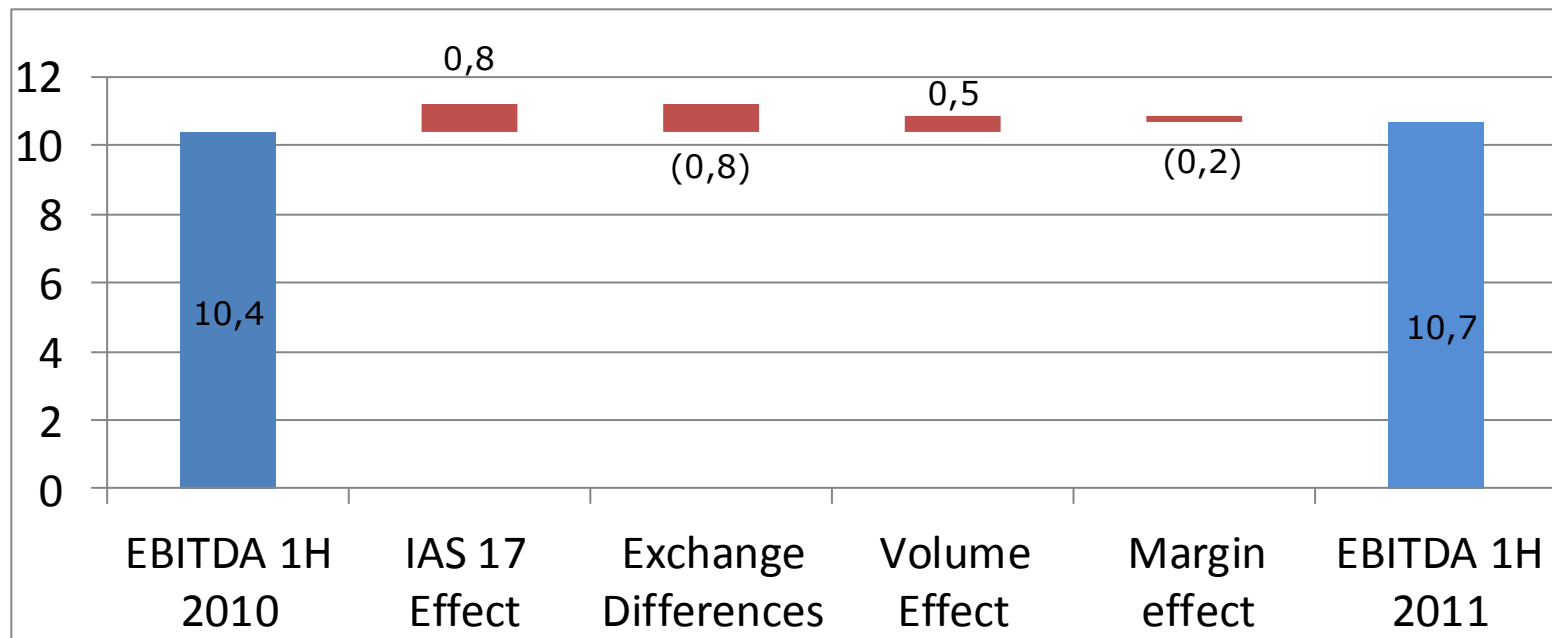


Italy Europe Middle East BRICs and Oceania Africa North-Central America

First Half 2011 - EBITDA path

Tesmec Group

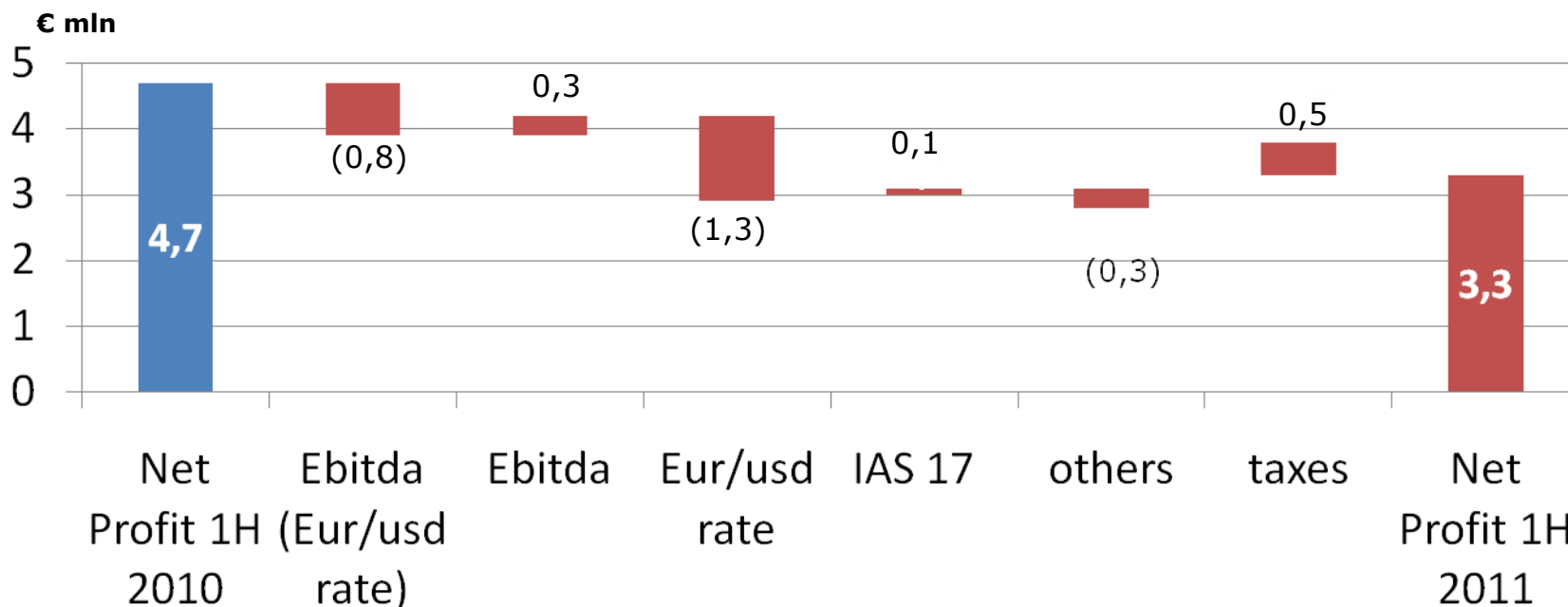
- EBITDA on Revenues moved from 19,4% (1H 2010) to 19% (1H 2011)
- Accounting treatment of the new rent contract affected positively EBITDA by 0,8 mm euro
- Ebitda decrease explained primarily by an exchange differences effect, and in slight cause for margin effect



First Half 2011 - NET PROFIT path

Tesmec Group

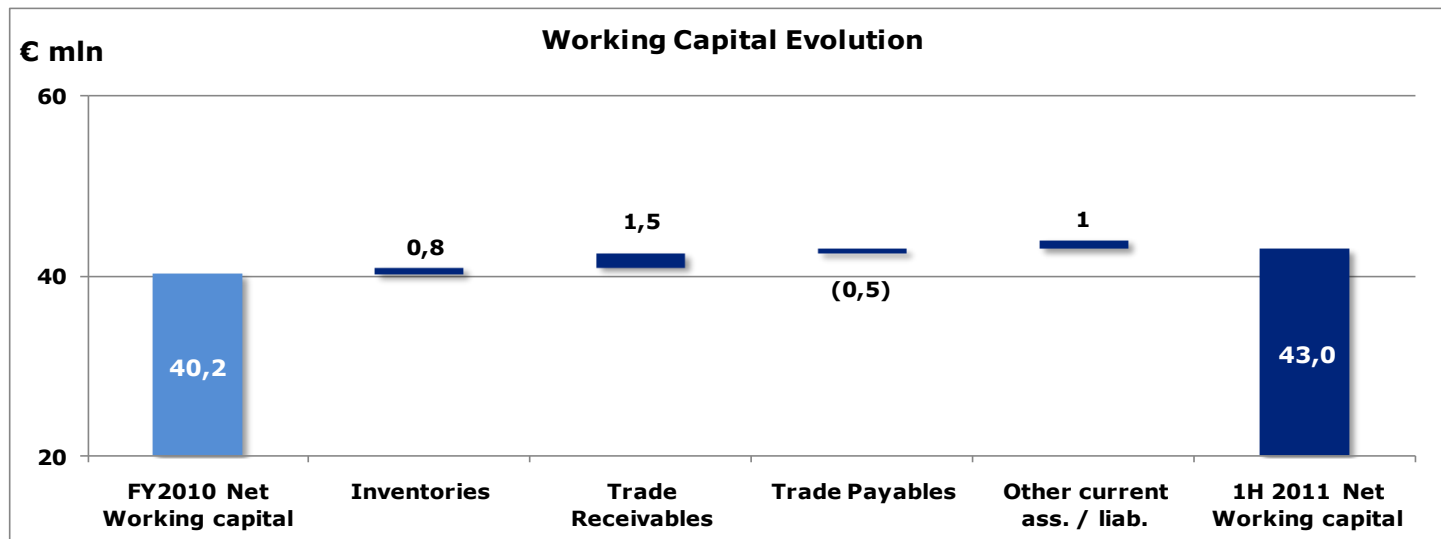
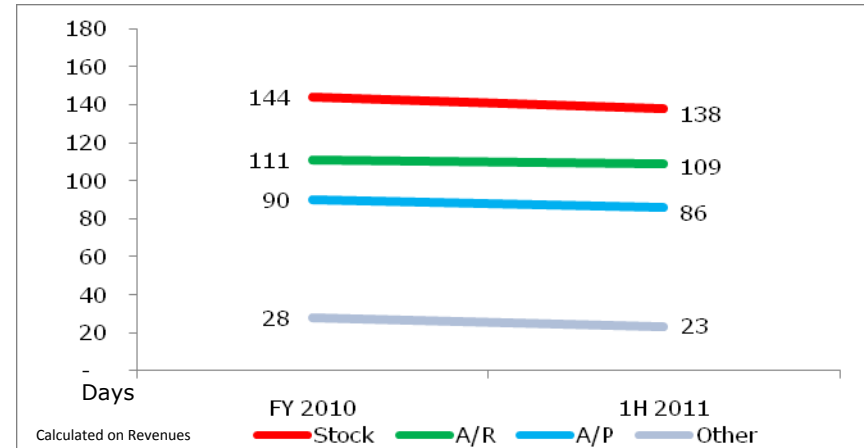
- Net Profit decrease mainly due to negative trend in Eur/Usd exchange rate which affects Ebitda margin and Net results;



First Half 2011 - Working Capital Evolution

Tesmec Group

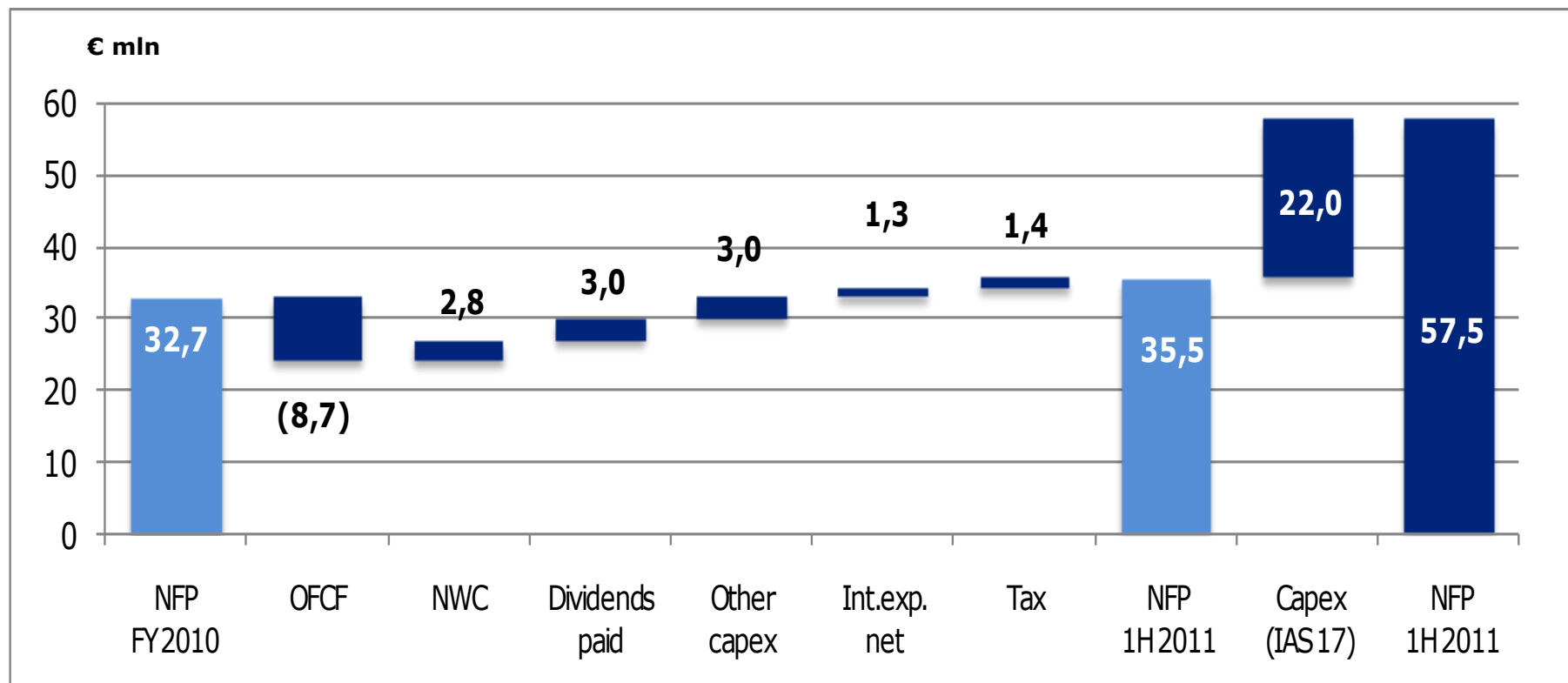
- Receivables were impacted by the growth of revenue but increased less than proportionally than sales
- Payables increase was mainly linked to turnover in sales



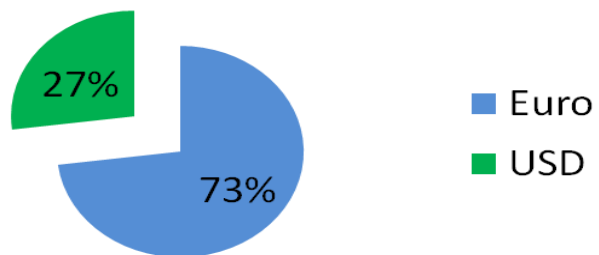
First Half 2011 - NFP Evolution

Tesmec Group

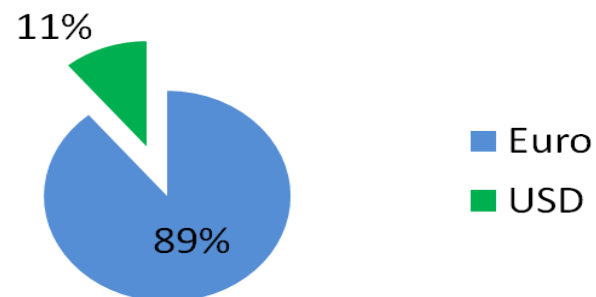
- Main variance related to accounting of new rent contract (IAS 17);
- The value of this financial debt is not included in the calculation of the covenants of the main loan agreements;
- Working capital increase in proportion to the sale increase;
- Dividends paid by 3,0 mm euro;



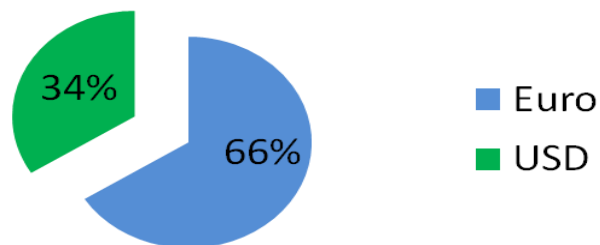
Revenues



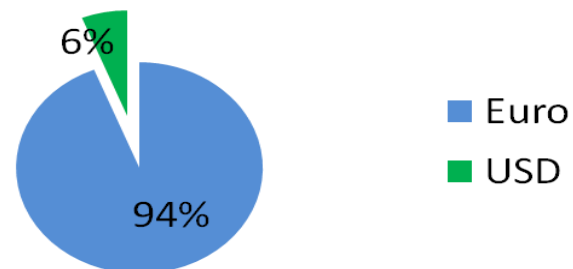
Operating Costs



Trade Receivables



Trade Payables



First Half 2011 - Summary Profit & Loss statement with the effects of new rent contract accounted under IAS 17

Profit & Loss Account (€ m)	A	B	A+B	1H 2010	Delta 2010	vs	Delta %
	1H 2011 adj	IAS 17	1H 2011				
Net Revenues	56,1		56,1	53,4	2,7		5,1%
Raw materials costs (-)	(26,8)		(26,8)	(24,1)	(2,7)		11%
Cost for services (-)	(10,3)		(10,3)	(10,2)	(0,1)		1%
Personnel Costs (-)	(9,0)		(9,0)	(8,8)	(0,2)		2%
Other operating revenues/costs (+/-)	(1,7)	0,8	(0,9)	(1,7)	0,8		-47%
Capitalized R&D expenses	1,6		1,6	1,8	-0,2		-11%
Total operating costs	(46,2)		(45,4)	(43,0)	(2,4)		6%
<i>% on Net Revenues</i>	<i>(82,4%)</i>		<i>(80,9%)</i>	<i>(80,5%)</i>			
EBITDA	9,9	0,8	10,7	10,4	0,3		3%
<i>% on Net Revenues</i>	<i>17,6%</i>		<i>19,1%</i>	<i>19,5%</i>			
Depreciation, amortization (-)	(2,5)	(0,2)	(2,7)	(2,4)	(0,3)		13%
EBIT	7,4	0,6	8,0	8,0	0,0		0%
<i>% on Net Revenues</i>	<i>13,2%</i>		<i>14,3%</i>	<i>15,0%</i>			
Net Financial Income/Expenses (+/-)	(2,2)	(0,5)	(2,7)	(0,9)	(1,8)		200%
Taxes (-)	(2,0)	(0,02)	(2,0)	(2,5)	0,5		-20%
Minorities	0,00		0,00	0,13	(0,13)		-100%
Net Income (Loss)	3,2	0,08	3,3	4,7	-1,4		-30%
<i>% on Net Revenues</i>	<i>5,8%</i>		<i>5,9%</i>	<i>8,9%</i>			

First Half 2011 - Summary Balance Sheet with the effects of new rent contract accounted under IAS 17

Balance Sheet (€ m)	A	B	A+B	
	2011 adj	IAS 17	2011	2010
Inventory	43,0		43,0	42,2
Accounts receivable	34,0		34,0	32,5
Accounts payable (-)	(26,8)		(26,8)	(26,3)
op. working capital	50,2	0,0	50,2	48,4
Other current assets (liabilities)	(7,2)	(0,0)	(7,2)	(8,2)
Net working capital	43,0	(0,0)	43,0	40,2
Tangible assets	16,0	22,1	38,1	18,0
Intangible assets	7,0		7,0	6,8
Financial assets	1,4		1,4	1,3
Fixed assets	24,4	22,1	46,5	26,1
Long term liabilities	1,7		1,7	1,1
Net invested capital	69,1	22,1	91,2	67,4
Cash & near cash items (-)	(11,7)	2,7	(9,0)	(7,8)
Short term financial assets (-)	(2,1)	(0,9)	(3,0)	(0,4)
Short term borrowing	24,0	0,8	24,8	20,9
Medium-long term borrowing	25,3	19,4	44,7	20,0
Net financial position	35,5	22,0	57,5	32,7
Equity	33,6	0,1	33,7	34,7
Funds	69,1	22,1	91,2	67,4

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.

The Manager responsible for preparing
the company's financial reports
Andrea Bramani



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