

14.03.2011

Tesmec S.p.A.: The Board of Directors approves the Draft Financial Statement and Consolidated Financial Statements at 31st December 2010 confirming that the revenue growth, maintaining the margin accompanied by a substantial improvement in net financial position.

Results consolidated 2010 financial year (*compared to the 2009 financial year*):

- Revenue: 105,3 million euro (compared to 86.1 million euro at 31st December 2009)
- EBITDA¹ before non-recurring costs related to IPO process²: 18,6 million euro (compared to 15.7 million euro at 31st December 2009)
- EBITDA¹ net of non-recurring costs related to IPO process: 15,1 million euro (compared to 15.7 million euro at 31st December 2009)
- Operating Profit (EBIT) net of non-recurring costs related to IPO process: 9,6 million euro (compared to 12.3 million euro at 31st December 2009)
- Net Income including of net effect of non-recurring costs related to IPO process: 5,2 million euro compared to 7.4 million euro at 31st December 2009)
- Net Financial indebtedness amounted to 32,7 million euro³ (an improvement if compared to 31st December 2009 when it amounted to 46.2 million euro)
- Net Income Tesmec S.p.A. stand alone, including of net effect of non-recurring costs related to IPO process: 6,6 million euro compared to 6.1 million euro at 31st December 2009)

Other resolutions:

- The first meeting of the Annual General Shareholders' Meeting convened on 28th April 2011 at 4.00 PM in Borsa Italiana, and, if necessary, a second meeting on 6th May, 2011, at the same time and place
- A proposed dividend of 0,028 euro per share, ex dividend date of 23 May 2011 for payment as of 26 May 2011
- Approval of the Annual Corporate Governance Report and Ownership Structure

Grassobbio (Bergamo) 14th March 2011 - The Board of Directors of **Tesmec S.p.A.** (MTA STAR: TES) one of the world's leading manufacturers in the field of stringing aerial high voltage power lines and in the field of high-powered trenchers for linear excavation in set section, meeting on this day under the Presidency of Ambrogio Caccia Dominioni, reviewed and approved the **Draft Financial Statement and the Consolidated**

¹ EBITDA is gross earnings before depreciation and amortization. EBITDA defined in this way is a measure used by company management to monitor and evaluate operating performance. EBITDA is not identified as an accounting measure within the IFRS and therefore should not be considered an alternative measure for assessing the state of the Group's operating result. Since the composition of EBITDA is not regulated by accounting standards, the criterion used by the Group may not be consistent with that adopted by others and therefore is not comparable.

² Non recurring costs, for services, sustained during the 2010 for the IPO process. The amount of these costs is around Euro 3,5 million.

³ This does not include income from the increase of capital for the floatation on the stock exchange.

Financial Statements at 31st December 2010 prepared in accordance with international accounting principles IAS/IFRS.

The 2010 financial year was characterized by the Group turnover increase and by the success of the listing process on the MTA (Italian telematic stock exchange), STAR segment, organized and managed by the Italian Stock Exchange. It finished last first of July 2010 through the trading of shares.

"The financial results achieved by Tesmec Group in 2010 indicate that our Group is pursuing with determination along the development path taken, despite the uncertain macroeconomic environment" - comments **Ambrogio Caccia Dominioni, Chairman and Managing Director of Tesmec S.p.A.** - "The Group expects to further grow in the fields of telecommunications, oil, civil infrastructure in the areas of the Middle East. Africa and Australia, with attention to the evolution of events in North Africa.

Comments on the main consolidated results for the 2010 financial year

At **31st December 2010** the Tesmec Group had **consolidated Revenues of 105,3** million euro, **an increase of 22,3 %** compared to 86.1 million euro recorded in the 2009 financial year. The increasing is primarily attributable to the stringing equipment field, and it is due to important supplies to India, Russia and China. The "Trencher" division benefited from the important contribution of the job "Service" in South Africa. In this job Tesmec Group supplied either systems for bulk excavation and related services.

Consolidated revenues per segment at 31.12.2010

With particular reference to the performance of the **"Stringing"** segment, the Tesmec Group at 31st December 2010 recorded **Revenues equal to 65,1** million euro with a **increase of 46,3 %** compared to 2009 when it was equal to **44,5 million euro**. The revenues from the **"Trencher"** segment for the year ending 31st December 2010 amounted to **40,2** million euro, with a small decrease of **3,4 %** compared to **41,6** million euro recorded the previous year.

Results at 31st December 2010.		Revenues from sales and services		
(In thousands of Euro)	2010	2009	Variations	
Stringing	65.065	44.484	+ 46,3%	
<i>Impact on Consolidated Revenues</i>	<i>61,8 %</i>	<i>51,7 %</i>		
Trencher	40.215	41.604	- 3,4 %	
<i>Impact on Consolidated Revenues</i>	<i>38,2%</i>	<i>48,3 %</i>		
Consolidated	105.280	86.088	+22,3 %	

Consolidated revenues per geographic area at 31.12.2010

During the 2010 financial year the Tesmec Group continued its strategy of geographical expansion in developing countries (Brazil, Russia, India, China and South Africa) and the development of new markets which at present are rarely manned (North Africa, Eastern Europe and the Arabian Peninsula), while at the same time maintaining its position in traditional markets (North America and Europe). In particular, the Group recorded a noticeable growth in the "Stringing" segment mainly in India, while the "Trencher" segment saw a significant increase in Middle East market.

EBITDA at 31.12.2010

(In thousands of Euro)	Results at 31st December 2010.	
	2010	2009
Revenues from sales and services	105.280	86.088
Operating costs net of depreciation	(86.686)	(70.342)
EBITDA before non-recurring costs	18.594	15.746
<i>Impact on Revenues</i>	17,7%	18,3%
Non-recurring costs related to IPO process	(3.515)	-
EBITDA	15.079	15.746
<i>Impact on Revenues</i>	14,3%	18,3%

At December 31st, 2010, consolidated EBITDA, **before non-recurring costs related to the IPO process for 3,5 euro million**, amounted to **Euro 18,6 million**, an **increase of 18 %** compared to **15.7 million euro** at 31st December 2009. Consolidated **Ebitda, including non-recurring costs related to IPO process for 3,5 euro million**, amounted to Euro 15,1 million, broadly in line with the Euro 15,7 million at December 31st, 2009. The Ebitda margin 2010 calculated on revenues, amounts to **14,3 %**.

EBIT at 31.12.2010

The **Operating Result (EBITDA)**, including non-recurring costs related to IPO process for 3,5 euro million, at 31st December 2010 of the Tesmec Group amounted to **9,6 million euro** compared to **12.3 million euro** at 31st December 2009.

Net Income at 31.12.2010

The **consolidated Net Income, including net effect of non-recurring costs**, of the Group at 31st December 2010 amounted to **5,2 million euro**, compared to **7.4 million euro** at 31st December 2009.

Net working capital at 31.12.2010

The **net working capital** of the Group at 31st December 2010 amounted to **40,2** million euro showing an **decrease** of **2,9** million euro compared to 31st December 2009, but with an impact on the annual revenue down to 38% from 50% recorded at 31st December 2009. This result was influenced by the trend of trade receivables, which increased by 14% as inventory, which grew by 1%, less than proportional increase in revenues (+22%). Liabilities for trade payables and other current assets increased by 26% in a more than proportional revenues increase. This trend is related to the fact that in the fiscal year 2010 all the deferred listing costs, booked in the other current assets at December 31st 2009, were fully charged to year 2010.

Net debt at 31.12.2010

The **Net Financial indebtedness** at 31st December 2010 amounted to **32,7** million euro, an improvement if compared to 31st December 2009 when it amounted to **46.2** million euro. This improvement is mainly due to the proceeds of the listing process, net of related costs (amounting to approximately Euro 7 million) and an improvement in the management of working capital which grows less than proportionately with respect to revenue growth .

Separate Financial Statements of the Parent Company Tesmec S.P.A.

The parent company Tesmec S.p.A. closed the 2010 financial year with net revenues of 102,1 million euro showing an increase of 28,4% compared to 2009.

The EBITDA, before non-recurring costs related to the IPO process for 3,4 euro million, amounted to Euro 18,9 million, with a margin equal to 18,5%, up from 13,9 million euro achieved at 31st December 2009.

The EBITDA, including non-recurring costs related to the IPO process for 3,4 euro million, amounted to Euro 15,5 million, with a margin equal to 15%, up from 13,9 million euro achieved at 31st December 2009.

Net Financial indebtedness of the Parent Company at 31st December 2010 was equal to 26,1 million euro compared to net debt of 33,1 million euro at 31st December 2009.

Significant events during the 2010 financial year.

On 1st July 2010 Tesmec S.p.A. was listed on the MTA (Italian telematic stock exchange), STAR segment, organized and managed by the Italian Stock Exchange, following the conclusion of the global offer of ordinary shares which had a total demand - by the Italian retail investors and leading Italian and foreign institutional investors - of approximately 1.15 times the number of shares offered.

Significant events after 31st December 2010

Subsequent to December 31, 2010 TESMEC dissolved the previous contract for the rental of the Grassobbio and signed a new contract due to the January 31, 2025 resulting in immediate cost savings of 12%.

On **4th March 2011**, Tesmec S.p.A. successfully closed an agreement on a syndicated loan, a medium term, totalling 21 million euro, organized by the BNL-BNP PARIBAS group in its capacity as bank *arranger*. The syndication was closed resulting in an oversubscription of more than 20% compared to the original amount. The contract signed is intended to be part of the refinancing of existing debt is aimed at raising capital for new investment as well as to support the development and growth of the Group.

Business Outlook

The Tesmec Group provides for the financial year 2011 revenue growth and profitability of the sector trencher, supported by an expectation of gradual return of activity of the U.S. subsidiary and a consolidation of growth of the stretching sector.

The forecasts for 2011 can be confirmed thanks also to the launch of important projects in the telecommunications, oil and civil infrastructure fields in the areas of the Middle East and Australia.

Despite the current socio-political interests in North Africa the overall scenario remains positive thanks to a strong acceleration of infrastructure projects in the Arabian Peninsula which is one of the most important areas for the development of the dynamics of growth of the Group.

Within these dynamics we also find the initiatives that the Group is forging ahead with in order to increase the direct involvement of these high potential areas with the opening of branches in loco in partnership with local partners.

Other resolutions:

The Board of Directors of Tesmec S.p.A. also resolved to convene the first meeting of the Annual General Shareholders' Meeting for the day 28 April 2011, at 4.00 PM at Borsa Italiana and, if necessary, a second meeting on 6 May 2011, at 4.00 PM at Borsa Italiana.

The shareholders will be asked to decide on the approval of the Financial Statements at 31st December 2010 and the allocation of profits.

The Tesmec S.p.A. Board of Directors will, at the Shareholders' Meeting propose to pay a dividend of 0,028 euro per share. The date for the dividend will be 23 May 2011, with payment dating back to 26 May 2010.

The Tesmec Board of Directors also approved the Corporate Governance Report and Ownership Structure.

At 3.00 PM(CET) – 2.00 PM BST today, Monday 14th March 2011 Ambrogio Caccia Dominioni, Chairman and Managing Director of Tesmec S.p.A., and the Top Management of the Company will present the consolidated results for the year 2010 to the financial community during a conference call. The telephone numbers to be connected are the following:

Italy participants:	+39 02 805 88 11
UK participants:	+44 121 281 8003
Germany participants:	+49 69 222 21 528
France participants:	+33 170918703
Switzerland participants:	+41 225954727

The presentation to analysts and investors is available in the Investors section of the website.

First date of trading on the Milan stock exchange: 1st July 2010

Global Coordinator, Lead Manager for the Public Offering, Sponsor and Specialist: Mediobanca - Banca di Credito Finanziario S.p.A.

The manager responsible for preparing corporate accounting documents, Andrea Bramani, declares, pursuant to article 154-bis, paragraph 2, of Legislative Decree No. 58/1998 ("Consolidated Financial Act") that the information contained in this press release corresponds to the documentation, books and accounting records.

It is to be noted that in this press release, in addition to the conventional financial indicators required by IFRS, there are also some alternative performance indicators (e.g. EBITDA) to allow for a better understanding of the economic and financial management. These indicators are consistent with common market practice.

The draft balance sheet at 31st December 2010 along with the Management Report, the Directors' Reports for the items on the agenda of the Annual General Meeting, the Auditors' report and the reports of the auditing company as well as the Consolidated Financial Statements at 31st December 2010 and the Report on corporate governance and ownership structure will be made available to anyone who requests them at the registered office and the Italian Stock Exchange and will also be available in the "Investors" section of the Company website www.tesmec.com as according to law.

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This press release is also available on www.tesmec.com in the "Investors" section.

The Tesmec Group:

The 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. In particular, the Group operates through two product lines, namely in the design, production and marketing of: 1) **machines and integrated systems for the stringing** of power lines and fibre optic cables, as well as for the stringing of power lines for railway networks, and 2) **high-power** tracked trenchers for linear excavation of underground networks and pipelines or bulk excavation and to a lesser extent, multipurpose machines (Gallmac).

The Tesmec 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 and has four manufacturing units, three in Italy, in Grassobbio (Bergamo), Endine Gaiano (Bergamo) and Sirone (Lecco), and one in the United States, located in Alvarado (Texas). The Group markets and distributes its TESMEC products through direct presence – in the form of foreign companies and sales offices - in 5 countries and indirect presence – in the form of dealers and agents - in 57 countries. The technological leadership of its products and the experience in these fields (approximately 50 years for the stretching sector and over 25 years for the trencher) as well as research and development developed by a team of technicians and engineers specialized in Italy and the United States, provide the Tesmec Group with a high level of know-how in the development of specific technologies in designing and delivering solutions that best meet the customers' needs.

Attached below⁴:

⁴ Data for which audit activity is nearing completion.

Tesmec Group reclassified consolidated income statements

	<i>31 December</i>	
	2010	2009
	<i>(€ in thousands)</i>	
Revenues	105.280	86.088
Total operating costs	(95.718)	(73.758)
Operating Income	9.562	12.330
Financial (income) / expenses	(1.647)	(2.732)
Share of profit / (loss) of associates and joint ventures	83	(22)
Income before taxation	7.998	9.576
Net income for the period	5.214	7.368
Attributable to:		
Equity holders of the parent	5.243	7.378
Non-controlling interests	(29)	10
 EBITDA before non-recurring costs	 18.594	 15.746
EBITDA before non-recurring costs (% on revenues)	17,7%	18,3%
EBITDA	15.079	15.746
EBITDA (% on revenues)	14,3%	18,3%

Tesmec Group reclassified consolidated statements of financial position

	As of 31 December 2010	As of 31 December 2009
	<i>(€ in thousands)</i>	
Non-current assets	31.114	28.600
Current assets	84.850	79.656
Total assets	115.964	108.256
Non-current liabilities	23.919	17.016
Current liabilities	57.306	70.381
Total liabilities	81.225	87.397
Equity	34.739	20.859
Total equity and liabilities	115.964	108.256

Tesmec Group reclassified consolidated cash flow statements

	31 December	
	2010	2009
	(€ in thousands)	
Net cash provided/(used) by operating activities (A)	12.699	7.122
Net cash provided/(used) by investing activities (B)	(2.794)	(13.788)
Net cash provided/(used) by financing activities (C)	(3.581)	4.871
Increase / (decrease) in cash and cash equivalents (D=A+B+C)	6.324	(1.795)
Cash and cash equivalents at the beginning of the period (F)	1.443	3.239
Net effect of conversion of foreign currency on cash and cash equivalents (E)	-	(1)
Total cash and cash equivalents at end of the period (G=D+E+F)	7.767	1.443

Tesmec Group other consolidated financial information

	As of 31 December 2010	As of 31 December 2009
	<i>(€ in thousands)</i>	
Net working capital ⁵	40.236	43.108
Non current assets	26.064	24.012
Other Non current assets and liabilities	1.146	(63)
Net invested capital⁶	<u>67.446</u>	<u>67.057</u>
Net financial indebtedness ⁷	32.707	46.198
Equity	34.739	20.859
Total equity and net financial indebtedness	<u>67.446</u>	<u>67.057</u>

⁵ We have calculated net working capital as trade receivables, inventories and other current assets (excluding cash and cash equivalents) less trade payables and other current payables. Net working capital is not a recognized measure of financial performance or liquidity under IFRS. No undue reliance should be placed on the net working capital data contained in this Press Release.

⁶ We have calculated net invested capital as net working capital plus non-current assets less non-current liabilities excluding non-current financial liabilities. Net invested capital is not a recognized measure of financial performance or liquidity under IFRS. No undue reliance should be placed on the net working capital data contained in this Press Release.

⁷ We have calculated net financial indebtedness as short-term borrowings, current portion of long-term debt and long-term debt less cash and cash equivalents. Net financial indebtedness is not a recognized measure of financial performance or liquidity under IFRS. No undue reliance should be placed on the net working capital data contained in this Press Release.

Tesmec S.p.A. reclassified consolidated income statements

	<i>31 December</i>	
	2010	2009
	<i>(€ in thousands)</i>	
Revenues	102.121	79.515
Total operating costs	(91.030)	(68.406)
Operating Income	11.091	11.109
Financial (income) / expenses	(1.272)	(2.201)
Share of profit / (loss) of associates and joint ventures	9.819	8.908
Income before taxation	6.552	6.123
Net income for the period		
EBITDA before non-recurring costs	18.954	13.896
EBITDA before non-recurring costs (% on revenues)	18,6%	17,5%
EBITDA	15.511	13.896
EBITDA (% on revenues)	15,2%	17,5%

Tesmec S.p.A. reclassified consolidated statements of financial position

	As of 31 December 2010	As of 31 December 2009
	<i>(€ in thousands)</i>	
Non-current assets	34.719	24.598
Current assets	69.707	63.966
Total assets	104.426	88.564
Non-current liabilities	22.974	16.017
Current liabilities	49.019	54.096
Total liabilities	71.993	70.113
Equity	32.433	18.451
Total equity and liabilities	104.426	88.564

Tesmec S.p.A. reclassified consolidated cash flow statements

	31 December	
	2010	2009
	<i>(€ in thousands)</i>	
Net cash provided/(used) by operating activities (A)	12.839	9.685
Net cash provided/(used) by investing activities (B)	(7.187)	(11.125)
Net cash provided/(used) by financing activities (C)	423	1.424
Increase / (decrease) in cash and cash equivalents (D=A+B+C)	6.075	(16)
Cash and cash equivalents at the beginning of the period (F)	1.354	1.370
Net effect of conversion of foreign currency on cash and cash equivalents (E)	-	-
Total cash and cash equivalents at end of the period (G=D+E+F)	7.429	1.354

Tesmec S.p.A. other consolidated financial information

	As of 31 December 2010	As of 31 December 2009
	<i>(€ in thousands)</i>	
Net working capital ⁸	27.122	30.971
Non current assets	31.077	20.894
Other Non current assets and liabilities	370	(347)
Net invested capital⁹	<u>58.569</u>	<u>51.518</u>
Net financial indebtedness ¹⁰	26.136	33.067
Equity	32.433	18.451
Total equity and net financial indebtedness	<u>58.569</u>	<u>51.518</u>

⁸ We have calculated net working capital as trade receivables, inventories and other current assets (excluding cash and cash equivalents) less trade payables and other current payables. Net working capital is not a recognized measure of financial performance or liquidity under IFRS. No undue reliance should be placed on the net working capital data contained in this Press Release.

⁹ We have calculated net invested capital as net working capital plus non-current assets less non-current liabilities excluding non-current financial liabilities. Net invested capital is not a recognized measure of financial performance or liquidity under IFRS. No undue reliance should be placed on the net working capital data contained in this Press Release.

¹⁰ We have calculated net financial indebtedness as short-term borrowings, current portion of long-term debt and long-term debt less cash and cash equivalents. Net financial indebtedness is not a recognized measure of financial performance or liquidity under IFRS. No undue reliance should be placed on the net working capital data contained in this Press Release.