



Tesmec Group

1Q 2012 Results

Analyst Presentation, 11 May 2012



Corporate



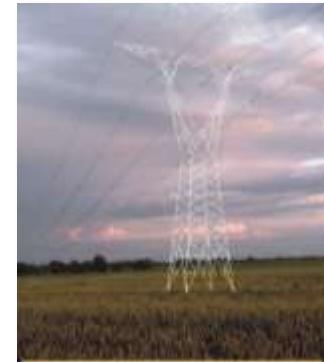
Agenda

- First Quarter 2012 – Key facts A.Caccia Dominioni, CEO
- Group structure overview A.Caccia Dominioni, CEO
- International Strategy Follow up A.Caccia Dominioni, CEO
- 1Q 2012 - Main business highlights Stringing P.Mosconi, GM
- 1Q 2012 – Main business highlights Trencher A.Caccia Dominioni, CEO
- 1Q 2012 - Financial results A.Bramani, CFO
- Outlook 2012 A.Caccia Dominioni, CEO
- Appendix

First Quarter 2012 Key Facts

Jan 2012

- Ordinary Shareholders' Meeting of Tesmec S.p.A. approved the purchase plan of treasury shares and appointed a new independent director
- Acquisition of 40% stake of Bertel company in order to enlarge Tesmec offering in the High Voltage grid management

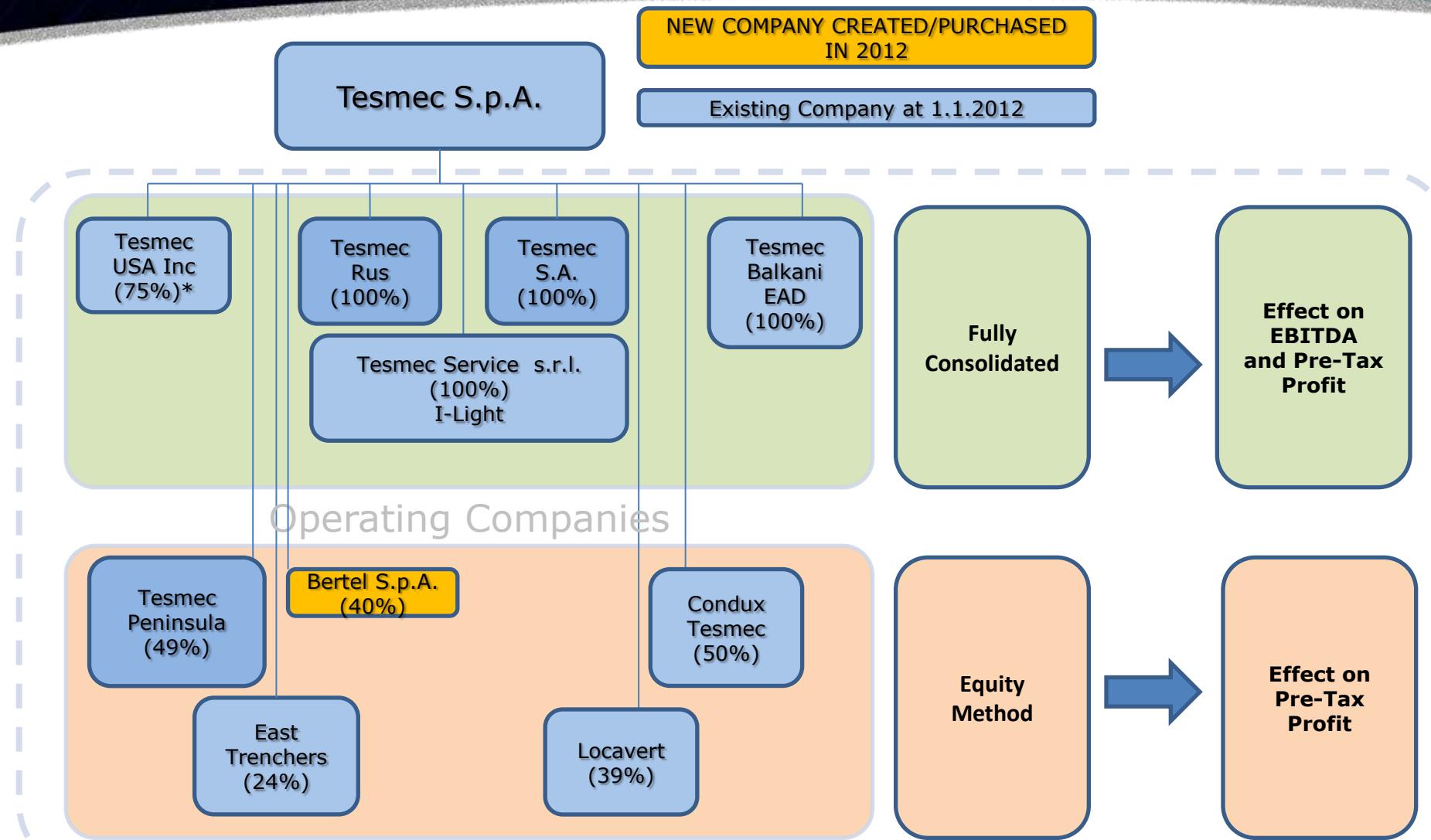


March 2012

- Signature of rental contract with AMC2 in order to acquire technical and technological expertise to enlarge Tesmec offering in Railway Electrification sector (maintenance and construction)



Group Structure at March 31, 2012



* 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.

- *Russia*: delivered first set of stringing wagons to a russian railway contractor.
- *USA* : starting of a new railway sector -> several projects in railways electrification both with local authority and main railway contractors.
- *KSA* : after testing period most of trencher fleet has been optioned for purchasing from first user customer.

Main business highlights in 1Q 2012: Stringing

- **Financials:**

Sales 14,8 mln;
Margins 20%;
Backlog 26,7 mln.

- **Main markets:**

Nord and Central America;
Europe;
Africa.

- **Product/Technology:**

Railway



Grid Management



Complete range of product for construction and maintenance of railway electrical lines enhanced by the acquisition of specialized competence.

Definition of the scope of a joint R&D project with FSK on High Voltage Grid

Main business highlights in 1Q 2012: Trencher

- **Financials:**

Sales 8,6 mln;
Margins 24%;
Backlog 21,3 mln.

- **Main markets:**

Nord and Central America;
Arabian peninsula.

- **Product/Technology:**

Trenchtronic



New generation machine thanks to the innovative electronics control & management system

- *Power cables*

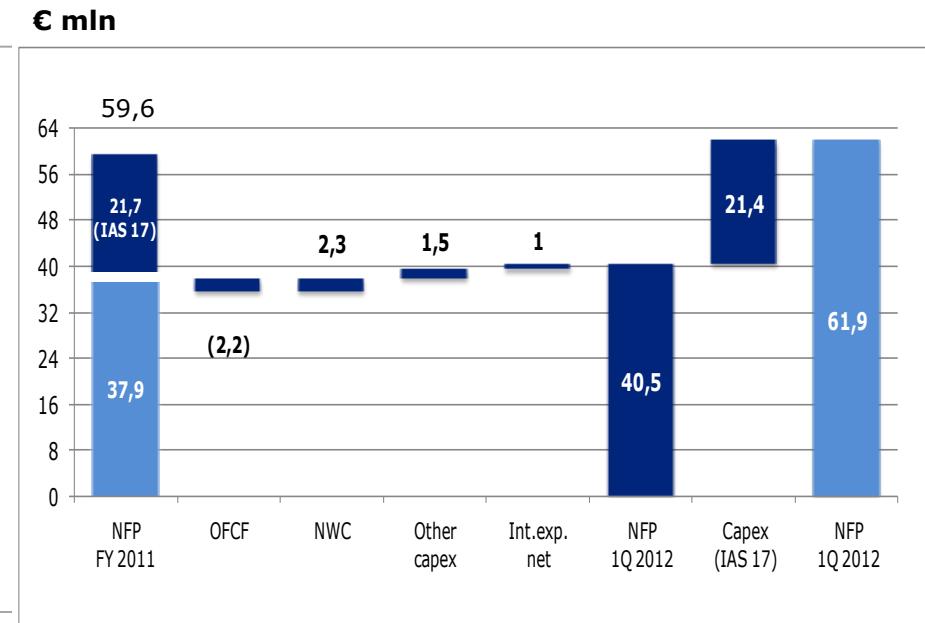
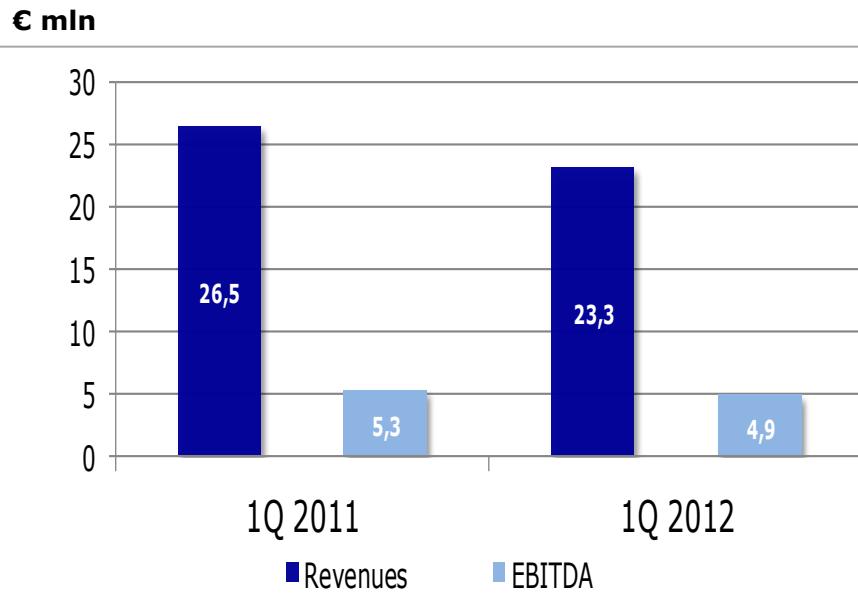


Special Projects for underground High Voltage power cables

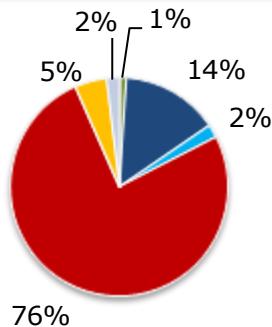
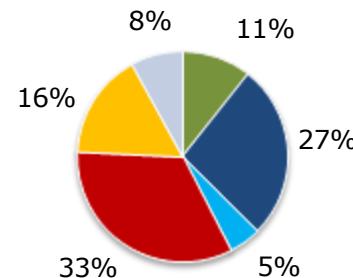
1Q 2012 Results

Income Statement (\u20ac mln)	1Q 2011	1Q 2012	2012 vs 2011 delta %
Revenues	26,5	23,3	-12%
EBITDA	5,3	4,9	-8%
% Revenues	20%	21%	
EBIT	3,9	3,5	-10%
% Revenues	15%	15%	
Net income/(loss)	1,9	0,9	-53%
% Revenues	7%	4%	

Financial Information (\u20ac m)	2011	Tesmec (Cons.) 1Q 2012
Net working capital	48,4	50,7
Non current assets	48,2	48,2
Other LT assets/(liab)	1,9	2,2
Net invested capital	98,5	101,1
Net financial indebtedness	59,6	61,9
Equity	38,9	39,2
Total equity and net financial indebtedness	98,5	101,1

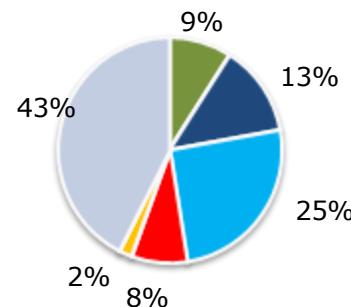
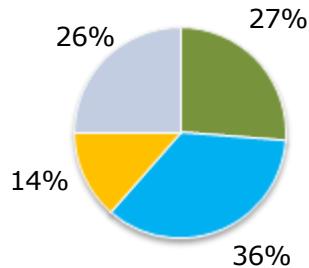


Revenues: international scale and exposure to growing economies

1Q 2011**Stringing equipment 64% on Total Revenue 2012****1Q 2012**

Legend for Stringing equipment revenue distribution:

- Italy (green)
- Europe (blue)
- Middle East (cyan)
- BRICs and Oceania (red)
- Africa (yellow)
- North-Central America (light blue)

Trenchers 36% on Total Revenue 2012

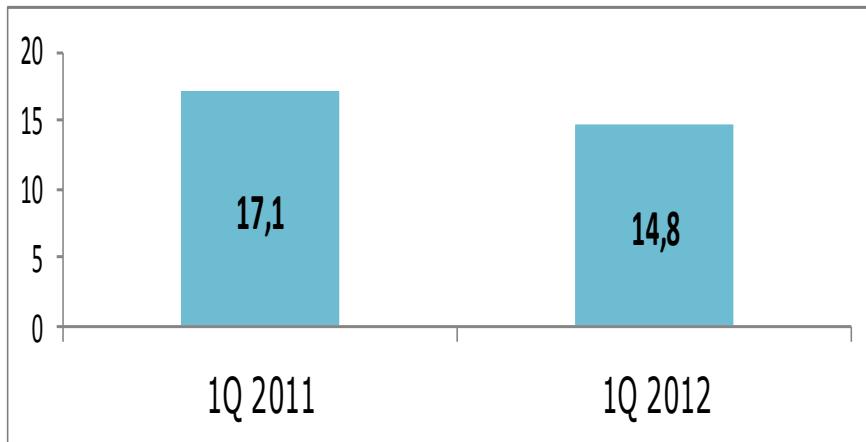
Legend for Trenchers revenue distribution:

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Stringing Division Results

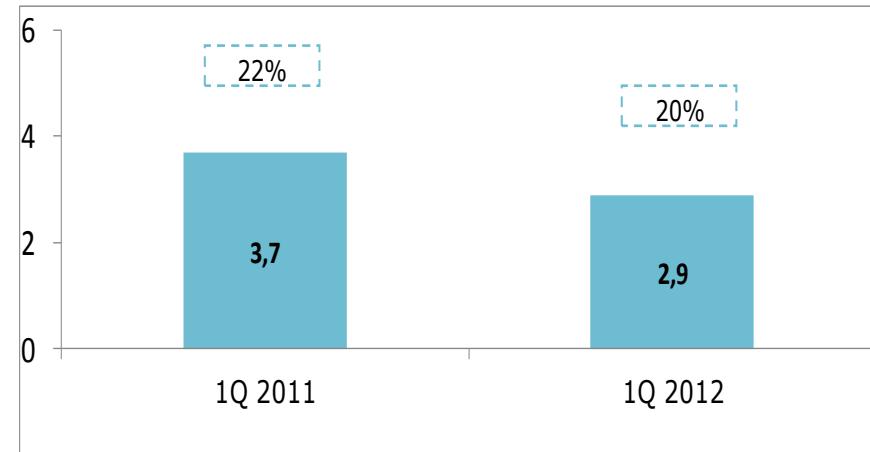
Revenues (€ mln)

1Q 2011 – 1Q 2012



EBITDA (€ mln and % of Net Revenues)

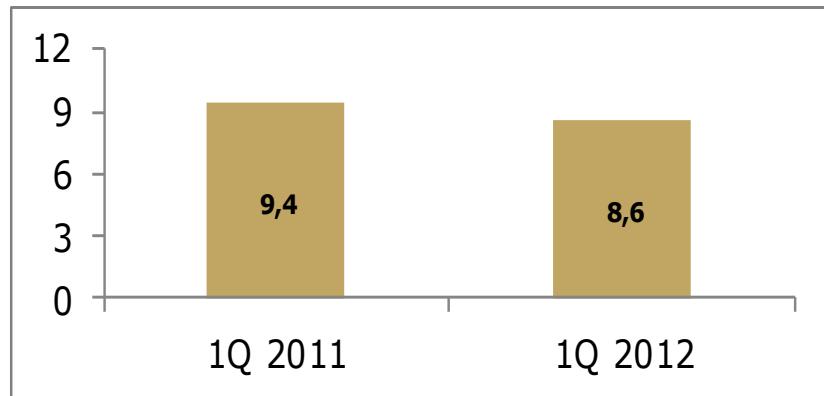
1Q 2011 – 1Q 2012



Trencher Division Results

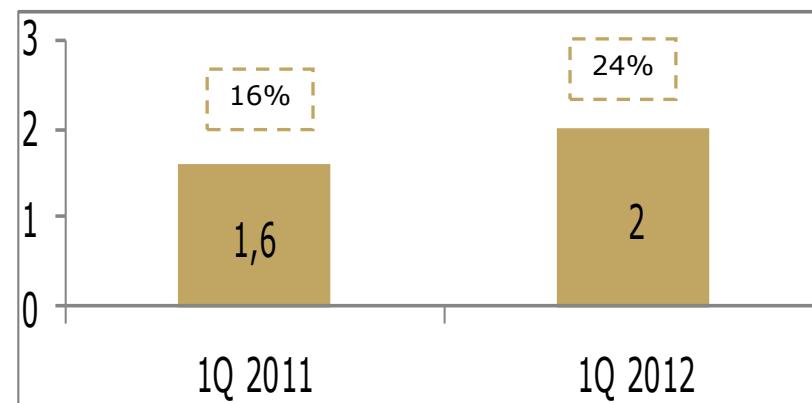
Revenues (€ mln)

1Q 2011 – 1Q 2012



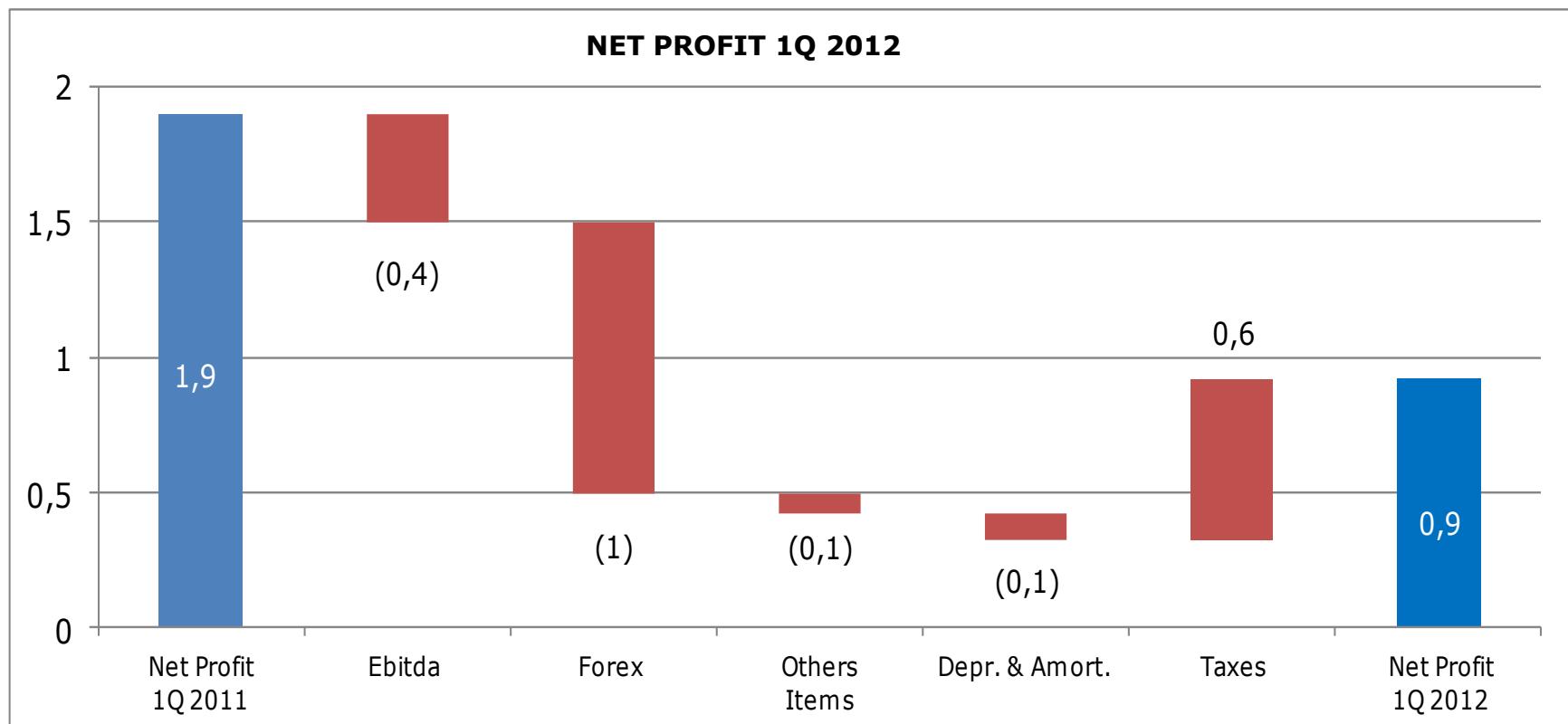
EBITDA (€ mln and % of Net Revenues)

1Q 2011 – 1Q 2012



NET PROFIT path

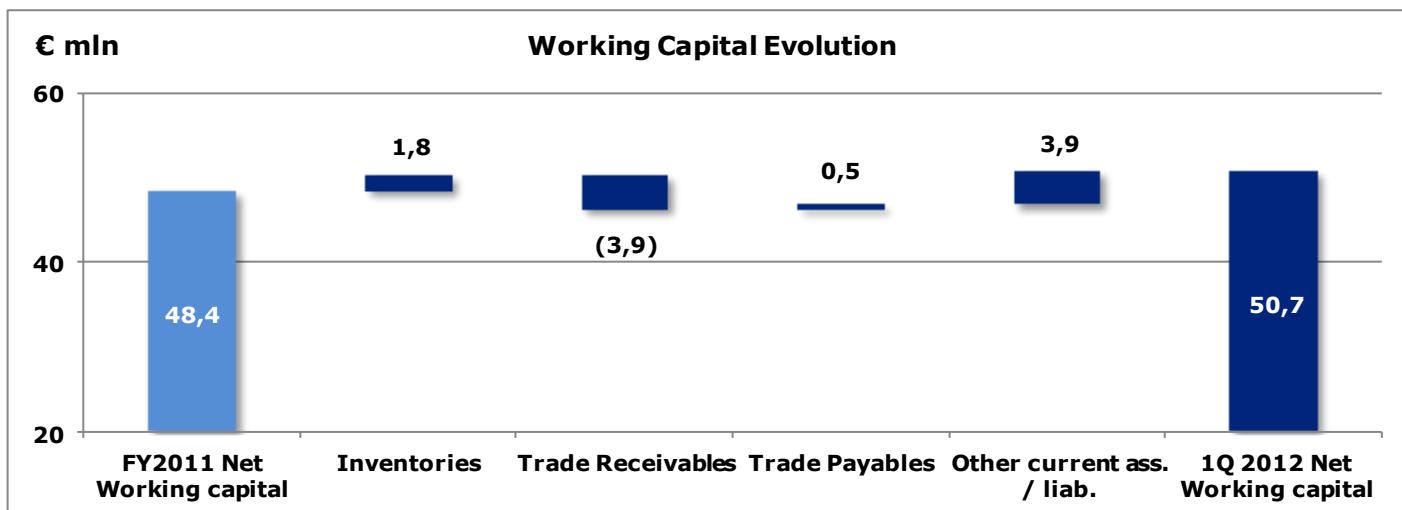
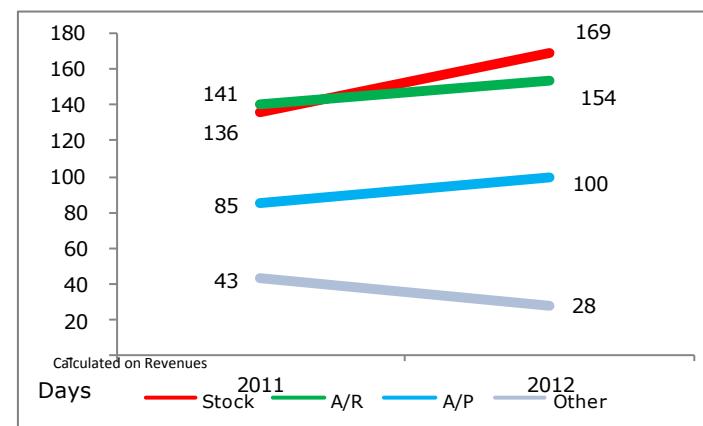
**Net Profit decrease mainly due to the Forex effect
(Non-recurring effect)**



Working Capital Evolution

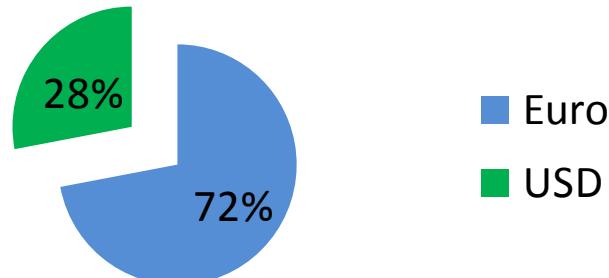
Tesmec Group

Description	2011	1Q 2012
Trade Receivables	43,9	40,0
Inventory	42,1	43,9
Trade payables	(26,5)	(26,0)
Other current asset/liabilities	(11,1)	(7,2)
Net Working Capital	48,4	50,7

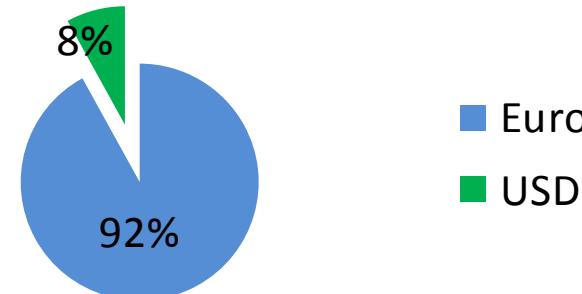


Exchange exposure 1Q 2012

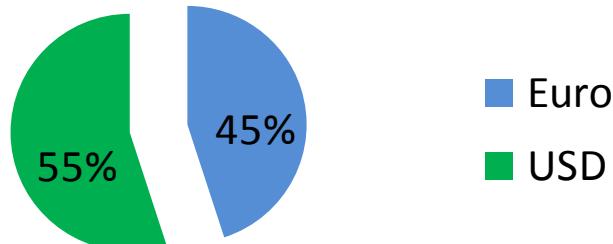
Revenues



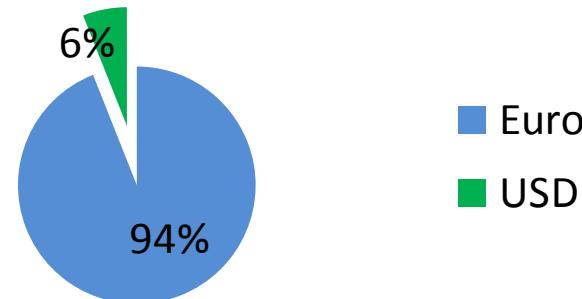
Operating Costs



Trade Receivables



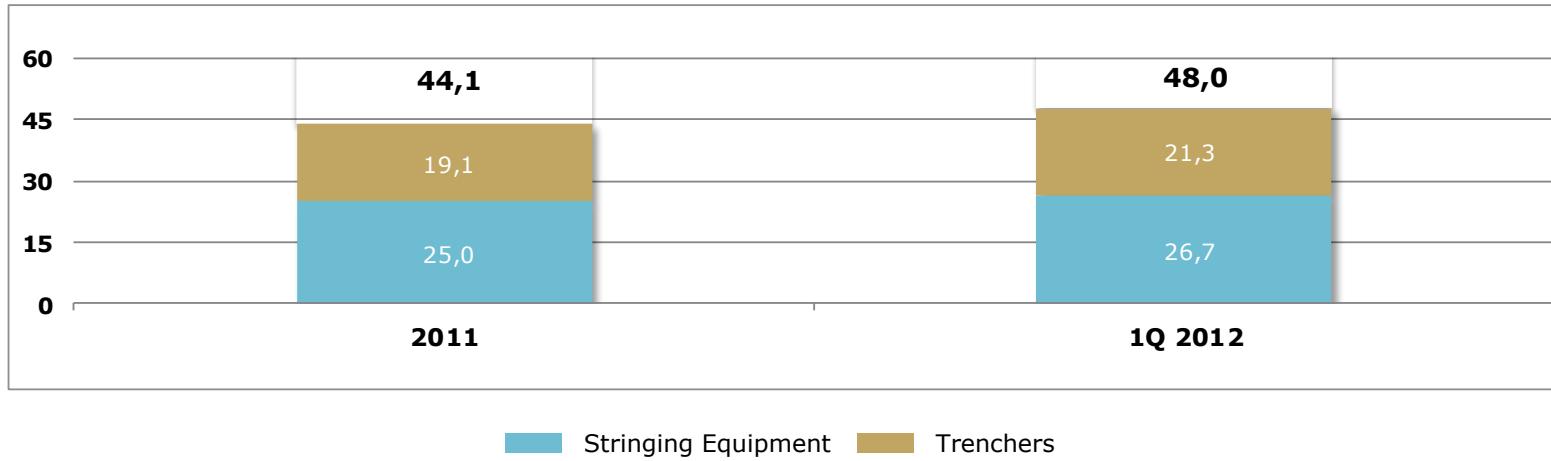
Trade Payables



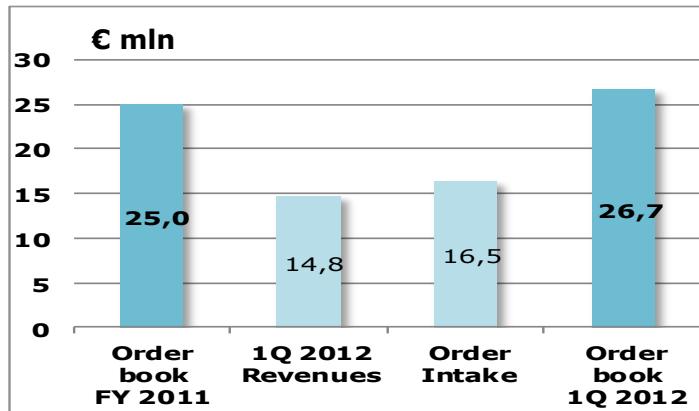
Order Book

ORDER BOOK YEAR END 2011 – 1Q 2012

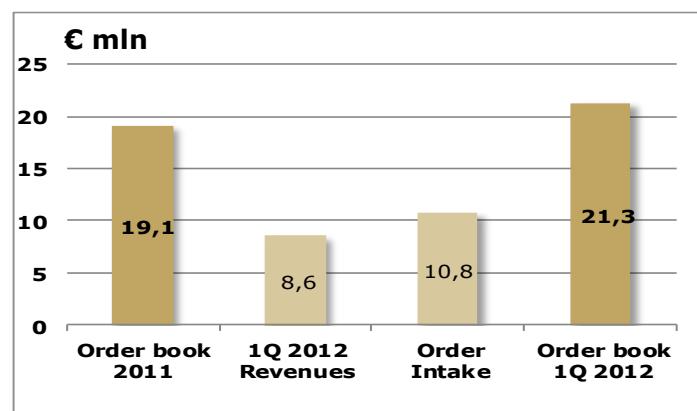
€ mln



STRINGING EQUIPMENT



TRENCHERS



Outlook 2012

The number of orders already in the backlog and the increase in the number of ongoing negotiations for both the sector Stringing and Trencher can permit to achieve in 2012 a results in line with estimated consensus.



Appendix A - Summary 1Q 2012 Profit & Loss statement

Profit & Loss Account (€ mln)	1 Q 2012	1 Q 2011	Delta vs 2011	Delta %
Net Revenues	23,3	26,5	(3,2)	-12,1%
Raw materials costs (-)	(8,9)	(11,7)	2,8	-24%
Cost for services (-)	(4,9)	(5,2)	0,3	-6%
Personnel Costs (-)	(4,9)	(4,7)	(0,2)	4%
Other operating revenues/costs (+/-)	(0,6)	(0,4)	(0,2)	36%
Capitalized R&D expenses	0,9	0,8	0,1	13%
Non recurring costs	-	-	-	-
Total operating costs	(18,4)	(21,2)	2,8	-13%
% on Net Revenues	(79%)	(80%)		
EBITDA	4,9	5,3	-0,4	-7%
% on Net Revenues	21%	20%		
Depreciation, amortization (-)	(1,4)	(1,3)	(0,1)	4%
EBIT	3,5	3,9	-0,4	-11%
% on Net Revenues	15%	15%		
Net Financial Income/Expenses (+/-)	(2,1)	(0,8)	(1,3)	163%
Taxes (-)	(0,5)	(1,2)	0,7	-58%
Minorities	-	-	-	-
Net Income (Loss)	0,9	1,9	(1,0)	-53%
% on Net Revenues	4%	7%		

Appendix B - Summary Balance Sheet

Balance Sheet (€ mln)	1Q 2012	2011
Inventory	43,9	42,1
Accounts receivable	40,0	43,9
Accounts payable (-)	(26,0)	(26,5)
Op. working capital	57,9	59,5
Other current assets (liabilities)	(7,2)	(11,1)
Net working capital	50,7	48,4
Tangible assets	38,6	38,9
Intangible assets	8,0	8,0
Financial assets	1,6	1,4
Fixed assets	48,2	48,3
Net long term liabilities	2,2	1,8
Net invested capital	101,1	98,5
Cash & near cash items (-)	(12,7)	(13,8)
Short term financial assets (-)	(2,6)	(2,4)
Short term borrowing	34,0	25,4
Medium-long term borrowing	43,3	50,4
Net financial position	61,9	59,6
Equity	39,2	38,9
Funds	101,1	98,5

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.

Grassobbio, May 11 , 2012

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



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