



Tesmec Group

Star Conference London October,2 2012



Corporate



Green Technologies

Innovation

Quality

LEADERSHIP

Efficiency

Safety

**Complete range of
products**

TRANSPORT of ENERGY, OIL&GAS, WATER, DATA&VOICE, PEOPLE

STRINGING EQUIPMENT

Stringing



Grids



Railway



Transmission & Distribution Networks
Railway Electrification & Maintenance
Manage & Control Existing Networks

TRENCHERS

Trenchers



Digging services activities



Oil & Gas pipelines, Water and sewage lines
Telecom networks and power cable installation
Bulk excavation of rock and Quarries
Dewatering and drainages
Services and Consultancy

MISSION

Become a GLOBAL player in the market of TRANSPORT of electricity, data and materials (oil & derivatives, gas, water) and people by providing integrated solutions (machines / equipment + engineering) for different projects WORLDWIDE

Tesmec Stringing

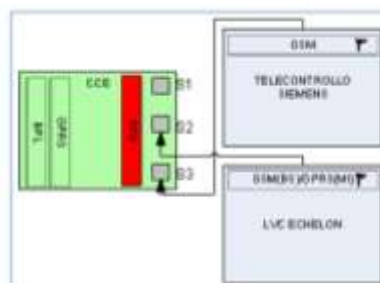


TESMEC Stringing





TESMEC Grids





**TESMEC
Railway**



Tesmec Trenchers

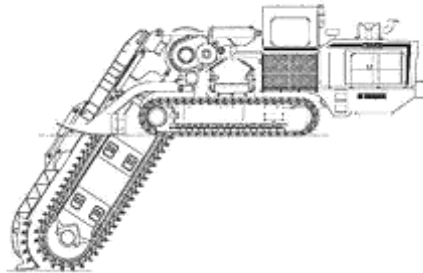
TESMEC Trenchers



Tesmec Digging services activities



TESMEC Special Contracting



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■ If we are allowed to work in the middle of the service, there will be a significant impact on the production along the total length of the service. If we are not allowed to work in the middle of the service, we cannot offer the best performance when right or left side than the center of the service.

Figure 1: Typical Cross Section for Trench 1

Other Options: you find the replacement of lost sections or aggregate needed are:

■ OPTION 2: - the water depth: increased depth of installed trench is 3000mm (10ft). The depth of installed trench in service are +12 to 100 mm (about 1/2 to 4 in) less over the pipe, as currently required in the document: "Standard 2" - "general details".

Figure 2: Typical Cross Section for Trench 2 - Increased Depth in Trench/Bed

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■ OPTION 3: - the water depth: we suggest you install trench depth is 3000mm (10ft). The depth of the installed trench in each end should be 910 mm. In this case the building can be raised one partially with concrete to reach the required structural protection.

Figure 3: Typical Cross Section for Trench 3 - Reduced Depth in Bed

1.1.3.3.3

In the following table a summary of the general important quantities of the project:

ITEM CODE	Unit	Excavate Trenches	Install Bed Layer	Backfill
1	m	10.0	10.0	10.0
2	m	10.0	10.0	10.0
3	m	10.0	10.0	10.0
4	m	10.0	10.0	10.0
5	m	10.0	10.0	10.0
6	m	10.0	10.0	10.0
7	m	10.0	10.0	10.0
8	m	10.0	10.0	10.0
9	m	10.0	10.0	10.0
10	m	10.0	10.0	10.0
11	m	10.0	10.0	10.0
12	m	10.0	10.0	10.0
13	m	10.0	10.0	10.0
14	m	10.0	10.0	10.0
15	m	10.0	10.0	10.0
16	m	10.0	10.0	10.0
17	m	10.0	10.0	10.0
18	m	10.0	10.0	10.0
19	m	10.0	10.0	10.0
20	m	10.0	10.0	10.0
21	m	10.0	10.0	10.0
22	m	10.0	10.0	10.0
23	m	10.0	10.0	10.0
24	m	10.0	10.0	10.0
25	m	10.0	10.0	10.0
26	m	10.0	10.0	10.0
27	m	10.0	10.0	10.0
28	m	10.0	10.0	10.0
29	m	10.0	10.0	10.0
30	m	10.0	10.0	10.0
31	m	10.0	10.0	10.0
32	m	10.0	10.0	10.0
33	m	10.0	10.0	10.0
34	m	10.0	10.0	10.0
35	m	10.0	10.0	10.0
36	m	10.0	10.0	10.0
37	m	10.0	10.0	10.0
38	m	10.0	10.0	10.0
39	m	10.0	10.0	10.0
40	m	10.0	10.0	10.0
41	m	10.0	10.0	10.0
42	m	10.0	10.0	10.0
43	m	10.0	10.0	10.0
44	m	10.0	10.0	10.0
45	m	10.0	10.0	10.0
46	m	10.0	10.0	10.0
47	m	10.0	10.0	10.0
48	m	10.0	10.0	10.0
49	m	10.0	10.0	10.0
50	m	10.0	10.0	10.0
51	m	10.0	10.0	10.0
52	m	10.0	10.0	10.0
53	m	10.0	10.0	10.0
54	m	10.0	10.0	10.0
55	m	10.0	10.0	10.0
56	m	10.0	10.0	10.0
57	m	10.0	10.0	10.0
58	m	10.0	10.0	10.0
59	m	10.0	10.0	10.0
60	m	10.0	10.0	10.0
61	m	10.0	10.0	10.0
62	m	10.0	10.0	10.0
63	m	10.0	10.0	10.0
64	m	10.0	10.0	10.0
65	m	10.0	10.0	10.0
66	m	10.0	10.0	10.0
67	m	10.0	10.0	10.0
68	m	10.0	10.0	10.0
69	m	10.0	10.0	10.0
70	m	10.0	10.0	10.0
71	m	10.0	10.0	10.0
72	m	10.0	10.0	10.0
73	m	10.0	10.0	10.0
74	m	10.0	10.0	10.0
75	m	10.0	10.0	10.0
76	m	10.0	10.0	10.0
77	m	10.0	10.0	10.0
78	m	10.0	10.0	10.0
79	m	10.0	10.0	10.0
80	m	10.0	10.0	10.0
81	m	10.0	10.0	10.0
82	m	10.0	10.0	10.0
83	m	10.0	10.0	10.0
84	m	10.0	10.0	10.0
85	m	10.0	10.0	10.0
86	m	10.0	10.0	10.0
87	m	10.0	10.0	10.0
88	m	10.0	10.0	10.0
89	m	10.0	10.0	10.0
90	m	10.0	10.0	10.0
91	m	10.0	10.0	10.0
92	m	10.0	10.0	10.0
93	m	10.0	10.0	10.0
94	m	10.0	10.0	10.0
95	m	10.0	10.0	10.0
96	m	10.0	10.0	10.0
97	m	10.0	10.0	10.0
98	m	10.0	10.0	10.0
99	m	10.0	10.0	10.0
100	m	10.0	10.0	10.0

*As per OPTION 1 assumption



Technologies for a Sustainable Development



ISEQ Concept

The advanced technologies developed by Tescmec are always focused on getting the best in terms of Innovation, Safety, Efficiency and Quality. The common denominator is respect for the ENVIRONMENT.

INNOVATION has made it possible for Tescmec to become what it is today. The development of better or more effective technologies, processes and products is a priority for everyone in Tescmec.

Tescmec has always been extremely sensitive to **SAFETY**. The SAFETY of Tescmec machines is the result of 60 years' experience in designing and manufacturing. At Tescmec, no job is so urgent that it cannot be done safely.

We have a commitment to our customers: **EFFICIENCY**. That means fast execution and cost savings. To achieve even greater EFFICIENCY, Tescmec R&D Division works with the aim to optimize all the processes.

QUALITY is a mandatory requirement for Tescmec. QUALITY is a must: everything we make must be as good as it can be. Superior QUALITY standard leads to leadership positions.

Global presence



1 Headquarter (Grassobbio) and 4 production sites in Italy (Grassobbio, Endine, Sirone, Monopoli)



Trencher production facility in Alvarado



JV for the supply of stringing equipment to the US market



Qatar JV for Arabic Peninsula



Representative office in China

意大利泰斯美克股份有限公司北京代表处
Tesmec S.p.A. Beijing Representative Office



Group subsidiary for Balkan area



Group subsidiary for Services activities



Group subsidiary for the supply of trenchers



Group subsidiary in Russia

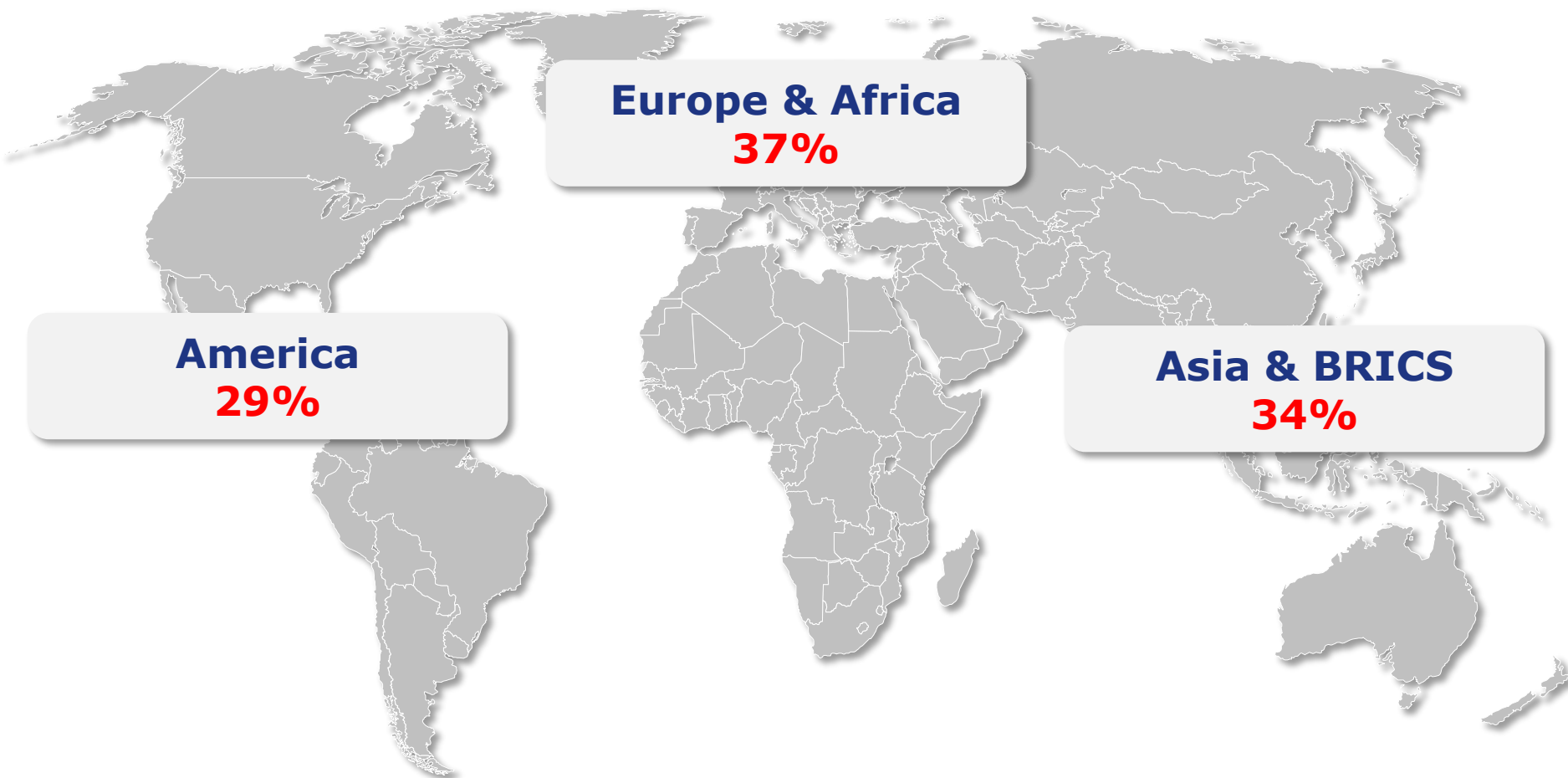


Group subsidiary for trenching services



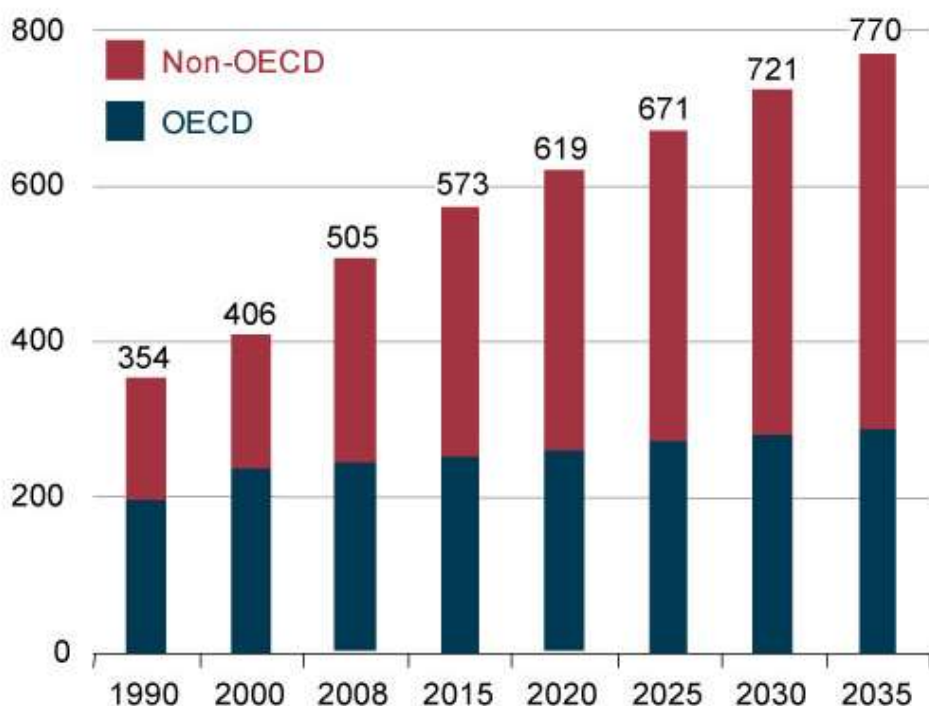
Strategic investment for power grid management

International Presence

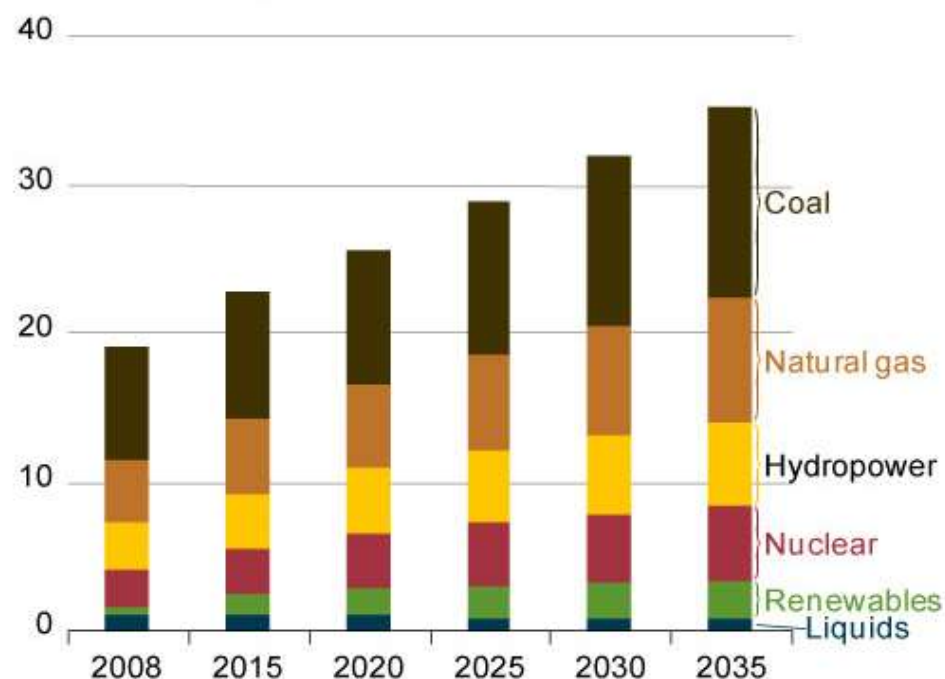


World Energy Trend

**World energy consumption, 1990-2035
(quadrillion Btu)**

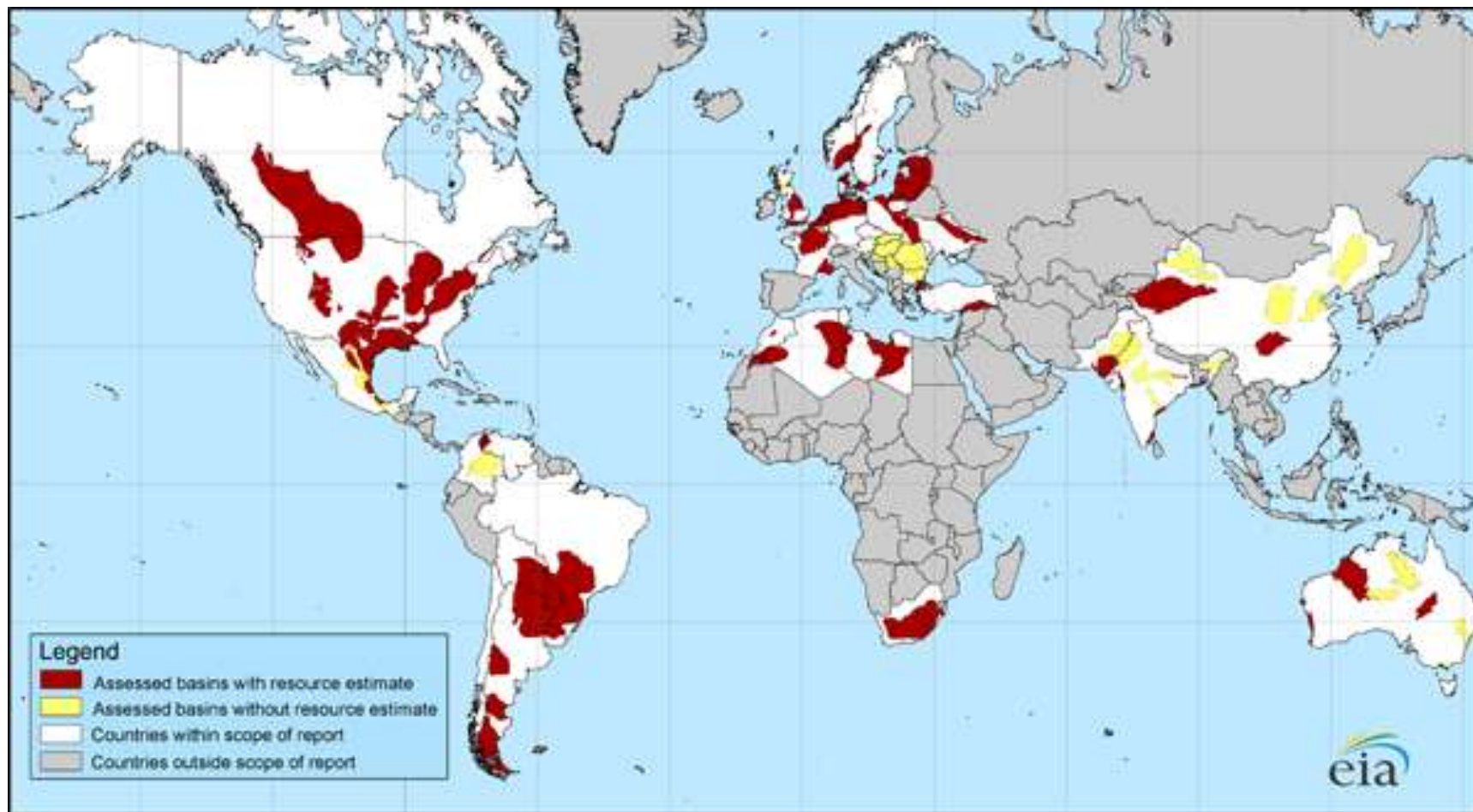


**World net electricity generation by fuel type,
2008-2035
(trillion kilowatthours)**



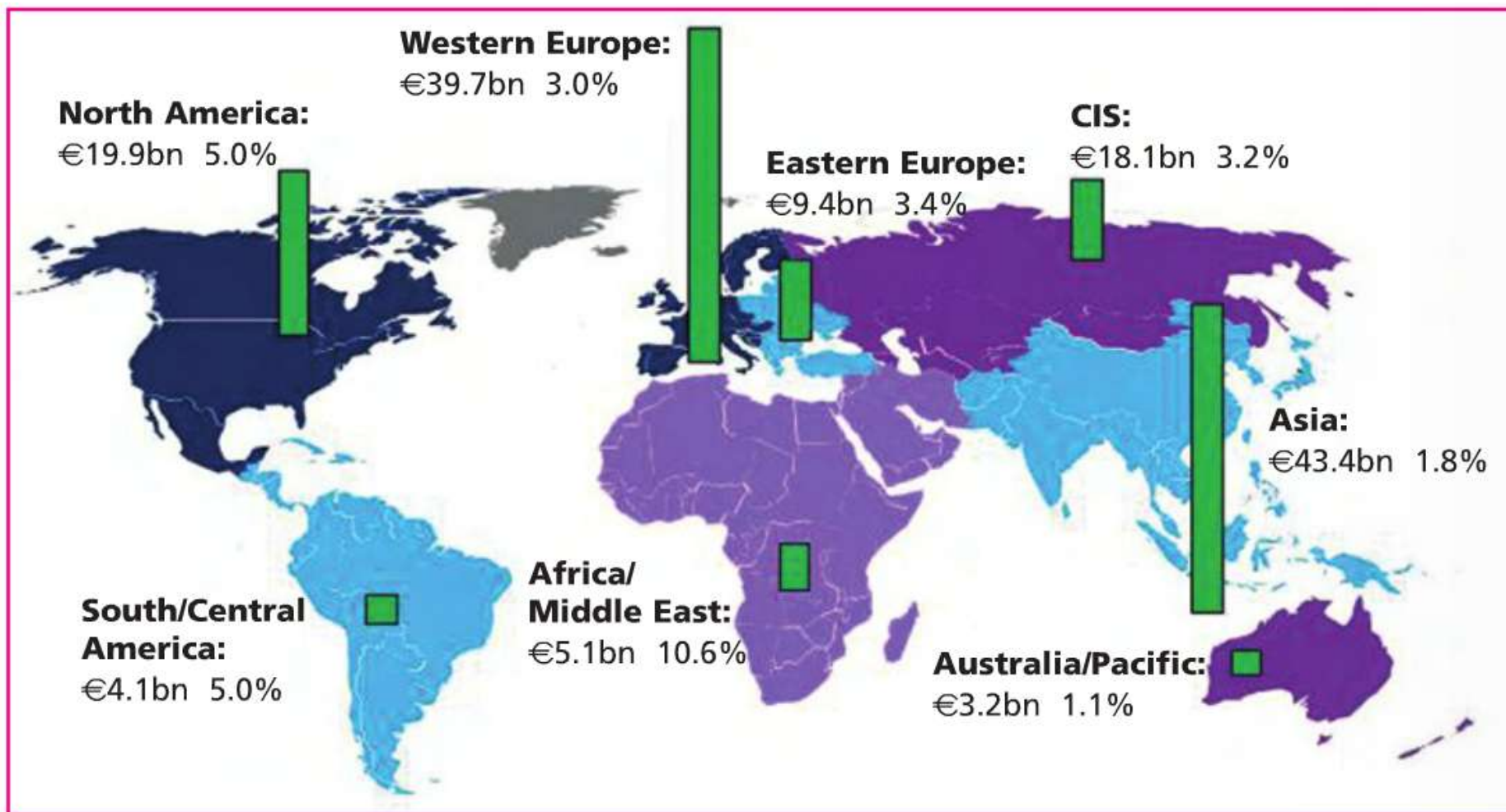
Source: EIA (www.eia.gov) website http://www.eia.gov/forecasts/ieo/more_highlights.cfm#world

Shale Gas is a global phenomenon



*Source: [U.S. Energy Information Administration](http://205.254.135.24/todayinenergy/detail.cfm?id=811) based on Advanced Resources International, Inc. data
(<http://205.254.135.24/todayinenergy/detail.cfm?id=811>)

Rail market volumes and rate of growth up to 2016

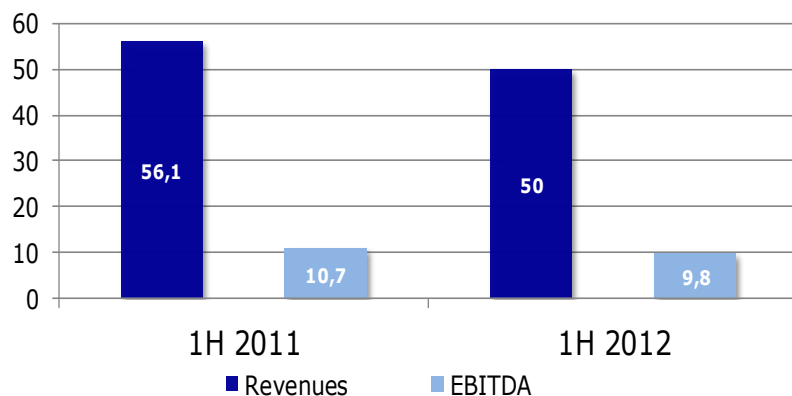


1H 2012 Results

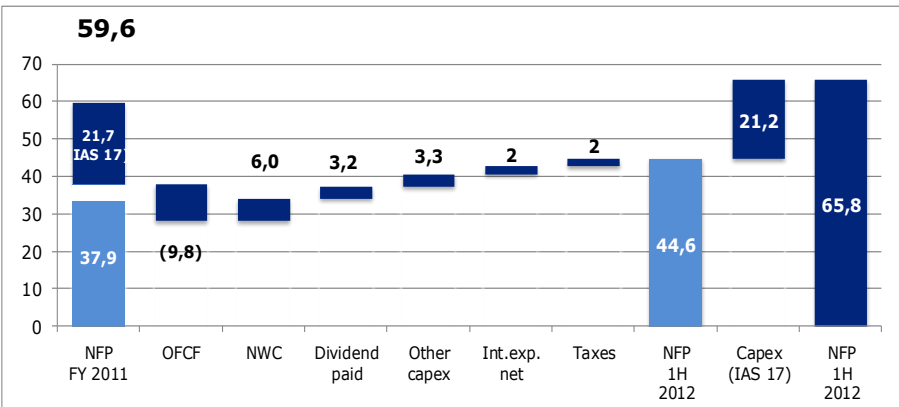
Income Statement (€ mln)	1H 2011	1Q 2012	2Q 2012	1H 2012	1H2012 vs 1H2011 delta %
Revenues	56,2	23,3	26,7	50,0	-11%
EBITDA	10,7	4,9	4,9	9,8	-8%
% Revenues	19%	21%	18%	20%	
EBIT	8,0	3,5	3,4	6,9	-14%
% Revenues	14%	15%	13%	14%	
Net income	3,3	0,9	2,4	3,3	0%
% Revenues	6%	4%	9%	7%	

Financial Information (€mln)	Tesmec (Cons.)	
	2011	1H 2012
Net working capital	48,4	54,4
Non current assets	48,2	49,5
Other LT assets/(liab)	1,9	1,2
Net invested capital	98,5	105,1
Net financial indebtedness	59,6	65,8
Equity	38,9	39,3
Total equity and net financial indebtedness	98,5	105,1

€ mln



€ mln



Tesmec confirms consensus estimates based on the expectations that the following factors will have a positive impact on both volumes and margins of the second half year:

- Recovery of TR sales in the ME area boosted by:
 - low stock levels;
 - market recovery;
 - launch of new line of TrenchTronic machines;
- Consolidation of TR and TE sales recovery in US market;
- Higher TE sales in railway thanks to new deals the newly acquired competences and to the wider product range



- **Carry on the Internationalization process**

Keep developing the business in key areas North America, Russia and ex-USSR, South Africa, Persian Gulf, the Balkans area. The development will be achieved either by International Joint-Venture agreement and development of existing sale network.

- **Development in traditional business and good opportunity from new business**

Good results from traditional business (Stringing and Trencher) plus good contribute by new business opportunities in Railway and Smart Grid.

- **Railway electrification & maintenance**

Investment in new high-speed lines and in the maintenance of overhead related to the progressive development of the lines of high speed throughout the world permit to open the new segment of the "diagnostic" for preventing failures.

Tesmec USA subsidiary of Tesmec Group - thanks to the development of an innovative system for the electrification and maintenance of the "Production Wire Train" - 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.

- **Special contracting focus on Middle East and other countries**

Offering of technical services related to heavy duty truck trencher for to increase the efficiency of the yard. The combination of a cutting-edge product and a deep knowledge on the use of innovative technologies is a winning combination for high performance in digging.

Tesmec Group strengths and opportunity

- Global Business with exposure to emerging markets with a “glocal” presence (Central & West Europe, Africa, Americas and Oceania, Est Europe, Middle East and Central Asia)
- Strong exposure to growth trend of transport and energy infrastructure
- Business niche (small markets, few competitors) and high margin
- High technological know-how improved every year with investment in R&D
- Good dividend pay-out ratio in industrial sector
- High investors quality



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