



60 YEARS
ANNIVERSARY
1951 - 2011

Tesmec Group



Corporate



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- **Company Profile**
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Tesmec Group mainly operates in the market of infrastructure for the transport of electricity, data and materials (petroleum and derivatives, gas, water), a strategic area for growth and modernization of each Country.



TWO BUSINESS UNITS

Integrated systems for stringing power lines, fiber optic cables and electric power lines for railways

High powered tracked trenchers for linear excavation of underground networks and pipelines or bulk excavation and, to a less extent, Gallmac multipurpose machines

Products and Markets

Mission

Design, production and marketing of integrated solutions for the construction and maintenance of infrastructures such as aerial and underground networks and pipelines.

Business lines

STRINGING EQUIPMENT

TRENCHERS

Products

Stringing
Equipment

Railway
Equipment

Trenchers

Multipurpose
Machines



Markets

Power Lines

Railway Lines

**Civil
Infrastructures**

**Urban
Constructions**

Transmission &
Distribution
Networks

Catenary
Installations





Oil, Gas, Water &
Sewage Pipelines,
Bulk Excavation

Road Jobs,
Construction,
Utilities

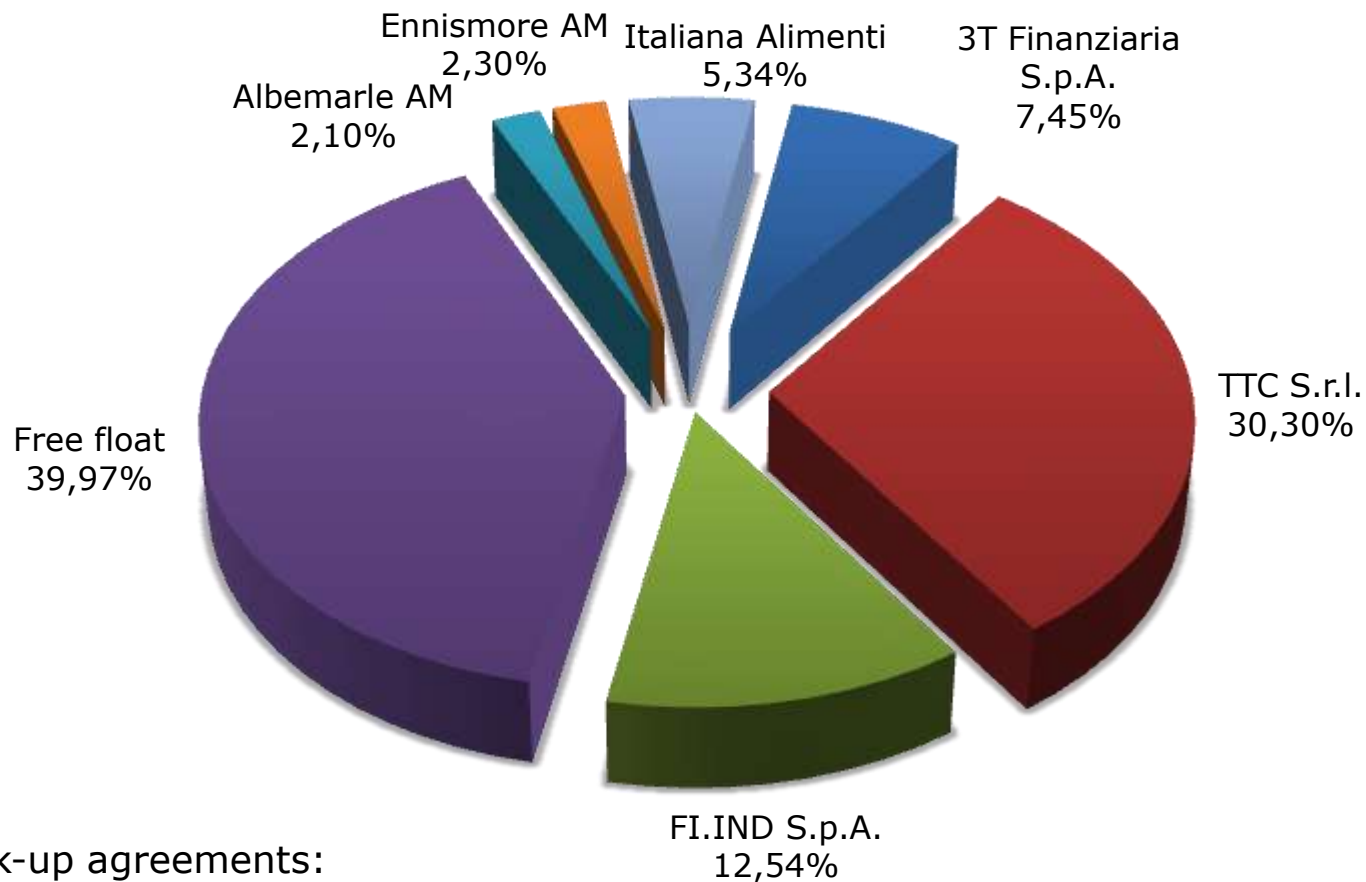
Global Footprint



Production Plants

	TOTAL AREA (m ²)	COVERED AREA (m ²)	PRODUCTS	ACTIVITIES
GRASSOBBIO (BG - 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)				
	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)				
	93,000	16,000	<ul style="list-style-type: none"> Trenchers 	<ul style="list-style-type: none"> Assembly Testing
SIRONE (LC - Italy)				
	18,000	6,750	<ul style="list-style-type: none"> Components 	<ul style="list-style-type: none"> Mechanical works Quality control Assembly

Shareholding Structure



Post IPO lock-up agreements:

- TESMEC: 360 days
- TTC & FI.IND.: 360 days
- 3T Finanziaria: 180 days

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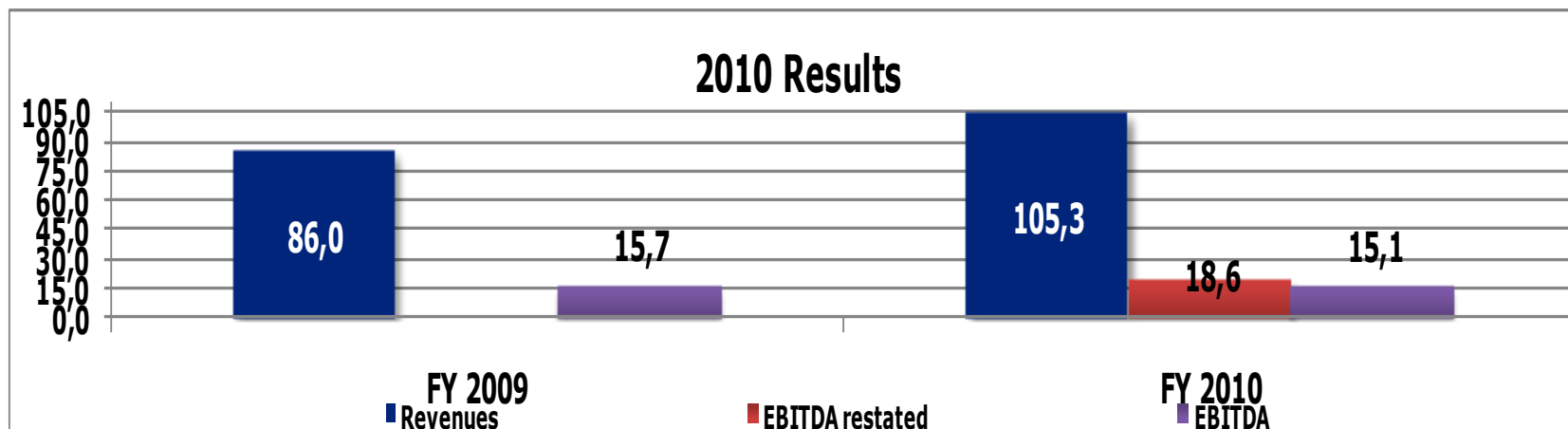
2010 Results

Income Statement (€ m)	Tesmec (Cons.)		
	FY 2009	FY 2010	delta %
Revenues	86,0	105,3	22,4%
EBITDA restated*	15,7	18,6	18,1%
% Revenues	-	17,7%	
EBITDA reported	15,7	15,1	-4,1%
% Revenues	18,3%	14,3%	
EBIT	12,3	9,6	-22,1%
% Revenues	14,3%	9,1%	
Net income/(loss) restated*	7,4	7,6	2,7%
% Revenues	-	7,2%	
Net income/(loss)	7,4	5,2	-29,4%
% Revenues	8,6%	4,9%	

* Not including €3,5 mln of non recurring costs related to IPO

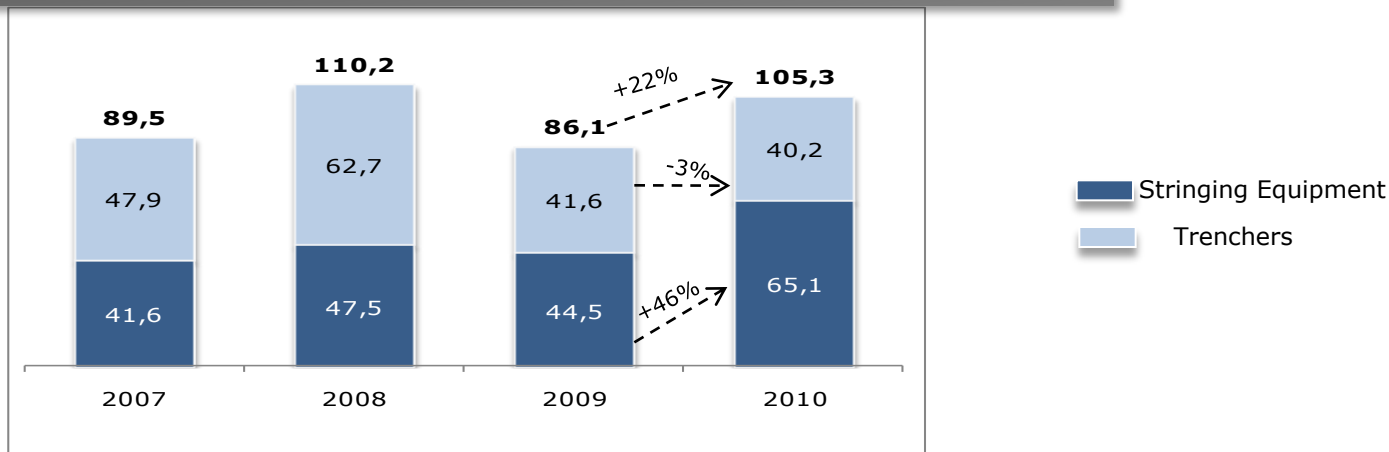
Financial Information (€m)	Tesmec (Cons.)		
	FY 2009	FY 2010	delta%
Net working capital	43,1	40,2	-7%
Non current assets	24,0	26,1	9%
Other LT assets/(liab)	(0,1)	1,1	na
Net invested capital	67,1	67,4	1%
Net financial indebtedness	46,2	32,7	-29%
Equity	20,9	34,7	66%
Total equity and net financial indebtedness	67,1	67,4	37%

€ mln

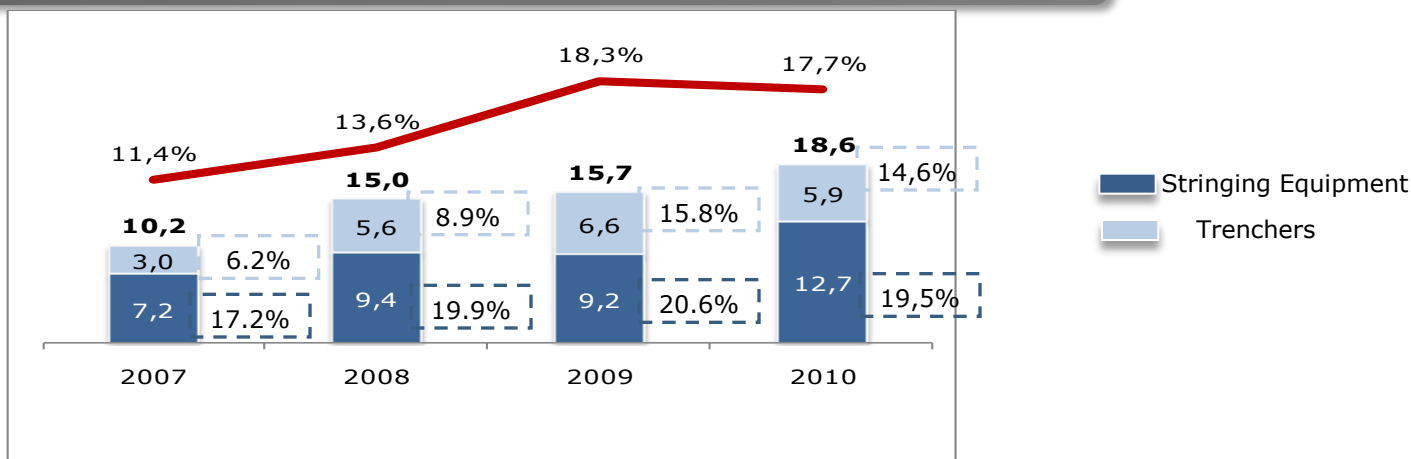


Strong revenues growth supported by stringing

- Revenues (€ mln)



- EBITDA (€ mln and % of Net Revenues)



International scale and exposure to growing economies

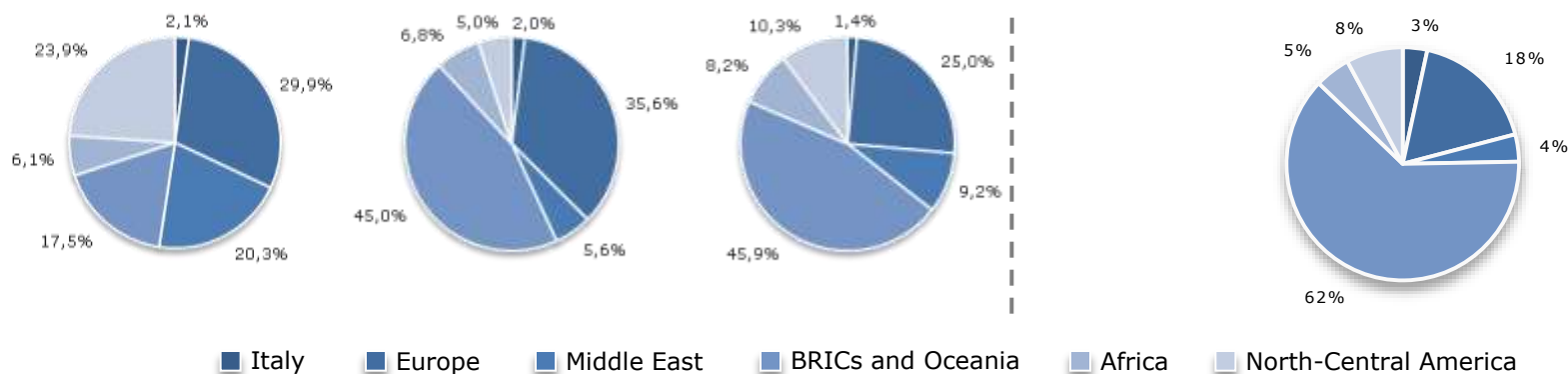
2007

2008

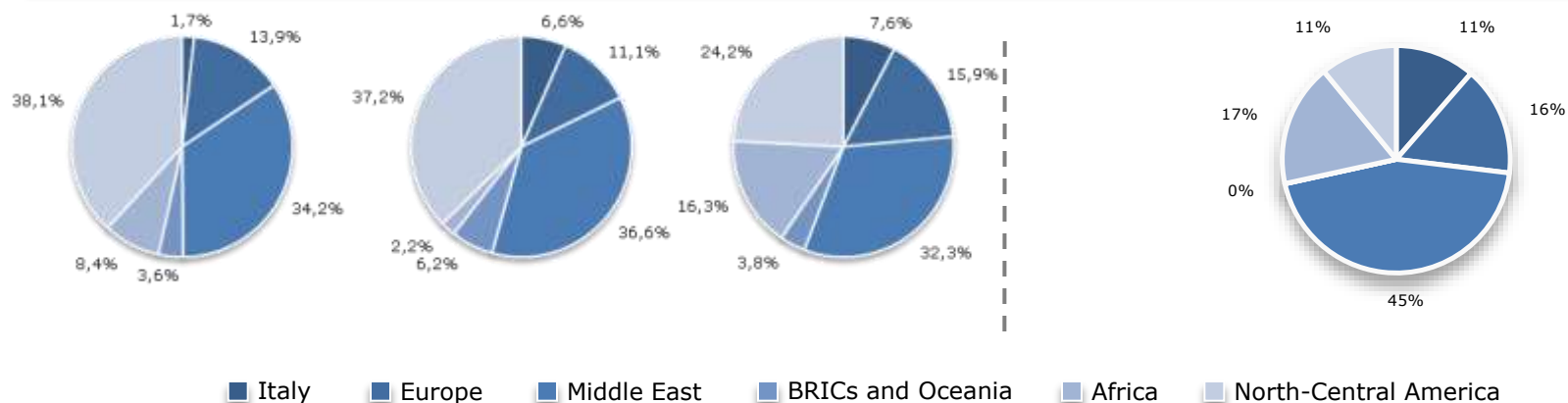
2009

2010

Stringing equipment



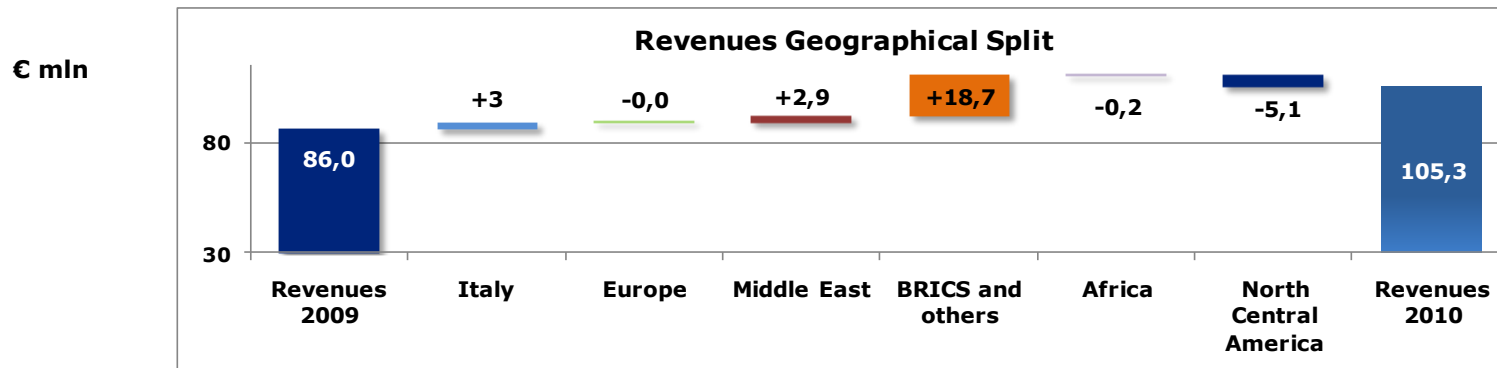
Trenchers



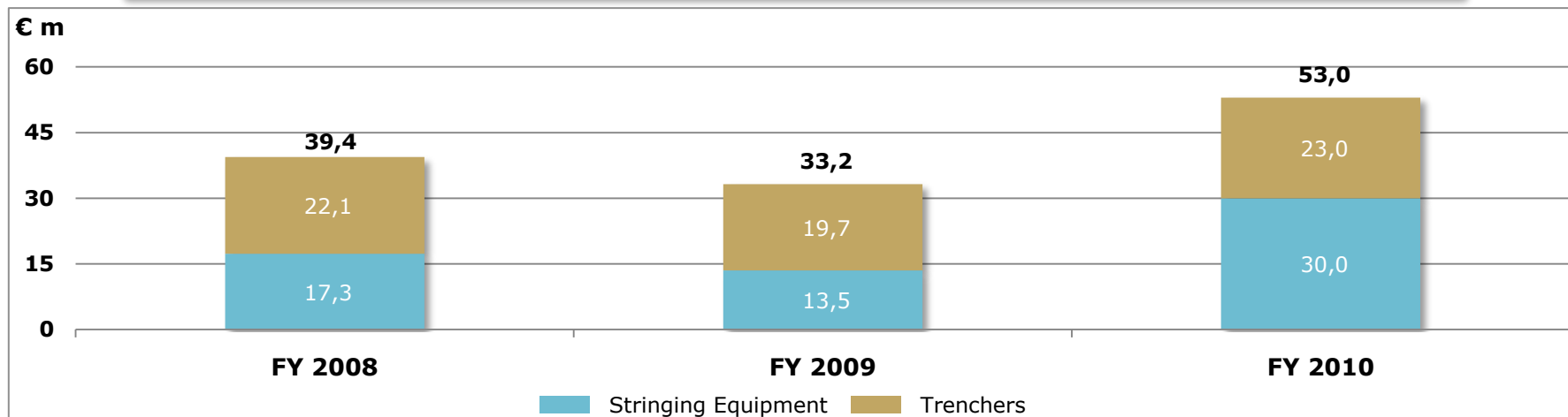
Revenues Geographical Split

Tesmec Group

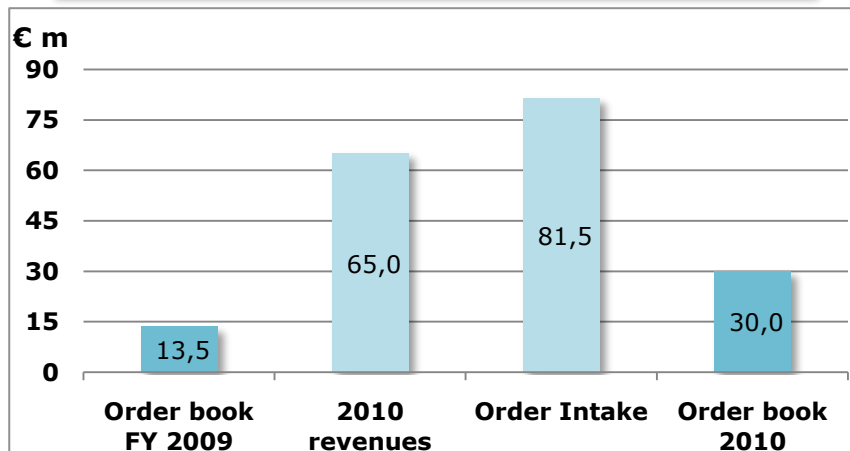
- Revenue increase in Stringing was mainly driven by increasing sales in BRICS (India, CIS, China and South America)
- Middle East growth in Trenching more than compensated by decrease in North America



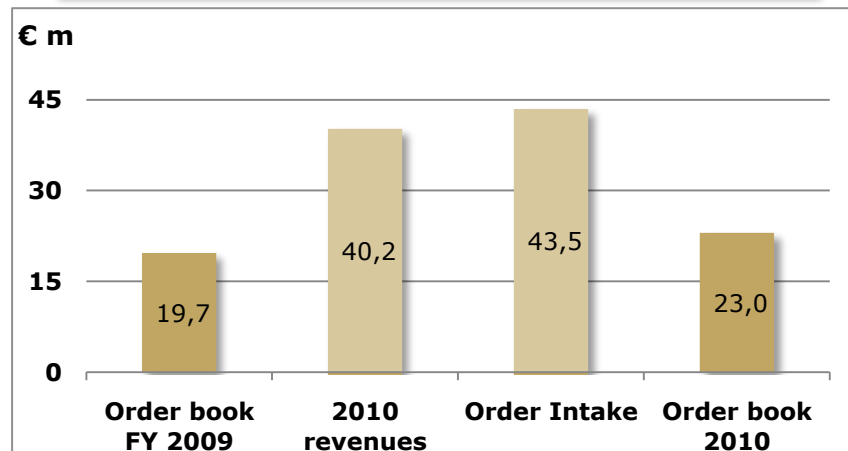
ORDER BOOK 2008 – 2010



STRINGING EQUIPMENT

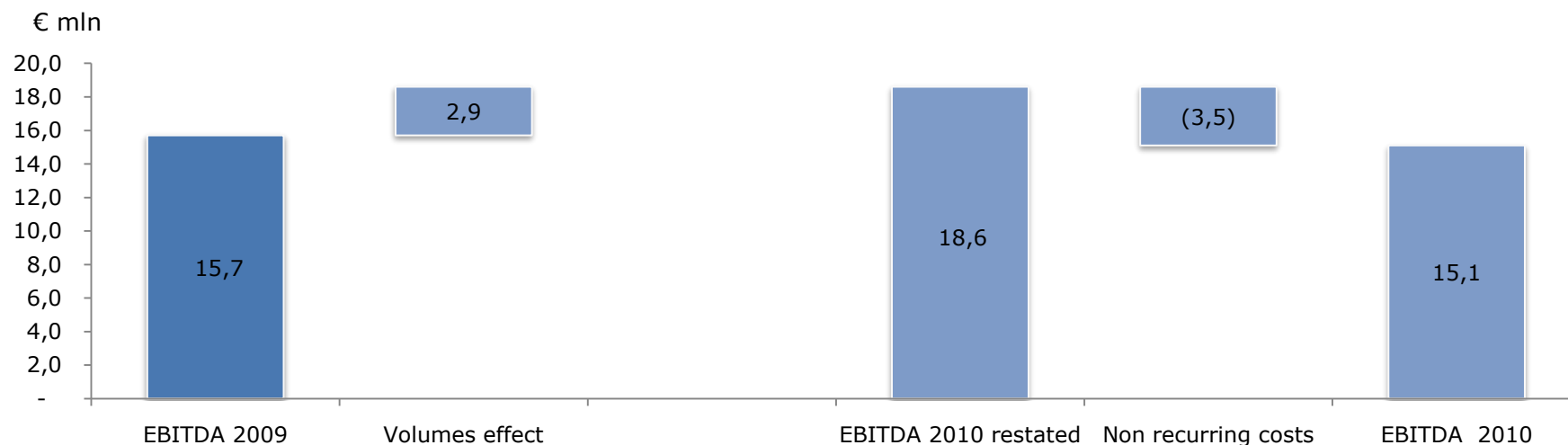


TRENCHERS



Tesmec Group

- Operating leverage, exchange rate, increasing Stringing weight and the “service” business all contributed to increase EBITDA 2010
- Volumes effect accounted for 16% of total EBITDA restated increase
- Reported EBITDA was impacted by IPO costs

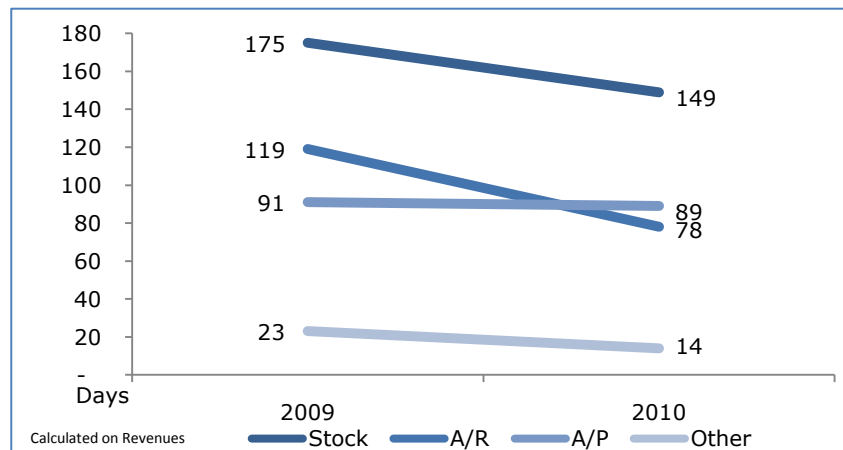
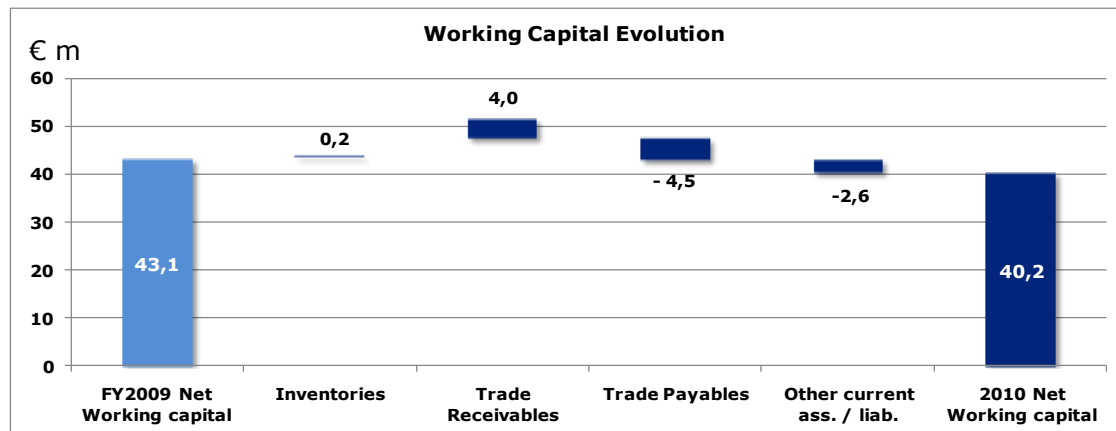


Non recurring costs related to IPO process

Working Capital Evolution

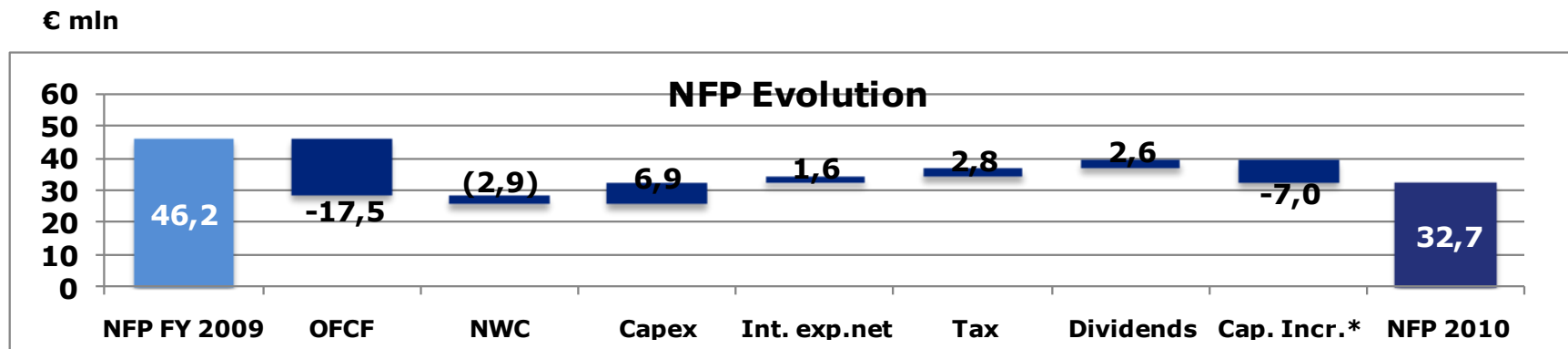
Tesmec Group

- Working capital decreased its weight on revenues from 50% to 38%
- Receivables were impacted by revenues generated during the fiscal year 2010
- Payables increase was mainly linked to purchases related to increasing production



Tesmec Group

- NFP benefited from positive operating cash generation in the period equal to 17,5 mln
- Decrease NWC is related to increase of other liabilities and trade payables
- In the period were paid dividends for € 2,6m

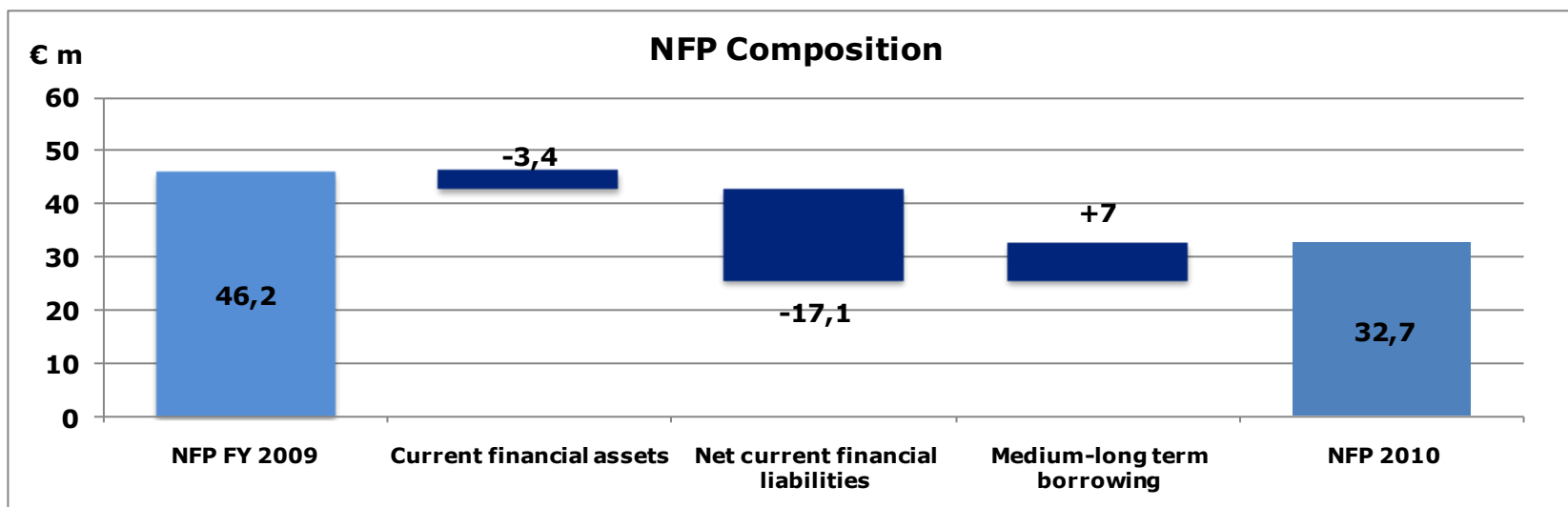


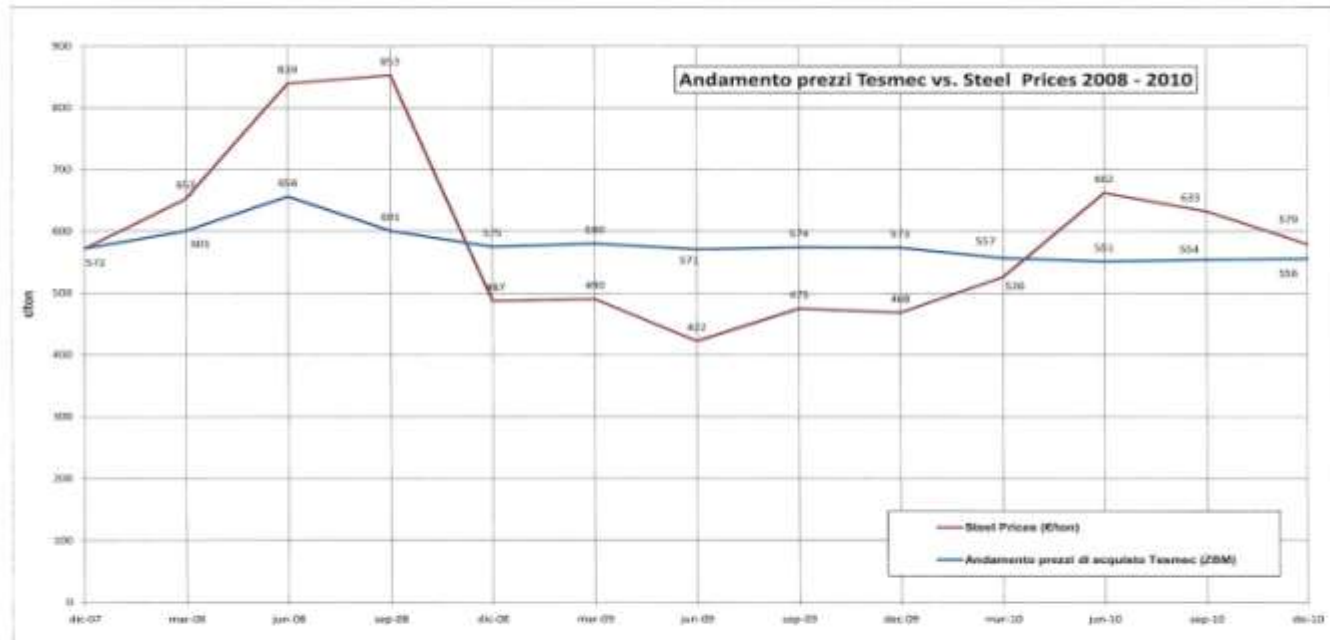
* Net Share Capital Increase, net of costs paid in the period related to the IPO

Tesmec Group

- D/E ratio from 2,2x (FY2009) to 0,9 x (2010)
- NFP/EBITDA from 2,9x (FY2009) to 1,8 x* (2010)

* EBITDA before non recurring costs





Saving actions

- Contracts revision with key suppliers with the target of maintaining costs to 2009 level
- Certification and start up of new suppliers in low cost areas mainly for steel structures (i.e. Bulgaria and Romania steel workshops)

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Summary Profit & Loss statement

Profit & Loss Account (€ m)	Actual			
	2007	2008	2009	2010
Net Revenues	89,5	110,2	86,1	105,3
YoY%		23,1%	(21,9%)	22,3%
Raw materials costs (-)	(49,1)	(56,6)	(38,5)	(48,7)
Cost for services (-)	(17,5)	(22,1)	(16,6)	(20,6)
Personnel Costs (-)	(11,2)	(15,9)	(15,5)	(17,1)
Other operating revenues/costs (+/-)	(2,9)	(3,2)	(2,7)	(3,7)
Capitalized R&D expenses	1,3	2,6	3,0	3,4
Total operating costs	(79,4)	(95,2)	(70,3)	(86,7)
% on Net Revenues	(88,6%)	(86,4%)	(81,7%)	(82,3%)
EBITDA adjusted	10,2	15,0	15,7	18,6
YoY%		10,6%	-15,0%	18,0%
% on Net Revenues	11%	14%	18%	18%
Non recurring Listing costs				-3,5
EBITDA	10,2	15,0	15,7	15,1
% on Net Revenues	11,4%	13,6%	18,3%	17,7%
Depreciation, amortization (-)	(1,4)	(2,7)	(3,4)	(5,5)
EBIT	8,7	12,4	12,3	9,6
% on Net Revenues	9,8%	11,2%	14,3%	9,1%
Net Financial Income/Expenses (+/-)	(2,0)	(2,1)	(2,8)	(1,6)
Taxes (-)	(3,3)	(3,1)	(2,2)	(2,8)
Minorities	(0,02)	(0,01)	(0,01)	(0,01)
Net Income (Loss)	3,5	7,1	7,4	5,2

Summary Balance Sheet

Balance Sheet (€ m)	Actual			
	2007	2008	2009	2010
Inventory	30,9	45,6	42,0	42,2
Accounts receivable	18,8	23,9	28,5	32,5
Accounts payable (-)	(19,9)	(27,4)	(21,8)	(26,3)
Net working capital	29,8	42,1	48,6	48,4
Other current assets (liabilities)	(6,5)	(3,7)	(5,5)	(8,2)
Net current assets	23,2	38,4	43,1	40,2
Tangible assets	6,5	9,7	17,2	18,0
Intangible assets	2,7	4,5	5,7	6,8
Financial assets	0,4	0,2	2,4	1,3
Fixed assets	9,6	14,4	25,2	26,1
Long term liabilities	(0,6)	0,0	(1,3)	1,1
Net invested capital	32,3	52,8	67,1	67,4
Cash & near cash items (-)	(5,3)	(3,2)	(1,4)	(7,8)
Short term financial assets (-)	(2,5)	(4,1)	(3,4)	(0,4)
Short term borrowing	18,2	30,5	38,6	20,9
Medium-long term borrowing	11,0	13,9	12,4	20,0
Net financial position	21,4	37,1	46,2	32,7
Equity	10,9	15,7	20,9	34,7
Funds	32,3	52,8	67,1	67,4



TESMEC S.p.A - Headquarters

via Zanica, 17/O - 24050 Grassobbio (BG) - Italy

Tel. +39.035.423 2911 - Fax +39.035.4522444 Management and Administration

Fax +39.035.4522445 Stringing Equipment Division - Fax +39.035.335664 Trencher Division

www.tesmec.com - info@tesmec.it