14.03.2014

Tesmec S.p.A.: the Board of Directors approves the Draft Financial Statements and the Consolidated Financial Statements as at 31 December 2013[1].

Main consolidated results for the 2013 financial period (*vs.* the 2012 financial period):

- **Revenues: Euro 113.5 million** (compared to Euro 119.8 million as at 31 December 2012)
- **EBITDA[2]: Euro 19.5 million** (compared to Euro 24,5 million as at 31 December 2012)
- **Operating income (EBIT): Euro 12.5 million** (compared to Euro 17.8 million as at 31 December 2012)
- **Net profit: Euro 4.4 million (compared to Euro 8.3 million as at 31 December 2012)**
- **Net financial indebtedness**: Euro 68.8 million (compared to Euro 56.5 million as at 31 December 2012). The Net financial indebtedness as at 31 December 2013 would **total Euro 48.9 million** (**Euro 35.8 million as at 31 December 2012**) without considering the effects of IAS 17 for the lease contract of the premises of Grassobbio

- **Total Backlog: Euro 55 million down on the previous year but an improvement compared to the previous quarter** (Euro 60.9 million as at 31 December 2012)

Other resolutions:

- **The issue of a 7-year bond loan totalling Euro 15 million was approved.**
- **The Ordinary Shareholders' Meeting was convened on 30 April 2014 at 10.30 a.m. at the operating premises of Grassobbio**
- **A dividend of Euro 0.016 per share was proposed. The dividend will be paid on 29 May 2014 (with payment date 26 May 2014 and with record date 28 May 2014)**
- **The annual Report on Corporate Governance and Ownership Structure, the remuneration policy and the annual Report on Remuneration were approved and the independence requirements were verified.**

***Milano, 14 March 2014* – The Board of Directors** of **Tesmec S.p.A.** (MTA, STAR: TES), among the main world players able to offer **integrated solutions for infrastructures** for the transmission of electrical power, data and material transport, convened today and chaired **by Ambrogio Caccia Dominioni**, examined and

[1] The consolidated financial statements and the draft financial statements are the subject matter of an audit still to be completed to date.

[2] EBITDA is represented by the operating income gross of amortisation/depreciation. The EBITDA thus defined represents a measurement used by Company management to monitor and assess the company's operating performance. EBITDA is not recognised as a measure of performance by the IFRS and therefore is not to be considered an alternative measurement for assessing the performance of the Group operating income. As the composition of EBITDA is not governed by the reference accounting standards, the criterion for determination applied by the Group may not be in line with the criterion adopted by others and therefore not comparable.

approved the **Draft Financial Statements and the Consolidated Financial Statements as at 31 December 2013**.

The main results of the 2013 financial period of the Group were affected by the strong devaluation of local currencies compared to the Euro in important markets, which resulted in a time shift in the implementation of infrastructure projects, by the unfavourable EUR/USD exchange rate and by the delay in progressing orders related to the rail sector. These results are also influenced by the business cycle contingent who are going through some major emerging economies as a result of changes in the monetary policy of the United States (so-called fiscal tapering), which should not, therefore, be able to stop in the medium to long term investment in infrastructure, which are essential for the development of these countries. Whereas, with regard to the geographic breakdown, we also hereby note the good performance of the "Stringing equipment" and "Trencher" businesses in the North American and African markets as well as the consolidation in Central America.

Based on ongoing negotiations also related to the new rail and energy efficiency businesses, it is reasonable to assume that 2014 will be a positive year for the Group. This consideration is based on the assumption that the North American and Mediterranean markets may continue the favourable phase that had already begun in 2013 on the assumption that the issues related to infrastructural works in some major economies of the so-called Emerging Countries may fade during 2014 creating the conditions to make the most of the Group's offer that in 2013 expanded to the rail sector and to the Grid Efficiency. This trend should be reveal itself with greater intensity in the second half of the year as the temporary factors that affected the performance of the last quarter will be normalised.

Main consolidated results of the 2013 financial period

As at **31 December 2013**, the Tesmec Group achieved consolidated **Revenues** of **Euro 113.5 million** compared to Euro 119.8 million recorded in the 2012 financial period.

Consolidated revenues by segment as at 31 December 2013

The revenues of the **“Trencher” segment** relevant to the period ended 31 December 2013 amount to **Euro 55.6 million**, up by 9% compared to Euro 50.9 million recorded as at 31 December 2012, thanks to the important contribution of the North American market that continued the growth trend experienced in

2012. Moreover, this performance confirms the continuation of the good results that the Group had already achieved in 2012 compared to 2011.

With a special reference to the **"Stringing" segment**, the Tesmec Group as at 31 December 2013 recorded **Revenues** of **Euro 57.9 million**, compared to the 2012 financial period when they totalled Euro 68.9 million. The drop in the Stringing equipment segment is linked to the economic stage of some major economies of the Emerging Countries that are undergoing, as a consequence, the changes announced in the expansionary monetary policy of the United States (the so-called fiscal tapering). Therefore, the nature of this drop is considered to be contingent and cannot stop the development process in progress in the economies of these major Countries with a high population density where investments in infrastructures (power lines, telecommunications, railways) are increasingly necessary.

Results as at 31 December	Revenues from sales and services		
(Euro in thousands)	**2013**	**2012**	**Change**
Stringing equipment	57,887	68,906	- 16 %
Effect on Consolidated Revenues	*51 %*	*58 %*	
Trencher	55,662	50,928	+ 9 %
Effect on Consolidated Revenues	*49%*	*42%*	
Consolidated	113,549	119,834	-5 %

Consolidated revenues by geographic area as at 31 December 2013

The geographic distribution of sales shows a strong growth of the Group in the African and North American markets and a consolidation in Central America. Revenues in the BRICS Countries and Others, albeit continuing to represent a large share of the total, record a decrease in the Stringing equipment segment.

EBITDA as at 31 December 2013[3]

	Results as at 31 December	
(Euro in thousands)	**2013**	**2012**
Revenues from sales and services	113,549	119,834
Operating costs net of depreciation and amortisation and of non-recurring expenses	(94,075)	(95,299)

[3] Specifically, as from the 2012 Financial Statements, with the aim to better represent the actual economic trend of the Group, the portion of gains/losses from equity investments in joint ventures was included in the operating income. Such a change reflects that the two Joint ventures, Condux-Tesmec and Tesmec Peninsula, in 2012, approached gradually structural operations, leaving behind the start-up phase that characterised their operations in previous financial periods.

EBITDA	**19,474**	**24,535**
Effect on revenues	17%	20%

The EBITDA as at 31 December 2013 totalled Euro 19 million, compared to Euro 24 million of the 2012 financial year, with an effect on revenues decreasing from 20.5% as at 31 December 2012 to 17.2%.

This trend is the result of the reduction in sales volumes and in the different sales mix, for the most part Trencher, as well as of the EUR/USD exchange rate (the USD currency was devalued by approximately 5% against the Euro), of a strong competition on prices recorded in the Middle Eastern area and of the loss of the de-stocking effect in the Middle Eastern area that increased significantly the margins of the sector in 2012.

EBIT as at 31 December 2013

EBIT as at 31 December 2013 of the Tesmec Group totalled **Euro 12.5 million** compared to Euro 17.8 million recorded as at 31 December 2012.

Net financial expenses and income as at 31 December 2013

Net financial expenses and income of the Tesmec Group decreased from Euro 5.4 million as at 31 December 2012 to Euro 4.7 million as at 31 December 2013. This change is mainly attributable to the fair value adjustment of the IRS derivative instruments that had a positive impact of approximately Euro 0.8 million.

Net Profit as at 31 December 2013

The consolidated **Net Profit** as at 31 December 2013 of the Tesmec Group amounted to **Euro 4.4 million**, compared to Euro 8.3 million recorded as at 31 December 2012. This result was negatively affected by the results from exchange management of Euro 1.3 million that comprises net losses realised of Euro 0.1 million and adjustments of currency equity items at the exchange rate applicable at year-end of Euro 1.2 million.

Net working capital as at 31 December 2013

The **net working capital** of the Tesmec Group as at 31 December 2013 totalled **Euro 52.7 million** compared to Euro 48.8 million as at 31 December 2012. This result was affected by the trend in inventories and by the change in trade payables, decreased by 20.4% in relation to the lower volume of purchases made in the last quarter of the year.

Net financial indebtedness as at 31 December 2013

The **Net financial indebtedness** as at 31 December 2013 totalled Euro 68.8 million and, without considering the effects of IAS 17 for the lease contract of the premises of Grassobbio, **Euro 48.9 million.** We also hereby note that in December 2013, the Group purchased the availability of the building of Sirone, where it already carried on its activities, and this operation impacted on indebtedness of approximately Euro 5 million. As at 31 December 2012, the net financial indebtedness totalled Euro 56.5 million and, without considering the effects of IAS 17 for the lease contract of the premises of Grassobbio, Euro 35.8 million.

Order backlog as at 31 December 2013

As at 31 December 2013, the **Total Backlog of Orders** of the Tesmec Group amounted to Euro **55** million, of which Euro 26.5 million referring to the Stringing equipment segment and Euro 28.4 million to the Trencher segment. The Backlog total while being less than that of the previous year shows an improvement over the previous quarter. At 31 December 2012 the Bakclog was Euro 60.9 million. The Backlog of Orders will be almost completely realised during 2014.

Separate financial statements of the parent Company Tesmec S.p.A.

The Parent Company Tesmec S.p.A. closed the 2013 financial period with Net revenues of Euro 94.7 million compared to Euro 102.9 million of the 2012 financial period.

The EBITDA of Tesmec S.p.A. totalled Euro 15.7 million - with margins accounting for 17 % - compared to Euro 19.5 million as at 31 December 2012.

The net profit of the Parent Company as at 31 December 2013 amounted to Euro 3.9 million compared to Euro 6.3 million as at 31 December 2012.

The net financial indebtedness of the Parent Company as at 31 December 2013 totalled Euro 57.8 million compared to Euro 44.7 million as at 31 December 2012, and, without considering the effects of IAS 17 for the lease contract of the premises of Grassobbio, would equal Euro 37.9 million compared to Euro 24 million as at 31 December 2012.

Significant events occurred during the 2013 financial period

During 2013, the Tesmec Group continued its strategy focused on technological product innovation, also by integrating with small external realities, and on internationalisation.

It should be noted that Tesmec Service S.r.l. signed a contract for the lease of two business units of AMC2 in liquidation, currently fully operational. Subsequently, in July, the Court of Bari upheld the application for an arrangement with creditors submitted by AMC2 Progetti e Prototipi S.r.l. with the subscription by Tesmec Service S.r.l. as assignee. The procedure is continuing as prescribed and the final transfer of the two business units to Tesmec Service S.r.l. is expected in 2014.

On 30 January 2013, pursuant to Article 3 of Consob Resolution no. 18079 of 20 January 2012, the Board of Directors of Tesmec S.p.A. decided to comply with the opt-out system set forth in Articles 70, paragraph 8, and 71, paragraph 1-bis, of Consob Regulation no. 11971/99 (with further supplements and amendments), by making use of the right to depart from the obligation to publish information documents required by

Enclosure 3B of the Consob Regulation above on the occasion of significant mergers, demergers, capital increase by non-cash contributions, acquisitions and sales.

On 31 March 2013, all the Shareholders subscribed the share capital increase for an amount of USD 1 million in Tesmec Peninsula LLC, 49% owned by Tesmec S.p.A. Following the transaction, the new share capital of Tesmec Peninsula is now USD 2 million. As part of said transaction, all shareholders subscribed the shares within their respective competence. In particular, Tesmec S.p.A. subscribed the increase for an amount of USD 490 thousand, equal to its 49% stake.

The Shareholders' meeting of 30 April 2013 renewed the administrative and control bodies, confirming Ambrogio Caccia Dominioni as Chairman of the Group.

The Board of Directors, which was held after the Shareholders' Meeting chaired by Ambrogio Caccia Dominioni, confirmed him as Chief Executive Officer in addition to Alfredo Brignoli and Gianluca Bolelli as Vice Chairmen. The Board of Directors also set up, pursuant to the Self-Regulatory Code of Conduct, the Control and Risk Committee, the Remuneration Committee and the Appointments Committee. The Control and Risk Committee comprises the Directors Sergio Arnoldi (Chairman), Gioacchino Attanzio and Gianluca Bolelli. The Remuneration Committee comprises the Directors Sergio Arnoldi (Chairman), Gioacchino Attanzio and Caterina Caccia Dominioni. The Appointments Committee comprises the Directors Sergio Arnoldi and Gioacchino Attanzio.

Moreover, the Shareholders' Meeting authorised the Board of Directors of the Company, for a period of 18 months, to purchase, on the regulated market, ordinary shares of the Company until 10% of its share capital and within the limits of the distributable profits and of the available reserves resulting from the last financial statements approved by the Company making the purchase. The authorisation also includes the right to dispose of (in whole or in part and also in several times) the shares in the portfolio subsequently, even before having exhausted the maximum amount of shares purchasable and to possibly repurchase the shares to the extent that the treasury shares held by the Company and, if necessary, by the companies controlled by it, do not exceed the limit established by the authorisation. The quantity and the price at which transactions will be made will comply with the operating procedures laid down by the regulations. This authorisation replaces the one resolved by the Shareholders' Meeting on 10 January 2012 and expiring in June 2013.

On 30 April 2013, the Board of Directors of Tesmec S.p.A., at the end of the Shareholders' Meeting, approved the launch of a treasury share purchase programme whose purposes, duration and value were laid down by the aforesaid resolution of the shareholders' meeting authorising the purchase, whereas the maximum quantity was initially fixed at 5% of the Share Capital. The Board of Directors also decided that the maximum number of shares that can be purchased every day is defined in compliance with Article 5 of the EC 2273/2003 Regulation. On 31 December 2013, the Company holds 1,946,321 shares, corresponding to 1.82% of the Share Capital.

On 24 May 2013, dividends of Euro 3,690 thousand.

In November 2013, the share capital increase totalling USD 10,000 thousand of the subsidiary Tesmec USA Inc. was carried out, 50% subscribed by Tesmec S.p.A. and 50% by Simest S.p.A.; following the transaction, the subscribed and paid-up share capital of Tesmec USA Inc. was USD 31,200 thousand, 67% Tesmec S.p.A. and 33% Simest S.p.A.

On 23 December 2013, Tesmec S.p.A. completed with CBF S.r.l., related party, the purchase of the availability of the industrial complex located in Sirone (LC), by taking over the real-estate lease contract in place with Claris Leasing S.p.A., for a total value of Euro 5,100 thousand including the residual debt of the lease contract.

Significant events subsequent to 31 December 2013

On 20 January 2014, the Court of Bari approved the proposal for settlement and started the proceedings for approval fixing the date of the hearing for the appearance in court of the parties on 17 March 2014. Therefore, within the first half of the year, the acquisition of AMC2 S.r.l. in liquidation is expected to be completed.

On 25 February 2014, following the occurrence of the expected conditions precedent, the SGE business unit - active in the sector of production of measuring sensors for the energy efficiency market - was rented. On the same date, the company SGE-T S.r.l. that started the transaction last December changed its name to SGE S.r.l. The contract provides for the right of the lessor, by the end of the fourth year, to exercise the purchase option when the results expected by an agreed business plan are achieved. With the signing of the contract, seven working units will pass.

***

Other resolutions

Today, the Board of Directors of Tesmec S.p.A. ("**Tesmec**" or "**Company**") resolved, pursuant to Article 2410 of the Italian Civil Code, the issue of the 7-year bond loan called "*Tesmec 6% 2014-2021*" of a nominal amount totalling Euro 15 million, consisting of 150 bearer bonds with a nominal value of Euro 100 thousand each (the "**Bond Loan**"). Banca Popolare di Vicenza S.c.p.A. (the "**Bank**") acts as arranger of the issue and placer and KNG Securities LLP of the Bond Loan.

The Bond Loan is for the subscription of subjects, identified by the Bank, falling within the category of professional customers by right or upon request pursuant to the Intermediaries Regulation adopted with Consob resolution no. 16190 of 29 October 2007, with the exclusion of natural persons (the "**Professional Investors**") and for admission to trading on the ExtraMOT Segment called "ExtraMOT PRO", organised and managed by Borsa Italiana S.p.A.

The placement of the bonds will be carried out by the Bank in Italy and KNG Securities LLP in foreign countries "acting as surety" with regard to the Bank in relation to the full amount of the issue.

The transaction involves some constraints ("covenants") in line with market practice for similar transactions.

The transaction is expected to be concluded by the end of March 2014.

Moreover, the Board of Directors of Tesmec approved the Report on corporate governance and ownership structures and checked whether the members of the BoD were in possession of the independence requirements, deeming that there were no changes in the situation already announced to the market.

The Board of Directors of Tesmec S.p.A. has revised and updated the procedure with Related Parties.

The Board of Directors of Tesmec S.p.A. approved the remuneration policy of the directors and executives with strategic responsibilities and the annual Report on Remuneration that will be submitted to the Shareholders.

Finally, the Board of Directors of Tesmec S.p.A. decided to convene the Ordinary Shareholders' Meeting of the Company in a single session on 30 April 2013, at 10.30 a.m., at the operating premises of Grassobbio. The Shareholders will be requested to decide on:

- the approval of the Financial Statements as at 31 December 2013 and the allocation of profits;
- the approval of the first section of the Report on Remuneration;
- the proposal for authorisation to purchase and dispose of treasury shares, subject to the withdrawal of the resolution passed by the Shareholder's Meeting of 30 April 2013.

The Board of Directors of Tesmec S.p.A. will propose to the Ordinary Shareholders' Meeting the payment of a dividend, to the shares outstanding on the payment date, of Euro 0.016 per share. The payment date will be 26 May 2014, with payment as from 29 May 2014 and "record date" 28 May 2014.

****

At 10.30 AM(CET) – 9.30 AM BST, Monday 17th March 2014 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 2013 to the financial community during a conference call. The telephone numbers to be connected are the following:

Italy partecipants:	**+39 02 805 88 11**
UK partecipants:	**+44 121 281 8003**
Germany partecipants:	**+49 69 255 11 4451**
France partecipants:	**+33 170918703**
Switzerland partecipants:	**+41 225954727**

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

http://investor.tesmec.com/Investors/Presentations.aspx

****

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 2013 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 2013 and the Report on corporate governance and ownership structure will be made available to anyone who requests them at the registered office and will also be available in the "Investors" section of the Company website www.tesmec.com as according to law.

****

For further information:

Tesmec S.p.A.:
Marco Cabisto
Investor Relator
Tel +39 035 4232840 - Fax: +39 035 3844606
E-mail: marco.cabisto @ tesmec.it

Image Building
Media Relations
Simona Raffaelli, Alfredo Mele, Claudia Arrighini
Tel +39 02.89011300
E-mail: tesmec@imagebuilding.it

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

http://investor.tesmec.com/Investors/Notices.aspx.

The Tesmec Group:
The Group is mainly active in designing, manufacturing and selling **special products** and **integrated solutions for the construction, maintenance and efficiency of infrastructures** related to the transportation/delivery of energy, data

and material.

The Group, established in 1951 and led by Charmain & CEO Ambrogio Caccia Dominioni, relies on more than 400 employees and has five production plants: four in Italy, in Grassobbio (Bergamo), Endine Gaiano (Bergamo), Sirone (Lecco), Monopoli (Bari), and one in the USA, in Alvarado (Texas).

From the IPO, July 1, 2010, the Parent Company has pursued a strategy of diversification of Business announced to offer a complete range of integrated solutions.

The Group offers:

Stringing

- machines and integrated systems for aerial and underground stringing, power lines and fiber optic cables;
- machines and integrated systems for the installation, maintenance and troubleshooting of overhead railroad wiring/catenaries as well as customized machines for special operations on the line;
- integrated solutions for efficiency, management and monitoring of the electricity networks of low, medium and high voltage (solutions for smart grids).

Trencher

- high powered tracked trenchers for linear excavation of underground networks and pipelines, and delivery of data, raw materials, and liquid and gaseous materials; high powered tracked trenchers for mining and leveling works (RockHawg);
- consulting services and specialized excavation at the request of the customer;
- multi-purpose construction equipment (Gallmac).

Both business divisions are developed in accordance with the ISEQ (Innovation, Safety, Efficiency and Quality) philosophy, with environmental sustainability and energy conservation in mind.

The know-how achieved in the development of specific technologies and solutions, and the presence of engineering teams and highly skilled technicians, allow Tesmec to directly manage the entire production chain: from the design, production and sale of machinery, to all pre-sales and post-sales. The combination of a cutting-edge product and a deep knowledge on the use of innovative technologies to meet the new demands of the market, allow the Group to offer a winning combination focused on ensuring high performance on the jobsite .

Today, the Group does not only sell technologically advanced machines, but fully integrated systems for electrification and excavation that ensure extremely high performance on the job . These results come from the constant pursuit of innovation, safety, efficiency and quality also achieved though the installation of new software aboard our machines that allow safe, reliable and high performance.

The Group also has a commercial presence globally in most foreign countries and can count on a direct presence in several continents, consisting of foreign companies and sales offices in USA, South Africa, Russia, Qatar, Bulgaria and China.

****

Attached below[4]:

For comparative purposes, it should be noted that certain values of the 2012 Consolidated Financial Statements have been revised in accordance with the transitional provisions set forth in the IAS 19 amendements.

4 Data for which audit activity is nearing completion.

Tesmec Group reclassified consolidated income statements

	31 December 2013	31 December 2012
	(€ in thousands)	
Revenues	**113,549**	**119,834**
Total operating costs	(101,054)	(102,005)
Operating Income	**12,495**	**17,829**
Financial (income) / expenses	(4,640)	(5,382)
Share of profit / (loss) of associates and joint ventures	(10)	(11)
Income before taxation	**7,844**	**12,436**
Net income for the period	**4,384**	**8,307**
EBITDA	**19,473**	**24,535**
EBITDA (% on revenues)	**17%**	**20%**

Tesmec Group reclassified consolidated statements of financial position

	As of 31 December 2013	As of 31 December 2012
	(€ in thousands)	
Non-current assets	62,452	55,055
Current assets	116,463	112,855
Total assets	**178,915**	**167,910**
Non-current liabilities	58,608	53,599
Current liabilities	78,512	71,366
Total liabilities	**137,120**	**124,965**
Equity	41,795	42,945
Total equity and liabilities	**178,915**	**167,910**

Tesmec Group reclassified consolidated cash flow statements

	31 December	
	2013	2012
	(€ in thousands)	
Net cash provided/(used) by operating activities (A)	5,330	16,271
Net cash provided/(used) by investing activities (B)	(18,277)	(11,947)
Net cash provided/(used) by financing activities (C)	9,824	(902)
Increase / (decrease) in cash and cash equivalents (D=A+B+C)	**(3,123)**	**3,422**
Cash and cash equivalents at the beginning of the period (F)	**17,144**	**13,817**
Net effect of conversion of foreign currency on cash and cash equivalents (E)	(243)	(95)
Total cash and cash equivalents at end of the period (G=D+E+F)	**13,778**	**17,144**

Tesmec Group other consolidated financial information

	As of 31 December 2013	As of 31 December 2012
	(€ in thousands)	
Net working capital[5]	52,723	48,817
Non current assets	57,479	49,644
Other Non current assets and liabilities	413	1,029
Net invested capital[6]	**110,615**	**99,490**
Net financial indebtedness[7]	68,820	56,545
Equity	41,795	42,945
Total equity and net financial indebtedness	**110,615**	**99,490**

[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 income statements

	31 December	
	2013	**2012**
	(€ in thousands)	
Revenues	**94,734**	**102,852**
Total operating costs	(84,238)	(88,705)
Operating Income	**10,496**	**14,147**
Financial (income) / expenses	(3,584)	(4,893)
Share of profit / (loss) of associates and joint ventures	***6,912***	***9,254***
Income before taxation	***3,879***	***6,342***
Net income for the period		
EBITDA	**15,688**	**19,535**
EBITDA (% on revenues)	**17%**	**19%**

Tesmec S.p.A. - via Zanica, 17/O - 24050 Grassobbio (Bergamo)
Tel. 035.4232911 - Fax 035.4522444 - info@tesmec.it - www.tesmec.com

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

	As of 31 December 2013	As of 31 December 2012
	(€ in thousands)	
Non-current assets	67,465	54,724
Current assets	92,004	100,557
Total assets	**159,469**	**155,281**
Non-current liabilities	53,443	52,004
Current liabilities	67,063	63,840
Total liabilities	**120,506**	**115,844**
Equity	38,963	39,437
Total equity and liabilities	**159,469**	**155,281**

Tesmec S.p.A. reclassified cash flow statements

	31 December	
	2013	2012
	(€ in thousands)	
Net cash provided/(used) by operating activities (A)	8,936	16,472
Net cash provided/(used) by investing activities (B)	(18,311)	(14,891)
Net cash provided/(used) by financing activities (C)	5,949	1,898
Increase / (decrease) in cash and cash equivalents (D=A+B+C)	**(3,426)**	**(317)**
Cash and cash equivalents at the beginning of the period (F)	**13,044**	**13,361**
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)	**9,618**	**13,044**

Tesmec S.p.A. other financial information

	As of 31 December 2013	As of 31 December 2012
	(€ in thousands)	
Net working capital[8]	32,424	32,345
Non current assets	65,067	52,188
Other Non current assets and liabilities	(738)	(354)
Net invested capital[9]	**96,753**	**84,179**
Net financial indebtedness[10]	57,789	44,742
Equity	38,964	39,437
Total equity and net financial indebtedness	**96,753**	**84,179**

[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.