



Tesmec Group

Star Conference London 2013

Presentation, 2 October 2013



Corporate



Topics

- 2013 – Business update
- 2013 – First Half Financials
- Global Environment & Outlook 2013
- Appendix

Business overview

MISSION: to operate in strategic markets for the growth and the modernization of every country in the world

From IPO

.. To ..

Overhead & Underground Power Lines

Transmission & Distribution Networks

Civil Infrastructure

Pipelines
Telecom
Bulk
Excavation

Urban Construction

Road Jobs
Construction
Utilities



Overhead & Underground Power Lines

Transmission & Distribution Networks

NEW

Grids efficiency

Transmission & Distribution Networks

NEW

Railway Lines

Railway
Electrification &
Maintenance

NEW

Civil Infrastructure

Pipelines
Telecom
Bulk
Excavation

Trenching Services

Special
Contracting

Urban Construction

Road Jobs
Construction
Utilities



STRINGING EQUIPMENT



TRENCHERS



MULTIPURPOSE MACHINES



STRINGING EQUIPMENT

INTEGRATED SYSTEMS



RAILWAY EQUIPMENT



TRENCHERS

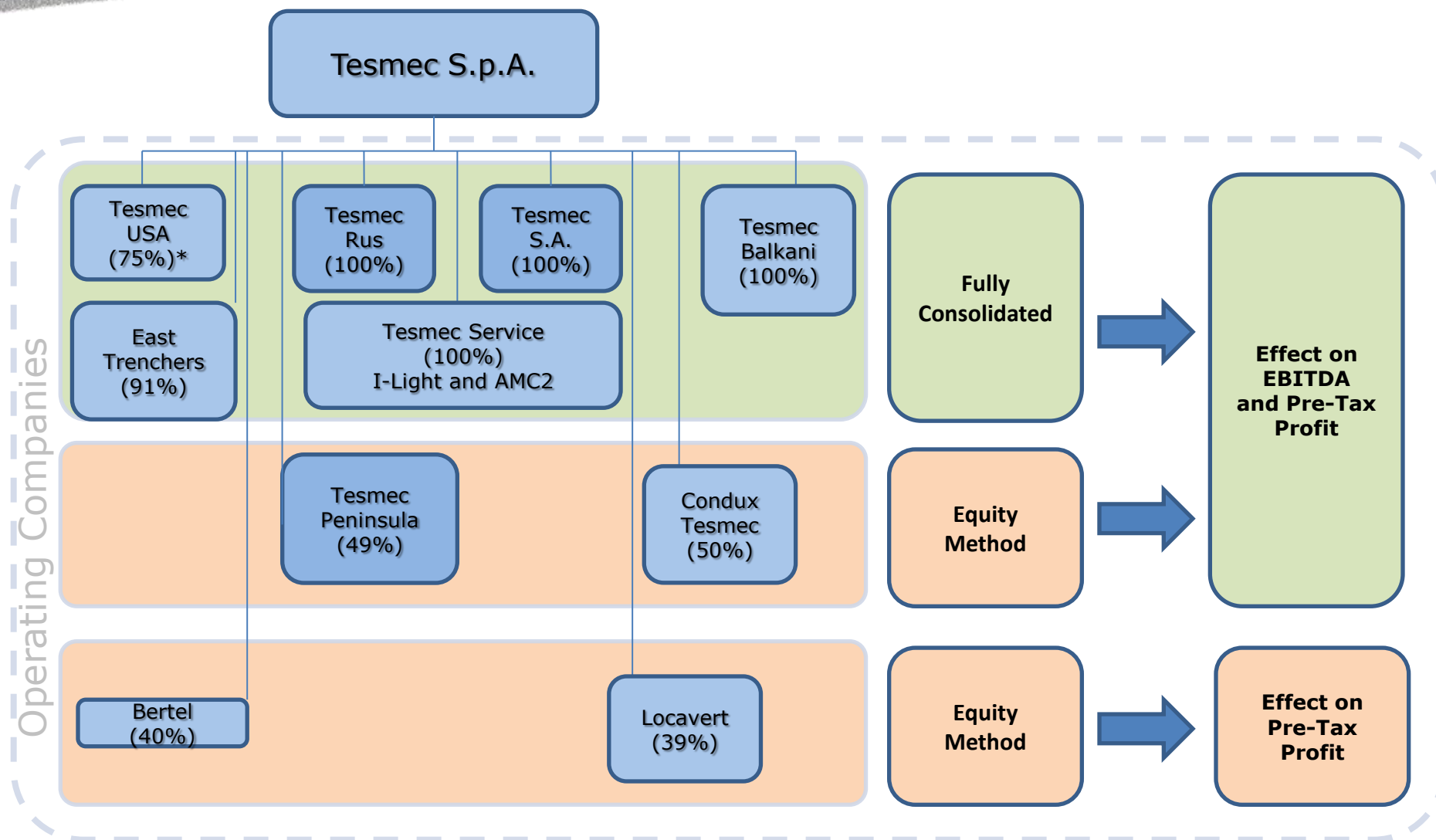
TRENCHERS



MULTIPURPOSE MACHINES

CROSS SELLING: new opportunities

Group Structure at June 30, 2013



* 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.

Business Update

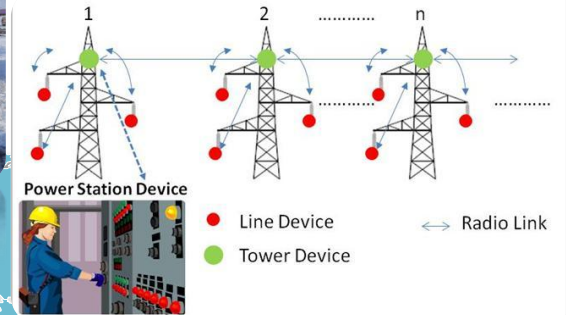


**North
America**



Special Project

FSKA High Voltage Grid Efficiency



**Shale Gas
project**



South America



Special Project

Russia

Qatar



New Doha Port

China



Special Machines

Business Update

- Stringing
 - > stability with increase in special projects and good performance of the JV (Condux-Tesmec) in the North American market.

- Grid Efficiency
 - > continues the pilot project on High Voltage Grid Efficiency with FSKA;
 - > important developments in Grid Efficiency in Medium Voltage both in Italy and abroad.

- Railways
 - > collaboration agreements with RFI for new machines;
 - > new opportunities for the USA market.

Business Update

- Trencher
 - > strong growth in the Middle East Market:
 - Bulk Excavation project in Qatar;
 - Special Projects in Saudi Arabia.
 - > strong growth in the North American Market:
 - Shale Gas Projects;
 - projects in Canada.
- Trencher Services
 - > Contract Fleet Management in Qatar.

1H 2013 Economics Results

INCOME STATEMENT (Euro Mln)

1H 2013

1H 2012

**Delta % 1H
2013 vs 2012**

Revenues

57,3

50,0

+15%

EBITDA

11,5

9,7

+19%

% On Revenues

20%

19%

EBIT

8,5

6,8

+25%

% On Revenues

15%

14%

Profit Before taxes

7,1

5,4

+33%

% On Revenues

12%

11%

NET INCOME

4,6

3,3

+37%

% On Revenues

8%

7%

**STRINGING
2013**

**STRINGING
2012**

**TRENCHER
2013**

**TRENCHER
2012**

Revenues

33,8

32,2

23,5

17,8

% Increase vs LY

+5%

+33%

EBITDA

7,1

6,2

4,4

3,5

% on Revenues

21%

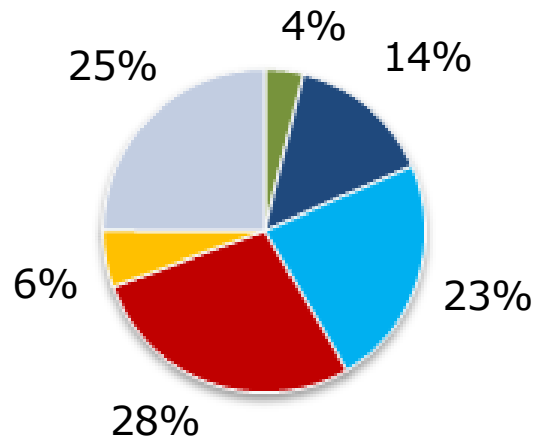
19%

19%

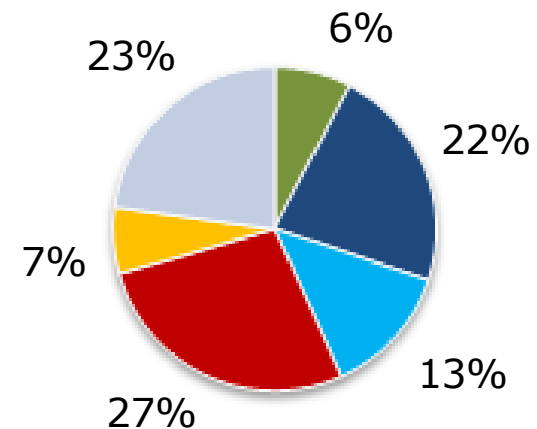
19%

Revenues: international scale and exposure to growing economies

1H 2013

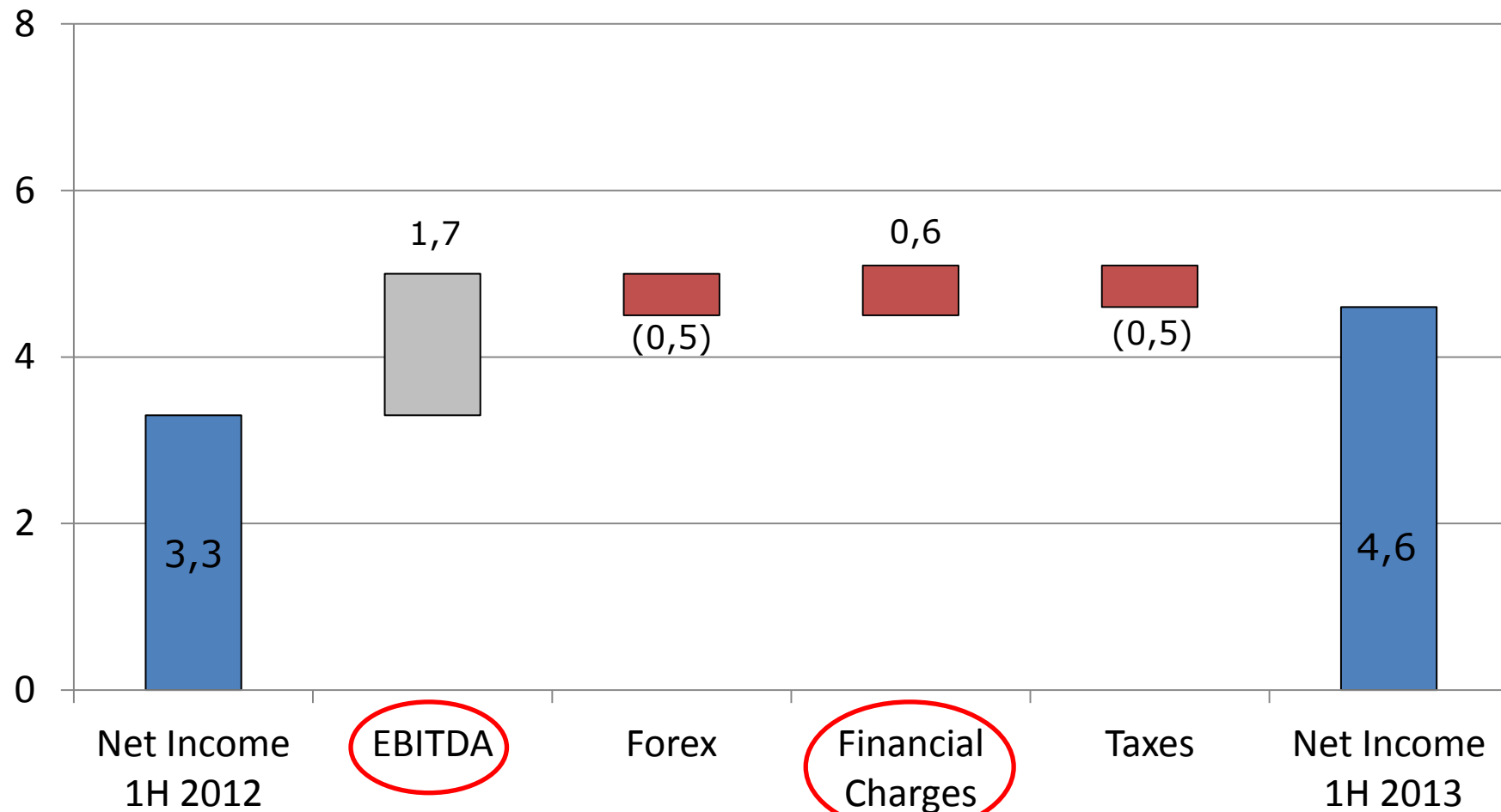


1H 2012



■ Italy ■ Europe ■ Middle East ■ BRICs and Oceania ■ Africa ■ North-Central America

NET PROFIT 1H2013



Increase in EBITDA impact in the period
and decrease of the cost of funding

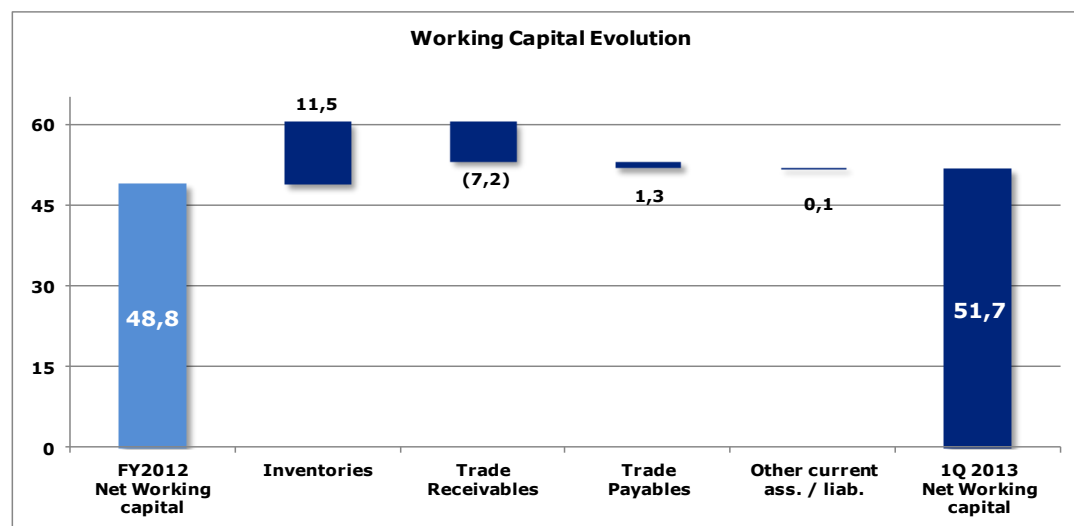
1H 2013 Financial Results

| Financial Information (Euro Mln) | 1H 2013 | FY 2012 | 1H 2012 |
|-------------------------------------|--------------|-------------|--------------|
| NWC | 51,7 | 48,8 | 54,4 |
| Non current assets | 51,2 | 49,6 | 49,5 |
| Other LT assets/(Liabilities) | 0,2 | 1,0 | 1,2 |
| NET INVESTED CAPITAL | 103,1 | 99,4 | 105,1 |
| NFP | 59,8 | 56,5 | 65,8 |
| EQUITY | 43,3 | 42,9 | 39,3 |
| TOTAL SOURCES OF FINANCING | 103,1 | 99,4 | 105,1 |

Working Capital Evolution

Values in € Mln

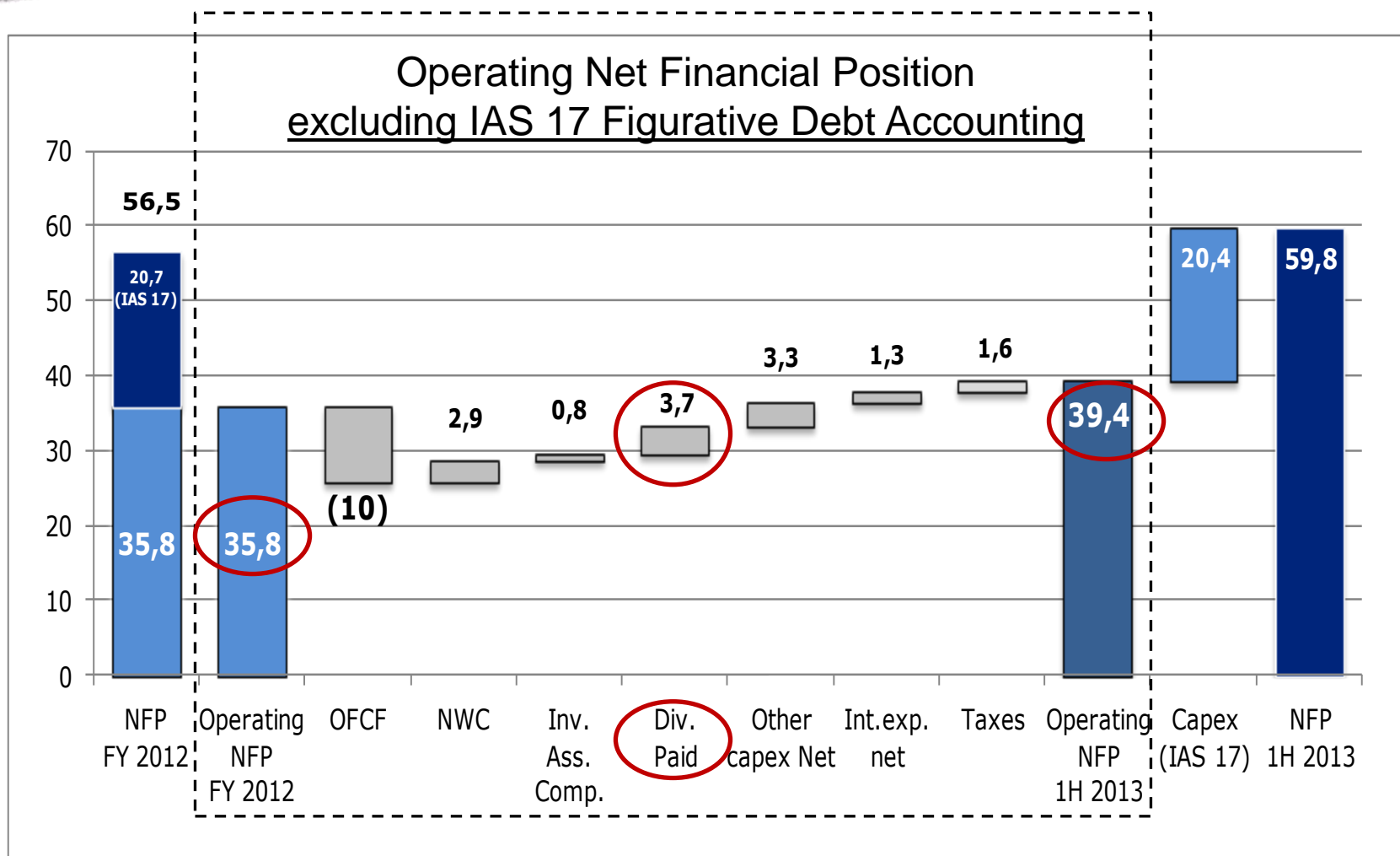
| | 1H 2013 | FY 2012 | Days* 1H 2013 | Days 2012 |
|------------------------------------|-------------|-------------|------------------|--------------|
| Trade Receivables | 36,3 | 43,6 | 101 | 131 |
| Inventories | 56,3 | 44,8 | 157 | 135 |
| Trade Payables | (33,3) | (32,1) | 93 | 96 |
| Other current assets/(Liabilities) | (7,6) | (7,5) | 21 | 23 |
| NET WORKING CAPITAL | 51,7 | 48,8 | | |



| | |
|---------------------|------------------------------|
| 1H 2013* | |
| NET WORKING CAPITAL | $\frac{\quad}{\quad} = 40\%$ |
| REVENUES | |
| 2012 | |
| NET WORKING CAPITAL | $\frac{\quad}{\quad} = 41\%$ |
| REVENUES | |

*calculated on the total revenue for the last 12 months (from July 2012 to June 2013)

Net Financial Position Evolution



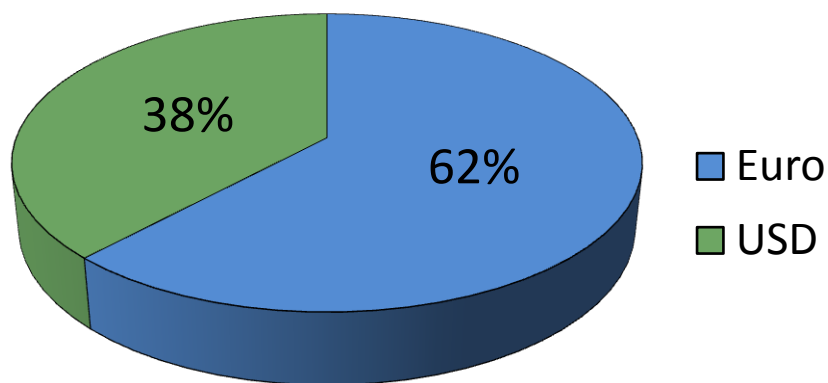
2012

NFP affected by payment of dividend

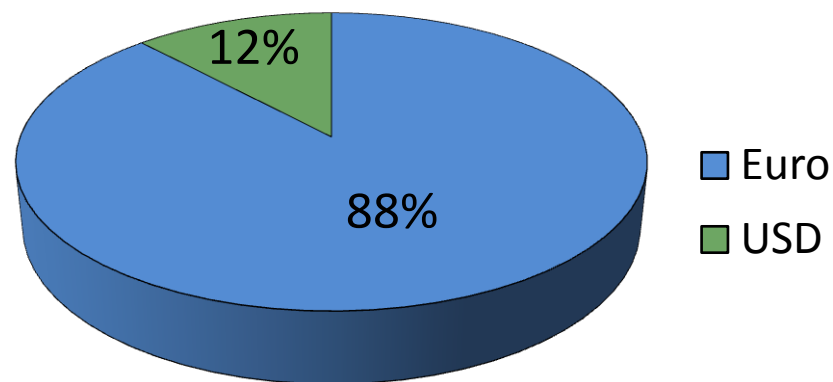
1H
2013

Exchange exposure 1H 2013

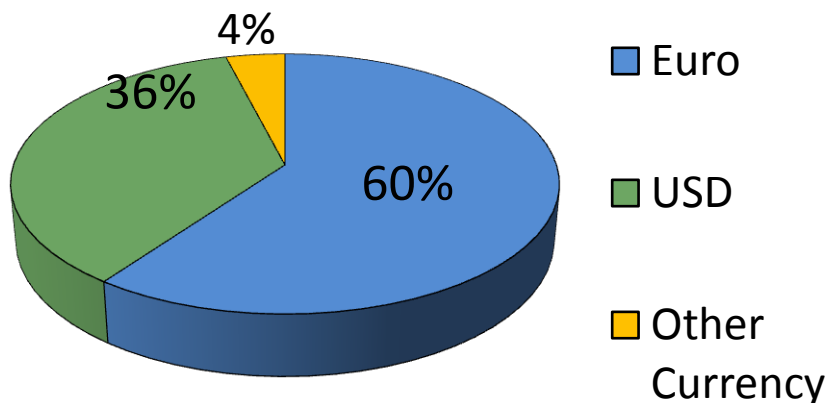
Revenues



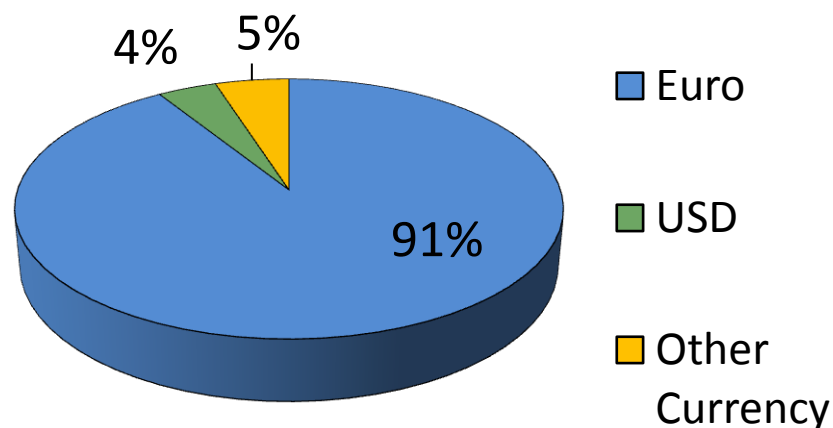
Operating Costs



Trade Receivables

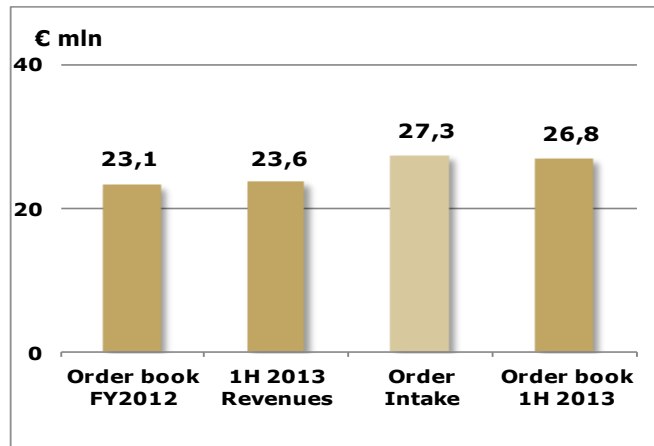


Trade Payables

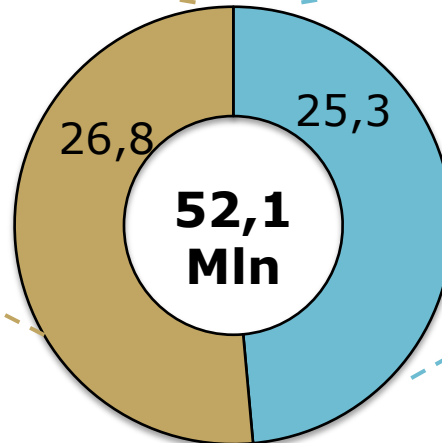
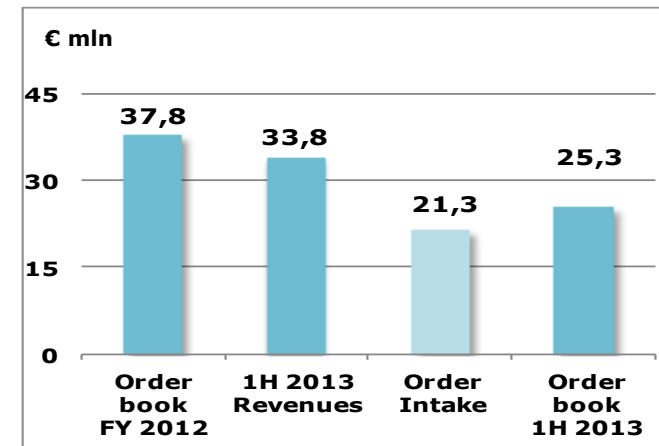


ORDER BOOK 1H 2013

TRENCHERS



STRINGING



Changing in International Framework

General overview on International Economy

The global economic environment is constantly and rapidly changing:

Growth in developed countries such as USA and China:

- > Uncertainty in the euro zone could lead to changes in exchange rates with the U.S. currency with an effect on foreign exposure.
- > the Chinese economy is growing at lower rates than in previous years.

Moderate growth in the BRICS respect previous years:

- > general decrease in the price level;
- > decline in commodity prices with declining economies Brazil, Russia and South Africa;
- > India is affected by a process of internal reorganization of the country.

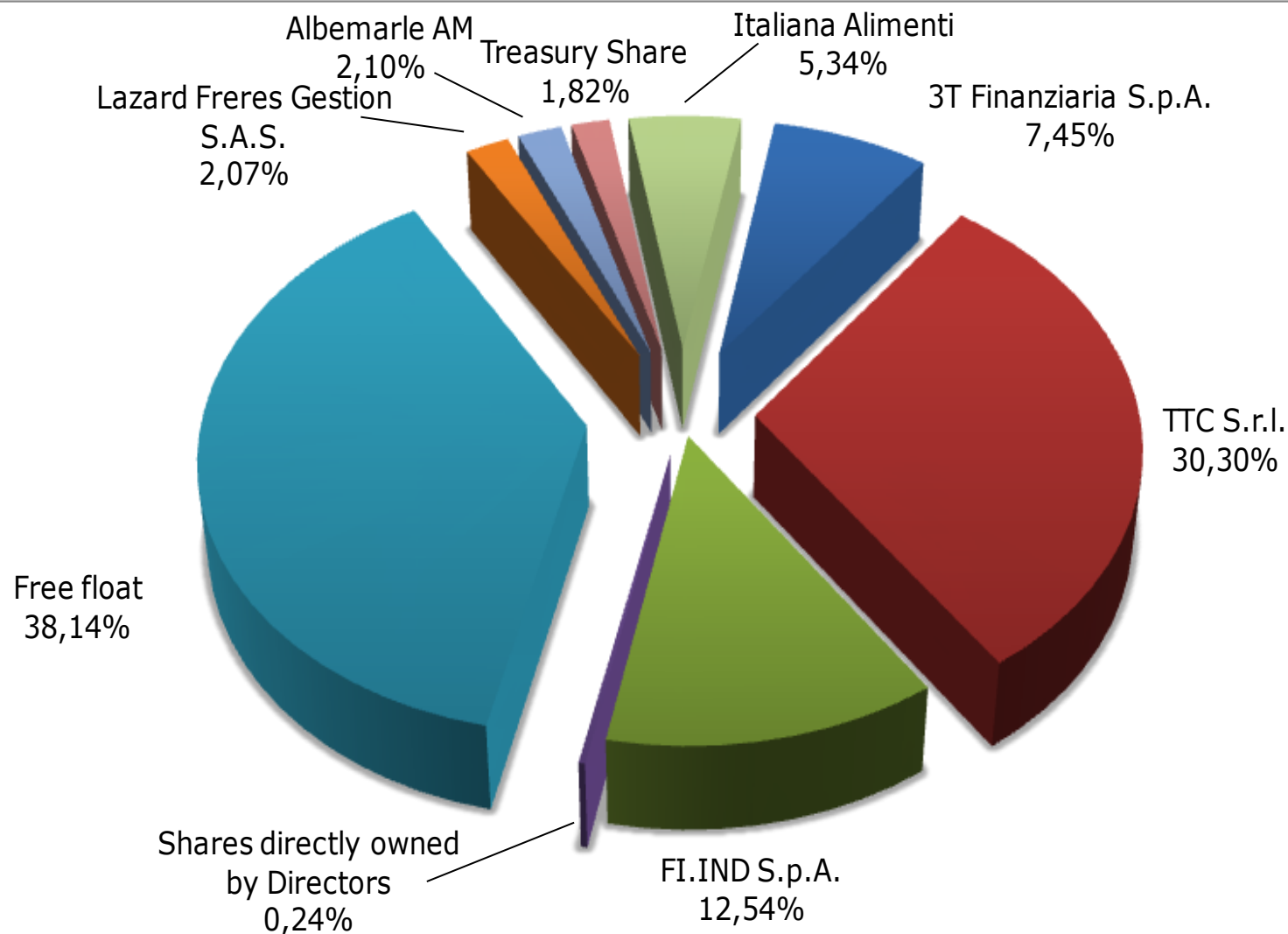
European market remains in a stalled situation.

Outlook 2013

In the international market constantly changing Tesmec Group continues to compete by offering Technologically advanced solutions, and after the positive results achieved in the 2013 first half, confirms the growth for the full year 2013.

- with different trends in the various market in which the Group operates;
- change in product mix;
- double digit overall growth trend;
- in the medium term Tesmec Group will focus on the development of new initiatives.

Shareholding Structure



Appendix A - Summary 1H 2013 Profit & Loss statement

| Profit & Loss Account (€ mln) | 1H 2013 | 1H 2012 | Delta vs 2012 | Delta % |
|--|---------------|---------------|---------------|------------|
| Net Revenues | 57,3 | 50,0 | 7,3 | 15% |
| Raw materials costs (-) | (24,4) | (20,8) | (3,6) | 17% |
| Cost for services (-) | (10,7) | (9,8) | (0,9) | 9% |
| Personnel Costs (-) | (11,9) | (9,9) | (2,0) | 20% |
| Other operating revenues/costs (+/-) | (1,0) | (1,3) | 0,3 | -23% |
| Portion of gain/(losses) from equity investments evaluated using the equity method | 0,5 | (0,1) | 0,6 | -600% |
| Capitalized R&D expenses | 1,7 | 1,6 | 0,1 | 6% |
| Total operating costs | (45,8) | (40,3) | (5,5) | 14% |
| <i>% on Net Revenues</i> | <i>(80%)</i> | <i>(81%)</i> | | |
| EBITDA | 11,5 | 9,7 | 1,8 | 19% |
| <i>% on Net Revenues</i> | <i>20%</i> | <i>19%</i> | | |
| Depreciation, amortization (-) | (3,0) | (2,9) | (0,1) | 3% |
| EBIT | 8,5 | 6,8 | 1,7 | 25% |
| <i>% on Net Revenues</i> | <i>15%</i> | <i>14%</i> | | |
| Net Financial Income/Expenses (+/-) | (1,4) | (1,5) | 0,1 | -7% |
| Taxes (-) | (2,5) | (2,0) | (0,5) | 25% |
| Minorities | - | - | - | - |
| Net Income (Loss) | 4,6 | 3,3 | 1,3 | 37% |
| <i>% on Net Revenues</i> | <i>8%</i> | <i>7%</i> | | |

Appendix B - Summary Balance Sheet

| Balance Sheet (€ mln) | 1H 2013 | 2012 |
|------------------------------------|--------------|-------------|
| Inventory | 56,3 | 44,8 |
| Accounts receivable | 36,3 | 43,6 |
| Accounts payable (-) | (33,3) | (32,1) |
| Op. working capital | 59,3 | 56,3 |
| Other current assets (liabilities) | (7,6) | (7,5) |
| Net working capital | 51,7 | 48,8 |
| Tangible assets | 39,4 | 39,8 |
| Intangible assets | 8,2 | 7,6 |
| Financial assets | 3,6 | 2,2 |
| Fixed assets | 51,2 | 49,6 |
| Net long term liabilities | 0,2 | 1,0 |
| Net invested capital | 103,1 | 99,4 |
| Cash & near cash items (-) | (12,3) | (17,1) |
| Short term financial assets (-) | (7,1) | (5,2) |
| Short term borrowing | 34,2 | 29,6 |
| Medium-long term borrowing | 45,1 | 49,3 |
| Net financial position | 59,8 | 56,5 |
| Equity | 43,3 | 42,9 |
| Funds | 103,1 | 99,4 |

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.



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