



1Q 2015 results

Partner in a changing world

We focus on **strategic markets** for the growth and modernization of every country.

Solutions partner for your world

Tesmec designs, manufactures and sells products, technologies and integrated solutions for the construction, maintenance and efficiency of infrastructures related to the transport and distribution of energy, data and material, such as: overhead and underground networks, traditional and high speed railway lines, energy cables and pipelines. In addition to traditional businesses, Tesmec is increasing its market presence offering solutions for Power Grid's efficiency & management.



ENERGY



RAILWAY



UNDERGROUND



1Q2015 Economic Results

GROUP	1Q2015	1Q2014	Delta %
Revenues	34,4	27,2	26,4%
EBITDA	4,4	3,2	37,5%
% on Revenues	13%	12%	
EBIT	2,4	1,6	50,0%
% on Revenues	7%	6%	
Profit Before Taxes	4,1	0,6	583,3%
% on Revenues	12%	2%	
NET INCOME	2,8	0,2	1300%
% on Revenues	8%	1%	

GROUP	1Q2015	2014	Delta %
PFN (IAS17)	80,9	73,4	10,2%
PFN (without IAS17)	62,3	54,5	14,3%



ENERGY	1Q2015	1Q2014	Delta %
Revenues	19,5	13,8	41,3%
EBITDA	3,5	2,2	59,1%
% on Revenues	17,9%	15,9%	



TRENCHERS	1Q2015	1Q2014	Delta %
Revenues	14,3	11,7	22,6%
EBITDA	1,2	0,8	50,0%
% on Revenues	8,4%	6,8%	



RAILWAY	1Q2015	1Q2014	Delta %
Revenues	0,6	1,7	-65,8%
EBITDA	-0,2	0,3	-183,0%
% on Revenues	-41,5%	17,6%	



ENERGY

Stringing

EXECUTION OF BIG ORDER FOR OVERHEAD POWER LINES CONSTRUCTION IN BRAZIL IN TIMING WITH THE TOUGH PROJECT SCHEDULE

Automation

NEW ORDERS OF ELECTRONIC DEVICES AND SENSORS FOR SMART MANAGEMENT OF MEDIUM VOLTAGE GRIDS CONFIRMING THE ADDED VALUE OF TESMEC SOLUTIONS



TRENCHERS

GROWING SALES VOLUMES IN THE US, COMMERCIAL EFFORT CONCENTRATED ON NEW MARKET SEGMENT (INFRASTRUCTURES, WATER PROJECTS..)

IMPORTANT WATER PIPELINE PROJECTS IN SOUTH AMERICA

KEY INFRASTRUCTURAL PROJECTS IN MIDDLE EAST



RAILWAY

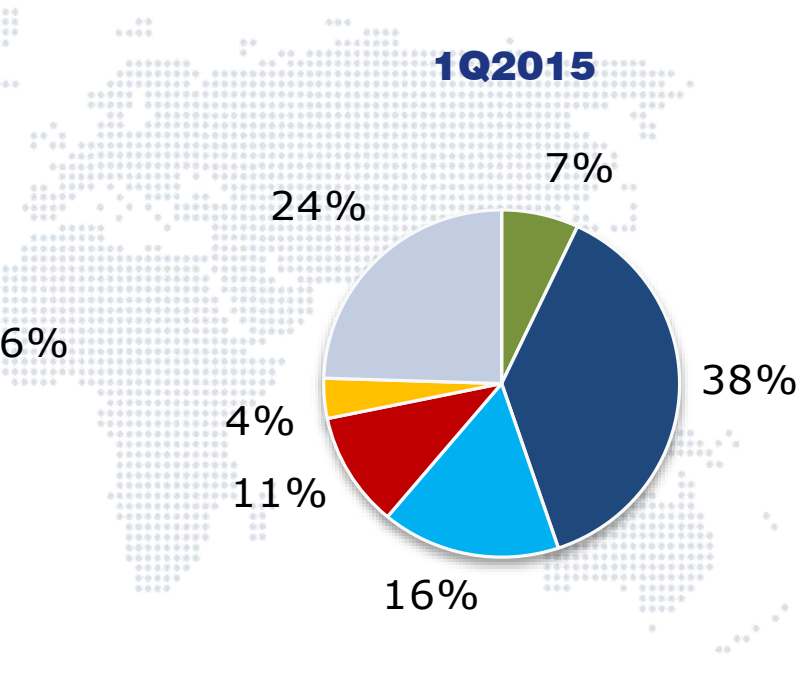
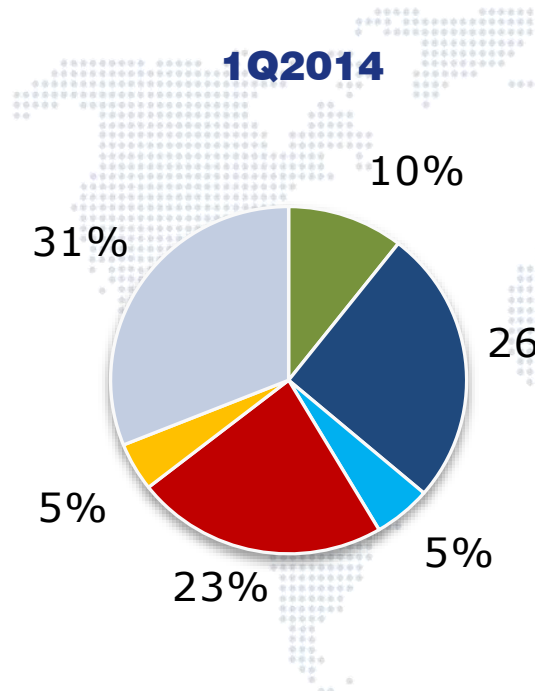
TESTING PHASE FOR MAIN ITALIAN AND US PROJECTS. UP TO DATE RESULTS ARE VERY GOOD BUT STILL IN PROGRESS SO ACQUISITION OF NEW ORDERS HAS BEEN POSTPONED IN THE COMING QUARTERS

ONGOING NEGOTIATIONS WITH KEY PLAYERS ON EUROPEAN MARKET



**INTERNATIONAL SCALE
AND EXPOSURE TO
GROWING ECONOMIES**

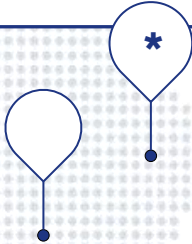
- Italy
- Europe
- Middle East
- BRICs and Oceania
- Africa
- North-Central America



Foreign subsidiaries



JV CONDUX-TESMEC (50%)
Revenue 0.8 million €
(-79% vs 1Q2014)



TESMEC USA (100%)
Revenue 8.7 million €
(+11.5% vs 1Q2014)



TESMEC SERVICE (100%)
Revenue 0.6 million €
(-40% vs 1Q2014)



TESMEC SA (100%)
Revenue 0.3 million €
(+ 50% vs 1Q2014)



SGE (100%)
Revenue 0.6 million €
First revenues of Automation business

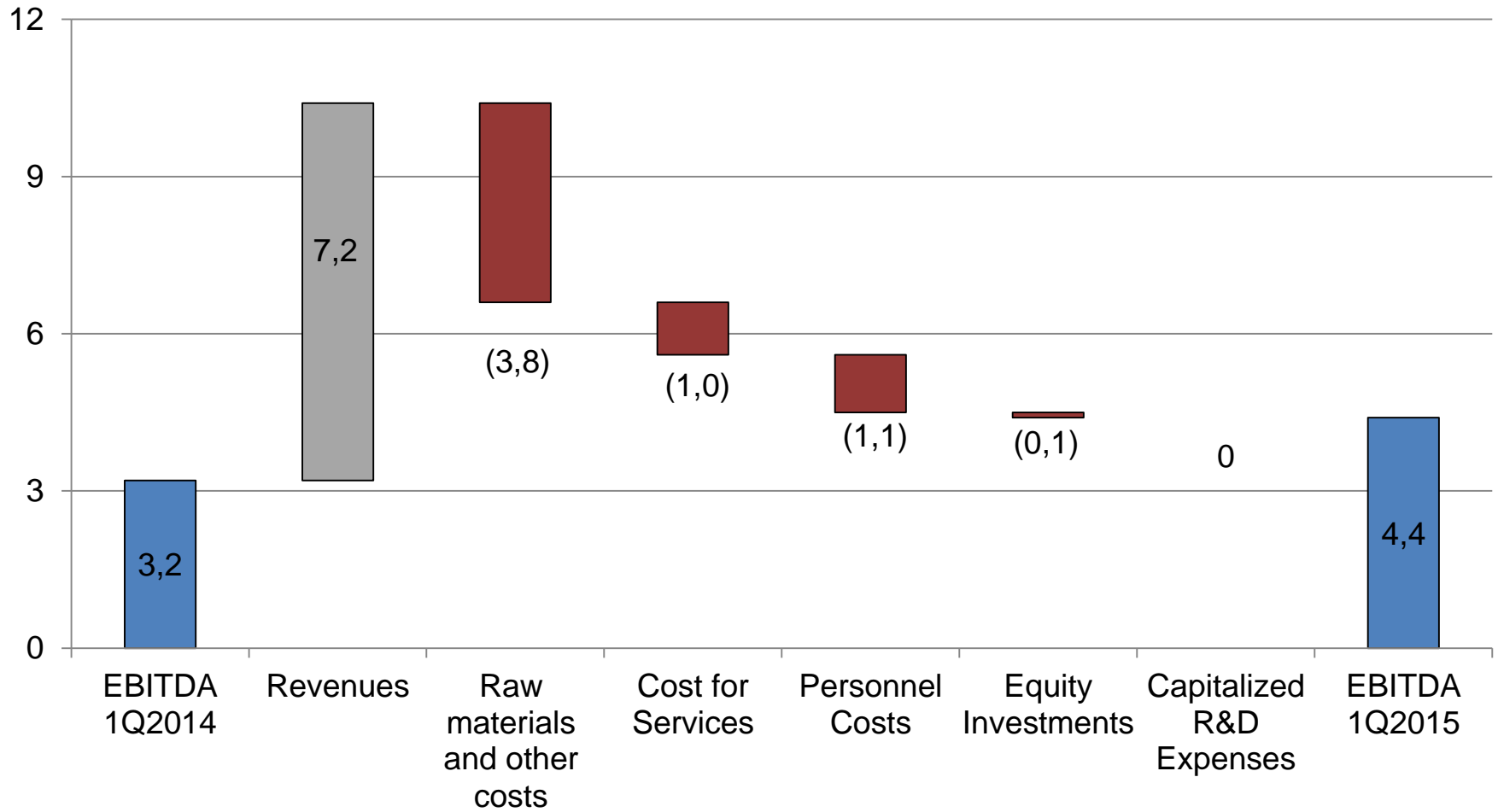


JV TESMEC PENINSULA (49%)
Revenue 1.7 million €
(- 54% vs 1Q2014)

PERFORMANCE OF GROUP SUBSIDIARIES CONSOLIDATED

* **CONSOLIDATED** by
EQUITY METHOD

EBITDA 1Q2015



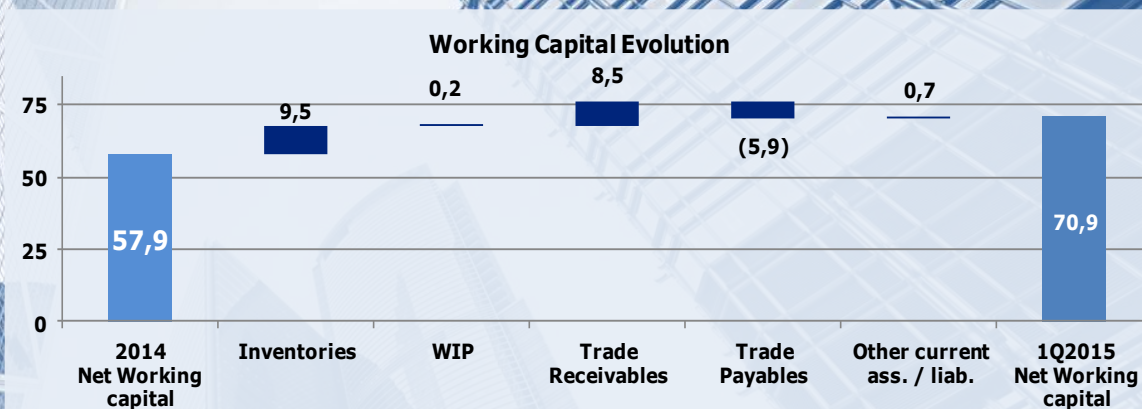
1Q2014

Increase both in absolute and in relative terms.
Different trend across Sectors.

1Q2015

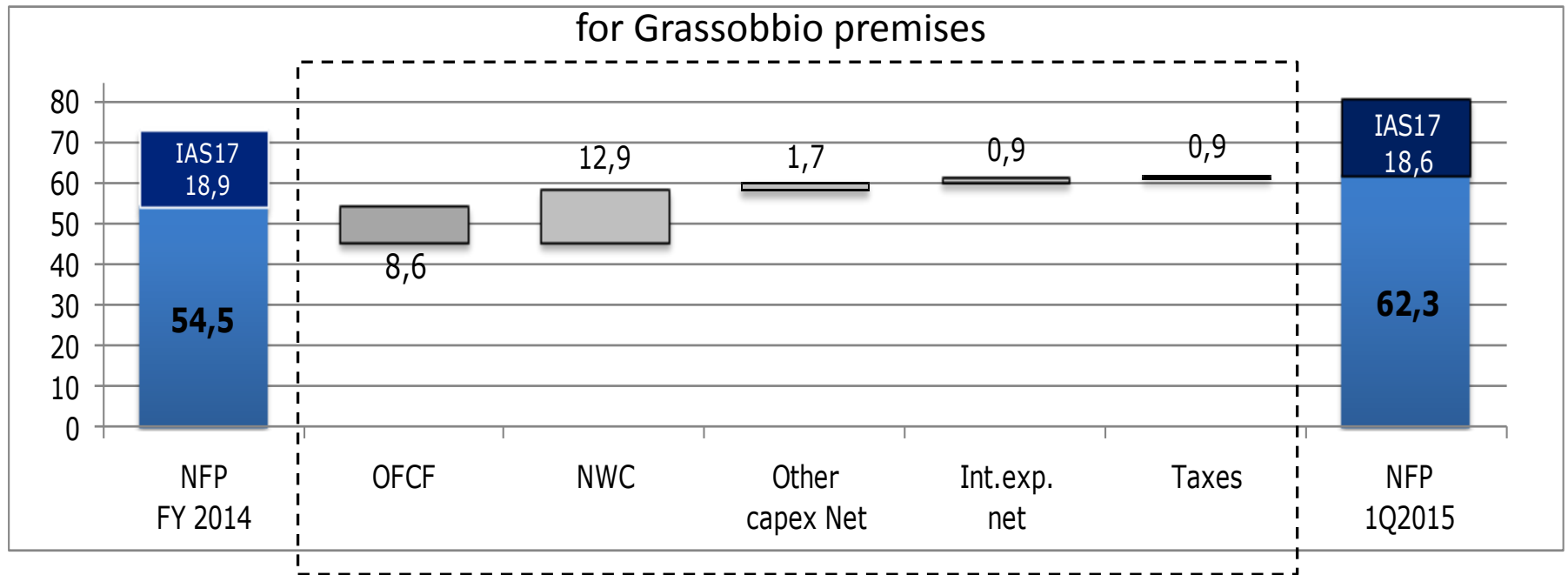
Financial Information (Euro mln)	1Q2015	2014
Net Working Capital	70.9	57.9
Non Current assets	67.5	65.3
Other Long Term assets/liabilities	(2.7)	(1.7)
Net Invested Capital	135.7	121.5
Net Financial Indebtness	80.9	73.4
Equity	54.8	48.1
Total Sources of Financing	135.7	121.5

Working Capital Evolution



Euro Mln	1Q2015	2014	Days 1Q2015	Days 2014
Trade Receivables	49,8	41,3	130	129
Inventories	64,8	55,4	184	190
Work in progress contracts	5,4	5,2		
Trade Payables	(40,1)	(34,2)	105	107
Other Current Assets/(Liabilities)	(9,0)	(9,8)	24	32
Net Working Capital	70,9	57,9		

Operating Net Financial Position without figurative debt
for Grassobbio premises



2014

NFP increase has been mainly influenced by the increase of working capital

1Q2015

Tesmec has been assigned a solicited rating by Cerved Group on March 19, 2015

A 2.2

corresponding to **high credit rating** with Probability of Default index of 0.35%

TESMEC S.p.A. 6% 2014-2021

Trading Venue: ExtraMOT - Professional Segment

Nominal amount: 15,000,000 €

Form of the Bonds: 150 bearer bonds with a nominal value of Euro 100,000.00

Issue price: issued at par at a price equal to 100% of the nominal value

Duration: 7 years

Interest rate: 6%

Minimum Trading Lot: 100,000 €

Trading Currency: EUR

Interest Accrual Date: April 10, 2014

Maturity Date: April 10, 2021

Redemption: Principal amount paid at maturity

CERVED GROUP - CLASSES OF RISK

A 1.1

A 1.2

A 1.3

A 2.1

A 2.2

A 3.1

SAFETY

B 1.1

B 1.2

SOLVENCY

B 2.1

B 2.2

VULNERABILITY

C 1.1

C 1.2

C 2.1

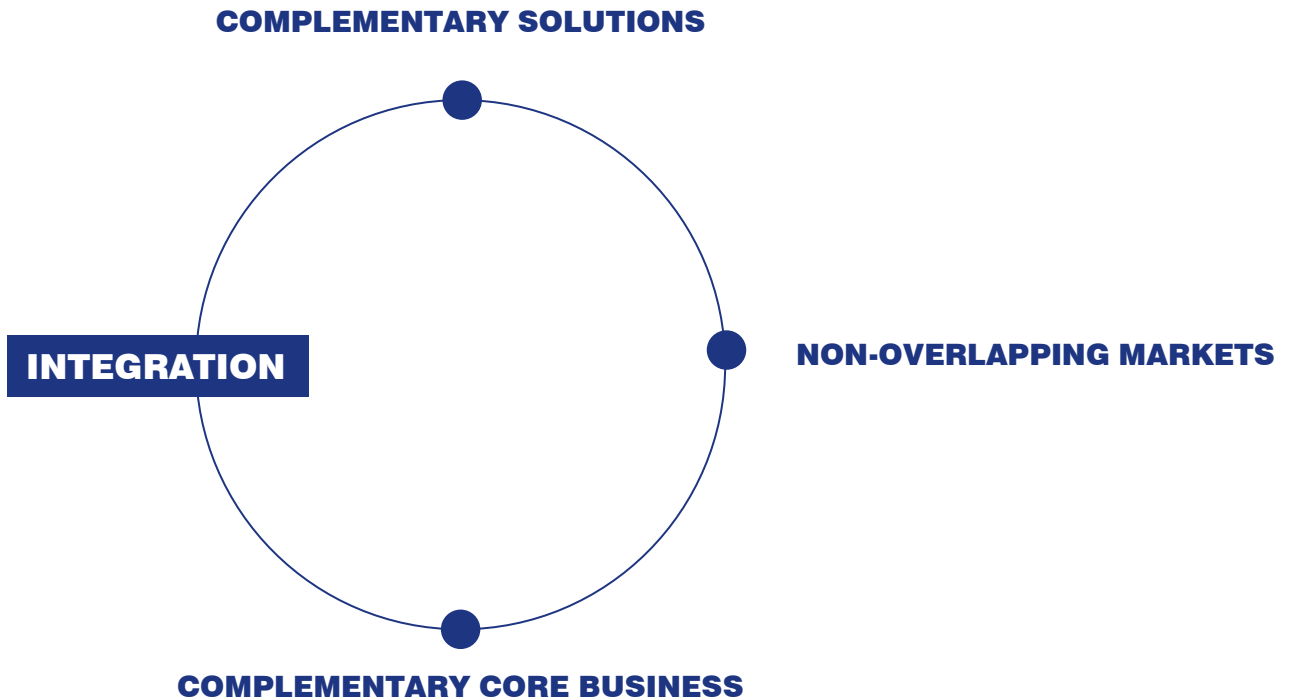
RISK

The acquisition is of strategic importance for Tesmec in that it will allow the Group to use the technological skills developed by Marais as part of the service activities in **telecommunications** and laying of **optical fibers** and of **underground electrical cables** and to use them in markets where the Tesmec Group has already acquired an important market positioning.

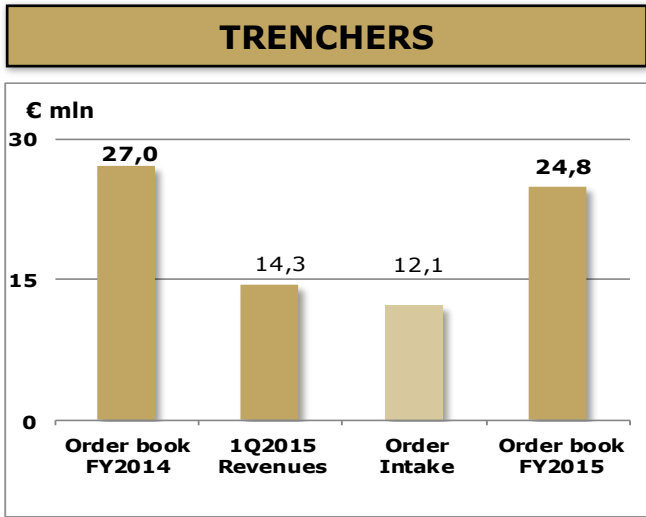
Moreover, the acquisition will allow Tesmec to enter in the **French market** and, more in general, in all the markets where Marais is a leader (**Africa, Australia, New Zealand**, etc.) with the aim to further expand its activities in telecommunications, where significant investments are planned over the next few years. Finally, the transaction will allow the Tesmec Group to use the expertise of Marais in the **rental of machines** and in complementary services.

**MARAIS
TECHNOLOGIES:**

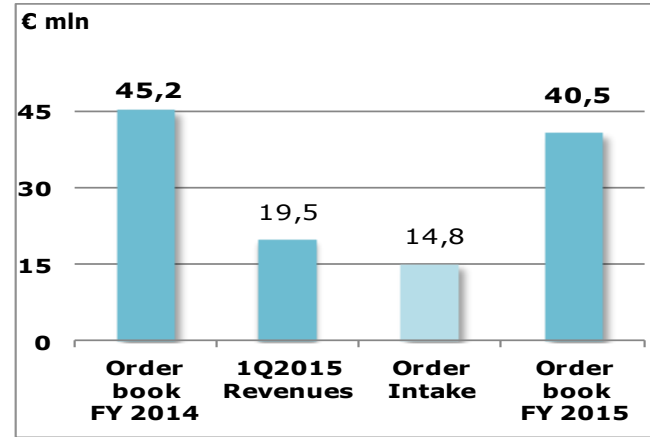
French company at the head of an international group leader in rental services and construction of machines for infrastructures in telecommunications, electricity and gas.



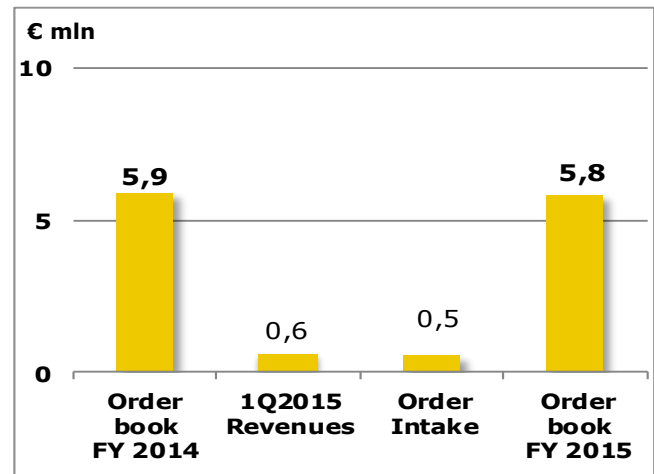
Order Book 1Q2015



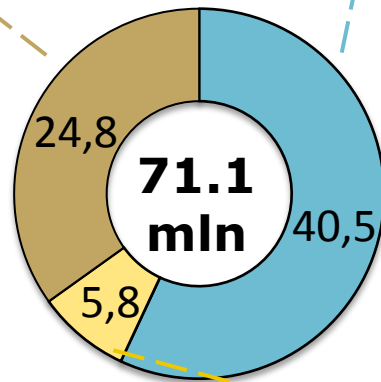
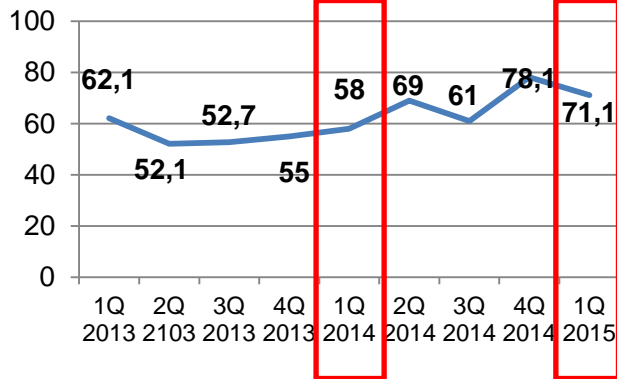
ENERGY



RAILWAY

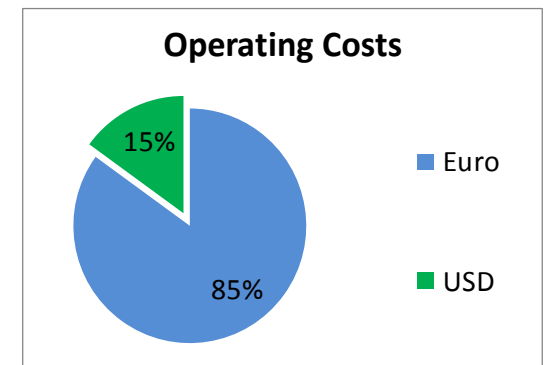
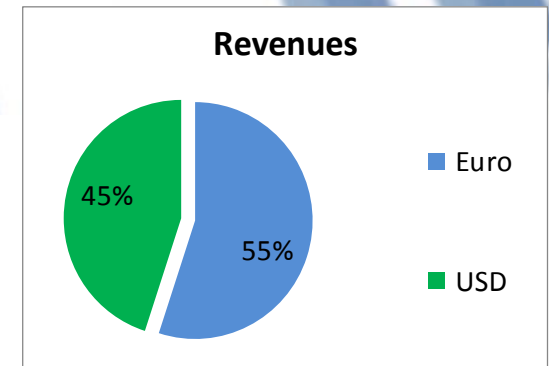


Backlog Trend





- CONFIRMATION OF THE GROWTH IN ENERGY AUTOMATION BUSINESS
- NORMALIZATION OF RESULTS IN THE RAILWAY SECTOR THANKS TO THE FINALIZATION OF PROJECTS IN THE SECOND HALF OF THE YEAR
- STRATEGIC CHOICE TO INCREASE THE PRESENCE IN MARKET SEGMENTS SUCH AS WATER PIPELINES AND INFRASTRUCTURES IS SUPPORTING THE GROWTH OF TRENCHER DIVISION IN USA AND MIDDLE EAST DESPITE THE COMPLEX OIL&GAS SECTOR
- HIGHER OPPORTUNITIES IN TELECOMMUNICATION AND FIBER OPTIC MARKET THANKS TO THE ACQUISITION OF THE FRENCH COMPANY MARAIS. FIGURES OF MARAIS GROUP WILL BE CONSOLIDATED IN THE HALF-YEAR OF 2015
- REDUCTION OF WORKING CAPITAL IS EXPECTED AS A RESULTS OF SALES DEVELOPMENT ESPECIALLY IN TRENCHER SECTOR



Summary 1Q2015 Profit & Loss statement

Profit & Loss Account (€ mln)	1Q2015	1Q2014	Delta vs 2014	Delta %
Net Revenues	34,4	27,2	7,2	26,4%
Raw materials costs (-)	(17,7)	(13,9)	(3,8)	28%
Cost for services (-)	(5,7)	(4,8)	(0,9)	19%
Personnel Costs (-)	(7,4)	(6,3)	(1,1)	17%
Other operating revenues/costs (+/-)	(0,6)	(0,6)	(0,0)	7%
Portion of gain/(losses) from equity investments evaluated using the equity method	0,2	0,3	(0,1)	-33%
Capitalized R&D expenses	1,2	1,2	0,0	0%
Total operating costs	(30,0)	(24,1)	(5,9)	25%
<i>% on Net Revenues</i>	<i>-87%</i>	<i>(88%)</i>		
EBITDA	4,4	3,2	1,2	37,5%
<i>% on Net Revenues</i>	<i>13%</i>	<i>12%</i>		
Depreciation, amortization (-)	(2,0)	(1,7)	(0,3)	20%
EBIT	2,4	1,5	0,9	50,0%
<i>% on Net Revenues</i>	<i>7%</i>	<i>6%</i>		
Net Financial Income/Expenses (+/-)	1,7	(1,0)	2,7	-270%
Taxes (-)	(1,3)	(0,3)	(1,0)	333%
Minorities	-	-	-	-
Net Income (Loss)	2,8	0,2	2,6	1300%
<i>% on Net Revenues</i>	<i>8%</i>	<i>1%</i>		

Summary 1Q2015 Balance Sheet

Balance Sheet (€ mln)	1Q2015	2014
Inventory	64,8	55,4
Work in progress contracts	5,4	5,2
Accounts receivable	49,8	41,3
Accounts payable (-)	(40,1)	(34,2)
Op. working capital	79,9	67,7
Other current assets (liabilities)	(9,0)	(9,8)
Net working capital	70,9	57,9
Tangible assets	49,4	48,1
Intangible assets	13,2	12,4
Financial assets	4,9	4,8
Fixed assets	67,5	65,3
Net long term liabilities	(2,7)	(1,7)
Net invested capital	135,7	121,5
Cash & near cash items (-)	(27,8)	(18,7)
Short term financial assets (-)	(8,6)	(6,8)
Short term borrowing	54,3	36,6
Medium-long term borrowing	63,0	62,3
Net financial position	80,9	73,4
Equity	54,8	48,1
Funds	135,7	121,5

Disclaimer

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