



Milan, 25th February 2016

Agenda

1. The New Alerion
2. Portfolio of operating assets
3. 9M 2015 Consolidated Results

Appendix: Wind farms

Brief History and recent events



- 2003 : Alerion listed on the Milan Stock Exchange as holding co. with equity interests in various businesses
- 2004-2007: Increasing focus on renewable energy
- 2008: F2i enters Alerion shareholding through capital increase (initially 10%)
- 2008-2014: Total focus on wind power



- **2015:** **New Shareholders Agreement and new CEO with two main targets:**
 - **Cost reduction**
 - **Growth (mainly) through M&A**

Overview

- Independent Italian renewable energy company, specialized in the production of electricity from wind
- Currently manages and operates a portfolio of:
 - 10 wind farms in Italy (**total gross installed capacity of 295 MW**) and
 - 1 wind farm in Bulgaria (**total gross installed capacity of 12 MW**)
- Over 8 years of residual average incentives (portfolio average)
- Listed on the Milan Stock Exchange since 2003

10 wind farms in Italy (**total gross installed capacity of 295 MW**) and

1 wind farm in Bulgaria (**total gross installed capacity of 12 MW**)



Operating Plants - Italy

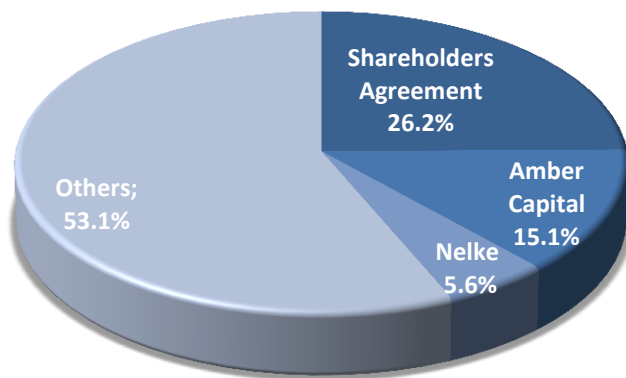


(€'million)	2014 FY	9M 2015
Net Production (GWh)	378	303
Revenues	46	37
EBITDA	22.6	22.8
	49%	61%
Net Debt		212
Net Debt (exc. Derivatives)		194
Equity		115

Shareholders Structure

F2i is the main shareholder of the Company with a stake of 16.03% of the share capital and, since April 2015, is part of a Shareholders' Agreement, which holds 26.24% of the share capital, expiring in October 2016.

Main Shareholders (more than 5% of the Company)



Shareholders	Ownership	% of S.A.
F2i Energie Rinnovabili	16,0%	61,1%
Other private investors	10,2%	38,9%
Total	26,2%	100,0%

- **Number of shares:** 43.6 million
- **Market Capitalization:** 102 million euro (@2.30 euro/share – February 2016)

Board of Directors (7 members):

- *Mauro Miglio (CEO), appointed on the 15th September 2015*
- *Gastone Colleoni (Chairman)*
- *Corrado Santini, Mario Bonamigo, Patrizia Savi, Sylvia Bartyan, Luca Arnaboldi*

Strategic priorities

1

Cost reduction and operational streamlining

2

Financial discipline

3

Pursuit of economies of scale, also through M&A

2015 actions implemented:

- Line-by-line cost cutting (corporate and operating)
- FTE reduced by 30% (2016 vs 2014)
- O&M renegotiations
- Extraordinary maintenance on Agrigento plant
- New HQ
- More than 90% of Opex already contracted
- Tax optimization: structure rationalization, IMU decrease

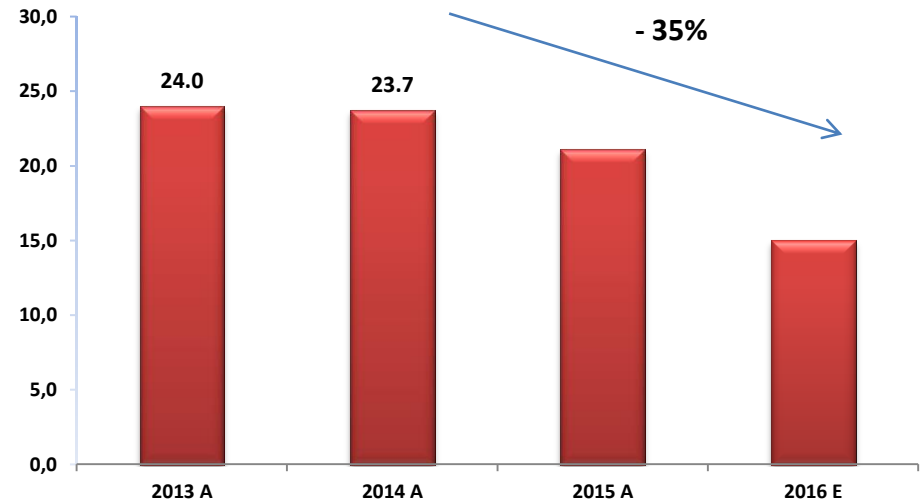
Simple and low-risk cost structure:

- Maintenance Capex fully included in Opex
- No exposure to raw material prices

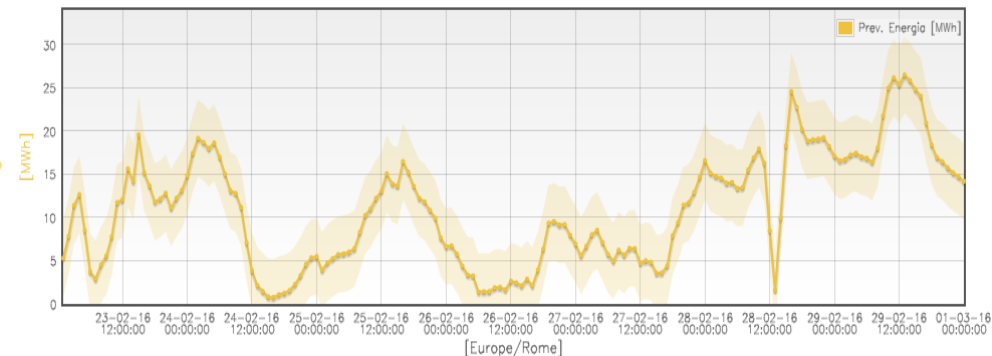
Focus on plant productivity:

- Preventive maintenance
- Real-time monitoring
- Daily wind forecast for maintenance optimization
- New technologies (turbine upgrade systems, blade profile, etc.)

Operating costs (m€)



Plant energy production forecast



Strategic priorities

Financial discipline

• Solid and predictable cash flow generation:

- Incentive scheme, reducing exposure to wholesale electricity prices
- Low working capital requirements
- Negligible ordinary capex

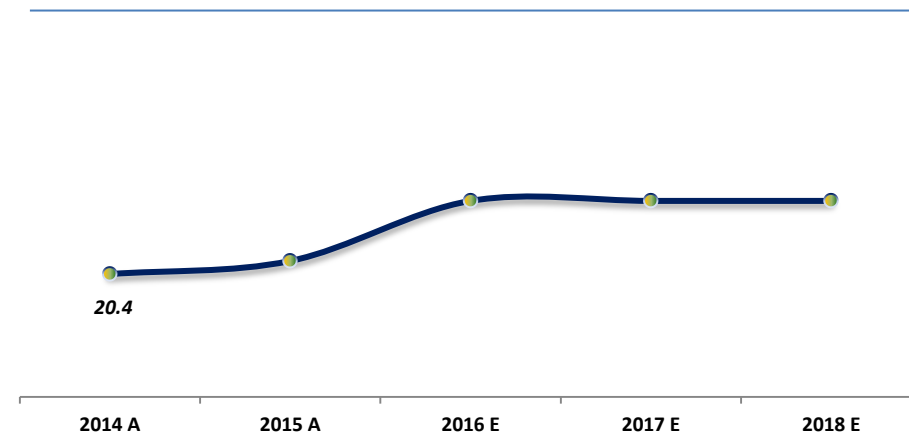
• Bond:

- €130 million; 6% pa
- Listed on MOT; bullet repayment in 2022
- Dividend min. €2 million/year + 50% consolidated net income

• Discretionary use of cash flow generation:

- *Expected deleverage in short-medium term*
- *Capex for new greenfield plants (next incentive auctions)*
- *Acquisition of operating wind farms*

Operating cash flow (m€)

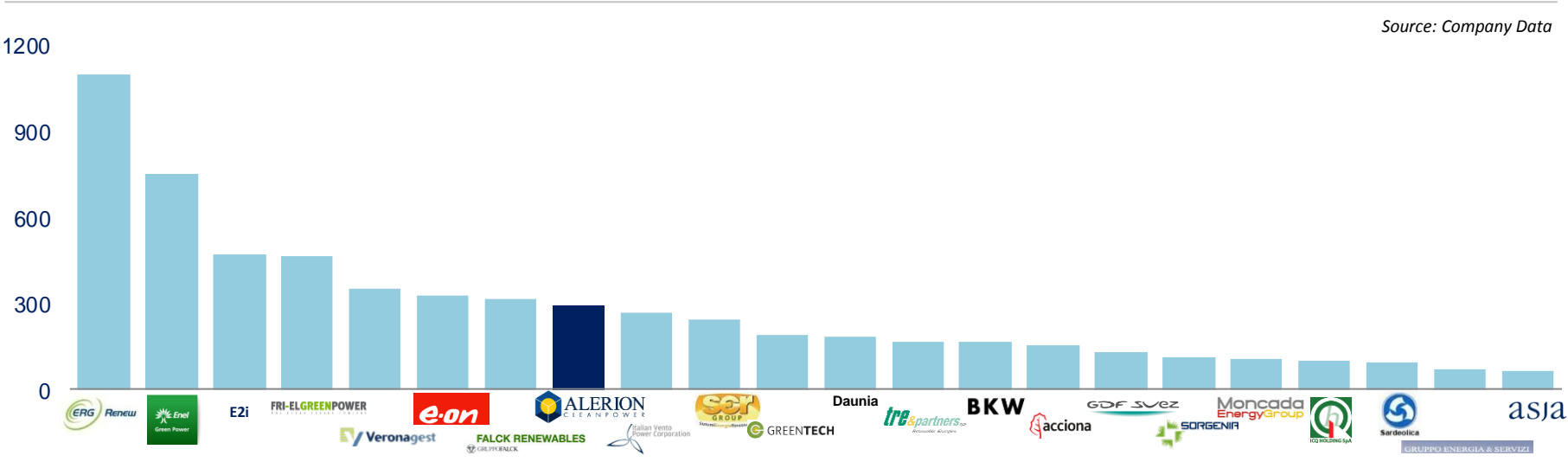


Pursuit of economies of scale, also through M&A



- Italian market is still **very fragmented**
- **Opportunities of growth through business combinations**

Main Wind Energy Players in Italy (2014) - (Gross Installed Capacity, MW)



Wind energy has performed a continuous growth in the last decade and the industry is still very fragmented

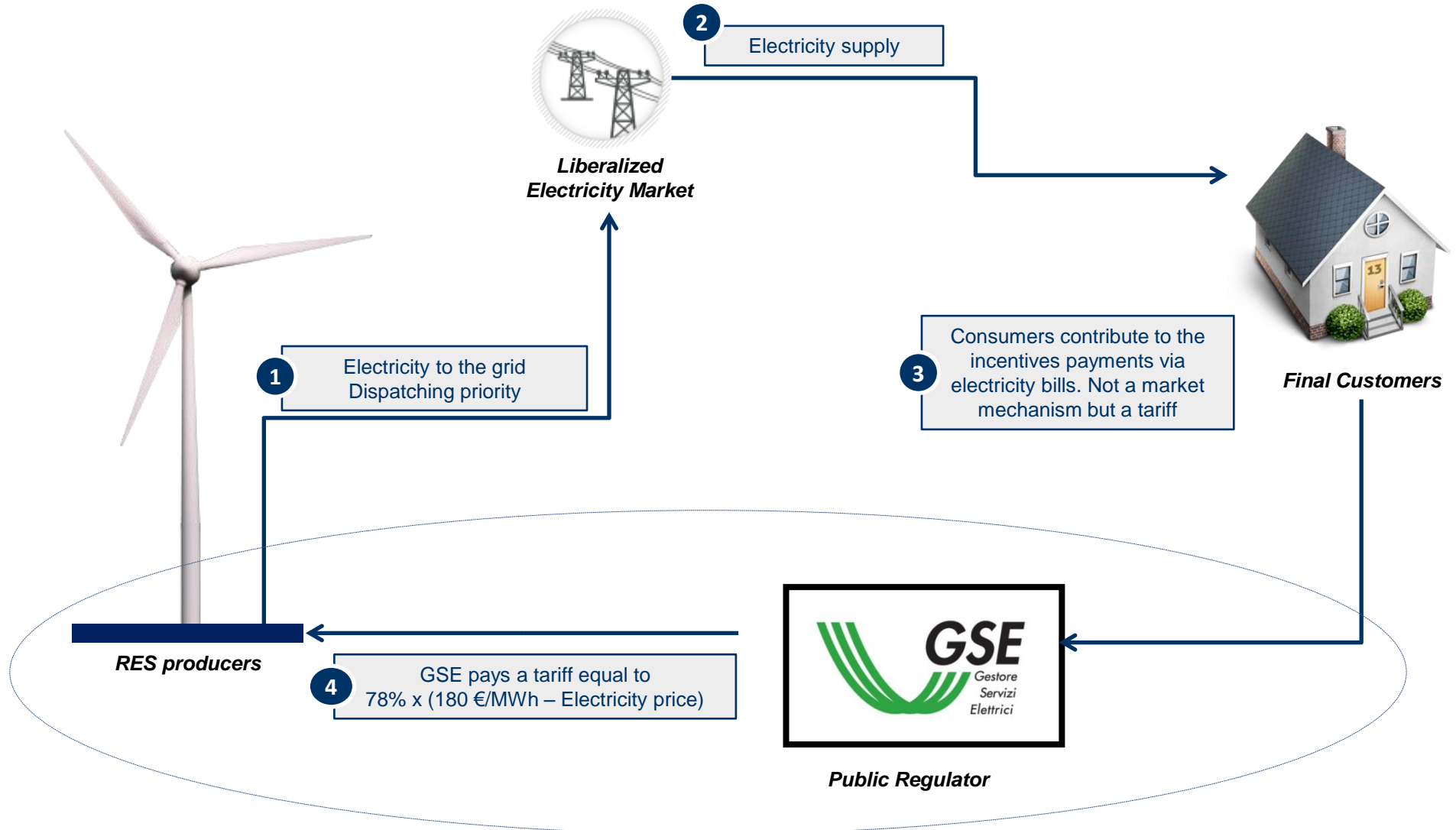
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Appendix: Wind Farms

Market and regulatory framework

Physical and Revenue Flows

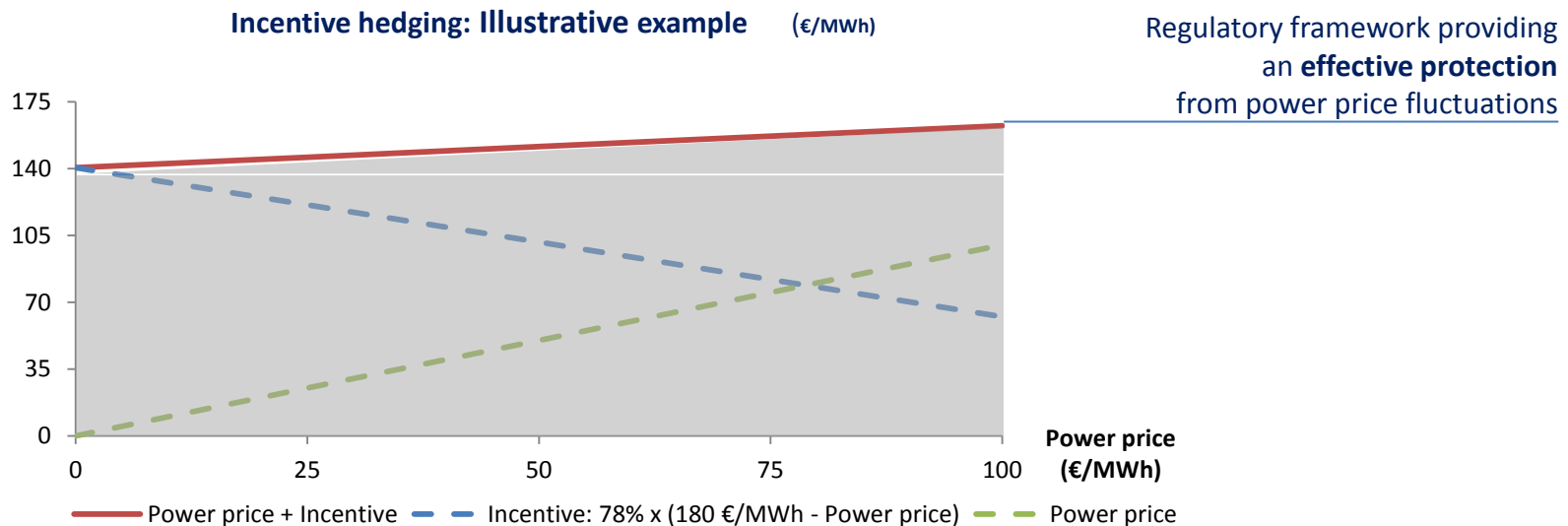


Market and regulatory framework

Supportive regulatory framework

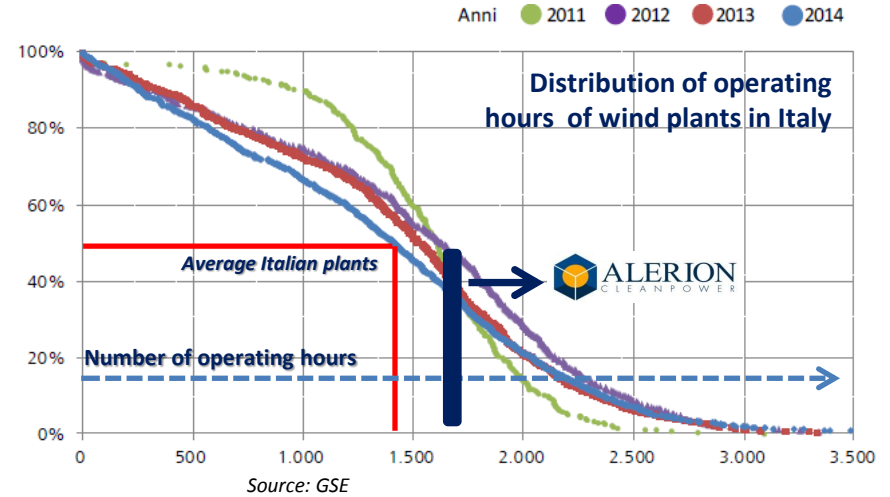


- The new "Energy Strategy" for Italy confirms developments of renewable energies among its priorities, with the objective to meet the EU targets by 2020
- All existing plants completed prior to 2013 benefit from Green Certificates ("GC") regime:
 - ✓ Downward protection from power price fluctuations
 - ✓ GC purchase price year $t = 78\% \times (180 \text{ €/MWh} - \text{Power Price})$
- Power price and incentives are inversely correlated \rightarrow Any decline in power prices would lead to an increase in incentives
- From 2016, this incentive scheme will be replaced by a **feed-in tariff** scheme for the residual incentive eligibility period, calculated with the same formula currently used to define the GC purchase price

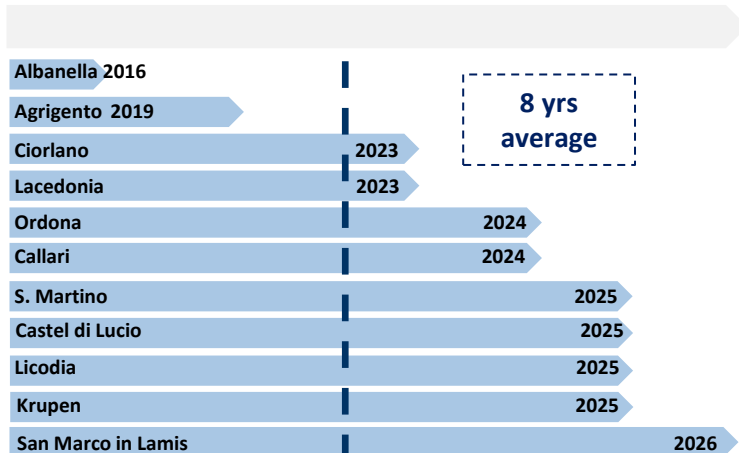


Portfolio of operating plants

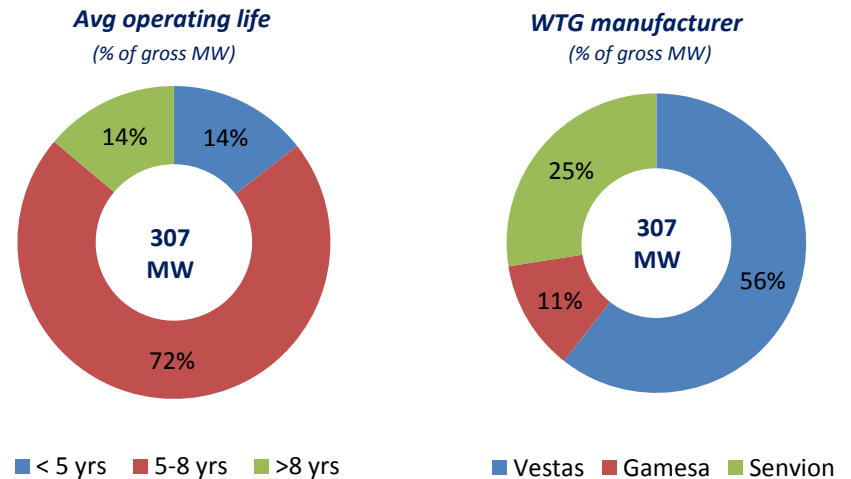
- Portfolio of 11 fully built and operating plants; 307 MW of gross installed capacity directly managed
- Assets with a proven historical production track record, higher than Italian wind sector median, and with an average incentive residual period of more than 8 years
- WTGs manufactured by leading suppliers, all providers of O&M services



Incentive residual period



O&M suppliers



Portfolio of operating plants

Plant Location	Company	Installed Capacity	Ownership	End of incentive period
Albanella	<i>Eolo S.r.l</i>	8.5	100%	Feb. 2016
Ciorlano	<i>Dotto S.r.l.</i>	20.0	100%	March 2023
Agrigento	<i>WPS S.r.l.</i>	34.0	100%	Jan. 2019
Lacedonia	<i>Ecoenergia Campania S.r.l.</i>	15.0	50%	Sept. 2023
Callari	<i>Callari S.r.l.</i>	36.0	100%	Jan. 2024
Ordon	<i>Ordon S.r.l</i>	34.0	100%	March 2024
Castel di Lucio	<i>Minerva S.r.l</i>	23.0	100%	April 2025
Licodia	<i>Parco eolico Licodia Eub. S.r.l</i>	22.1	80%	Sept. 2025
S. Martino in Pensilis	<i>New Green Molise S.r.l.</i>	58.0	50%	Oct. 2025
S. Marco in Lamis	<i>Reenergy San Marco S.r.l.</i>	44.2	100%	Dec. 2026
Krupen	<i>Wind EOOD</i>	12.0	51%	Oct. 2025
Total		306.75		

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9M 2015 Consolidated results

Profit and Loss



Profit & Loss (m€)	FY 2013	FY 2014	9M 2014	9M 2015	Change
Consolidated Production (GWh)	411.3	377.9	284.0	302.7	18.7
Total Revenues	54.0	45.9	34.6	37.1	2.5
Operating Costs	(23.6)	(22.9)	(15.9)	(14.2)	1.7
Provisions for risks	(0.4)	(0.8)	(0.4)	(0.9)	(0.5)
Results from Joint Ventures	1.3	0.4	(0.4)	0.8	1.2
EBITDA	31.3	22.6	17.8	22.8	5.0
<i>Ebitda margin %</i>	<i>58%</i>	<i>49%</i>	<i>52%</i>	<i>61%</i>	
Amortization and Depreciation	(16.9)	(22.8)	(16.7)	(16.7)	0.0
EBIT	14.4	(0.2)	1.1	6.1	5.0
Net Financial Income/(Expenses)	(14.6)	(34.2)	(11.3)	(10.6)	0.7
Profit/(Loss) before taxes	(0.2)	(34.4)	(10.2)	(4.5)	5.7
Taxes	(0.1)	6.6	1.4	1.9	0.5
Net Income/(Loss)	(0.3)	(27.8)	(8.8)	(2.6)	6.2
Minorities Net Income/(Loss)	0.5	(1.0)	(0.3)	(0.1)	0.2
Group Net Income/(Loss)	(0.8)	(26.8)	(8.5)	(2.5)	6.0

+7%

Growth in installed capacity resulting from the acquisition of 50% of Agrigento farm and production higher than 2014, despite the electrical output of 3Q2015 was affected by the low wind of summer months

+28%

EBITDA increase reflects a significant reduction in operating costs (-1.7 million euro), also resulting from the start of the **cost reduction and operational streamlining program**

9M 2015 Consolidated results

Balance Sheet



Balance Sheet (m€)	FY 2014	9M 2015	Change
Fixed asset	299.5	311.5	12.0
Other non current assets	19.4	15.2	(4.2)
<i>of which receivables for electricity and incentives</i>	14.8	25.7	10.9
Net Invested Capital	318.9	326.7	7.8
Shareholders' Equity	114.6	111.9	(2.7)
Minority Shareholders' Equity	2.4	3.0	0.6
Total Equity	117.0	114.9	(2.1)
Cash and Cash Equivalents	47.9	21.0	(26.9)
Other Financial Assets and Liabilities	(249.9)	(232.9)	17.0
Net Financial Position	(201.9)	(211.8)	(9.9)
Equity and Net Financial Position	318.9	326.7	7.8

NFP (m€)	FY 2014	9M 2015	Change
Cash and Cash Equivalents	47.9	21.0	(26.9)
Other Financial Receivables	15.3	10.2	(5.1)
Total Activities	63.3	31.2	(32.0)
Banks Debt	(229.3)	(92.3)	137.0
Bond	-	(131.4)	(131.4)
Other Financial Debts	(2.2)	(1.9)	0.3
Total Liabilities	(231.5)	(225.6)	5.9
NFP excluding Derivatives	(168.2)	(194.4)	(26.2)
Derivatives	(33.7)	(17.5)	16.2
Net Financial Position	(201.9)	(211.8)	(9.9)

Net Financial Position as at 30 September 2015 amounted to 211.8 million euro, + 9.9 million vs Dec. 2014:

- **Operating cash flows (34 million euro)** +
- Positive fair value change of derivatives (2.6 million euro) +
- Purchase of 50% and full consolidation of Agrigento wind farm (32.5 million euro) -
- Dividends (2 million euro) -
- interest expenses (12.2 million euro) -

Financial Structure

Bond Issue



- On the 11th February 2015, Alerion issued a 130 million euro bond, listed on the MTO market
- Proceeds were used to refinance most of the project financing in place and making available cash to take over 50% stake of Agrigento wind farm (currently fully owned)
- After bond issue, 7 out of 9 fully consolidated wind farms have no project financing and operating cash flows are fully available at corporate level

Bond main terms

Issuer	Alerion Clean Power SpA
Size	130 € million
Maturity	7 year tenor
Coupon	6% fixed
Interest payment	Annual
Optional redemption	Non-callable for 3 years
Listing	MOT - Milan Stock Exchange
Guaranties	Security on intercompany loans
Change of control	Allowed
Governing law	Italian law
Covenants	- D/E max = 2 - Dividend distribution: 50% of Net consolidated earnings with a floor of 2 million euro per year

Appendix

Wind Farms

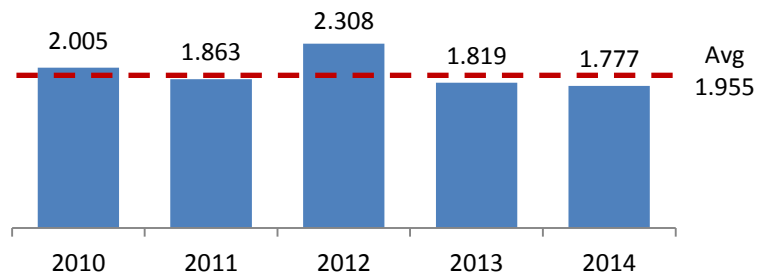
Wind farms

Ordona (34 MW)



Installed Capacity	34.0 MW
Location	Ordona (Foggia province)
Project Company	Ordona Energia S.r.l.
Ownership	100%
Pro-quota installed capacity	34.0 MW
Commercial Operation Date	March 2009
No of Turbines	17
Incentive Scheme	Green Certificates/Feed in tariff
End of Incentives	March 2024

Equivalent Hours

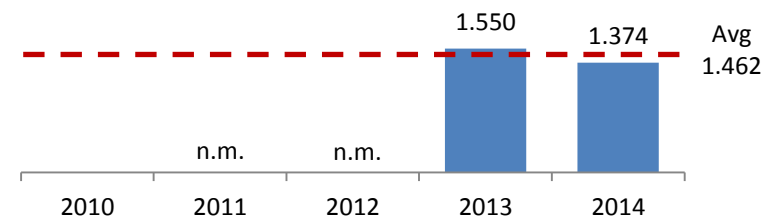


San Marco in Lamis (44,2 MW)



Installed Capacity	44.2 MW
Location	San Marco in Lamis (Foggia province)
Project Company	Renergy San Marco S.r.l.
Ownership	100%
Pro-quota installed capacity	44.2 MW
Commercial Operation Date	January 2012
No of Turbines	13
Incentive Scheme	Green Certificates/Feed in tariff
End of Incentives	December 2026

Equivalent Hours



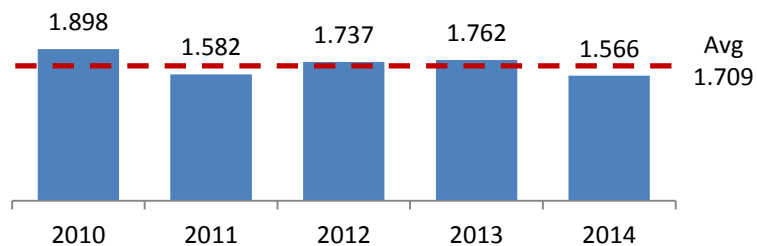
Wind farms

Agrigento (34 MW)



Installed Capacity	34.0 MW
Location	Agrigento (Agrigento province)
Project Company	Wind Power Sud S.r.l.
Ownership	100%
Pro-quota installed capacity	34.0 MW
Commercial Operation Date	February 2007
No of Turbines	40
Incentive Scheme	Green Certificates/Feed in tariff
End of Incentives	January 2019

Equivalent Hours

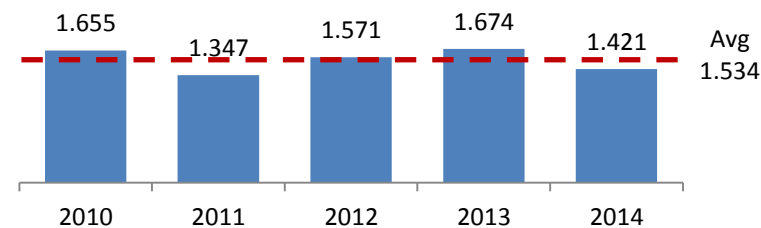


Callari - Vizzini (36 MW)



Installed Capacity	36.0 MW
Location	Vizzini (Catania province)
Project Company	Callari S.r.l.
Ownership	100%
Pro-quota installed capacity	36.0 MW
Commercial Operation Date	January 2009
No of Turbines	18
Incentive Scheme	Green Certificates/Feed in tariff
End of Incentives	January 2024

Equivalent Hours



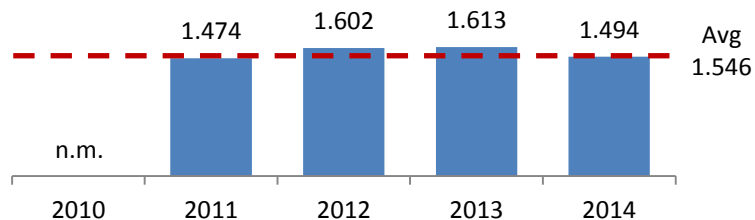
Wind farms

Castel di Lucio (2 MW)



Installed Capacity	23.0 MW
Location	Castel di Lucio (Messina province)
Project Company	Minerva S.r.l.
Ownership	100%
Pro-quota installed capacity	23.0 MW
Commercial Operation Date	April 2010
No of Turbines	27
Incentive Scheme	Green Certificates/Feed in tariff
End of Incentives	April 2025

Equivalent Hours

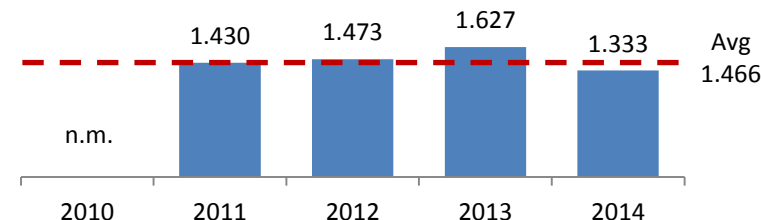


Licodia (22,1 MW)



Installed Capacity	22.1 MW
Location	Licodia (Catania province)
Project Company	Parco Eolico Licodia Eubea S.r.l.
Ownership	80%
Pro-quota installed capacity	17.7 MW
Commercial Operation Date	September 2010
No of Turbines	26
Incentive Scheme	Green Certificates/Feed in tariff
End of Incentives	September 2025

Equivalent Hours



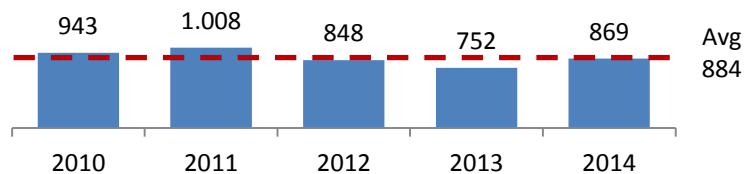
Wind farms

Ciorlano (20 MW)



Installed Capacity	20.0 MW
Location	Ciorlano (Caserta province)
Project Company	Dotto s.r.l.
Ownership	100%
Pro-quota installed capacity	20.0 MW
Commercial Operation Date	April 2008
No of Turbines	10
Incentive Scheme	Green Certificates/Feed in tariff
End of Incentives	March 2023

Equivalent Hours

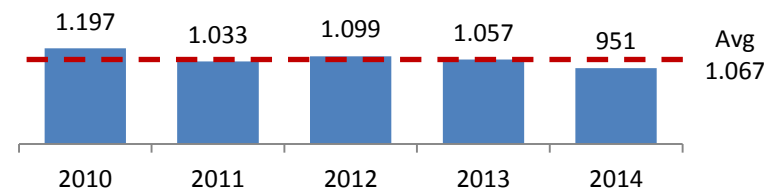


Albanella (8,5 MW)



Installed Capacity	8.5 MW
Location	Albanella (Salerno province)
Project Company	Eolo s.r.l.
Ownership	100%
Pro-quota installed capacity	8.5 MW
Commercial Operation Date	March 2004
No of Turbines	10
Incentive Scheme	Green Certificates/Feed in tariff
End of Incentives	February 2016

Equivalent Hours



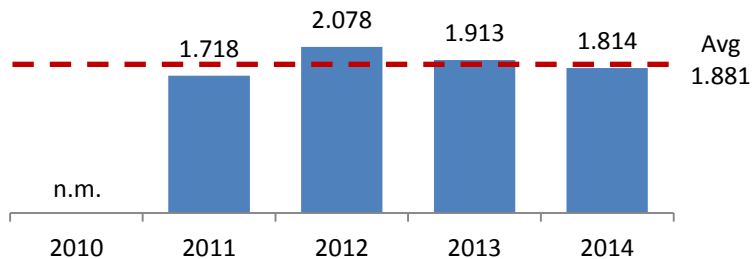
Wind farms

San Martino (29 MW)



Installed Capacity	58.0 MW
Location	San Martino in Pensilis (Campobasso)
Project Company	New Green Molise S.r.l.
Ownership	50%
Pro-quota installed capacity	29.0 MW
Commercial Operation Date	October 2010
No of Turbines	29
Incentive Scheme	Green Certificates/Feed in tariff
End of Incentives	October 2025

Equivalent Hours

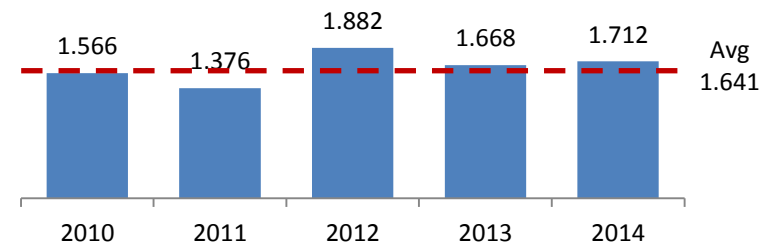


Lacedonia (7,5 MW)



Installed Capacity	15.0 MW
Location	Lacedonia (Avellino province)
Project Company	Ecoenergia Campania s.r.l.
Ownership	50%
Pro-quota installed capacity	7.5 MW
Commercial Operation Date	October 2008
No of Turbines	5
Incentive Scheme	Green Certificates/Feed in tariff
End of Incentives	September 2023

Equivalent Hours



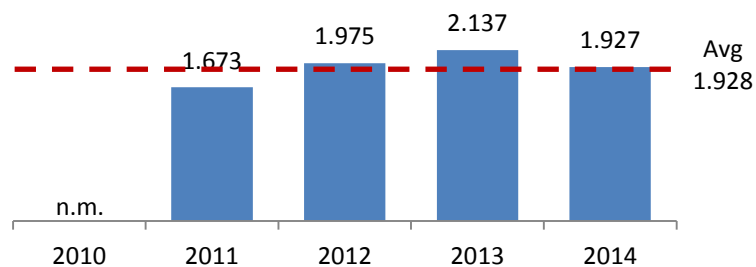
Wind farms

Krupen (12 MW)



Installed Capacity	12.0 MW
Location	Krupen (Bulgaria)
Project Company	Wind Energy / Power2 / Stream / Systems EOOD
Ownership	51%
Pro-quota installed capacity	12 MW
Commercial Operation Date	October 2010
No of Turbines	4
Incentive Scheme	Feed – in Tariff
End of Incentives	October 2025

Equivalent Hours



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