



**PRESS RELEASE**  
**Terni, April 27, 2016**

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**TerniEnergia: Shareholders' meeting approves 2015 Financial Statements and the distribution of dividends equal to Euro 0,025 per share; renewal of Corporate Boards**

- **Approved the Financial Statements as at December 31, 2015 and a consolidated Net profit for the year of Euro 2.6 million**
- **Approved the First Section of the Report on remuneration foreseen by art. 123-ter of TUF**
- **Approved the remuneration and incentive policies for 2016**
- **Appointed the Board of Directors of TerniEnergia S.p.A. and its President, who shall hold office for the years 2016, 2017 and 2018: three new board directors, Massimiliano Salvi, Laura Bizzarri and Laura Rossi**
- **Appointed the Board of Statutory Auditors of TerniEnergia S.p.A., which will remain in office for the years 2016, 2017 and 2018**

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The Annual Shareholders' Meeting of **TerniEnergia**, smart energy company active in the fields of renewable energy, energy efficiency, waste and energy management, listed on the Star segment of the Italian Stock Exchange and part of Italeaf Group, met today under the chairmanship of Fabrizio Venturi and approved the draft financial statements and noted the presentation of the consolidated financial statements as at December 31, 2015.

**RESULTS OF THE GROUP TERNIENERGIA**

**Revenues** amounted to Euro 368.7 million, showing an increase of 288% compared to 31 December 2014 (Euro 95.2 million) attributable, on the one hand, to the presence of Free Energia in the scope of consolidation until 30 November 2015 and, secondly, to the state of play of the worksites for EPC activities concerning two contracts in South Africa.



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**EBITDA** amounted to Euro 25.2 million, a significant increase (+40%) compared to December 31, 2014 (Euro 18 million). The **EBITDA margin** amounted to 6.8%, decreasing compared to 2014 (18.9%) due to the different business model. Revenues and margins are the highest achieved in the history of the company.

**Net operating income (EBIT)** amounted to Euro 17.1 million (Euro 8.4 million as at December 31, 2014), after depreciations, amortizations and impairments of Euro 8.1 million (Euro 9.6 million total in 2014).

**Net profit**, which includes the share of results from the activity of photovoltaic JV, amounted to Euro 2.6 million, while the profit before tax (**EBT**) amounted to 6.1 million. The significant incidence of a tax rate of 58% (increasing due to the effects of the reduction of IRES from 2017, which led to a recalculation of deferred taxes already in the year 2015), is the main reason for the contraction of the Net profit compared to December 31, 2014, which amounted to Euro 6.2 million (-59%).

The **Net financial position** is Euro 87.3 million (Euro 92.9 million as at 30/09/2015). NFP compared to 2014 has decreased of Euro 20.8 million, bearing witness placed by management on maintaining a group's financial balance. The Current NFP is equal to Euro 79.2 million, while the NFP in short term amounts to Euro 8.1 million. The steady reduction of the NFP allowed to reach the expected results in the Business Plan's Update. The ratio NFP/Net equity is 1,56x (gearing ratio 156%) and remains almost constant compared with the 1,51x of the previous year, also in line with the expectations of the business plan. The ratio NFP/EBITDA is equal to 3.46 x (6x compared to the year 2014).

**The Net Equity** Euro 55.8 million decreasing of 21.8% (Euro 71.3 million at 31/12/2014), by effect of disinvestment from Free Energia, while the Fixed assets amounted to Euro 125.3 million, of which Euro 82.6 million related to tangible assets. Net equity takes into account the treasury shares held in portfolio, which amounted to No. 4,012,998.

### **TERNIENERGIA S.P.A.' RESULTS AS AT DICEMBER 31, 2015**

**Net revenues** amounted to Euro 32.2 million (Euro 17.7 million as at 31/12/2014). The gross operating margin (**EBITDA**) amounted to Euro 11.5 million (Euro 5.7 million as at 31/12/2014). **The net result** amounted to Euro 2.1 million (Euro 1.7 million as at 31/12/2014).

### **DIVIDEND**

Shareholders' meeting also **approved the distribution of a dividend** of Euro 0,025 per share, corresponding to a payout ratio of 43% on consolidated net profit. The dividend will be paid on May, 25 2016, and the relevant coupon No. 7 shall be separated on May, 23 2016.

### **REMUNERATION REPORT EX ART. 123-TER D. DECREE 58/98**



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The Shareholders' meeting approved the Remuneration Report of Directors and Managing Directors with strategic responsibility provided by art. 123-ter of D. Decree 58/98

#### **REMUNERATION AND INCENTIVE POLICIES**

The Shareholders' Meeting approved the policy of the Company and the Group regarding remuneration and incentives, which includes: (a) the total taxable annual remuneration of the Board of Directors for Euro 490,000 over costs and legal contributions, in addition to reimbursement of the costs incurred; (B) a maximum annual variable component of 15% of emoluments payable to the individual executive director for exceeding an amount equal to at least 5% in EBITDA expected from the approved business plan, deferring the payment of 50% of the component gained varying only at the natural expiry of the mandate; (C) to determine the gross annual remuneration of the Board of Auditors for Euro 70,000 plus reimbursement of expenses incurred.

#### **RENEWAL OF CORPORATE BOARDS**

The Shareholders' Meeting appointed the members of the Board of Directors, which will remain in office for the years 2016, 2017 and 2018, until the Shareholders' Meeting called to approve the financial statements as at 31 December 2018, the number of which has been determined in 9 members. The Directors proposed in the list submitted by the majority shareholder Italeaf S.p.A., and voted unanimously are: Stefano Neri, born in Terni (TR) il 14/09/1959, il quale ha assunto la carica di Presidente; Monica Federici, born in Roma on 03/07/1958; Fabrizio Venturi, born in Terni (TR) on 14/02/1964; Massimiliano Salvi born in Milano (MI) on 22/04/1964; Laura Bizzarri born in Foligno (PG) on 22/09/1971; Mario Marco Molteni born in Varese (VA) on 18/09/1958; Paolo Ottone Migliavacca born in Milano (MI) on 24/05/1975; Domenico De Marinis, born in Roma on 20/01/1961; Laura Rossi born in Amelia (TR) on 18/10/1965. Mario Marco Molteni, Paolo Migliavacca, Domenico De Marinis and Laura Rossi declared their independence in accordance with the regulations in force, including the Consolidated Finance Act, and the Self-Governance Code. Also appointed the three members of the Board of Statutory Auditors and 2 alternate auditors from Slate no. 1, who will remain in office for the years 2016, 2017 and 2018: Ernesto Santaniello, born in Napoli (NA) on 06/09/1943, who assumes the role of Chairman of the Board of Statutory Auditors, Vittorio Pellegrini, born in Terni (TR) on 05/04/1966, elected statutory auditor, Simonetta Magni, born in Terni (TR) on 18/02/1966, elected statutory auditor, Marco Chieruzzi born in Terni (TR) on 30/04/1960, elected alternate auditor; Caterina Brescia, born in Terni (TR) on 07/06/1971, elected alternate auditor.

#### **PUBLISHED 2015 FINANCIAL STATEMENTS FINALLY APPROVED**



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The minutes will be made available to the public within the terms and in the manner provided by law.

The Financial Statements of TerniEnergia S.p.A. and the Consolidated Financial Statements of the TerniEnergia Group as at December 31, 2015, approved by the Shareholders' AGM, together with the documentation required by law, are available to the public at the registered office, the website [www.ternienergia.com](http://www.ternienergia.com), (Investor Relations/Financial Reporting section) and on the authorised storage mechanism 1Info at [www.1info.it](http://www.1info.it).

Based on the information available to the Company, none of the Directors or Statutory Auditors hold TerniEnergia S.p.A. shares, with the exception of Stefano Neri, who holds 120.697 TerniEnergia S.p.A. shares directly and 19.867.103 indirectly, Fabrizio Venturi, who holds directly 74.654 TerniEnergia S.p.A. shares, and Monica Federici who holds directly 16.058 TerniEnergia S.p.A. shares. The documentation relating to the members of the Board of Directors and Board of Statutory Auditors appointed, including the curriculum vitae and the declarations of independence of the independent directors appointed is available in the Investor Relations/Shareholders' Meetings section on the website [www.ternienergia.com](http://www.ternienergia.com).

### **Declaration pursuant to Article 154-bis, paragraph two, of the Consolidated Finance Act**

*The Officer responsible for the preparation of accounting and corporate documents, Mr Paolo Allegretti, declares, pursuant to paragraph 2, art. 154-bis of the Consolidated Financial Act, that the accounting information that is contained in this press release corresponds to the documentary results, the accounting books and records.*

### **Attached: the Letter to Shareholders by Stefano Neri (Chairman and CEO TerniEnergia)**

*This press release is also available on the Company's website: [www.ternienergia.com](http://www.ternienergia.com).*

**TerniEnergia**, a company incorporated in September of 2005 and part of Italeaf Group, is the first Italian smart energy company and operates in renewable energy, energy efficiency, energy and waste management. TerniEnergia operates as system integrator, with a turn-key offer of industrial sized photovoltaic plants, on behalf of third parties and on its own, for the Power Generation business, also through joint venture companies with leading national players. TerniEnergia operates in the waste management sector, recovery of the material and energy, development and production of technologies. In particular, the Company is active in the recovery of tires out of use, in the treatment of biodegradable waste through the implementation of biodigesters, management of plant for the biological depuration; development and production of technological apparatus. Through TerniEnergia Gas & Power, the Group is active in the



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energy management, energy sales to energy intensive customers, software and services for energy management, administrative, financial and credit management. The Group is also active on the natural gas and liquefied natural gas (LNG) market, offering a range of services and activities in order to develop Client's business and achieve a competitive advantage providing the best market conditions and creating a high added value.

TerniEnergia operates in the development of energy efficient plants both through EPC scheme and FTT scheme (Financing Through Third Parties), pursuing the objectives of increasing energy production from renewable sources, of energy saving and reduction of emissions as set forth by environmental European policy.

TerniEnergia is listed on STAR segment of Borsa Italiana S.p.A..

#### **For further info:**

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Narni (TR), April 27, 2016

Dear Shareholders,

2015 has confirmed the ability of TerniEnergia to achieve and exceed the targets provided, also when they are ambitious. Revenues, EBITDA, EBIT and Net financial position indicated in the business plan have been reached or exceeded.

With regard to the higher revenues and margins of TerniEnergia's history, Net income was lower due to an exceptionally high tax burden (58%) and the divestment contract with Free Energy. This latter, due to unforeseen circumstances at the time of acquisition, did not result in substantial changes in the business model, although in the future will result in a significant downsizing of energy trading, resulting in lower revenues.

2015 was also the year in which were launched in South Africa, the worksites of two of the largest photovoltaic plants in the world. TerniEnergia has achieved excellent industrial results, shortening lead times and proving its know-how in managing large works outside Europe.

The internalization process has intensified, both with the participation in tenders in photovoltaic field and with the horizon expansion in energy efficiency projects.

With the entrance into operation of the second end of life tyre recovery plant, TerniEnergia strengthened its leadership at the national level in the environmental industry and has expanded its cleantech sector, which is now a growing reality.

In 2015 TerniEnergia demonstrated in short, once again, to have a remarkable ability to adapt to situations and scenarios that are changing quickly.



**Stefano Neri**  
Chairman & CEO  
TerniEnergia

We are now called to increase our leading role in the areas of renewable energy and circular economy. To achieve this goal it is necessary to implement two strategic choices already highlighted in the business plan:

- 1) the spin off of environmental activities in order to increase investment in new technology systems to create a broader platform;
- 2) the acquisition of additional technologies, solutions and know-how, making it possible to achieve a leadership in the field of smart-tech applied to the energy plants and to the grids to integrate the EPC activities. The Italian excellence in this field will facilitate and enhance the internalization of TerniEnergia with high added value activities.

TerniEnergia operates in sectors that are experiencing an extraordinary dynamism at a global level and this leads us to consider positively growth assumptions for external lines, including through the use of treasury shares.

The challenges of renewable energy and environmental technology sector, we sensed over ten years ago, are now great opportunities, not only in Europe. We will do whatever it takes to seize them and to continue our success story.

Stefano Neri  
