



PRESS RELEASE
Terni, May 2, 2016

TERNIENERGIA: approved the interim report as at 31 March 2017

- Revenues of Euro 29.9 million, -4.59% (Euro 31.3 million as at 03/31/2016)
- EBITDA amounted to Euro 3,4 million, -15.73% (Euro 4 million as at 03/31/2016), with EBITDA margin at 11.4%
- EBIT amounted to Euro 1.4 million, -50.71% (Euro 2.8 million as at 03/31/2016)
- Net profit amounted to Euro 0.2 million, -60% (Euro 0.6 million as at 03/31/2016)
- NFP of Euro 91.2 million, short-term NFP of Euro 13.5 million (Euro 93.9 million as at 31/12/2016, short-term NFP of 14.8 million)
- Net equity amounted to Euro 59.7 million, +3.85% (Euro 57.5 million as at 03/31/2016)

The Board of Directors 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, approved today the interim financial report as at March 31, 2017.

Stefano Neri, Chairman and CEO of TerniEnergia commented as follows:

"The data for the first quarter of 2017 give us a change of scenario. There are encouraging signs of trend reversal in business performance over the previous months, considering also that the value of the new photovoltaic worksites in Africa has not yet been reflected in revenues. We also think that conditions will soon be available to strengthen this trend even in the most technologically advanced business sectors, such as energy efficiency and smart grids. Finally, we express great satisfaction for the unanimous pronouncement of the Shareholders' Meeting regarding the confirmation of the appointment of new directors Piero Manzoni and Giulio Gallazzi. They are two managerial figures of international relevance and proven experience, which will help accelerate the implementation of the targets of TerniEnergia's strategic plan, Mr Manzoni also with operational responsibilities".

CONSOLIDATED RESULTS AS AT MARCH 31, 2017

Revenues amounted to Euro 29.9 million, showing the starting of the project phase of the PV EPC worksite in Tunisia, the recovery of energy and gas trading, the presence in the consolidation scope of Softeco Sismat and Selesoft Consulting, acquired since October 31, 2016. The comparison with the first quarter of 2016 (Euro 31.3 million; -4.59%), is a conditioned by an overall decrease of EPC activity following the completion occurred in the second half 2016 of the two giant worksites in South Africa.



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EBITDA amounted to Euro 3.4 million, showing a decrease (-15.73%) compared to March 31, 2016 (Euro 4 million), with **Ebitda Margin**, equal to 11.39%.

Net operating income (EBIT) amounted to Euro 1.4 million (Euro 2.8 million as at March 31, 2016, - 50.71%), after depreciation, amortization and write-downs of Euro 2 million (Euro 1.2 million at the same period of 2016).

Net profit, which includes the share of results from the activity of photovoltaic JV, amounted to Euro 0.2 million. Net income as at March 31, 2016 was Euro 0.6 million (-60.06%).

The **net financial position** amount to Euro 91.2 million (Euro 93.9 million at 12/31/2016). The non-current NFP is Euro 77.7 million, while the net financial position in short term amounted to Euro 13.5 million. The NFP/Net equity ratio equal to 1.52x, improves significantly (1.63x as at 31/12/2016).

The Net Equity amounted to Euro 59.7 million, with an increase of 3.85% (Euro 57.5 million at 12/31/2016). Net equity takes into account the treasury shares held in portfolio, which amounted to No. 1,012,224.

INDUSTRIAL RESULTS AS AT MARCH 31, 2017

The design phase for the 10MW photovoltaic plant for STEG in Tunisia started.

The total number of photovoltaic plants built by TerniEnergia from the beginning of its activity is equal to 274, with an aggregate capacity of 425,27 MWp (13.2 MWp in full ownership and 30 MWp in joint venture for the Power Generation activity). Moreover, are connected to the grid biomass plants for a total of 1.5 MWe and 2 MWt.

The total energy production of the full ownership and joint ventures plants for the power generation business, in the first half was equal to around 13.5 million kWh. The business line Energy management has managed about 19 million Standard cubic meters of gas equivalent to 199,680 MWh. The Energy saving business line has made interventions for 372 lighting points with an expected saving of 2.2 million kWh and 405 TEPs.

In the environmental sector are operating two treatment and recycle plant of end of life tires (ELTs), the GreenAsm biodigestion and composting plant and finally the groundwater remediation plant in Nera Montoro (TR).

SIGNIFICANT EVENTS OCCURRED AFTER THE END OF FINANCIAL PERIOD

Signed an energy efficiency contract for an amount of Euro 4.3 million

On April 5, 2017, TerniEnergia announced the signing of an energy efficiency contract with the TPF formula (third party financing), total worth approximately of Euro 4.3 million on behalf of COPERNICO Srl., a leading company in property management that promotes smartworking and accelerates business growth through a



PRESS RELEASE

Terni, May 2, 2016

space, content and networking platform. The contract, which includes 12 years of service, regards the efficiency of COPERNICO Garibaldi, located in the former L'Oreal building of about 12,500 square meters in the heart of Turin (ITA). The project will be realized through the TerniEnergia's formula "Hub" with the partnership of Aura Energy Srl..

BUSINESS OUTLOOK

TerniEnergia, consequently to the acquisition of Softeco Sismat and Selesoft and to the strategic development programs identified by management, will complete the process of transformation in smart energy company active along the entire energy value chain, integrating, at the outcome of the due diligence procedures, the company Energetic, active in the energy management and trading "dual fuel" of gas and power. This agreement will also allow a significant increase in the activity of energy efficiency LOB, with an offer dedicated to the loyalty of the established customers of the company being acquired.

The company is focused in the entering in the field of services and development and industrial production solutions and smart technologies for the transmission and distribution of energy (smart grid), the flexible and timely management of production and energy consumption, energy efficiency, management of renewable energy and cleantech (energy islands). The Group intends to integrate the activities in renewables, energy efficiency and energy management with systems and innovative solutions with high added value, making it possible to introduce new technologies in the industry capable of act as a bridge between the industrial and "physical" business and the digital and "virtual" one.

TerniEnergia' LOB Technical services is strengthening the activities of scouting and market analysis for the development of new projects and to participate in new international tenders as "EPC contractor" for large utility or primary investors. Among the planned activities, the development of a giant scale plant in Egypt, important orders in Africa (Tunisia and Zambia) and landing in new high-growth markets (India).

The Cleantech LOB of the Company intends to complete a new plant in southern Italy for energy recovery through composting and anaerobic biodigestion. Finally it will completed the new treatment plant of industrial fluid waste in Nera Montoro (TR), which will intercept a substantial demand (58 thousand cubic meters/year) in a market segment experiencing a high technological activity with high growth prospects.

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

The Officer responsible for the preparation of the corporate accounting documents, Mr Paolo Allegretti, declares, pursuant to paragraph 2, art. 154-bis of the Consolidated Financial Act, that the accounting



PRESS RELEASE Terni, May 2, 2016

information that is contained in this press release correspond to the documentary results, the accounting books and records.

This press release is also available on the Company's website: www.ternienergia.com.

TERNIENERGIA (TER.MI), established in September 2005, and part of Italeaf Group, is the first Italian smart energy company, committed to bring worldwide integrated and sustainable energy solutions. Organized into four business lines (Technical services, Energy management, Energy efficiency and Cleantech), with about 500 employees and a geographic presence in almost the continents, with operational and sales offices, TerniEnergia develops solutions, innovative products and services based on digital and industrial technologies for the energy sector.

TerniEnergia, also through its subsidiaries, shall pursue the objectives of increasing energy production from renewable sources, energy efficiency and emissions reduction, as laid down by European environmental policy, and participates actively in the distributed power generation revolution and energy smart grids.

TerniEnergia is the ideal partner for large utilities, distributors and grid operators, power producers, public authorities, industrial customers and investors who intends to carry out large projects for the production of renewable energy plants and modern systems with high energy efficiency, solutions for the management and maintenance of the infrastructure and the electrical systems. TerniEnergia, through a complete technological and commercial offer, develops and provides technologies, turn-key services and solutions for energy consumers in the public and private sectors. The company is listed on the STAR segment of the Italian Stock Exchange.

For further info:

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PRESS RELEASE
Terni, May 2, 2016

Consolidated statement of financial position as at 31/03/2017 of TerniEnergia Group

<i>(in Euro)</i>	As at March, 31 2017	As at December, 31 2016	Change	Change %
Intangible assets	33,303,173	33,275,543	27,630	0.08%
Property, plant and equipment	79,998,043	79,383,325	614,718	0.77%
Financial fixed assets and other intangible assets	37,592,088	38,064,978	(472,890)	(1.24)%
Fixed Assets	150,893,304	150,723,846	169,458	0.11%
Inventories	24,104,850	20,556,437	3,548,413	17.26%
Trade receivables	48,813,727	33,305,361	15,508,366	46.56%
Other assets	28,971,995	28,103,819	868,176	3.09%
Trade payables	(61,698,362)	(47,251,543)	(14,446,819)	30.57%
Other liabilities	(20,321,516)	(14,327,802)	(5,993,714)	41.83%
Net working capital	19,870,694	20,386,272	(515,578)	(2.53)%
Provisions and other non-trade liabilities	(19,815,323)	(19,762,673)	(52,650)	0.27%
Net Invested Capital	150,948,674	151,347,445	(398,770)	(0.26)%
Shareholders' Equity	59,701,927	57,489,165	2,212,762	3.85%
Current net financial position	13,522,816	14,777,748	(1,254,932)	(8.49)%
Non-current net financial position	77,723,932	79,080,531	(1,356,599)	(1.72)%
Total net financial position	91,246,748	93,858,279	(2,611,531)	(2.78)%
Net Invested Capital	150,948,675	151,347,444	(398,769)	(0.26)%



PRESS RELEASE
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Reclassified consolidated income statement as at 31/03/2017 of TerniEnergia Group

<i>(in Euro)</i>	As at March, 31 2017	As at March, 31 2016	Change	Change %
Net revenues from sales and services	29,867,662	31,303,908	(1,436,245)	(4.59)%
Production costs	(21,713,185)	(25,779,568)	4,066,383	(15.77)%
Added value	8,154,477	5,524,339	2,630,138	47.61%
Personnel costs	(4,753,336)	(1,488,281)	(3,265,055)	n.a.
EBITDA	3,401,141	4,036,058	(634,918)	(15.73)%
Amortization, depreciation, provisions and write-downs	(2,009,210)	(1,212,138)	(797,072)	65.76%
EBIT	1,391,931	2,823,920	(1,431,989)	(50.71)%
Financial income and charges	(1,249,998)	(1,802,693)	552,695	(30.66)%
Portions of results attributable to the JV	(39,316)	(118,142)	78,826	(66.72)%
Pre-tax result	102,617	903,086	(800,469)	(88.64)%
Income taxes	125,878	(331,054)	456,932	(138.02)%
Net profit for the period	228,495	572,032	(343,537)	(60.06)%



PRESS RELEASE
Terni, May 2, 2016

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<i>(in Euro)</i>	As at March, 31 2017	As at December, 31 2016
Cash	(76,936)	(51,337)
Available bank current accounts	(9,603,492)	(11,027,363)
Liquidity	(9,680,428)	(11,078,700)
Bond debt	249,572	1,553,618
Current bank debt (current account overdraft)	6,669,709	9,302,363
Current bank debt (advance)	9,819,829	10,344,625
Financial payables to other lenders	2,801,360	1,543,450
Current financial debt (Leasing)	2,556,001	2,525,268
Current financial debt (other lenders)	7,025,118	6,595,387
Current financial receivables	(5,918,346)	(6,008,262)
Current financial debt	23,203,244	25,856,449
Current net financial position	13,522,816	14,777,748
Bond debt	24,604,289	24,577,075
Non-current financial debt (other lenders)	30,795,415	30,726,915
Financial payables to other lenders		1,206,254
Non-current financial debt (Leasing)	22,324,228	22,570,286
Non-current net financial position	77,723,932	79,080,531
Total net financial position	91,246,748	93,858,279