



PRESS RELEASE
Terni, July 26th, 2012

TERNIENERGIA: Board of Directors approved the six months financial report as at June 30th, 2012. Ebitda Margin 9,4%

- Revenues amounting to Euro 31.4 million (Euro 116.4 million as at June 30, 2011)
- EBITDA equal to Euro 2.95 million (Euro 8.9 million as at June 30, 2011)
- EBIT amounting to Euro 2.1 million (Euro 8.3 million as at June 30, 2011)
- Net profit equal Euro 1.7 million (€ 5.4 million as at June 30, 2011)
- Installed power in half: 25.9 MWp (38.2 MWp as at 30 June 2011)

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The Board of Directors of Terni Energia, a company operating in the renewable Energy sector and listed on Star segment of Borsa Italiana, approved today the six month financial statement as at June 30th, 2012.

Stefano Neri, Chairman and Managing Director of TerniEnergia, commented as follows:

“The financial results reflect the Company's choice to limit the activities of construction of new photovoltaic plants and to narrow investments for the installation of owned plants for the power generation business in Italy, in order to reduce the risk profile associated with the long period of regulatory uncertainty. This reformulation of the incentive system of the photovoltaic industry and regulatory tools for the production of energy from renewable sources, the government announced in early April, however, has only ended recently with the publication of the “Quinto Conto Energia”, confirming our belief to have operated in a forward-looking restricting operational activities to reduce exposure to risks and uncertainties. Persisting, moreover, the complex and critical macroeconomic Italian and European trend, TerniEnergia has paid particular attention to maintaining the financial balance of the Company and simultaneously has initiated the process of merging with TerniGreen to rapidly enhance the industrial and commercial synergies between the two companies - integrating skills, track record and know-how of established reality - and push the continuity of increasing value generation. At the same time and promptly, TerniEnergia has been undergoing an extensive process of internationalization, with the establishment of the first subsidiary in Greece to install a total of 16 MWp, the signing of the contract for the construction of a photovoltaic plant of 10 MWp localized in Republic of South Africa, the future establishment of a second subsidiary in South Africa and has planned development of business in other continents. For the first time, the industrial results reflect the strong drive to install industrial-size plants abroad, in line with this trend”.



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Consolidated results as at June 30th, 2012

The **Net Revenues** amount to Euro 31.4 million (Euro 116.4 million at June 30, 2011), the decrease can be explained primarily by the environment regulatory changing and the continuing uncertainty in the period of the regulatory framework. In the first six months, TerniEnergia has installed for third part customers nine plants in Italy and Greece, for a total installed capacity of 25.9 MWp (38.2 MWp exclusively in Italy in June 30, 2011). The subsidiary Lucos Alternative Energies has started the execution of an intervention to improve energy efficiency, with a third-party financing arrangements, of the lighting of an industrial site owned by a leading international operator, which involves the complete replacement of around 5 thousand area lights with LED technology and expected energy savings greater than 45%.

The **EBITDA** equal to Euro 2.95 million compared to € 8.9 million at June 30, 2011. The **EBITDA margin** amounted to 9.4%, up 23% over the corresponding period of 2011 (7.6%).

The **operation result (EBIT)** amounted to Euro 2.1 million (Euro 8.3 million at June 30, 2011) after depreciation, amortization and provisions amounted to EUR 0.9 million (Euro 0.6 million at June 30, 2011) .

The **Net Profit** amount to Euro 1.7 million and includes the share of earnings from the JV for Euro 1.6 million, up to 44% compared to June 30, 2011 (Euro 1.1 million). The net profit at 30 June 2011 amounted to Euro 5.4 million.

The **Net financial position** is equal to Euro 45.9 million (EUR 35.9 million to 31/12/2011). Non-current net financial position amount to Euro 17.6 million, while net financial position in short is equal to Euro 28.3 million. The NFP short / equity ratio, equal to 1x, is in an area safely. The NFP short / Net Working Capital ratio is equal to 0.77 x, well below unity and in improvement on the 31/03/2012 (0.8x), by reason of entering into lease agreements for financing two photovoltaic plants for the total capacity of 1.7 MWp.

Industrial results as at June 30th, 2012

Therefore, the total number of PV plants built by TerniEnergia from the beginning of its activity as at June 30th, 2012 increased to 256 with a total capacity of 218.8 MWp (10.4 MWp of which performed in "full equity" and 62.1MWp built in joint venture for Power Generation activity). With reference to 10.4 MWp they were in "full equity", 3 MWp were sold to third companies while the remaining 7.4 MWp remain fully available to the



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company. It is pointed out the increase in average power plant installed. Total production in the quarter of Full Equity and Joint Ventures' energy plants for the power generation business amounted to approximately to 30 million kWh. For the full year 2012, it is estimated that the owned plants will ensure a production of over 80 million kWh.

Significant facts occurred after the end of the six month financial period

TerniEnergia has completed the acquisition of all the shares in Joint Venture "DT" located in Nera Montoro (TR), which previously held 50%. Through this acquisition, it becomes fully available to the Company an industrial-size photovoltaic system in Umbria, for a total installed capacity of approximately 1 MWp, already put into operation with the feed-in tariff of "Secondo Conto Energia". Therefore, the total capacity of TerniEnergia's PV plants for power generation activity becomes of 61.1 MWp in JV and 8.4 MWp in Full Equity.

TerniEnergia has also signed a memorandum of understanding with Edison and ASM Terni for operational collaboration and development of projects aimed to optimizing and expansion of energy supply services and utilities within the "Polo Chimico di Terni" former Montedison. In particular, TerniEnergia and ASM Terni will develop a project for installation at the "Polo Chimico di Terni" a new modular high-efficiency energy generation plant producing electricity, based on the needs of incumbents and will initiate the necessary approval process. In this context the two companies have stated their willingness to guarantee the supply of steam to companies in the chemical plant in Terni through the steam distribution network owned by Edison.

Foreseeable management evolution

The merger of TerniGreen into TerniEnergia, which shall create the first qualified green operator listed in the Star segment of the Italian Stock Exchange, with a portfolio of activities similar and complementary all relating to the Green Economy sector and renewable energies. The main strengths of this operation are represented by the opportunity to sustain the enhancement in the most rapid way of the possible industrial and commercial synergies between the two companies, integrating expertises, track-record, technologic know-how of consolidated realities. Through the operation will be possible to integrate different technologies on the *green industry* market in a horizontal manner, creating the first national *small global company* in a sector with high potential growth. The merged company will combine the component "utility" connected to working plants for energy production owned by TerniEnergia and the component of strong global growth represented by TerniGreen. The Group resulting from the Merger shall be active in the production of energy



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from renewable sources in the energy efficiency, in the waste management sector and recovery of material and energy, as well as in the development of new technologies within the cleantech section. The internationalization process recently started by TerniEnergia in the photovoltaic sector, may also concern the development of TerniGreen projects, speeding them up and generating significant savings. The new subject resulting from the Merger aims to become an aggregative point in the environmental sector, which is still fragmented in Italy, starting a virtuous process facilitated the major dimension and by the consolidation of the financial equilibrium. For the development of the business of the Company to be Incorporated, it is necessary to consider the possibility to use the credit lines which are currently under-utilized of TerniEnergia, in order to finance projects of development in the environmental sector.

On the domestic market, the Company is developing the business of industrial energy saving in order to reduce time to market and integrate the activities, enhancing the prospects for growth with a highly profitable industry. For this reason, TerniEnergia has risen to 70% in Lucos Alternative Energies. In support of the future activity and in order to reflect the new industrial strategy, a new business plan will be redrafted for the period 2012-2014, which TerniEnergia intends to present by September.

Other Board of Directors' resolutions

The Board of Directors has argued for the transfer by TerniGreen SpA of:

- the assignment of the final design for the works of construction, the construction works of electrical plants, the connection to the national grid and the accommodation of the affected areas on site for the installation of a power generation plant from pyrogasification in Borgosesia (VC);
- the assignment of the final design for the works of construction of the electrical connection work to the national grid and completion of works relating to the composting and biodigestion plant in Nera Montoro TR);
- the assignment to the final design for the construction of the electrical works and infrastructure works relating to composting plant in Calimera (LE).

The Officer appointed for the preparation of accounting and corporate documents, Dott. Paolo Allegretti, states, pursuant to paragraph 2 of art. 154-bis of the consolidated Financial Act, that the accounting information that is contained in this press release corresponds to the results contained in the documents, books, and accounting records.



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This Press-Release is also available on the Company website www.ternienergia.com.

TerniEnergia, a company incorporated in September of 2005 and part of Terni Research Group, operates in renewable energy sector and is active in the photovoltaic field. TerniEnergia operates as system integrator, with a turn-key offer of industrial sized photovoltaic plants, on behalf of third parties and on its own mainly through joint venture companies with EDF EN Italia S.p.A. and other leading national players. The Company intends to strengthen its sale activity of energy produced from solar source.

TerniEnergia, through its controlled company Lucos Alternative Energies, 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.

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Annexes

- Reclassified and Consolidated Balance Sheet at June 30th, 2012
- Reclassified and Consolidated Income Statement as at 30th, June 2012
- Consolidated Net Financial Position at June 30th, 2012

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Reclassified and Consolidated Balance Sheet TerniEnergia Group as at June 30, 2012

<i>(Euro)</i>	June, 30 2012	December, 31 2011	Change	Change %
Intangible assets	6,056,235	6,007,572	48,663	0.81%
Property, plant and equipment	30,303,830	30,724,149	(420,319)	(1.37%)
Financial fixed assets and other intangible assets	16,148,074	18,937,784	(2,789,710)	(14.73%)
Fixed Assets	52,508,139	55,669,505	(3,161,366)	(5.68%)
Inventories	9,924,817	13,988,773	(4,063,956)	(29.05%)
Trade Receivables	43,864,119	42,628,166	1,235,953	2.90%
Other assets	4,693,497	3,784,992	908,506	24.00%
Trade Payables	(19,877,321)	(29,790,300)	9,912,979	(33.28%)
Other liabilities	(2,185,995)	(3,600,111)	1,414,116	(39.28%)
Net working capital	36,419,117	27,011,520	9,407,598	34.83%
Provisions and other non-trade liabilities	(15,856,133)	(14,534,713)	(1,321,420)	9.09%
Net Invested Capital	73,071,123	68,146,312	4,924,812	7.23%
Shareholders' equity	27,169,706	32,285,021	(5,115,315)	(15.84%)
Current net financial position	28,289,811	22,468,652	5,821,160	25.91%
Non-current net financial position	17,611,606	13,392,639	4,218,967	n.a.
Total net financial position	45,901,417	35,861,291	10,040,127	n.a.
Net Invested Capital	73,071,123	68,146,312	4,924,812	7.23%

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Reclassified and Consolidated Income Statement TerniEnergia Group as at June 30, 2012

<i>(Euro)</i>	June, 30 2012	June, 30 2011	Change	Change %
Net revenues from sales and services	31,442,805	116,435,262	(84,992,457)	(73.00%)
Production costs	(25,692,417)	(103,618,663)	77,926,246	(75.20%)
Added value	5,750,388	12,816,599	(7,066,211)	(55.1%)
Personnel costs	(2,799,978)	(3,920,112)	1,120,134	(28.6%)
EBITDA	2,950,410	8,896,487	(5,946,077)	(66.8%)
Amortisation, depreciation, provisions and write-downs	(897,564)	(634,550)	(263,014)	41.4%
EBIT	2,052,846	8,261,937	(6,209,091)	(75.2%)
Financial income and charges	(1,737,889)	(1,127,553)	(610,336)	54.1%
Portions of results attributable to the JV	1,624,758	1,127,291	497,467	44.1%
Pre-tax result	1,939,715	8,261,675	(6,321,960)	(76.5%)
Income taxes	(212,919)	(2,899,199)	2,686,280	(92.7%)
Net Income	1,726,796	5,362,476	(3,635,680)	(67.8%)
 EBITDA MARGIN	 9.38%	 7.64%		

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Consolidated Net Financial Statement TerniEnergia Group as at June 30, 2012

<i>(Euro)</i>	June, 30 2012	December, 31 2011
Cash	(11,941)	(10,794)
Available bank current accounts	(6,387,657)	(10,613,086)
Liquidity	(6,399,598)	(10,623,880)
Current bank debt (current account overdraft)	4,153,589	3,303,599
Current bank debt (advance)	32,329,083	33,489,829
Financial payables to other lenders	135,061	101,388
Financial payables /(Receivables)	4,580,111	1,326,426
Current financial debt (other lenders)	1,999,925	2,995,818
Current financial receivables	(8,508,360)	(8,124,527)
Current financial debt	34,689,409	33,092,533
Net short-term financial position	28,289,811	22,468,653
Non-current financial debt (other lenders)	1,755,965	1,957,000
Non-current financial debt (medium-long term loan)	141,926	192,746
Non-current financial debt (Leasing)	15,713,715	11,242,893
Non-current net financial position	17,611,606	13,392,639
Total net financial position	45,901,417	35,861,292