



PRESS RELEASE
Milan, November 4, 2016

**TERNIENERGIA: the Board of Directors approved the results as at
September 30 2016**

- **Revenues of Euro 61.4 million, -77,8% (Euro 277,2 million as at 09/30/2015)**
- **EBITDA of Euro 11 million, -33,4% (Euro 16.5 million as at 30/09/2015) with EBITDA margin to 17.9%**
- **EBIT of Euro 6.2 million, -49,7% (Euro 12.3 million as at 09/30/2015)**
- **Net profit amounted to 0.4 million, -86,8% (Euro 3.4 million as at 30/09/2015)**
- **Net Financial Position of Euro 89.5 million, Euro 9.6 million of which in short term (Euro 87.4 million as at 31/12/2015, of Euro 8.1 million which in short term)**
- **Net equity amount to Euro 54.2 million (Euro 55.8 million as at 31/12/2015)**

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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 the interim financial report as at September 30, 2016.

CONSOLIDATED RESULTS AS AT SEPTEMBER 30, 2016

Revenues amounted to Euro 61.4 million, showing a significant decrease compared to 30 September 2015 (Euro 32.4 million, -77,8%). The decrease is mainly attributable to the significant contraction in energy management activity leading to the exit from the consolidation scope of Free Energia, pending the finalization of the merger of TerniEnergia Gas & Power in TerniEnergia and the acquisition of a target company operating in the same sector (as already indicated in the Group's strategic guidelines), in order to confirm the business model.

EBITDA amounts to Euro 11million (-33.4%) compared to Euro 16.5 million as at September 30, 2015. The **EBITDA margin** is equal to 17.9%.

Net operating income (EBIT) amounts to Euro 6.2 million (Euro 12.3 million as at September 30, 2015, +49.7%), after amortization and depreciation of Euro 4.8 million (Euro 4.2 million at the same period of 2015).

Net profit amounted to Euro 0.4 million. Net profit as at September 30, 2015 was Euro 3.4 million (-86.8%).



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The **net financial position** amount to Euro 89.5 million (Euro 87.4 million as at 31/12/2015). The non-current NFP is Euro 79.9 million, while the net financial position in short term amount to Euro 9.6 million. The NFP/Net equity ratio equal to 1.65x is in line with the previous quarter.

The Net Equity amounted to Euro 54.2 million (Euro 55.8 million at 31/12/2015), while the Fixed assets amounted to Euro 124.4 million, Euro 80.9 million of which are referred to tangible assets.

INDUSTRIAL RESULTS AS AT JUNE 30, 2015

The the two "giant" worksites active in South Africa (photovoltaic plants of total capacity of 148.5 MWp on behalf of a leading Italian utility) has been substantially with the consequent activation of the O&M (operation and maintenance) final contracts. The total number of photovoltaic plants built by TerniEnergia from the beginning of its activity is equal to 274, with an aggregate capacity of approximately 350.1 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 50.9 million kWh. 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).

During the quarter, the business line energy management handled 1.4 GWh of energy and about 9.4 million standard cubic meters of gas equivalent to 103,000 MWh.

The energy saving LOB was completed the lighting systems at a plant of a leading cement group. The group reported installations for approximately 2,900 points of light with an expected savings of 9,021,000 kWh, equal to 1692 TEP equivalent to 4458.2 Tons of CO2 not released into the atmosphere and to 11693.5 Barrels of Oil unused.

SIGNIFICANT EVENTS OCCURRED AFTER THE END OF PERIOD

TerniEnergia received the CESEF Energy Efficiency Award for the best financing

On October 10, 2016 TerniEnergia received from CESEF Center, the Energy Efficiency Award for "Best Project Financing".

In particular, TerniEnergia and Susi Partners AG have received the award for "innovative financial management of an energy efficiency project due to LEDS project, which stands for Lighting Efficiency Deal securitizations. The agreement awarded by CESEF provides for the non-recourse sale of loans of



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approximately Euro 1.2 million, paid in cash, related to energy efficiency activities lighting made by TerniEnergia.

The Shareholders' Meeting approved the investment transaction to acquire Softeco Sismat and Selesoft and disposal of own shares to Roma Gas and Power

On October 31, 2016, the Shareholders' Meeting approved the TerniEnergia investment transaction in buying a stake of 100% of shares in the share capital of the company Softeco Sismat srl and Selesoft Consulting Srl, approved by the Board of Directors of the Company on 30 September 2016. The Meeting approved the same time the further sale transaction n. 767,095 treasury shares, equal to 1.74% of the share capital, to the industrial investor Roma Gas and Power. The Ordinary Shareholders' Meeting also approved the proposal of the shareholder Italeaf S.p.A. of the Board of Auditors, following the resignation of Dr. Vittorio Pellegrini which was succeeded by his eldest alternate auditor Dott. Marco Chieruzzi, appointing Statutory Auditor Dott. Andrea Bellucci.

Signed the investment contracts for the acquisition of Softeco and Selesoft. Completed the transformation process in smart energy company

On October 31, 2016, TerniEnergia has signed two investment agreements for the acquisition of 100% of the share capital of Softeco Sismat Srl and Selesoft Consulting Srl (hereinafter, jointly, even the "Target Company"), the one with Ingefi S.p.A. (a holding company involved in investments in companies active in the design, development, trade and maintenance of software) and the other with B.Soft Group srl (a holding company active in ICT and Engineering). Simultaneously with the signing of investment contracts it was also signed the deed of transfer to Ingefi and B.Soft of ownership of shares in the 100% of the share capital of the Target Company.

BUSINESS OUTLOOK

TerniEnergia, consequently to the signing of the acquisition of Softeco Sismat and Selesoft and to the strategic development programs identified by management, has decided to approve a business plan update to 2018 with vision to 2019, called "Plug in the smart energy company". In particular, for the year 2016, the company has sought to present a forecast outlining the strategic objectives and performance, considering that by the end of the year could also be completed the acquisition of the company Energetic SpA, active in the field of energy management. As a result, in the last quarter of the year, there will be the consolidation of the two companies and Selesoft Softeco in the digital energy sector and, at the end of the outcome of due diligence procedures, of the same Energetic. The Group therefore considers it achievable an increase in equity, as well as a substantial increase in revenues and earnings compared with the third quarter.



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In particular, the Group aims to enter 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 acquisition of Softeco Sismat and Selesoft Consulting target-companies will 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" too.

Similarly, the integration transaction envisaged in the Gas & Power segment, will strengthen the Business Line "Energy Management", enhancing the power generation from renewable energy plants and generating a large bouquet of offers and services, strategic to pursue the claim on the market dual fuel for industrial and public administrations customers.

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. TerniEnergia aims to develop new growth opportunities in countries with considerable potential of growth, with the aim to consolidate its global presence, with a view to geographical diversification and maximization of the value created with internationalization strategy. In particular, in the field of photovoltaic plants, are ongoing preliminary activities to achieve important contracts in emerging target countries with abundant renewable resources, stable regulatory systems and high economic growth systems. In addition, TerniEnergia intends to strengthen and consolidate the activities of the Business Line "Energy Saving". In this perspective it was launched the "HUB" project, a new operating mode to unlock the industrial energy efficiency market through the formula of the "third party financing" in Italy. The business line will see interesting growth prospects from the financial and commercial partnership agreements signed respectively with investment funds and players in the energy management sector, for cross-selling activities.

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.

This press release is also available on the Company's website: 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



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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 devices. The Group is active in the 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..

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In attach:

- Consolidated statement of financial position as at 30/09/2016
- Reclassified consolidated income statement as at 30/09/2016
- Consolidated net financial position as at 30/09/2016

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Consolidated statement of financial position as at 30/09/2016

<i>(in Euro)</i>	As at September, 30 2016	As at December, 31 2015	Change	Change %
Intangible assets	5,280,310	4,460,745	819.565	18.37%
Property, plant and equipment	80,851,884	82,616,544	(1.764.660)	(2.14%)
Financial fixed assets and other intangible assets	38,238,087	38,882,887	(644.800)	(1.66%)
Fixed Assets	124,370,281	125,960,176	(1.589.895)	(1.26%)
Inventories	14,425,166	23,329,978	(8.904.812)	(38.17%)
Trade receivables	26,836,097	52,361,935	(25.525.838)	(48.75%)
Other assets	24,355,913	24,104,536	251.377	1.04%
Trade payables	(31,993,576)	(63,543,245)	31.549.669	(49.65%)
Other liabilities	(8,279,535)	(13,106,938)	4.827.403	(36.83%)
Net working capital	25,344,065	23,146,266	2.197.799	9.50%
Provisions and other non-trade liabilities	(5,980,783)	(5,943,540)	(37.243)	0.63%
Net Invested Capital	143,733,563	143,162,902	570.661	0.40%
Shareholders' Equity	54,237,060	55,791,353	(1.554.293)	(2.79%)
Current net financial position	9,560,051	8,099,515	1.460.536	18.03%
Non-current net financial position	79,936,453	79,272,033	664.420	0.84%
Total net financial position	89,496,503	87,371,548	2.124.956	2.43%
Net Invested Capital	143,733,563	143,162,901	570.663	0.40%



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Reclassified consolidated income statement as at 30/09/2016

<i>(in Euro)</i>	As at September, 30 2016	As at September, 30 2015	Change	Change %
Net revenues from sales and services	61,351,874	277,219,449	(215,867,575)	(77.87%)
Production costs	(46,558,093)	(255,148,560)	208,590,468	(81.75%)
Added value	14,793,781	22,070,888	(7,277,107)	(33.0%)
Personnel costs	(3,803,826)	(5,577,851)	1,774,025	(31.8%)
EBITDA	10,989,955	16,493,037	(5,503,082)	(33.4%)
Amortization, depreciation, provisions and write-downs	(4,807,909)	(4,199,576)	(608,333)	14,5%
EBIT	6,182,046	12,293,461	(6,111,415)	(49.7%)
Financial income and charges	(5,895,577)	(7,802,792)	1,907,215	(24.4%)
Portions of results attributable to the JV	1,271,365	382,970	888,395	n.a.
Pre-tax result	1,557,835	4,873,640	(3,315,805)	(68.0%)
Income taxes	(1,113,266)	(1,498,053)	384,787	(25.7%)
Net profit for the period	444,569	3,375,587	(2,931,018)	(86.8%)



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Consolidated statement of financial position as at 30/09/2016

<i>(in Euro)</i>	As at September, 30 2016	As at December, 31 2015
Cash	(41,533)	(20,354)
Available bank current accounts	(12,176,062)	(11,873,035)
Liquidity	(12,217,596)	(11,893,389)
Bond debt	1,119,172	1,544,521
Current bank debt (current account overdraft)	5,296,709	3,683,254
Current bank debt (advance)	9,305,820	7,867,675
Financial payables to other lenders		
Current financial debt (other lenders)	2,358,768	1,882,573
Current financial debt (other lenders)	6,668,386	9,207,073
Current financial receivables	(2,971,209)	(4,192,193)
Current financial debt	21,777,646	19,992,904
Current net financial position	9,560,051	8,099,515
Bond debt	24,533,110	24,419,853
Non-current financial debt (other lenders)	32,311,046	33,243,168
Financial payables to other lenders		
Non-current financial debt (Leasing)	23,092,297	21,609,012
Non-current net financial position	79,936,453	79,272,033
Total net financial position	89,496,503	87,371,548