

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
