

PRESS RELEASE 13 OCTOBER 2014

ITALEAF: TerniEnergia, the Shareholders' Meeting approves the capital increase with exclusion of the option rights for the purpose of the acquisition of Free Energia SpA

Launch of the first Italian independent "smart energy company" active in the field of renewable energy, efficiency, energy services and waste management. Green light for the plan for the purchase of own shares (buy-back)

- ***The Shareholders' Meeting approves the proposal of a capital increase with the exclusion of the option rights, reserved to the shareholders of Free Energia SpA, through the issuance of new ordinary shares up to n. 6,637,168 to complete the acquisition of 100% of Free Energia, a company active in the trading and energy efficiency sectors***
- ***The issue price of the new shares amounts to Euro 2.26 per share***
- ***Countervalue of the transaction amounts to Euro 15 million for 100% of the shares of Free Energia SpA***
- ***The Shareholders' Meeting approves the buy-back plan***

The Shareholders' Meeting of TerniEnergia SpA, a company active in the fields of renewable energy, energy efficiency and waste management and part of the Italeaf Group, listed on the Star segment of Borsa Italiana, met today in extraordinary and ordinary session under the chairmanship of Mr. Stefano Neri.

Extraordinary Session

The Extraordinary General Meeting approved the share capital increase, to be achieved through the issue of up to n. 6,637,168 ordinary shares of TerniEnergia SpA, from Euro 50,529,680 to Euro 57,166,848, to be subscribed by contribution in kind of shares of the company "Free Energia SpA", with exclusion of the option rights pursuant to Article 2441, fourth paragraph, of the Italian Civil Code, by December 15, 2014, according to the issue price, specified in the report of the Board of Directors, of Euro 2.26 per share, of which Euro 1.26 per share by way of share premium, up to a maximum of Euro 15 million.

The operation is engaged in the development path that TerniEnergia followed continuously since its establishment and is therefore aimed at:

- implement financial and operational synergies to plan a growth strategy, focused on developing business highly complementary to those existing of TerniEnergia;
- develop a significant increase and diversification of the Group's turnover;
- widen the perimeter of the core activities, with the integration in the value-chain of technologically and innovative services;
- enhance the portfolio with a strong brand, which grew more than the market average, in a very competitive sector;
- promote strong cross-selling business opportunities in the fields of energy efficiency and energy sales;
- maximize the economic returns associated with the integrated activities of production, management and sale of energy, thanks to the strong expansion of the sales network for services in energy savings;

- ensure entry into the promising market of the management and sale of services to certified vegetable oil burning power plants, a sector in which Free Energia aims to achieve a national leadership.

The Shareholders' Meeting also resolved that, if the capital increase is not fully subscribed within the period of 15 December 2014, the same capital shall be deemed increased by an amount equal to the subscriptions received.

To the Board of Directors and on behalf of its chairman, Mr. Stefano Neri, are delegated full powers for the implementation of the capital increase before the deadline above mentioned.

TerniEnergia is assisted by Power Capital as financial advisor. Dr. Luigi Tardella, partner of Ambers & Co, is the person in charge of the transferring company Free Energia SpA, for the evaluation of the shares transferred as part of the acquisition of Free Energia.

Ordinary session

The Shareholders' Meeting, convened in ordinary session, has today approved the proposal of a plan for the purchase of own shares (buy-back) already approved by the Board of Directors on 31 March 2014.

Reasons for the buy-back plan

Through the purchase of own shares, the company intends to:

- Acquire a portfolio consisting of TerniEnergia ordinary shares to be used as consideration for any extraordinary transactions, through an exchange of equity or as a subject of the transfer, or for other purposes deemed of strategic, financial, industrial and/or operational interest of the Company;
- Providing shareholders with an additional tool to monetize their investment;
- Buy shares in a medium and long term investment perspective;
- Intervening directly or through intermediaries, in accordance with the existing provisions, to contain abnormal movements in prices or to stabilize the performance of trading and prices in the event of momentary phenomena caused by an excess volatility or low trading liquidity.

Purchase transactions are not instrumental to the reduction of share capital by cancellation of treasury shares purchased, nor intentionally aimed at delisting the Company's operations.

Maximum number of shares to be purchased

This proposal concerns the authorization to the Board of Directors to purchase one or more times its own shares up to the maximum amount of 2,656,720 shares, up to 6% of the share capital as it was before the share capital increase resolved by the extraordinary General Shareholders' Meeting held today, taking into account the treasury shares held directly and those held from any subsidiary companies. The Company does not currently hold any treasury shares.

Period of validity of the Shareholders' Meeting authorization

The authorization to purchase treasury shares is valid for a period of 18 months from the date of the Shareholders Meeting. The authorization to dispose of treasury shares purchased from time to time and held in the portfolio is no time limit.

The Board of Directors may proceed with the completion of the authorized transactions on one or more occasions.

Indication of the minimum and maximum price

The unit price for the purchase of shares can not be higher or lower than 10% compared to the reference price recorded by the shares in the trading session prior to each individual transaction.

From the point of view of the consideration for the sale of treasury shares purchased, the Board of Directors shall have the discretion to determine, from time to time, price and/or any additional condition, mode and time of use of treasury shares, taken into account the performance of the share price in the period prior to the transaction and the best interests of the Company, in each case with the procedures, terms and requirements conform to accepted market practice and in compliance with the regulations from time to time applicable.

Manner of making the purchase

The purchase and disposal transactions of treasury shares, for which authorization is requested, will be performed in compliance with Article 144-bis of Consob Regulation implementing Legislative Decree 24 February 1998 n. 58 and, in general, in compliance with the applicable legislation, in particular the national and EU laws and regulations. The Shareholders' Meeting handed to Mr Stefano Neri, Chairman and CEO of TerniEnergia, the power performing for the transactions in question.

TerniEnergia, a company incorporated in September of 2005 and part of Italeaf 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, 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; decommissioning of industrial plants, recovery of demolition metals and cleaning of industrial sites; development and production of technological apparatus.

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..

This press release is also available on the Companies' website: www.italeaf.com and www.ternienergia.com.

Certified Adviser

Mangold Fondkommission AB is the Certified Adviser of Italeaf on NASDAQ OMX First North.

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Italeaf SpA, established in December 2010, is a holding company and a business accelerator for companies and startups in the areas of innovation and cleantech. Italeaf operates as a company builder, promoting the creation and development of industrial startups in the fields of cleantech, smart energy and technological innovation. Italeaf has headquarters and plants in Italy at Nera Montoro (Narni), Terni, Milano and Lecce; has international offices in London and Hong Kong and a research and development centre in the Hong Kong Science and Technology Park. The company controls TerniEnergia, listed on the STAR segment of the Italian Stock Exchange and active in the fields of renewable energy, energy efficiency and waste management, Greenled Industry, working in the development and production of power LED lamps for industrial energy efficiency and public lighting, WiSave in the "internet of things" field, for the development and production of thermostats and smart technologies for the remote control of electrical and heating items of buildings managed through a cloud infrastructure, and Skyrobotic, in the business development and manufacture of civil and commercial drones in mini and micro classes for the professional market.