PRESS RELEASE 9 FEBRUARY 2015

ITALEAF: the Board of Directors of TerniEnergia approves the Group's business plan 2015-2017 "Fast on the smart energy road"

• Proposal for the introduction of increased voting rights to strenght the growth for external lines
• Strengthening of the buy-back program
• Possible M&A in the Gas & Power sector, even abroad, and in the field of "smart technologies"
• Updated 2014 forecast: Revenues for approximately Euro 100 million, net profit of approximately Euro 6 million, NFP reduced by one third to approximately EUR 109 million, equity of approximately Euro 70 million
• The plan includes: new organizational structure, completion of the merger of Lucos in TerniEnergia, diversification of the generation of revenue and EBITDA reducing the risk, integration of new activities to complete the energy value chain
• Revenues in the three years: over Euro 1.2 billion (+ 48% CAGR 2015-17)
• Gearing ratio equal to 1,26x to 2017
• Investments 2015-17: Euro 54 million for high-margin business of ESCO and environmental plant construction
• Pay-out ratio constant and up to a maximum of 50%

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 industrial plan 2015-2017, with updating of the 2014 forecast.

The plan will be presented to the financial community today in Milan at h 11.30 CET by the Chairman and Ceo of TerniEnergia Stefano Neri, and by the Executive Directors Umberto Paparelli and Sergio Agosta, and by the CEO of Free Energia Salvatore Pelleeriti and the CFO of the Company Paolo Allegretti.

FORECAST 2014

The Board of Directors was informed of the updated forecast for the year 2014, which will close with revenues of approximately Euro 100 million, a net profit of approximately EUR 6 million, EBITDA of approximately Euro 19 million, a reduction of about one-third of the net financial position, which amounted of around Euro 109 million and a equity of approximately Euro 70 million, with an increase of 30%.

"FAST ON THE ROAD SMART ENERGY": KEY STRATEGIES

TerniEnergia aims to become the first Italian independent "smart energy company", active in the fields of renewable energy, energy efficiency, waste and energy management, thanks to the new business model and the integration into the Group of Free Energia.

Confirmed the evolution of the organizational structure, which will be based on four functional business lines: Technical Services, Cleantech, Energy Management and Energy saving, with the completion of the merger of Lucos Alternative Energies in TerniEnergia.

The new plan "Fast on the smart energy road" bases its assumptions of industrial character of:

- Backlog of orders in photovoltaics already acquired and currently being acquired abroad;

- Increase of the energy management business in Italy, thanks to the expansion of the customers of Free Energia, most of which are recurring and loyal;

- Development of relevant business opportunities "cross-selling" in the areas of energy efficiency (fast-growing) and the sale of energy;

- Strong business diversification of TerniEnergia in ant-cyclical sectors and completion of the "core" of the group along the entire energy value chain, from design works up to post-sale advanced services;

- Scouting for the identification of potential M&A operations to promote growth through acquisitions in the Gas & Power, also internationally;

- Looking for possible partnerships in PV EPC, in order to assess the possibility of setting up an "Italian leader" industrial platform for the achievement of large contracts abroad;

- Optimization of the conditions of profitability of production plants from renewable energy, including through the sale of sustainable and traced vegetable oil;

- Entry into the field of development and industrial production of smart solutions and technologies for energy efficiency and cleantech.

From the strategic point of view, TerniEnergia expects to optimize the financial structure to operational needs, leveraging the power produced to reduce the weight of the energy acquired on the market for energy management activities, increasing the possibility of issuing corporate guarantees, facilitating relations with the credit, thanks to the recovery of business with high revenue generation in Italy.

The new business plan, finally, provides for the strengthening of the buy-back program to provide the Company with an equity portfolio to be used for any extraordinary transactions and the proposal of the increased voting rights.

"FAST ON THE ROAD SMART ENERGY": TERNIENERGIA FIGURES

TerniEnergia expects to 2017 a substantial increase in revenues and profitability and, simultaneously, a containment of the NFP and a growth of cash flow.

The plan estimates an increase in value of production (2014-17 CAGR) of 47%, more than Euro 1.2 billion in three years, with interim targets of Euro 355 million in 2015, Euro 437 million in 2016, Euro 475 million in 2017, with an increase of revenues from energy saving and cleantech business lines.

EBITDA for the plan period is expected to grow by 14%, estimated at Euro 23 million in 2015, Euro 28 million in 2016 and Euro 32 million in 2017. In 2017 it is expected a balanced contribution of the four business lines (technical services, cleantech, energy management and energy efficiency) to the formation of Ebitda. The margin will remain constant over the plan period, more than 6%, demonstrating the robustness and repeatability of the new business model and a lower risk approach through diversification and integration of the energy value chain.

EBIT is expected to grow from Euro 16 million in 2015 to Euro 22 million in 2016, to Euro 25 million in 2017. The amount of the planned investments in the period, mostly dedicated to activities of ESCO with the formula of third party financing (FTT) and to the implementation of new environmental systems, amounted to Euro 11 million, Euro 22 million and Euro 21 million. Will be expected ROI of 9.4% in 2015, 12.5% in 2016 and 13.2 % in 2017.

Thanks to the new financial structure, the net financial position (NFP) is constant over the plan period, on the levels of 2014. Will be significantly improved, however, the financial ratios: in particular, the NFP/equity (gearing ratio) will be reduced to 1,36x in 2015, 1,37x in 2016 to up to 1,26x in 2017. The NFP/EBITDA decrease from 4,25x up to 2015, to 3,78x up to 2016, to 3,40x of 2017.

Is confirmed a policy of shareholder remuneration for the period 2015-2017, with a provision for proposal to the Board of Directors of a distribution of a maximum of 50% of the Consolidated Net Profit.

Other resolutions of the Board of Directors

The Board of Directors of TerniEnergia decided to submit to the next Shareholders' Meeting, to be convened by the end of March 2015, the introduction of increased voting rights and the consequent amendment of Article 6 of the Bylaws.

The introduction of the increased voting rights is a part of the growth strategy to strengthen the entrepreneurial objectives of the Group, encouraging growth through acquisitions and retaining investors who believe in the company’s development project, as described in the Business Plan 2015-2017 .

The Board of Directors, finally, with the aim of giving more support to the strategic and operational flexibility of the Company, has decided to strengthen ogh the buy-back progra, as part of the program to purchase own shares authorized by Shareholders' Meeting on October 13, 2014 and already under way, in compliance with the law and discipline CONSOB.

As of today, the Company holds no. 106 934 shares, representing 0.243% of the share capital.

***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 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. Through Free Energia, 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. TerniEnergia, through 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, a smart energy company listed on the STAR segment of the Italian Stock Exchange and active in the fields of renewable energy, energy efficiency and waste and energy 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.*

FAST ON THE SMART ENERGY ROAD

TERNIENERGIA BUSINESS PLAN 2015|2017

CONGRESS ROOM
HOTEL PRINCIPE DI SAVOIA
FEBRUARY 9, 2015 – MILAN, IT

TerniEnergia
TERNI
Green Company

AGENDA

- ✓ TERNIENERGIA TODAY & TOMORROW | TOWARDS THE SMART ENERGY COMPANY
  Stefano Neri
  Chairman and CEO

- ✓ TERNIENERGIA EVOLUTION AND GROWTH STRATEGY
  Sergio Agosta
  Managing Director

- ✓ THE NEW ORGANIZATIONAL STRUCTURE
  Sergio Agosta
  Managing Director

  Umberto Paparelli
  Vice President

  Salvatore Pelleriti
  CEO Free Energia S.p.A.

- ✓ ECONOMIC AND FINANCIAL OVERVIEW
  Paolo Allegretti
  CFO

- ✓ UNLOCKING VALUE FOR THE FUTURE COMPANY GROWTH
  Stefano Neri
  Chairman and CEO

FAST ON THE SMART ENERGY ROAD

TERNIENERGIA TODAY & TOMORROW

TOWARDS THE SMART ENERGY COMPANY

Stefano Neri
Chairman and CEO

TerniEnergia
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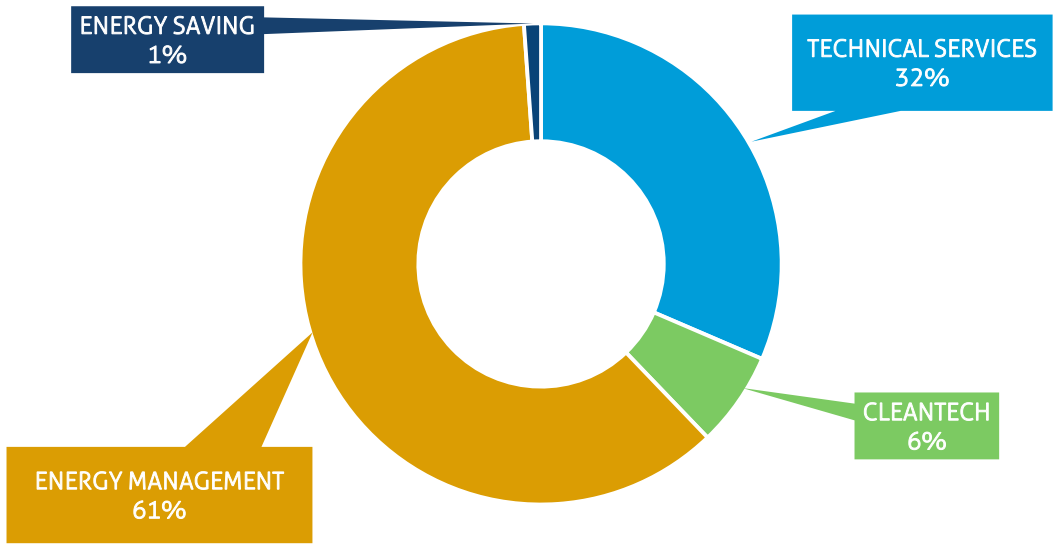
BUSINESS PLAN
2015-2017
February 9, 2015 – MILAN, IT

FORECAST FY2014

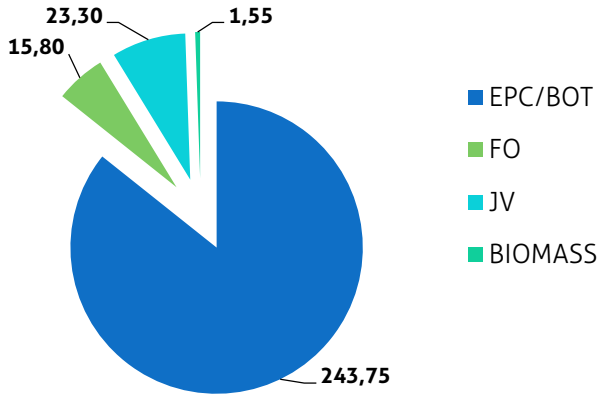
REVENUES BREAKDOWN



FINANCIAL HIGHLIGHTS

REVENUES	≈ 100 M/€ (≈ +50% - FY 2013)
EBITDA	≈ 19 M/€ (≈ +50% - FY 2013)
NET PROFIT	≈ 6 M/€
NFP	≈ 109 M/€ (≈ -30% - 1H 2014)
EQUITY	≈ 70 M/€ (≈ +30% - FY 2013)

TOTAL INSTALLED MW



INDUSTRIAL RESULTS

POWER GENERATION & EPC

- **15.8 MW** in full ownership
- **23.3 MW** in JV 50:50
- **1.5 MW** biomass
- **56 Mln KWh** generated
- **273 PV Plants** installed
- **284.1 MW** installed

ENERGY MANAGEMENT & ESCO

- **800 GWh** FY energy managed
- **220 GWh** 4Q energy managed
- **21,000 area lights** managed

ENVIRONMENTAL

- **2 Biomass plants** installed
- **1 End fo Life Tyres plant** installed
- **2 Water remediation plant** installed

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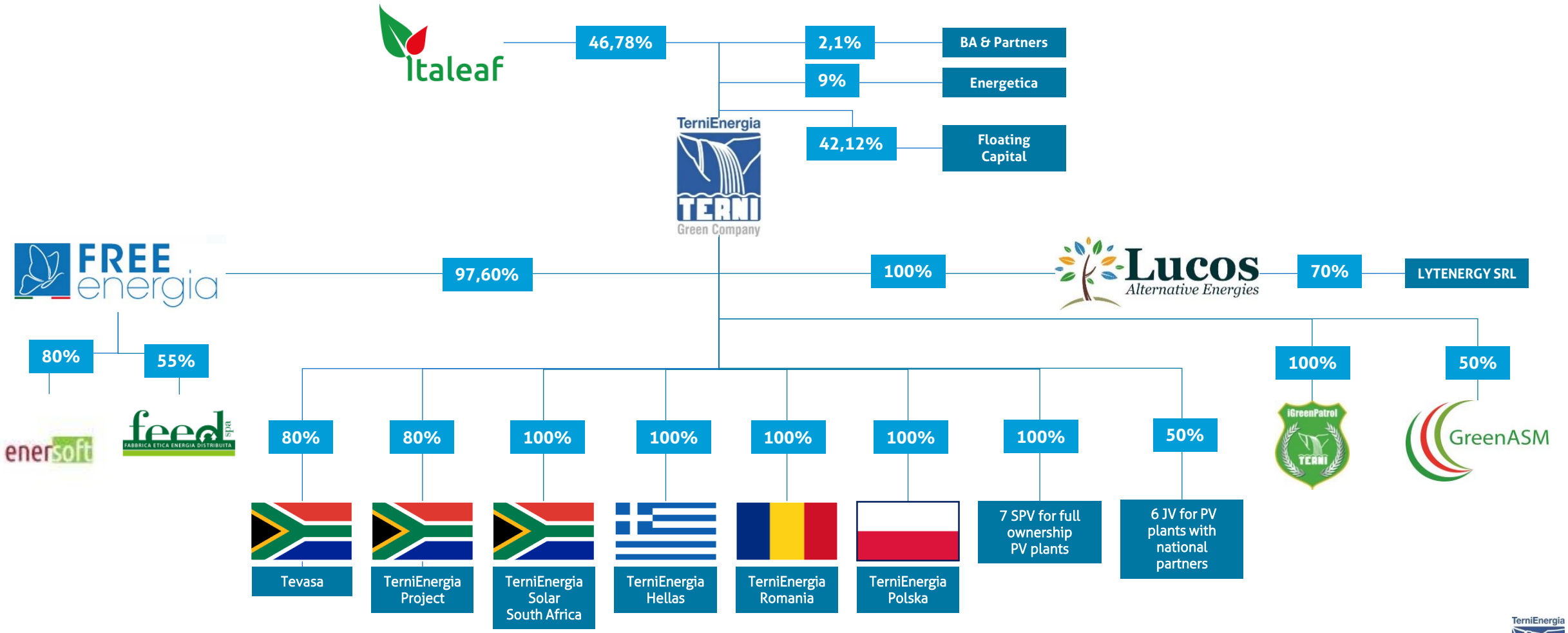
SHAREHOLDERS STRUCTURE



CORPORATE GOVERNANCE

BOARD OF DIRECTORS	BOARD	COMMITEE FOR RELATED PARTIES TRANSACTIONS	COMPENSATION COMMITTEE	RISK CONTROL COMMITTEE
Stefano Neri	Chairman & CEO			
Umberto Paparelli	Vice President Managing Director			
Sergio Agosta	Managing Director			
Fabrizio Venturi	Managing Director			
Monica Federici	Non Executive Director			
Francesca Ricci	Non Executive Director			
Domenico De Marinis	Independent Director	Chairman	Member	Member
Paolo Migliavacca	Independent Director	Member	Member	Chairman
Mario Molteni	Independent Director	Member	Chairman	Member

Board of Statutory Auditors

Ernesto Santaniello (Chairman)
Vittorio Pellegrini
Simonetta Magni

Auditors

pwc

TerniEnergia
Green Company

MAIN AMBITIONS FOR THE NEW TERNIENERGIA GROUP

- ✓ BUSINESS MIX REBALANCE TOWARDS THE SMART ENERGY COMPANY
- ✓ COMPLETE ENERGY VALUE CHAIN
- ✓ APPRAISAL OF RENEWABLE POWER GENERATION THROUGH THE SALE TO FREE ENERGIA
- ✓ FINANCIAL EFFICIENCY THROUGH THE ISSUE OF CORPORATE GUARANTEES
- ✓ DEVELOPMENT OF CROSS-SELLING OPPORTUNITIES
- ✓ BOOST TO THE INTERNATIONALIZATION ACTIVITIES
- ✓ DEVELOPMENT OF INNOVATIVE TECHNOLOGIES TO SUPPLY THE NEEDS OF THE INDUSTRIAL BUSINESS

FAST ON THE SMART ENERGY ROAD

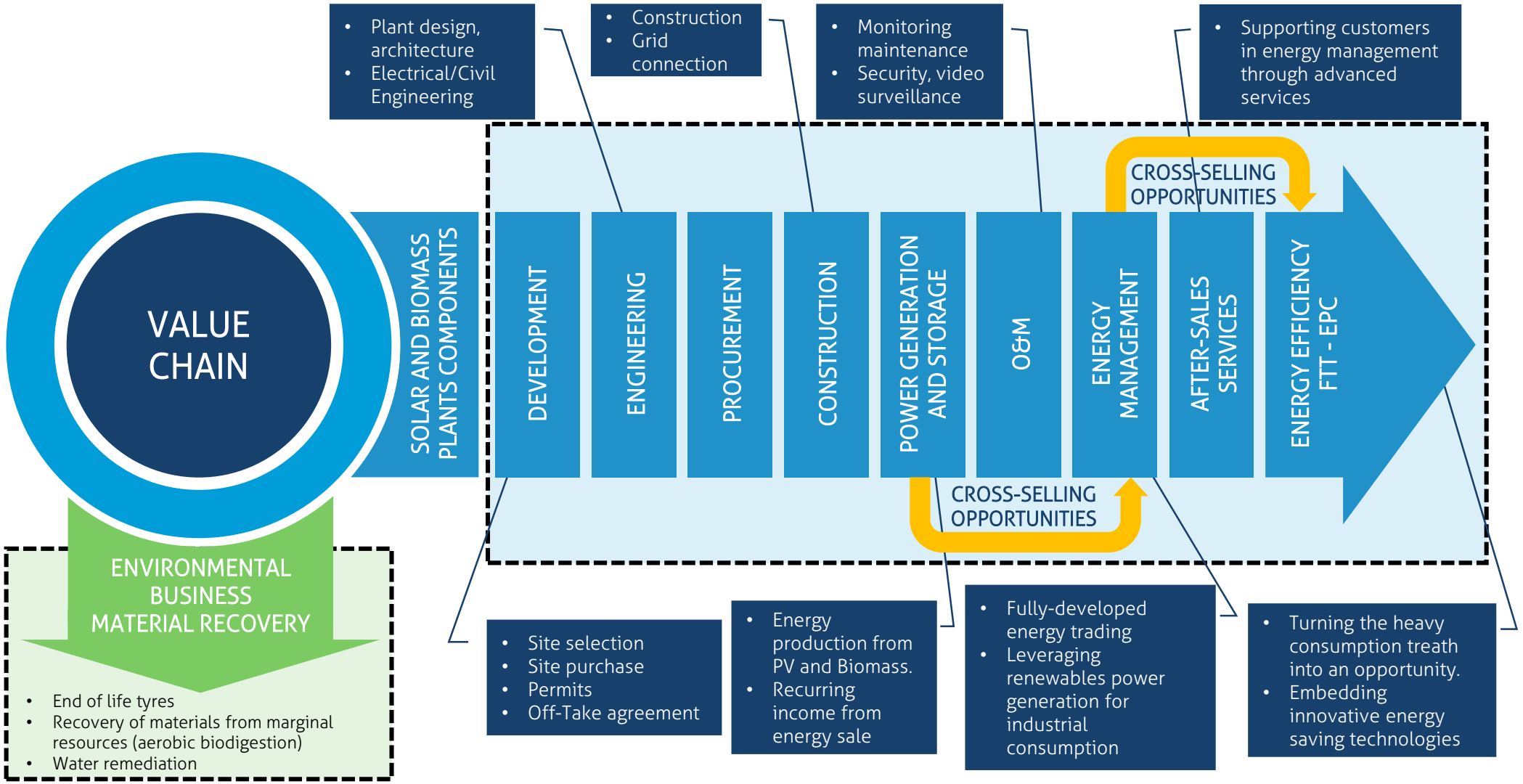
TERNIENERGIA EVOLUTION AND GROWTH STRATEGY

Sergio Agosta
Managing Director

TerniEnergia
TERNI
Green Company

BUSINESS PLAN
2015-2017
February 9, 2015 – MILAN, IT

A FULLY INTEGRATED SMART ENERGY COMPANY



KEY STRENGTHS

TEAM

- MANAGEMENT TEAM EXPERTISE AND PROVEN ABILITY IN THE ENERGY AND CLEANTECH SECTORS
- INTEGRATION WITH NEW MANAGEMENT TEAM WITH HIGH SKILLS IN INNOVATIVE SECTORS
- NEW ORGANIZATIONAL AND EFFICIENT STRUCTURE

BACKLOG

- BACKLOG OF GIANT PV PLANTS ABROAD WITH REDUCTION OF COUNTRY RISK
- RECURRING AGREEMENTS WITH HEAVY ENERGY CONSUMPTION CUSTOMERS
- CROSS-SELLING OPPORTUNITIES THANKS TO THE COMMERCIAL NETWORK

BUSINESS MODEL

- INTEGRATED BUSINESS MODEL WITH THE POSSIBILITY TO CONTROL ALL THE ENERGY VALUE CHAIN
- DIVERSIFIED BUSINESS IN ANTICYCLICAL SECTORS
- ENTRY IN HIGH MARGIN BUSINESS RELATED TO INNOVATIVE TECHNOLOGIES

FINANCIAL EFFICIENCY

- LEVERAGING THE OWN POWER GENERATED TO REDUCE THE PURCHASE ON ENERGY MARKET
- INCREASED CAPACITY TO ISSUE CORPORATE GUARANTEES
- BACK TO DEVELOP BUSINESS ACTIVITIES ON ITALIAN MARKET

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COMPETITIVE POSITION vs LISTED COMPARABLES

	TerniEnergia	KRENERGY	ecosuntek	ErgyCapital	kiexia	INNOVATEC	Biancamano	GALA	FALCK RENEWABLES	ENERIRONICA	ALERION
EPC	●		●	●	●				●	●	
POWER GENERATION	●	●	●	●	●				●	●	●
O&M	●		●		●				●	●	●
ENERGY MANAGEMENT	●					●		●		●	
ENERGY EFFICIENCY	●			●		●				●	
CLEANTECH POWER GENERATION	●				●				●		
CLEANTECH WASTE MANAGEMENT	●				●		●				

FAST ON THE SMART ENERGY ROAD

THE NEW ORGANIZATIONAL STRUCTURE

Sergio Agosta
Managing Director
Umberto Paparelli
Vice President
Salvatore Pelleriti
CEO Free Energia

TerniEnergia
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BUSINESS PLAN
2015-2017
February 9, 2015 – MILAN, IT

THE NEW ORGANIZATION IN A SNAPSHOT

FOUR BUSINESS LINES TO COMPLETE THE VALUE CHAIN OF ENERGY

A NEW SYNERGISTIC, OPERATIVE AND FINANCIAL APPROACH

TECHNICAL SERVICES

PHOTOVOLTAIC EPC – POWER GENERATION

CLEANTECH

RECOVERY OF ENERGY AND MATERIAL FROM MARGINAL RESOURCES – SUSTAINABLE AND TRACED VEGETABLE OIL POWER PLANTS MANAGEMENT

ENERGY SAVING

SOLUTIONS, EPC AND TECHNOLOGIES FOR ENERGY EFFICIENCY

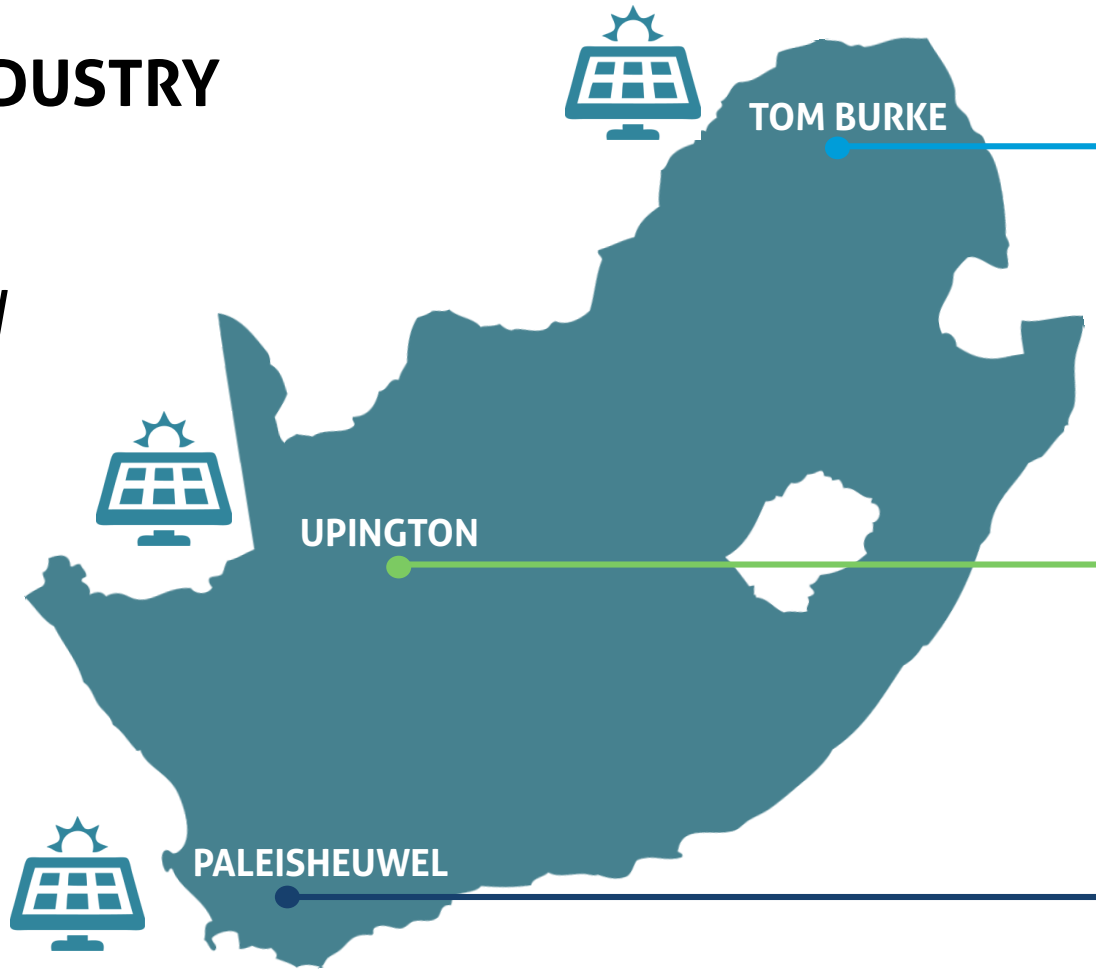
ENERGY MANAGEMENT

ENERGY TRADING AND MANAGEMENT – AFTER-SALES SERVICES

TECHNICAL SERVICES – SOLID BACKLOG IN RSA

PHOTOVOLTAIC INDUSTRY

ENGINEERING
PROCUREMENT
CONSTRUCTION
O&M



SITE OPENED

VALUE: 880.000.000 rand
INSTALLED CAPACITY: 67 MWP
AREA: 195 HA
CARPENTRY: KG 5.800.000
ELECTRICAL CABLES 2.500 KM
EMPLOYEES: 450

CONNECTED TO THE GRID

VALUE: 148.000.000 rand
INSTALLED CAPACITY: 10 MWP
AREA: 30 HA
CARPENTRY: KG 700.000
ELECTRICAL CABLES 370 KM
EMPLOYEES: 150

SITE OPENED

VALUE: 1.100.000.000 rand
INSTALLED CAPACITY: 82,5 MWP
AREA: 240 HA
CARPENTRY: KG 7.000.000
ELECTRICAL CABLES 3.000 KM
EMPLOYEES: 550

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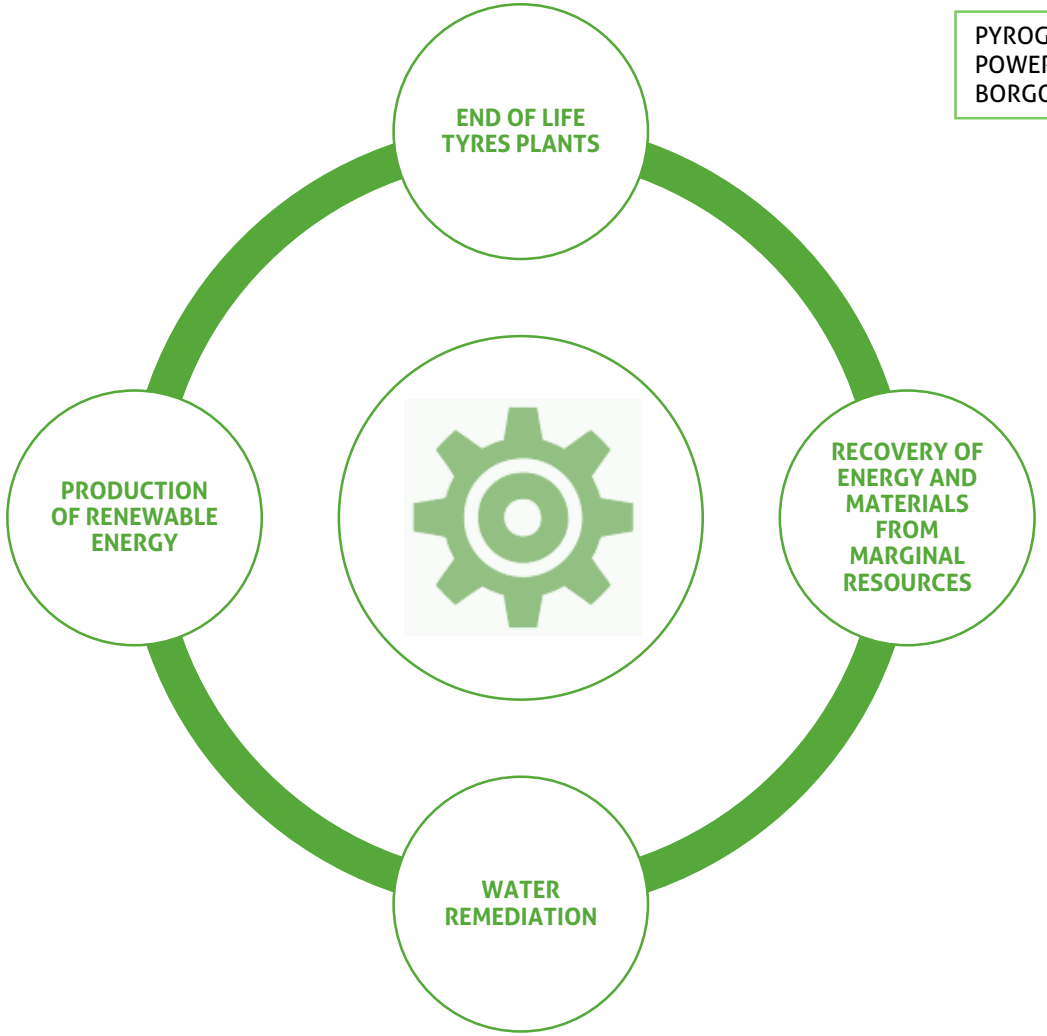
A LEAD NATIONAL PLAYER IN CLEANTECH



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TERNI Green Company

ENTRY IN ENERGY MANAGEMENT BUSINESS

EXPERTISE – ORGANIZATION – IT SERVICES

HEAVY CONSUMPTION CUSTOMERS

RESELLER

RENEWABLE POWER PRODUCERS

- PLANTS OPTIMIZATION
- VEGETABLE TRACED AND SUBSTAINABLE OIL SALE
- RELATIONSHIP WITH INSTITUTIONAL PLAYERS

- INVOICING
- BUSINESS MANAGEMENT
- ADMINISTRATION
- CREDIT GARANTEE
- EXCISE DUTY MANAGEMENT

- ENERGY SAVING
- SELF CONSUMPTION PLANTS
- INTERCONNECTOR
- INTEROPERABILITY

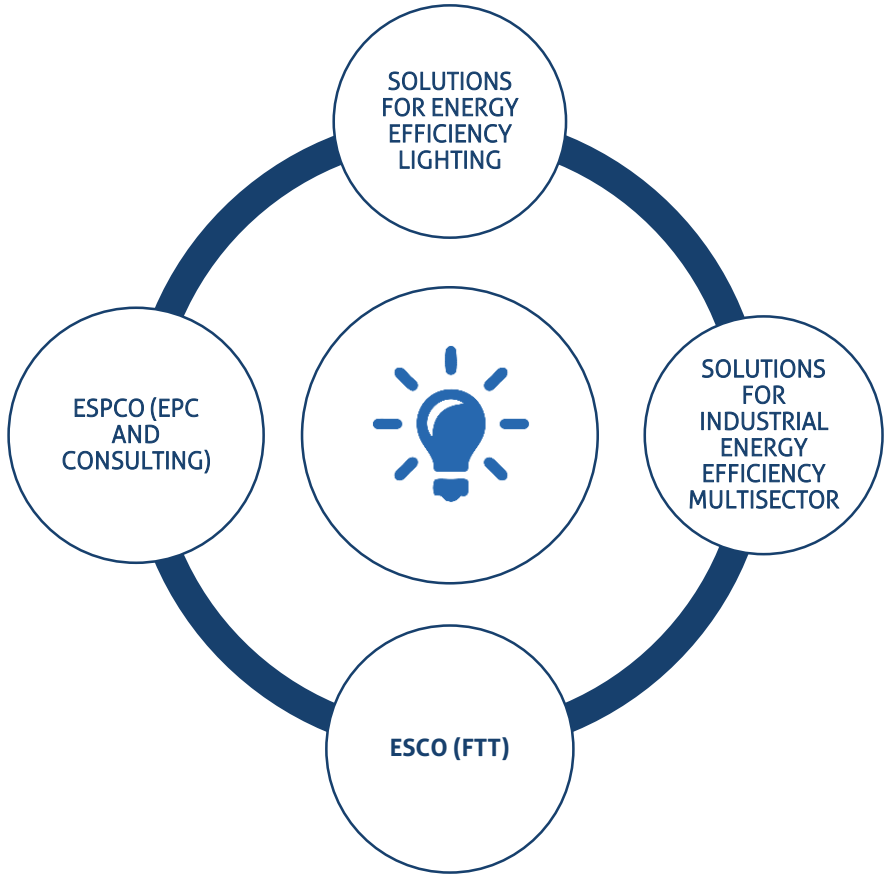
SECURED LOANS

FREE energia

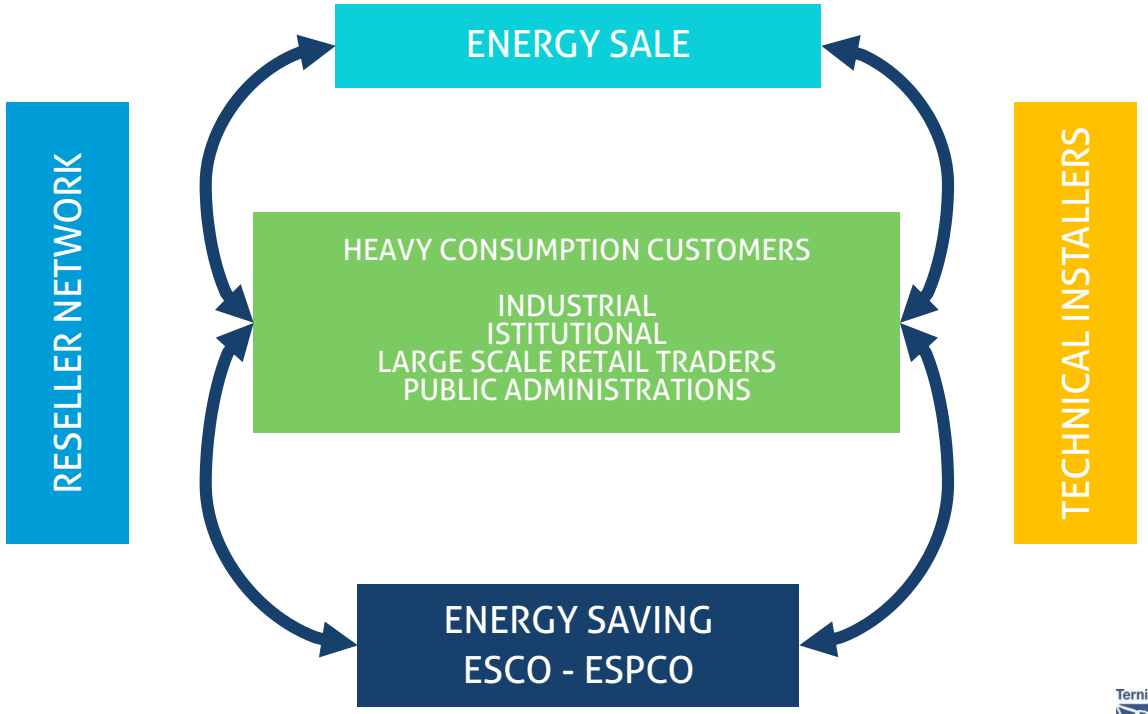
TerniEnergia
Green Company

INTEGRATING LUCOS AE INTO GROUP'S DYNAMICS

Lucos Alternative Energies → MERGER BY INCORPORATION PROCESS IN TERNIENERGIA



START OF NEW BUSINESS OPPORTUNITIES THANKS TO THE ENERGY MANAGEMENT COMMERCIAL NETWORK



TerniEnergia Green Company

FAST ON THE SMART ENERGY ROAD

ECONOMIC AND FINANCIAL OVERVIEW

Paolo Allegretti
CFO

TerniEnergia
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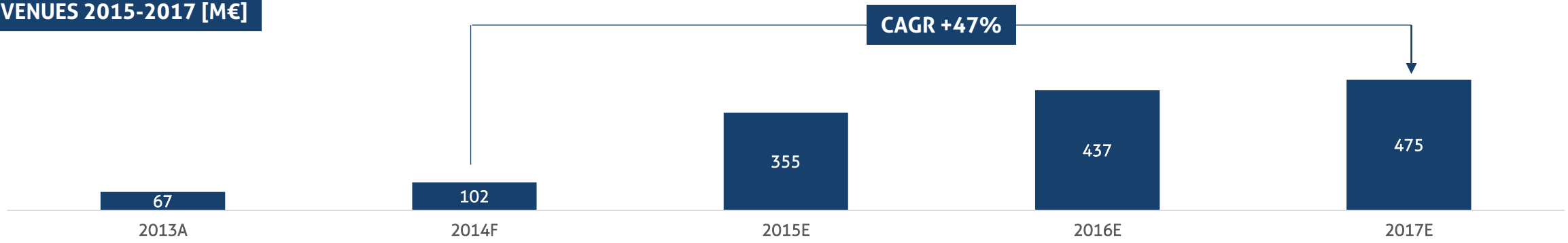
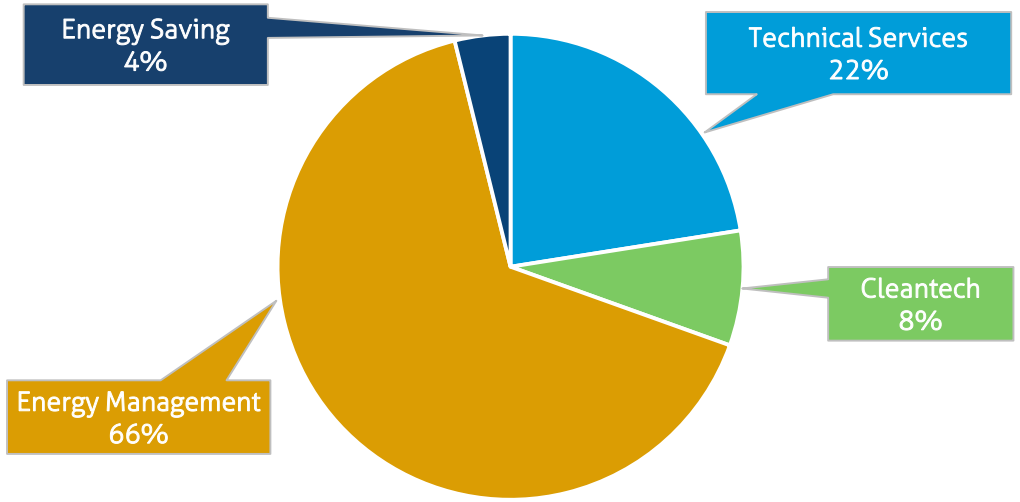
BUSINESS PLAN
2015-2017
February 9, 2015 – MILAN, IT

A SOLID DOUBLE-DIGIT GROWTH

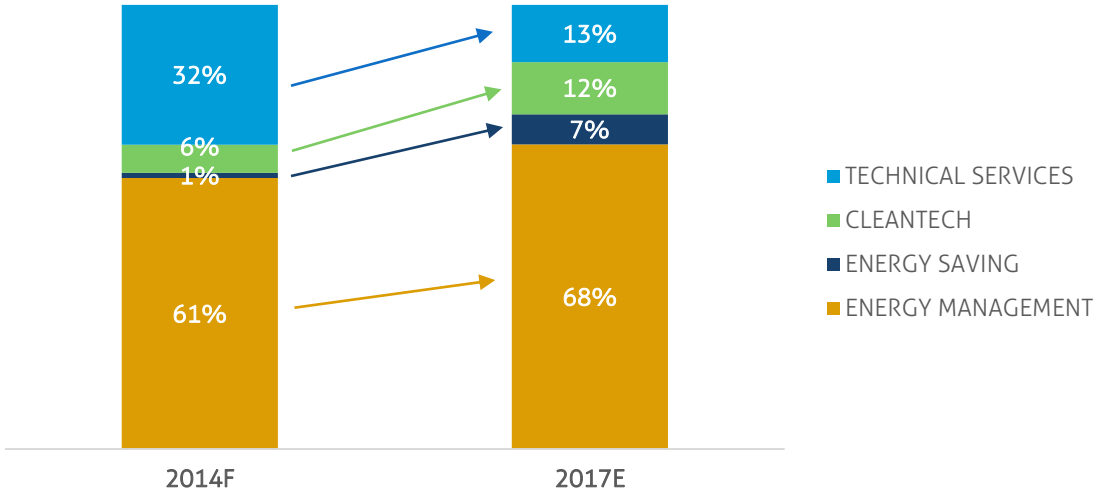
REVENUES 2015-2017 [M€]



2015 REVENUES BREAKDOWN

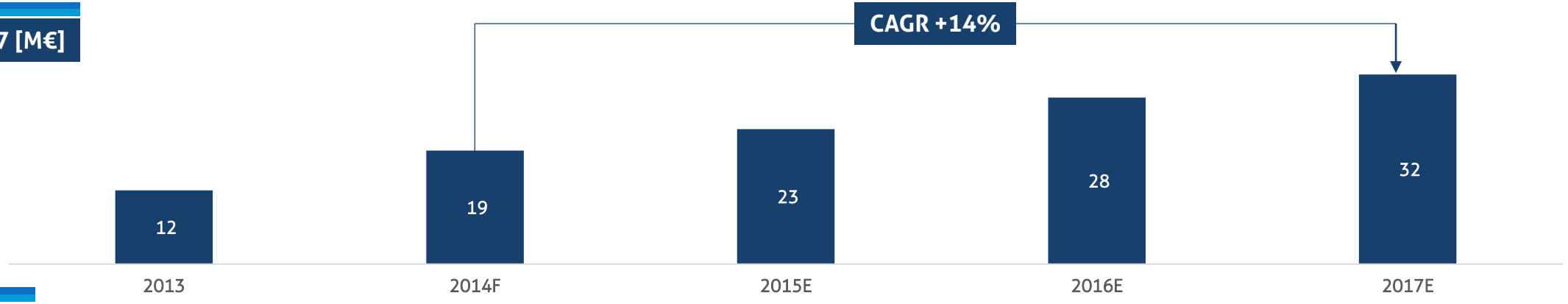


2014 – 2017 REVENUES BY BUSINESS LINES



EBITDA BOOST WITH A BALANCED MIX

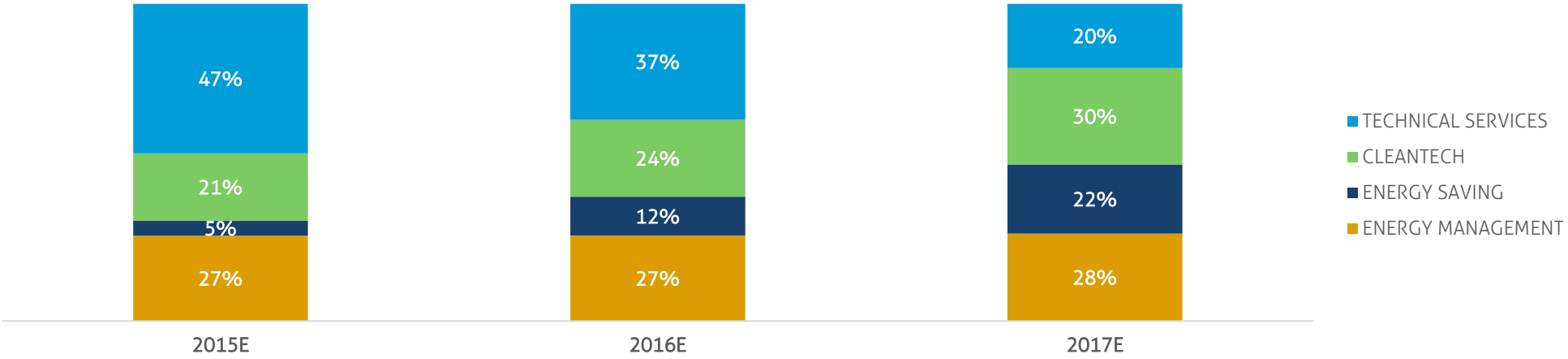
EBITDA 2015-2017 [M€]



EBITDA MARGIN [%]

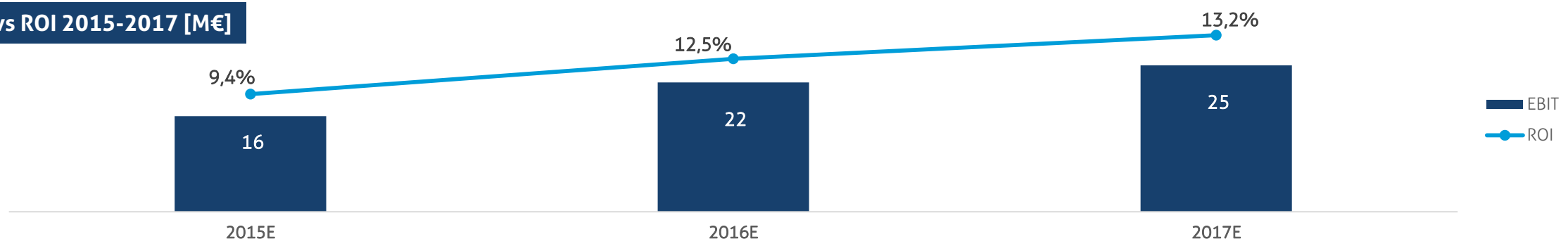
2013	2014F	2015E	2016E	2017E
18,50%	18,51%	6,39%	6,40%	6,71%

BREAKDOWN EBITDA 2015-2017 [%]

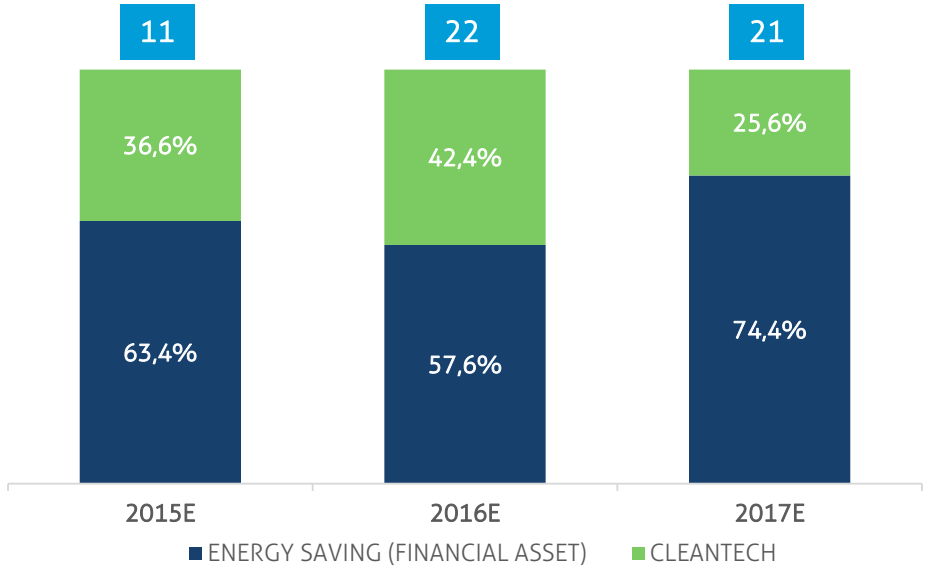


A DYNAMIC PATH OF INVESTMENTS WITH HIGH RETURNS

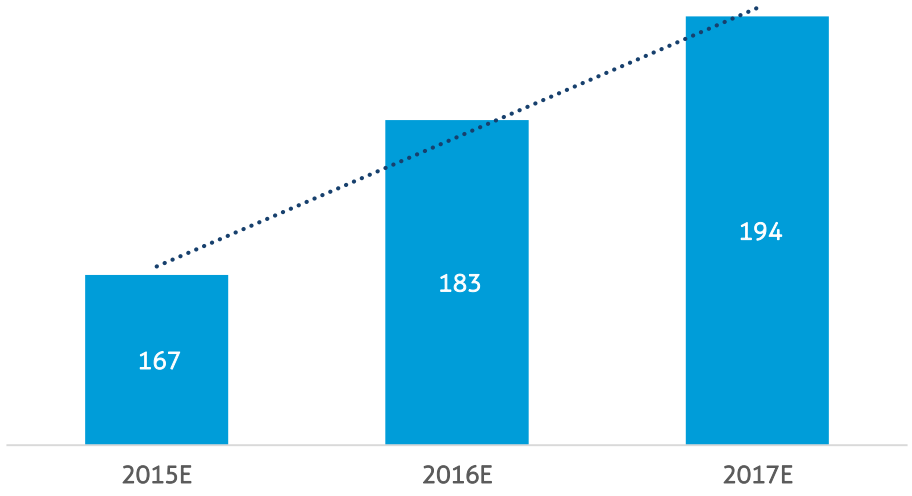
EBIT vs ROI 2015-2017 [M€]



BREAKDOWN CAPEX 2015-2017 [M€]

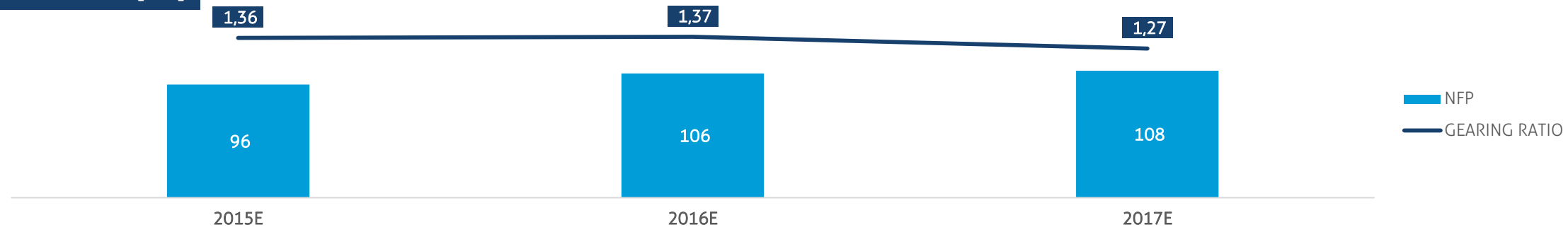


NET CAPITAL INVESTED 2015-2017 [M€]

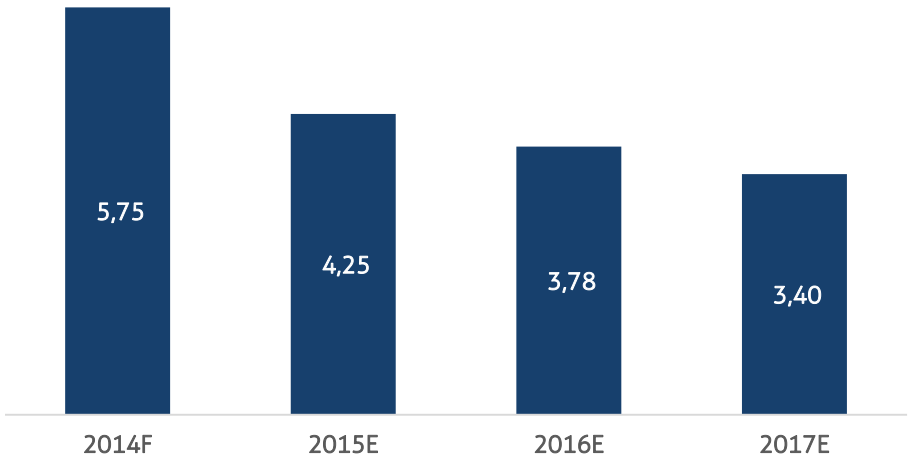


A SEASON OF DEVELOPMENT SOLIDLY BUILT

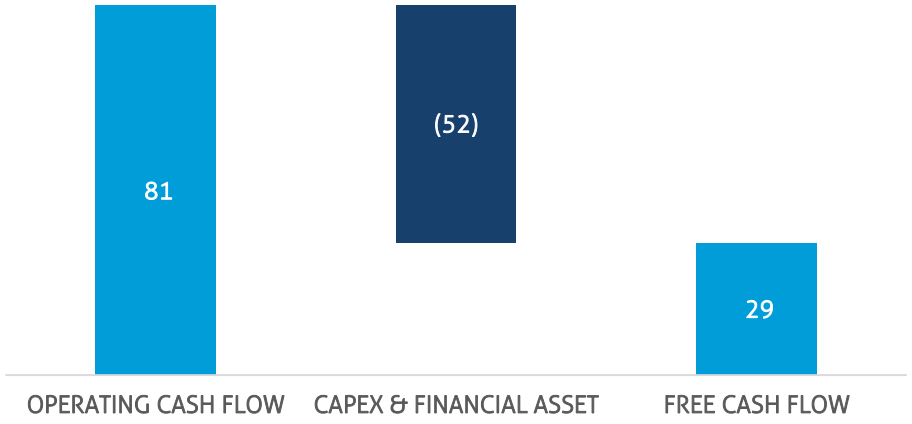
NFP EVOLUTION 2015-2017 [M€]



NFP/EBITDA 2014-2017



CUMULATING CASH FLOW 2015-2017 [M€]



TerniEnergia
Green Company

FAST ON THE SMART ENERGY ROAD

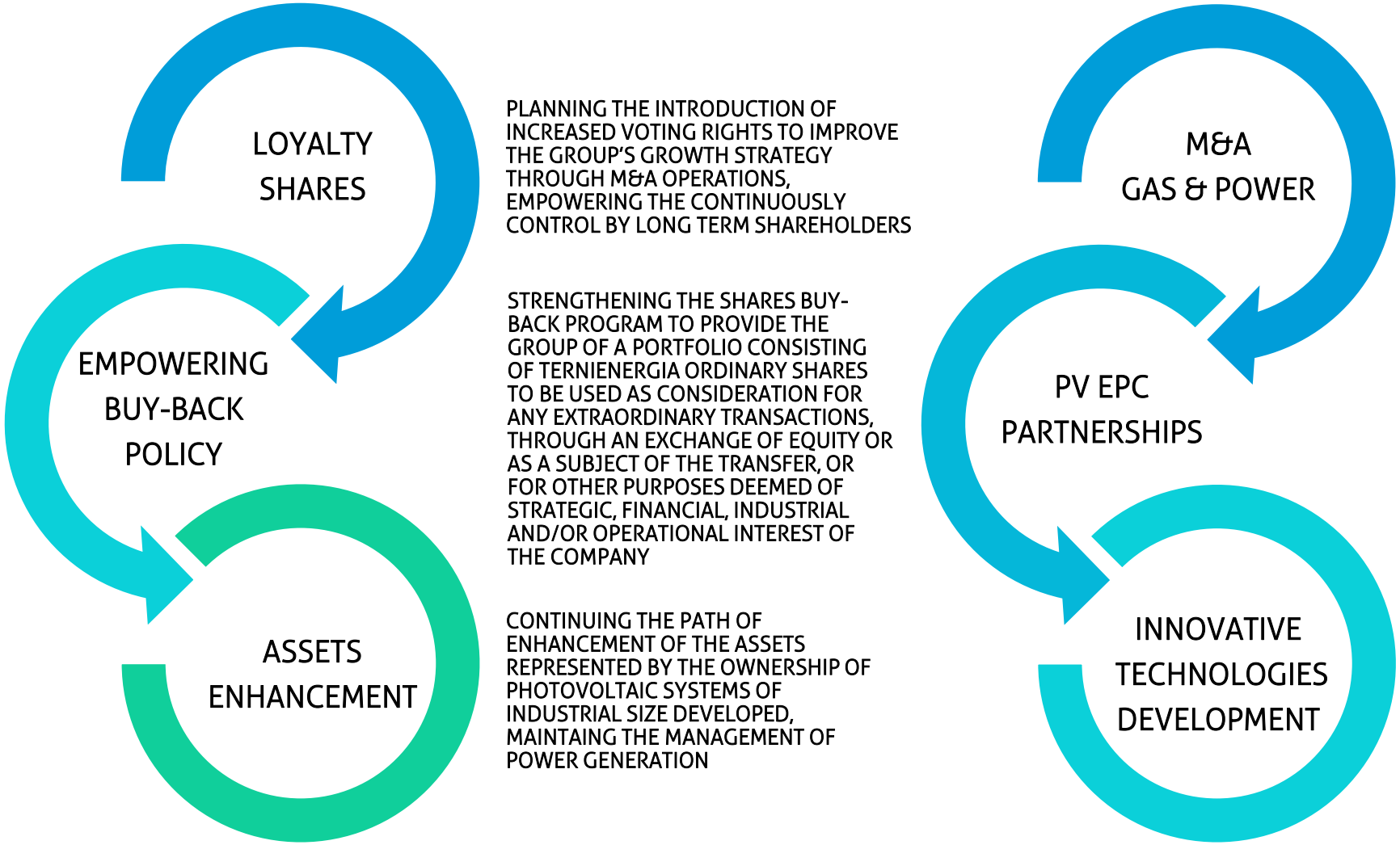
UNLOCKING VALUE FOR THE FUTURE COMPANY GROWTH

Stefano Neri
Chairman and CEO

TerniEnergia
TERNI
Green Company

BUSINESS PLAN
2015-2017
February 9, 2015 – MILAN, IT

UNLOCKING VALUE FOR THE FUTURE COMPANY GROWTH



PLANNING THE INTRODUCTION OF INCREASED VOTING RIGHTS TO IMPROVE THE GROUP'S GROWTH STRATEGY THROUGH M&A OPERATIONS, EMPOWERING THE CONTINUOUSLY CONTROL BY LONG TERM SHAREHOLDERS

STRENGTHENING THE SHARES BUY-BACK PROGRAM TO PROVIDE THE GROUP OF 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

CONTINUING THE PATH OF ENHANCEMENT OF THE ASSETS REPRESENTED BY THE OWNERSHIP OF PHOTOVOLTAIC SYSTEMS OF INDUSTRIAL SIZE DEVELOPED, MAINTAING THE MANAGEMENT OF POWER GENERATION

SCOUTING IN THE GAS & POWER MARKETS FOR M&A OPERATIONS.
POTENTIAL INTERNATIONAL GROWTH

THE COMPANY INTENDS TO EXPLORE THE POSSIBILITY OF BECOMING A PLATFORM FOR POSSIBLE PARTNERSHIPS IN PV EPC, TO CREATE A NATIONAL INDUSTRIAL LEADER READY FOR THE INTERNATIONAL CHALLENGES

DEVELOPMENT OF INNOVATIVE TECHNOLOGIES TO SUPPLY THE NEEDS OF THE INDUSTRIAL BUSINESS

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Q&A SESSION

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Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to: changes in global economic business, changes in the price of certain commodities including electricity, gas and coal, the competitive market and regulatory factors.

Moreover, forward-looking statements are current only at the date they are made.

FOR FURTHER INFORMATIONS

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