



**PRESS RELEASE**  
**Terni, August 4, 2014**

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**TERNIENERGIA: signed the investment agreement for the acquisition  
of Free Energia S.p.A.**

**Creating one of the first Italian independent groups active in the field of  
renewable energies, efficiency and energy services and waste  
management**

- **The entrance of Free Energia in the TerniEnergia Group will integrate downstream the energy value chain, inserting the new business of trading and innovative energy services**
- **Planned the development of the new activities of vegetable oil trading and management of vegetable oil burning power plants**
- **The acquisition transaction shall be performed through a share capital increase to be resolved by TerniEnergia, to be addressed exclusively to Free Energia's shareholders and to be subscribed through contribution in kind of Free Energia shares**
- **A number of shares representing 15% of TerniEnergia share capital after the relevant increase shall be assigned to Free Energia shareholders, in case of contribution of shares representing 100% of Free Energia shares. No payment by cash is contemplated by the investment agreement**
- **The transaction is subject to several conditions precedent**
- **The agreement followed by a final review of the Business Plan of TerniEnergia**

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**TerniEnergia SpA**, a company active in the fields of renewable energy, energy efficiency and waste management, listed on the Star segment of Borsa Italiana, and **Italeaf**, the first Italian company builder and holding company, majority shareholder of TerniEnergia, signed an investment agreement for the acquisition of



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100% of the share capital of **Free Energia S.p.A.** with the representative shareholders of the Company<sup>1</sup> who acted also on behalf of some remaining shareholders of Free Energia.

The Chairman and CEO of TerniEnergia, Mr **Stefano Neri**, said:

*"The acquisition of Free Energia is a strategic objective for TerniEnergia, which is integrating downstream the energy value chain. In particular, TerniEnergia is adding to its core activities (renewable power generation, guaranteed by the fully-owned photovoltaic assets, and industrial scale energy efficiency, through the subsidiary Lucos Alternative Energies) the new business of electricity trading for energy-intensive customers and consolidated re-sellers and of smart energy services, in a fast growing phase and with significant growth opportunities, due to the possibility of integration between the electric utility industry and the digital one. This transaction creates one of the most important Italian independent groups, active in the integrated business of renewable energy, energy efficiency and waste management. The acquisition also meets several strategic targets of TerniEnergia, as the significant increase and diversification of the Group's revenues, the enlargement of the scope of core activities, with the integration in the value chain of technological innovative services, the enrichment of the portfolio with a valuable brand, which grew more than the market average in a very competitive category and, finally, the opportunity to develop strong cross-selling business opportunities in the fields of energy efficiency and energy sales. Finally, TerniEnergia is entering into the promising market of the management and sale of services to vegetable oil burning power plants, where Free Energia aims to achieve the national leadership".*

The Chairman and CEO of Free Energia, Mr **Umberto Paparelli**, stated:

*"As a result of the respective due diligence activities, we met all the requirements, forming the assumptions of the transaction, related to the development opportunities of Free Energia. Being part of TerniEnergia Group, is for Free Energia a great opportunity to increase the value, in terms of financial and operational, of our activity and to bring our services to an higher level in existing markets and expand in emerging markets. It is quite clear, in fact, the opportunity to create a global and evolved platform to maximize the economic returns associated with the integrated activities of production, management and sale of energy, thanks to the actual strong expansion of commercial network dedicated to the energy saving services. Free Energia will be able to use all the financial and operational synergies to plan a growth strategy focused on developing business highly complementary to those of TerniEnergia".*

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<sup>1</sup> Umberto Paparelli, Pierluigi Cernieri e Salvatore Pelleriti



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Free Energy, a company that in 2013 had revenues for Euro 100 million, and that in the first half of 2014 recorded a turnover of € 85 million, with an EBITDA of 3.5 million, operates as an innovative energy trader, with 1.3 TWh of electricity delivered to energy-intensive customers and/or consolidated re-sellers.

Notably, through its subsidiaries Feed and Enersoft, Free Energy is active in trading, brokerage and management of electricity and gas; in the design, construction and installation of industrial plants and provision of related services and maintenance; in the services dedicated to producers of energy from renewable sources, to optimize the profitability conditions of the plants, including through the sale of vegetable and sustainable oil; in the consultancy field of pricing strategies, recovery and energy savings; in the in-house designing, implementation and management of services and remote control systems and in the development of innovative software for the energy sector.

Free Energia offers a variety of value-added integrated services for companies producing renewable energy, which normally move only on the power generation. The management system is based on an integrated package of services conveyed through a platform in-house built. Organized in a simple and flexible way, Free Energia is able to seize the opportunities of a market characterized by rapid and complex changes, succeeding to meet the energy needs of its customers.

The structure of the transaction will consist of a capital increase of TerniEnergia, reserved to shareholders of Free Energia to be subscribed through the contribution of Free Energia shares. There is no cash outlay.

The transaction closing is subject to certain conditions precedent including the positive pronouncement of certain entities including banks and bondholders of the Companies; the authorization by Consob to publish the prospectus for the TerniEnergia Shares to be issued against the capital increase; the approval by the TerniEnergia extraordinary Shareholders Meeting of the Capital Increase to be subscribed by contribution of shares. All the conditions precedent have to occur by no later than December 31<sup>st</sup>, 2014.

As a result of the signing of the investment agreement, TerniEnergia is going to prepare a new consolidated business plan that takes into account the integration of Free Energia activities with those of TerniEnergia and its group of subsidiaries.

TerniEnergia is assisted by Power Capital, as financial advisor in the transaction.

Francesca Ricci, of the law firm Predieri Ricci, and Federica Pomero, Daria Pastore and Antonella Calogiuri, of the law firm Legance, assisted respectively TerniEnergia and Free Energia and its reference shareholders as legal advisors.



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*This press release is also available on the Company's website: [www.ternienergia.com](http://www.ternienergia.com).*

**TerniEnergia**, a company incorporated in September of 2005 and part of Italeaf, 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..

#### **For further info:**

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