

## **TERNA: EXECUTED THE AGREEMENT BETWEEN TAMINI TRASFORMATORI AND TES TRANSFORMER ELECTRO SERVICE**

- *The agreement provides the contribution of the entire corporate capital of Tes Transformer Electro Service S.r.l. in Tamini Trasformatori S.r.l., wholly owned subsidiary of Terna Plus S.r.l.*
- *By the completion of the transaction, Tamini will increase its corporate capital for the benefit of TES Shareholders, in such a way that the latter will hold a 30% stake of the new Group's corporate capital.*
- *Terna Group, through Tamini, continues its development and consolidation in the field of the industrial production of energy transformers.*

**Rome, 16 September 2015** - Under development of its Non-Traditional Activities, Terna informs that today its fully controlled subsidiary Terna Plus S.r.l. ("Terna Plus") has executed with Xenon Private Equity, Riccardo Reboldi and Giorgio Gussago (the "TES Shareholders") an agreement aimed at regulating the process for the entrepreneurial and corporate integration between corporate groups of Tamini and TES.

The today agreement provides that the process concerning the integration of TES in Tamini will be carried out by means of an exchange of shares, i.e. the incorporation of a new company Holdco, fully owned by TES Shareholders, which will contribute the TES' entire corporate capital in favour of Tamini against of the capital increase. Consequently, by the completion of all the relevant instrumental activities and the subscription of the above capital increase, Terna Plus will hold approximately a 70% stake of Tamini's corporate capital and Holdco will hold approximately a 30% stake of Tamini's corporate capital.

The completion of the transaction is subject, among the others, to the confirmatory outcome of the due diligences which the parties have started and are currently carrying out.

TES mainly produces energy transformers for industrial use which can provide up to 420 kV and 300 MVA power and offers after-sales assistance to customers. The company was established in 1998, through a spin-off of ASO Siderurgica S.r.l. ("ASO"). Its production site is located in Ospitaletto (Brescia, Italy) and, at the end of year 2014, TES recorded revenues of EUR 29.5 Million and EBITDA margin of 2.8 Million, and employed 69 people.

With 350 highly qualified employees, customers in more than 90 countries around the world and more than 8,300 installed transformers, Tamini is the world leading Italian company for the design and production of

industrial, power and special transformers. Tamini manages 4 production facilities in Italy, in Legnano, Melegnano, Novara e Vandagno. At the end of year 2014 Tamini recorded revenues of 106,3 million euros.

Terna Group, through Tamini, continues its development and consolidation in the field of the energy transformers. The transaction will allow Tamini to strengthen its presence worldwide in the field of the industrial transformers and after sales assistance to customers, for benefit of its customers and the world steel industry.

Terna Group is assisted by Bonelli Erede as legal advisor, Mediobanca as financial advisor and Bain & Company in relation to the industrial aspects of the operation (joint mandate along with the TES Shareholders).

Xenon Private Equity, Reboldi and Gussago are assisted by Osborne Clarke as legal advisor.