



**Barclays Capital  
*Renewables and Clean  
Technology Conference***

***Zurich – 21<sup>st</sup> September 2011***

# Summary

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**1. Alerion Clean Power**

**2. Strategy and objectives**

**Appendix A: Markets and Regulatory framework**

**Appendix B: Operating plants**

# 1. Alerion Clean Power



## Alerion Clean Power at a glance

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- **Very experienced renewable energy company:**

Started development in renewable energy projects in Italy more than 10 years ago;  
Experienced management team, with more than 100 people specialised in development, construction and operation of renewable plants

- **Attractive assets in operation:**

A portfolio set to deliver stable cash flows in the long term:  
Present “secured capacity” – in operation and under construction projects: **310 MW**

- **Proven ability to deliver growth:**

Capacity installed at 2007: 48 MW  
Capacity installed at 2010: 206 MW consolidated (265 MW Gross Capacity)  
CAGR 2007-2010: 63%

- **Valuable mid term growth options in attractive markets:**

Average 100 MW/ year new installed projects in 2011-2015 period, executing a flexible growth strategy and improving portfolio risk profile through geographical diversification

# Alerion Clean Power

**Present operating and under construction Gross Capacity of 370 MW (310 MW consolidated), with a total production of ~ 675 GWh/year (consolidated production)**



## **ITALY:**

Headquarters in Milan; Operating office in Bari

### **WIND**

➤ **197 MW operating** (*Production: 362-390 GWh*)

➤ **44 MW under construction** (*Production: 80-90 GWh*)

### **SOLAR**

➤ **4 MW operating** (*Production: 7-8 GWh*)

### **BIOMASS**

➤ **5,25 MW operating** (*Production: 41-42 GWh*)

➤ **5,5 MW authorised** (*Production: 42-43 GWh*)

## **Eastern Europe:**

### **Alerion Romania:**

Operating office in Oradea (established in 2007)

➤ **54 MW under construction (65 MW authorised)**  
(*Production: 115-125 GWh*)

### **Alerion Hungary:**

Operating office in Budapest (established in 2010)

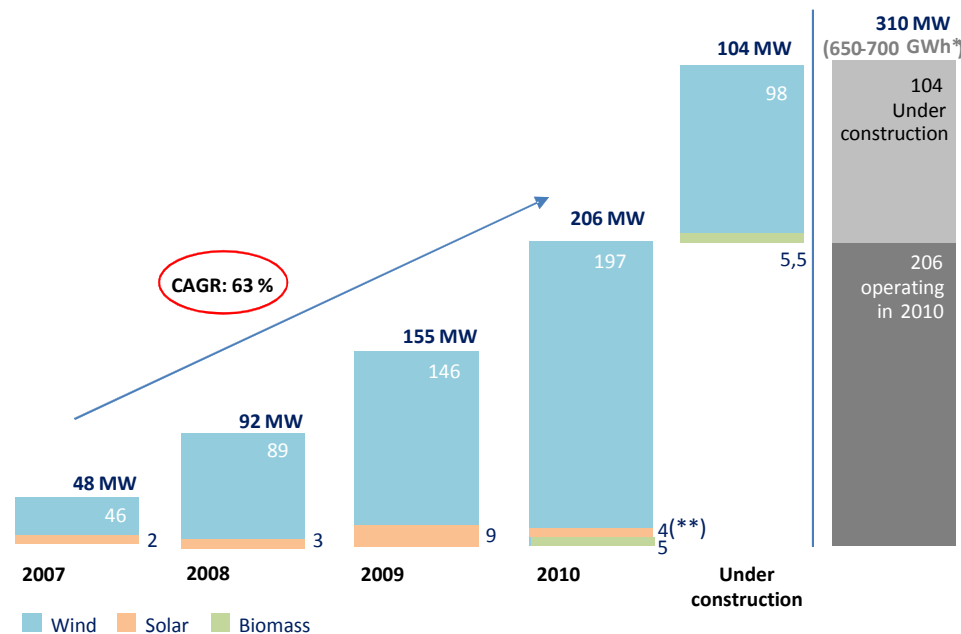
### **Alerion Bulgaria:**

Operating office in Sofia (established in 2010)

# Evolution of Power Capacity and Production

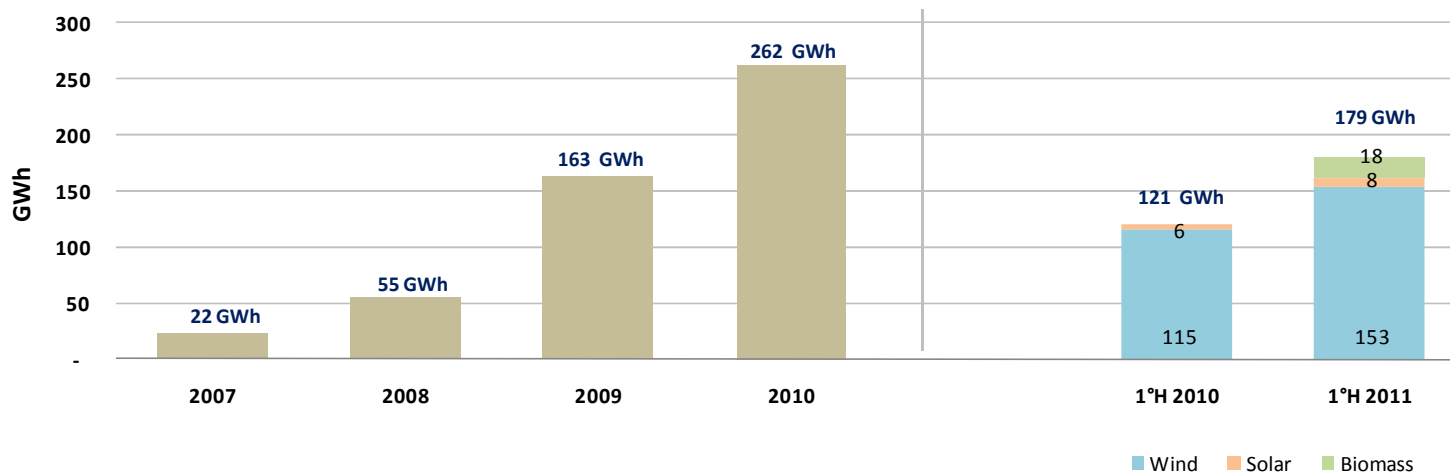
**Consolidated power capacity for business area**

**Total "secured capacity":**  
 - Operating plants in 2010  
 - Plants under construction



**Total "secured capacity"**  
 ↳ Revenues ≈ 100-110 m€  
 ↳ Industrial EBITDA ≈ 85-90 m€

**Production**



(\*) Production at regime

(\*\*) It does not include the solar assets sold on 24th March 2011 (18,8 MW)

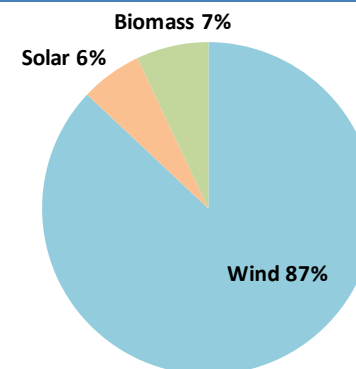
## Financials at a glance

Economics (m€)	1H 11	1H 10
<b>Total Production (GWh)</b> Including sold assets	178,9	120,8
<b>Production (GWh)</b> Not including sold assets in 1Q 2011	174,4	117,8
<b>Revenues</b>	31,7	21,7
<b>Ebitda</b>	18,8	12,1

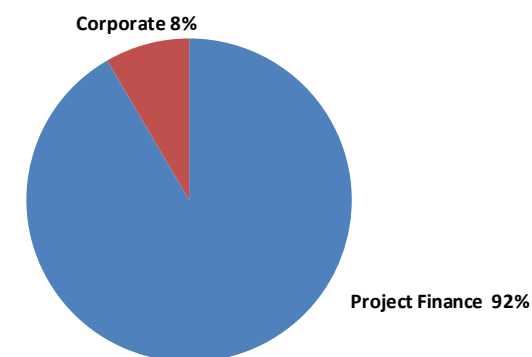
Net Financial Position (m€)	1H 11	FY10
Cash	52,6	36,2
Bank debt	(328,4)	(325,6)
Other	9,7	5,1
<b>Net Financial Position</b> (excluding Interest rate swap value)	<b>(266,1) (*)</b>	<b>(284,3)</b>

(\*) It does not include 2010 and 2011 Green Certificates receivables payable respectively in September 2011 (approx. 2,8 m€) and in July 2012 (approx. 15 m€)

## Invested capital per business (1H 11 = 452 m€)



## Bank debt structure



## 2. Strategy and objectives

# Strategic guidelines

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## Strategic Guidelines:

Presented in September 2010 at BarCap Conference in Zurich

- **Focus on wind**
- **Diversify geographical presence**

## Execution

- Auseu Borod Wind Farm in Romania is under construction: the completion of the plant is expected by the end of 2012. The plant will have a yearly production of approx. 120 GWh
- Completing the acquisition of a 12 MW wind farm in Bulgaria. Details not yet disclosed: the completion is expected by end Sep. 2011
- New International projects expected to be authorized within 2011: 60 MW
- In March 2011 Alerion has completed the sale of 18,8 MW solar plants out of a total portfolio of 22,8 MW, with an Enterprise Value of approx. 91 m€ and a Gross Profit of approx. 15 m€

## Strategic guidelines

### ● Italy

- Italian market will be characterised by difficult growth over next 2 years due to uncertainty of regulation (eg. auction mechanism for new plants)
- Achieved a good position in the Italian market
- Market regulation (Wind): shift from Green Certificates to tariffs
- Selling Prices of present operating plants should not be significantly affected by new regulation
- New authorised plants from pipeline expected within 2011 of approx. 60 MW



### 250 MW operating at end of 2011

#### **WIND**

Total Operating Capacity: 197 MW consolidated (gross 250,5 MW)  
Under construction: 44 MW consolidated (completed by end 2011)

#### **Biomass**

Total Operating Capacity: 5 MW consolidated (gross 10 MW)  
Authorised: 5,5 MW consolidated

#### **SOLAR**

Total operating capacity: 4 MW

## Strategic guidelines

### ● International diversification

#### Drivers of development

- 1) Good wind resources and measurements
- 2) Areas poor in natural fossil resources
- 3) Good electric grid quality
- 4) Economic and electricity consumption growth
- 5) Stable incentive schemes



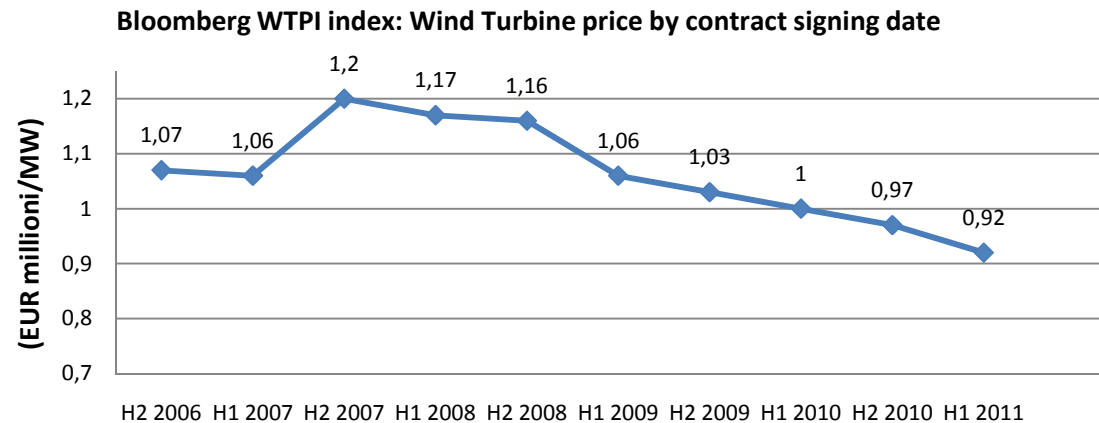
**Future development will be focused on international diversification, in particular in Eastern European Countries**



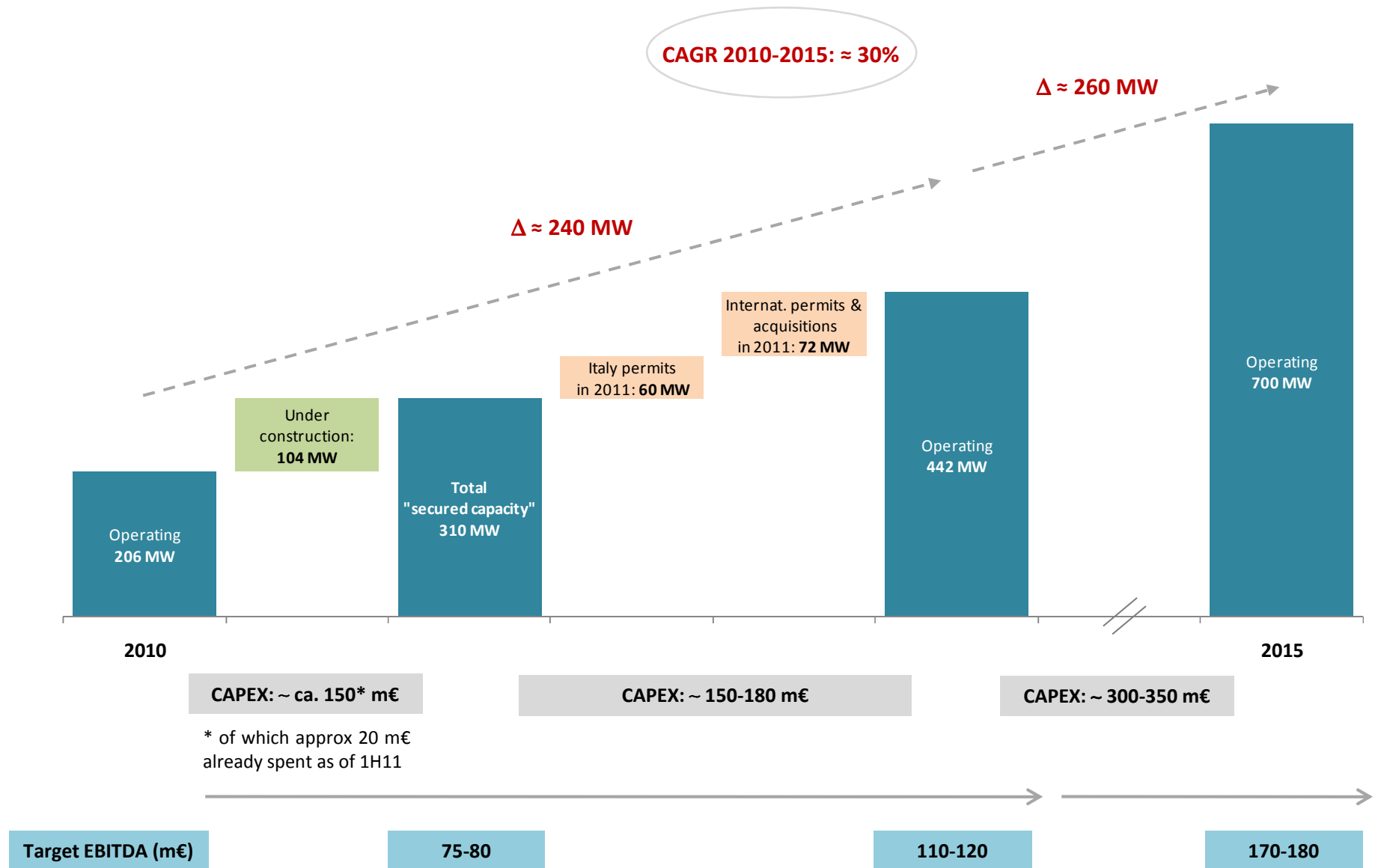
## Strategic guidelines

### ● Decreasing CAPEX/ MW and better commercial conditions

- Turbines prices are decreasing, reflecting pressure on turbines manufacturers
- Delivery terms from 2007-2011 have changed favourably for buyers
- Suppliers starting to offer attractive payment terms
- Significant performance improvements on low wind turbines



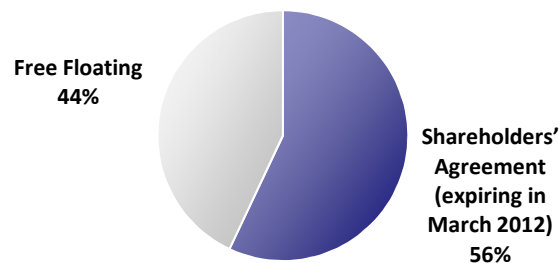
# Development plan: Main Targets



## Shareholders and Share price trend

One of the few independent players in the European renewables market, with a strong shareholders base

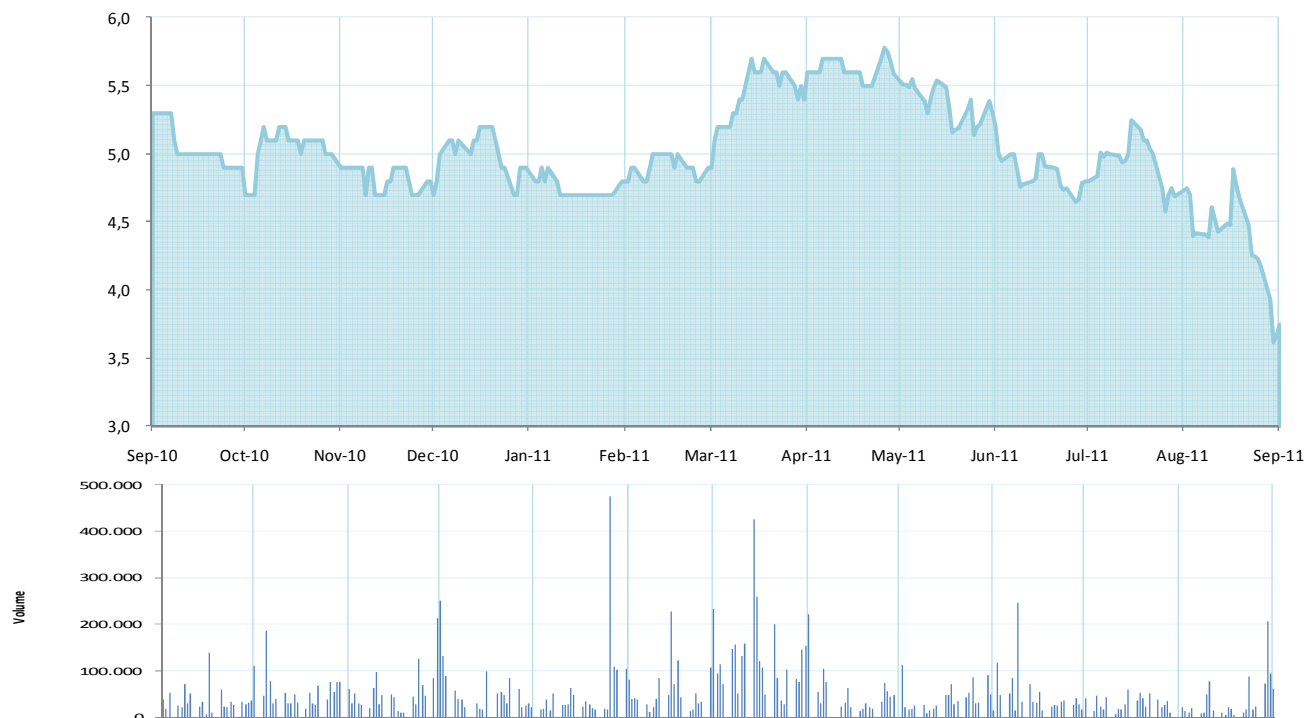
### Shareholders



### Main Shareholders:

- **F2i: 15,7%** (through capital increase @9,2/S in Dec. 2008)
- **Monte dei Paschi di Siena: 6,2%** (Banking)
- **Fondiaria-SAI: 4,9%** (Insurance & banking)
- **Allianz: 2,5%** (Insurance & banking)
- **Management: 7,7%**

### Alerion share price and traded volumes in the last year



September, 15<sup>th</sup> price: 3,75 €

## Conclusions

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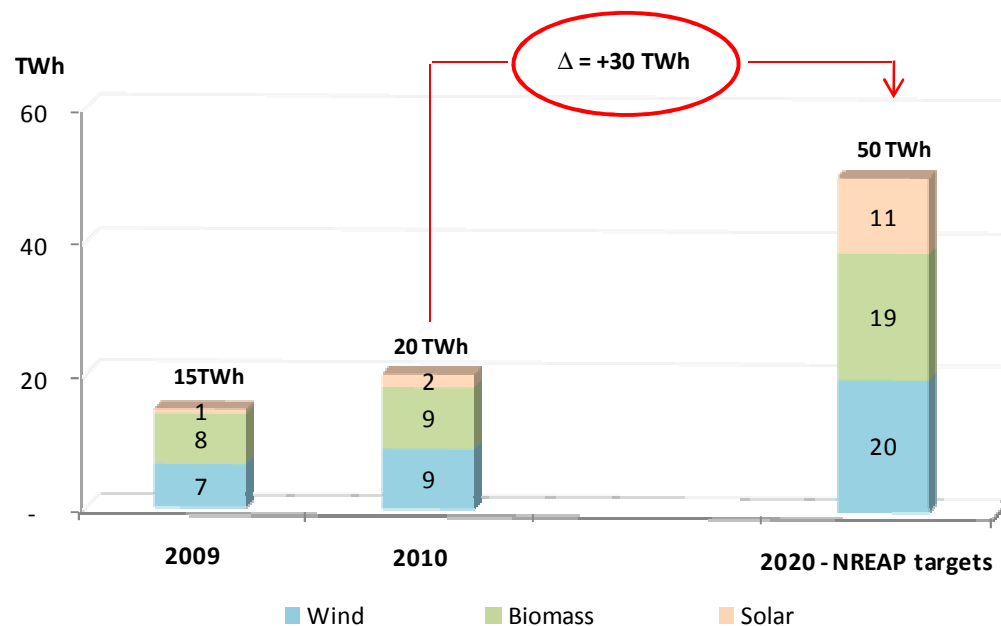
- Alerion is currently positioned as one of the top Renewables player among independents both in terms of scale and skills/capabilities
- Going forward, Alerion strategy will lead to:
  - **Focus on wind power generation**
  - Expand asset portfolio beyond Italy to other attractive markets
  - Increase its scale to fully capture the benefits from a larger installed base (on O&M and purchasing)
  - Invest in selected biomass projects with attractive remuneration

**To be a major Pan European player with a production of > 2.000 GWh**

# Appendix A: Markets and regulatory frameworks

## Italy: Renewables market overview

### Shift to tariffs



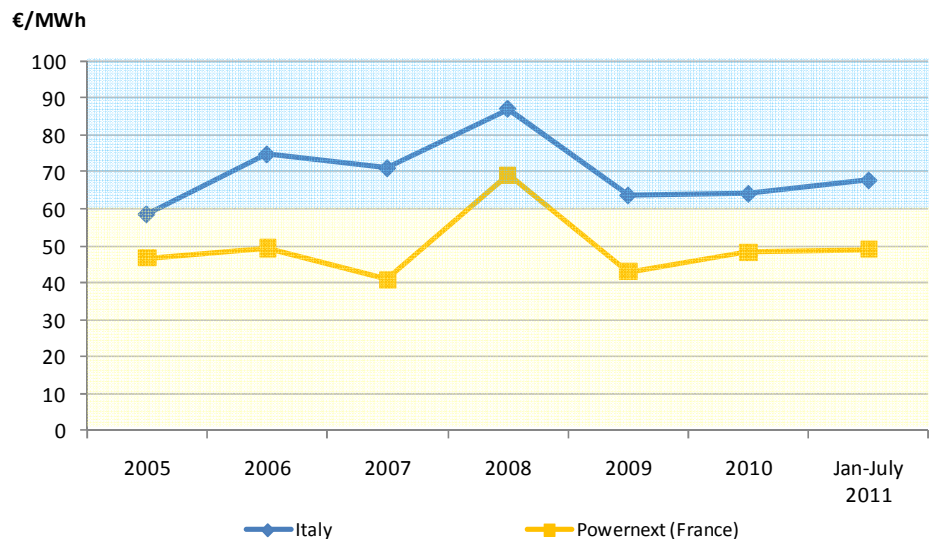
#### RES incentive scheme: Green Certificates (GC)

- GC are issued by the state agency GSE to renewable energy producers (**On-shore Wind: 1 CV/MWh, Biomass: 1,3 CV/MWh, Biomass (produced within 70 km): 1,8 CV/MWh**)
- GCs value for 2011-2015= **78% \* (180 € - average electricity price)**
- Plants operational before year-end 2012, conversion to feed-in from 2016 onwards
- Plants operational after 2012, feed-in for small plants (dimension to be defined), auctions for plant exceeding the above limit

# Italy: Remunerative electricity market

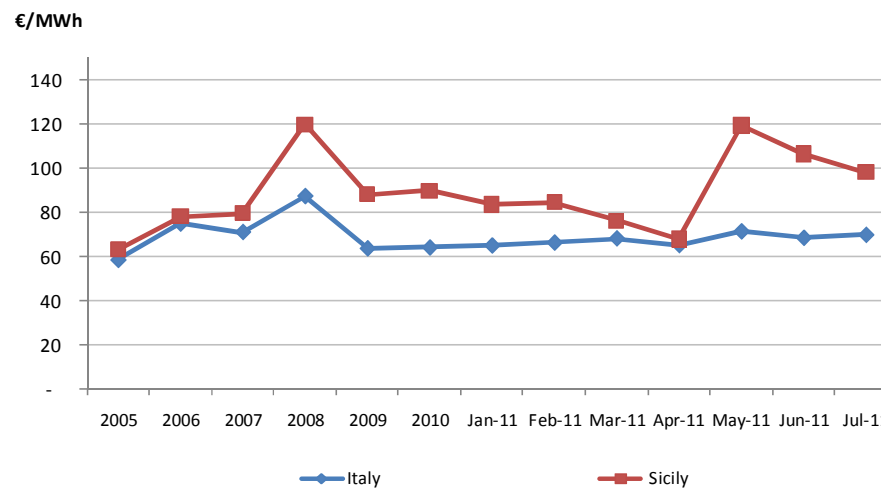
Italian electricity prices among the highest in Europe

Electricity prices in Italy vs. Europe (approx. +38% in 2011)



Source: GME

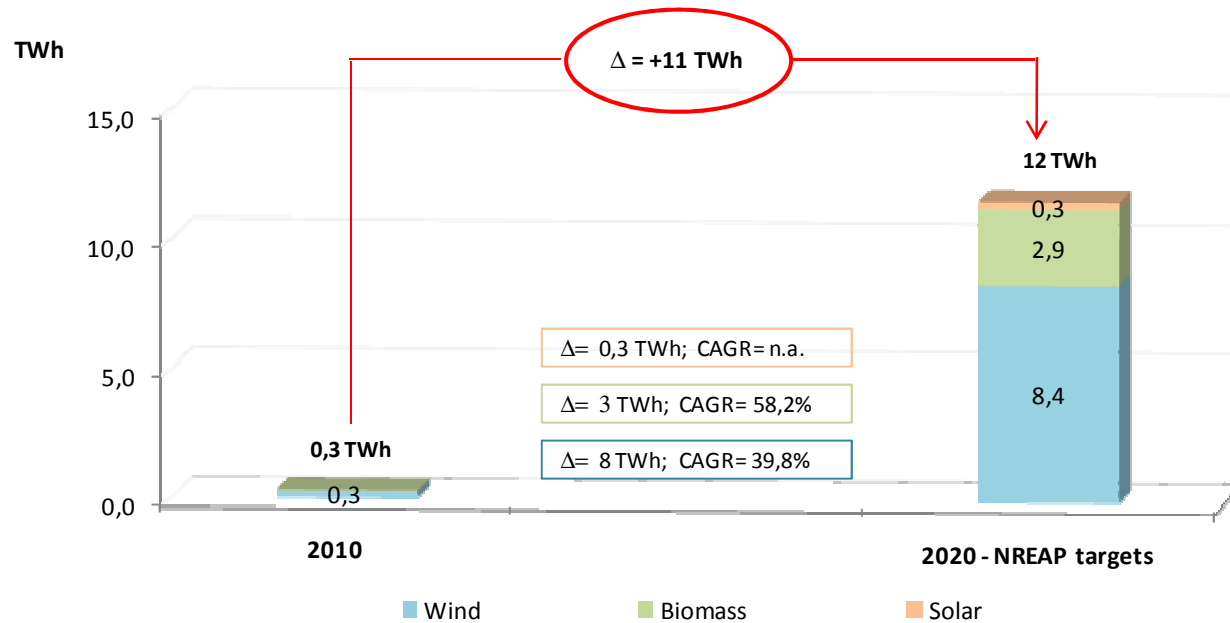
Sicily zone prices vs. national electricity price (approx. +34% in 2011)



Source: GME

# Romania: Renewables market overview

High growth market, with a long term regulatory framework



## RES incentive scheme: Green Certificates (GC)

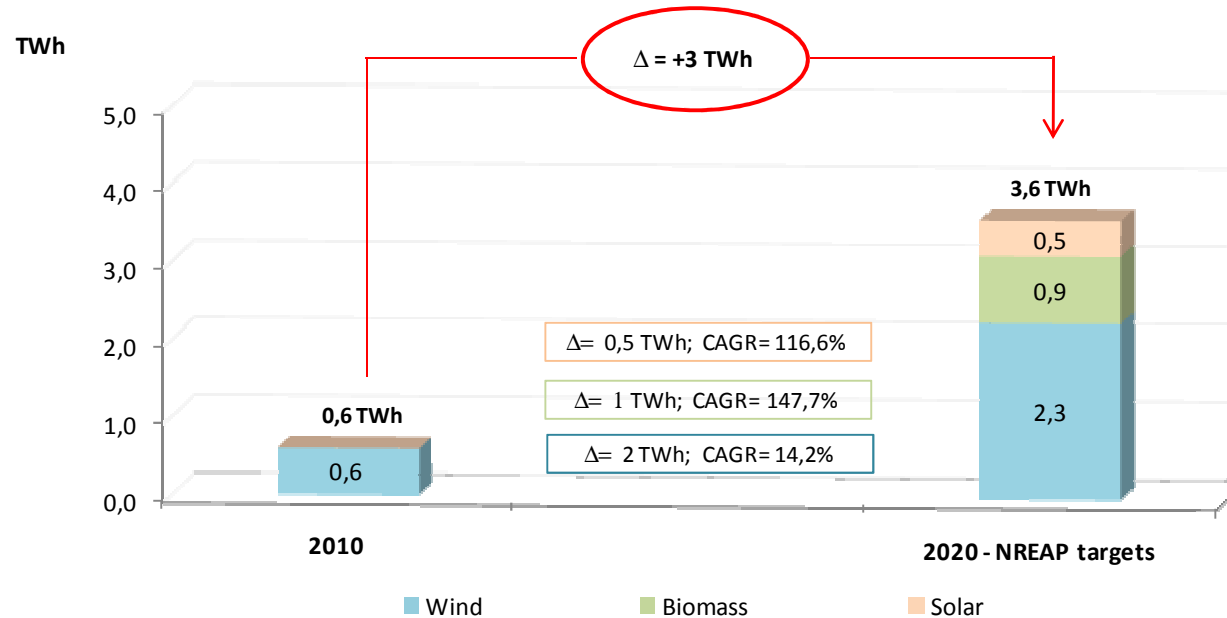
- GC mechanism with mandatory quotas for energy suppliers
- GC varying from a minimum of 27 €/MWh to a maximum of 55 €/MWh (Law N° 220/2008). Wind plants will benefit of 2 GC/MWh until 2017 and of 1 GC/MWh from 2018 (Law N° 139/2010)
- The incentive period for new plants is of 15 years

## Market overview

- Current total revenues per green MWh: 150 €/MWh
- Electricity prices are expected to grow significantly
- Average wind production: > 2.300 full load hours
- Average Capex in wind: ~ 1.300 €/MW

# Bulgaria: Renewables market overview

Bulgarian renewables market has a good growth potential



## RES incentive scheme: feed-in-tariff

- Electricity from renewable energy shall be purchased by the public provider at the preferential price set by the State Commission of Energy and Water Regulation at the beginning of each year
- Feed-in-tariff for wind (new installations with capacity over 800 KW) varying from a minimum of 88 €/MWh to a maximum of 97 €/MWh depending on effective working hours
- The incentive period for new plants is of 12 years

## Market overview

- Electricity prices are expected to grow significantly
- Average wind production: > 2.200 full load hours
- Average Capex in wind: ~ 1.350 €/MW

## Appendix B: Operating Plants

## Wind: Operating plants

**Agrigento: Capacity plant 34 MW – Consolidated production 30-34 GWh**

Ownership: 50%

Consolidated 17 MW

Turbines: Gamesa G58 (0,85 MW)

Start of operation: 2007



## Wind: Operating plants

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### **Ordoná: Capacity plant 34 MW – Production 71-75 GWh**

Ownership: 100%

Consolidated 34 MW

Turbines: Repower MM92 (2 MW)

Start of operation: 2009



## Wind: Operating plants

**Castel di Lucio: Capacity plant 23 MW – Production 44-48 GWh**

Ownership: 100%

Consolidated 23 MW

Turbines: Vestas V52 (0,85 MW)

Start of operation: 2010



## Wind: Operating plants

**Lacedonia: Capacity plant 15 MW – Consolidated Production 16-17 GWh**

Ownership: 50%

Consolidated 7,5 MW

Turbines: Vestas V90 (3 MW)

Start of operation: 2008



## Wind: Operating plants

**Albanella: Capacity plant 8,5 MW – Production 11-13 GWh**

Ownership: 100%

Consolidated 8,5MW

Turbines: Vestas V52 (0,85MW)

Start of operation: 2004



## Wind: Operating plants

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**Licodia: Capacity plant 22 MW – Production 42-44 GWh**

Ownership: 80%

Consolidated 22 MW

Turbines: Gamesa G58 (0,85 MW)

Start of operation: 2010



## Wind: Operating plants

**Ciorlano: Capacity plant 20 MW – Production 26-30 GWh**

Ownership: 100%

Consolidated 20 MW

Turbines: Vestas V80 (2 MW)

Start of operation: 2008



## Wind: Operating plants

**San Martino: Capacity plant 58 MW – Consolidated Production 54-57 GWh**

Ownership: 50%

Consolidated 29 MW

Turbines: Vestas V90 (2 MW)

Start of operation: 2010



## Wind: Operating plants

**Callari: Capacity plant 36 MW – Production 68-72 GWh**

Ownership: 100%

Consolidated 36 MW

Turbines: Vestas V90 (2 MW)

Start of operation: 2009



# Biomass: Operating plant

## Anagni Plant

- **Total gross capacity: 10 MWe; Total consolidated capacity: 5 MWe**
- **Consolidated production: 41-42 GWh**
- **Ownership: 50% Alerion; 50% Distillerie Bonollo**
  
- Side-products from distillery process are feed-stock (approx. 120 kton/yr) for the bioenergy plant, with long history of availability
- High efficiency: the site is next to the distillery, biomass does not travel and steam is sold back to Distillerie-Bonollo



## Plant of Anagni



## Solar: Operating plants

● Total Capacity: 4 MW – Production 7-8 GWh



● **Acquaviva: Capacity plant 1,6 MW – Production 2,9-3,1 GWh**

Ownership: 100%

Technology: tracking on ground

Supplier: Enerqos

Start of operation: 3Q09

● **Brindisi: Capacity plant 1,4 MW – Production 2,5-2,7 GWh**

Ownership: 100%

Technology: tracking on ground

Supplier: Enerqos

Start of operation: 1Q09

● **Racale: Capacity plant 1 MW – Production 1,8 – 1,9 GWh**

Ownership: 100%

Technology: tracking on ground

Supplier: Enerqos

Start of operation: 4Q08



Brindisi



Acquaviva



Racale

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