

JOINT PRESS RELEASE
Terni, May 25th, 2012

The Merger by incorporation of TerniGreen in TerniEnergia has been approved

The first green company listed in Italy with strong international vocation arises

- **The Boards of Directors of TerniEnergia and TerniGreen approve the structure of the operation of aggregation and the project of Merger by incorporation of TerniGreen in TerniEnergia**
- **The integration will create a national point of reference in the energy and environmental sector focused on the energy efficiency, the waste management and the development of new cleantech technologies**
- **The new Group may benefit from the diversification of the business and the completion of the draw-plate combining the “growth” (TerniGreen) and “utility” (TerniEnergia) components**
- **The Group resulting from the Merger will obtain important synergies from the integration linked to a higher operational efficiency and increase in the commercial efficiency**
- **The company dimension will grow allowing the reinforcement of the position in the market and the global financial structure for the project to extend its presence abroad**
- **The share swap ratio has been established in no. 0,34 shares TerniEnergia every no. 1 share TerniGreen**

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The Boards of Directors of TerniEnergia, which is a Company active in the field of energy deriving from renewable sources and is listed in the Star segment of the Italian Stock Exchange (hereinafter referred to as the “*Incorporating*”) and of TerniGreen, which is a company active in the environmental field, in the recovery of the material and energy as well as in the development and production of technologies whose shares are negotiated on AIM Italy – Alternative Market of the Capital (hereinafter referred to as the “*Company to be incorporated*”), have approved on today’s date the project of Merger by incorporation of TerniGreen in TerniEnergia.

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Stefano Neri, Chairman and Executive Director of TerniEnergia and TerniGreen, commented as follows:

"We are proud to announce the project of Merger of TerniGreen into TerniEnergia, which shall create the first qualified green operator listed in the Star segment of the Italian Stock Exchange, with a portfolio of activities similar and complementary all relating to the Green Economy sector and renewable energies. The aggregation of the resources and potentialities of TerniEnergia and TerniGreen will create a new Industrial Plan, which in addition to the operative efficiencies, shall improve and speed up an internationalization process concerning energy and environment."

The outstanding results reached by both Companies during 2011 and the particularity of the moment at global level, encourage, for different reasons, the enhancement in the most rapid way of the possible industrial and commercial synergies between the two companies, integrating expertises, track-record, technologic know-how of consolidated realities. Even if this choice was not forecasted, at least in a short time, in order to guarantee the continuity of the increase of the generation of value, we consider as strategic to create a pure player of the Green Economy combining the operative plants owned by TerniEnergia and a component of high growth at global level represented by TerniGreen. We will create within this year a small global company, which integrates in horizontal way activities having high technologic value and competences in the sector of the clean energy, energy efficiency, recovery of material and energy. In such direction there is a strong determination of the Management of TerniEnergia and TerniGreen in order to create a new aggregating subject in a sector in strong expansion, which represents a big opportunity for players whose company dimension allows the reinforcement of the position in the market as well as the maximization of the financial structure. An element confirmed by the international trends of aggregation and the analysis of scenario carried out by the most specialized subjects".

STRATEGIC REASONS AND INDUSTRIAL PROFILE OF THE TRANSACTION

The two Companies, which belong to the same company group and are subject to the common control of T.E.R.N.I. Research S.p.A., by means of the Merger transaction may realize a strategic project aiming at the concentration of the company structures in one entity with a common management of the businesses.

The project of corporate and industrial integration, strongly shared by both Companies – after having carefully evaluated also other alternative hypothesis – aims at the improvement of the investments currently held in portfolio by the same companies as well as at the progressive diversification of the business of the Incorporating, still in the sector of energy and environment. The above with the target to create an operator able to integrate the different technologies present on the green industry's market in horizontal way, creating the first pure player listed in Italy in the growing market of the green economy. The Company resulting from the Merger shall be active in the production of energy from renewable sources, in the energy efficiency, in the waste management sector and recovery of material, as well as in the development of new technologies within the cleantech section.

Within the context of the Merger transaction, TerniEnergia and TerniGreen are united by the will to search dimensions able to consent to face the competitive challenge proposed by the reference markets during the current historical moment. Indeed, the transaction will increase the operational efficiency as

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well as the chances to access the financial market at profitable conditions and, in particular, the financing by the financial institutions, augmenting the possibility to make new investments and guaranteeing an unique strategic direction and the presence at the same time of the specific experiences and competence of the different managed activities.

As support for the future activity and in order to reflect the new industrial strategy, an operative business plan of the Company resulting from the Merger shall be prepared.

From the operational point of view, the project of merger will allow the integration of two important realities in the green sector industry and the consequent reinforcement of the position of the Incorporating in the national and international panorama. In addition, it will be completed a technologic and geographic diversification of the portfolio of the projects to be held by the new Company following the integration, which will allow to catch business opportunities. From the Merger, it is forecasted also an important growth deriving from the projects under development in the sector of recovery of material and energy from biomasses and waste, whose realization should take place within the period covered by the new industrial plan.

In particular, due to the Merger, the Incorporating shall be able to immediately optimize the coordination of the activities relating to the management and maintenance of the operative photovoltaic plants and their surveillance. Such activities are currently attended by organizational structures belonging to the two companies participating in the Merger. This will determine also significant savings. In analogous way, the competences in the management of complex industrial plants of TerniEnergia may be used directly for the realization of plants for the treatment of waste and for the energy exploitation of biomasses in the sites started and to be started by TerniGreen. The target shall be achieved maintaining unchanged the occupational levels of the Incorporating, whose personnel will be only partially interested by the internationalization processes, also in case of reduction of the volumes of the national photovoltaic market. The complementarity in the technical formation of the personnel of the two companies may be enhanced by the diversification of the activities in the green economy sector (EPC, production of energy in the photovoltaic and biomasses, environment and energy efficiency) which present, in any case, a high degree of reciprocal functionality. The managing optimization resulting from the Merger would concern also the use of the instrumental goods, whose ownership is currently shared between the two companies.

In addition to considerations having company, industrial and managing nature, it is possible to identify other positive elements deriving from the Merger.

From the Merger, the first “pure” operator of the green company listed in Italy may derive and it may attract the attention of the financial, institutional and private investors as well as of the industrial operators interested in this sector having high potentiality of growth.

In particular, the aggregation of the activities will create a subject combining an “utility” component represented by the working plants currently owned by TerniEnergia, and a “growth” component in the environmental sector represented by TerniGreen, which represents significant perspective of rapid growth at global level. The internationalization process, recently started by TerniEnergia for the photovoltaic sector, may concern also the development of the TerniGreen projects, accelerating them and generating significant savings.

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The new subject resulting from the Merger aims to become an aggregative point in the environmental sector, which is still fragmented in Italy, starting a virtuous process facilitated by the major dimension and by the consolidation of the financial equilibrium. For the development of the business of the Company to be Incorporated, it is necessary to consider the possibility to use the credit lines, which are currently under-utilized, of TerniEnergia, in order to finance projects of development in the environmental sector.

The possible changes of the Italian regulatory frame in the sectors of the renewable sources and in particular of the photovoltaic, would determine the need of sudden changes in the strategic guidelines, if not adequately provided. In such sense, instead, the Merger will allow to anticipate and avoid the possible negative scenarios, which may derive from penalizing regulatory choices.

The industrial plans, even if defined and recently published, have to be considered superseded and shall be therefore redrafted in light of the laws under issuance relating to the photovoltaic sector in Italy and of the new targets of the Company originated by the Merger.

In order to define shortly a new industrial plan, which shall be strongly oriented to the growth, it is considered that the Merger of the two Companies represent a fundamental assumption in order to create a subject having bigger dimension already listed on the STAR segment of the Italian Stock Exchange, that may be seen as the first operator leader in the new sector of the green economy adding to more mature businesses in Italy, activities with more interesting perspectives of growth at international level.

DESCRIPTION OF THE COMPANIES OBJECT OF THE MERGER

Incorporating: TerniEnergia

TerniEnergia, with registered office in Nera Montoro, Narni (Terni), fiscal code, VAT number and number of registration with the Companies Register of Terni 01339010553, having a corporate capital as of the date of the approval of the Merger of Euro 23,210,000.00 entirely subscribed and paid up, divided into no. 27,820,000 ordinary shares, without nominal value, admitted to the negotiations in the STAR segment of the MTA.

TerniEnergia is active in the sector of the energies deriving from renewable sources, in particular in the photovoltaic and in the energy efficiency. TerniEnergia operates as system integrator, with an offer key-in- hands of photovoltaic plants of industrial size, both on behalf of third parties and on its behalf, mainly through the joint ventures with EDF EN Italia S.p.A. and other leading national operators. The Company intends, in addition, to reinforce the activity of sale of the energy produced by solar source. TerniEnergia, through the controlled company Lucos Alternative Energies S.p.A., operates in the development of projects of energy efficiency and in the relevant interventions, both in EPC and, as ESCO, in FTT (Financing through third parties). TerniEnergia pursues the targets to increase the energy production from renewable sources, energy efficiency and reduction of the emissions as provided by the European policy on environment.

Company to be Incorporated: TerniGreen

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TerniGreen, with registered office in Nera Montoro, Narni (Terni), fiscal code, VAT number and number of registration with the Companies' Register of Terni 01326190558 having a corporate capital, entirely subscribed and paid up, as of the date of approval of the Project of Merger of Euro 14,400,000.00 divided into no. 28,800,000 ordinary shares without nominal value and admitted to the negotiations on AIM Italia-MAC. TerniGreen operates in the environmental sector, in the recovery of the material and energy sector, in the development and production of technologies, with the exclusion of the photovoltaic, hydroelectric and aeolian sectors. In particular, the Company is active in the recovery of pneumatic 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.

STRUCTURE OF THE TRANSACTION AND SHARE SWAP RATIO

The structure of the transaction provides for the merger by incorporation of TerniGreen into TerniEnergia. It is a transaction with related parties having significant relevance in relation to which it will be drafted and published, within the terms of the regulation, the informative document on transactions with related parties provided by article 5 of the regulation adopted by Consob by resolution no. 17221 dated March 12, 2010 and amended by resolution no. 17389 dated June 23, 2010.

In addition, the requirements provided by law and regulation for the drafting and publication of the informative document pursuant to article 70, comma 4, of the Consob Regulation 11971/99 on the Issuers as later amended, apply.

The share swap ratio has been determined in no. 0,34 shares TerniEnergia having no nominal value every no. 1 share TerniGreen having no nominal value. No money equalizations are foreseen. The share swap ratio has been determined by the Board of Directors met today, with the assistance of the financial advisor EnVent Independent Financial Advisor S.p.A., using the evaluation methodologies in line with those usually considered for similar transactions and used in the international practice.

As accounting situations of reference for the purposes of the Merger, TerniEnergia and TerniGreen use the respective financial statements as of December 31, 2011 as approved by the relevant shareholders' meetings.

The share swap ratio shall be satisfied through the issuance of maximum no. 9,792,000 new ordinary shares having no nominal value TerniEnergia with increase of the corporate capital for Euro 2.79 for each issued share, for a maximum nominal amount of Euro 27,319,680.00.

At the completion of the Merger, all the ordinary shares TerniGreen representing the entire corporate capital of the Company to be Incorporated shall be annulled.

No burden will be imposed on the shareholders for the share swap ratio transactions.

For a more complete informative of the Shareholders of the Companies participating to the Merger, it will be available to the public also a pro-forma financial position of TerniEnergia as of December 31, 2011, prepared in order to represent the effects of the Merger. Such financial position pro-forma will be

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included in the Informative Document drafted pursuant to article 70, comma 4 of the Issuers' Regulation, to be published according to the modalities and terms provided by the applicable regulations.

The shareholders of the Company to be Incorporated, which did not concur with the shareholders' resolution approving the Project of Merger, are entitled to withdraw pursuant to article 2437 and following of the Italian Civil Code, due to the fact that the adoption of the By-Laws of the Incorporating will imply for the shareholders of TerniGreen a significant change of the activity of the Company to which they participate as consequence of the Merger; therefore, the requirements provided by article 2437, comma 1, letter a) of the Italian Civil Code apply.

CORPORATE GOVERNANCE

The Company resulting from the Merger by incorporation shall have registered office in Nera Montoro, in the Municipality of Narni (Terni) and operational offices in Milan, Lecce and Athens.

With specific reference to the corporate governance system, the Board of Directors of the Incorporating shall remain unchanged as well as the Top Management of the two Companies.

With the approval of the Project of Merger, the extraordinary shareholders' meeting of TerniEnergia shall be called to resolve upon the adoption of the new By-Laws of the Incorporating in the text attached to the Merger Project as Annex A, which shall not be amended with the exception of the clause relating to the corporate capital ("Article 5 – Corporate Capital" of the By-Laws of the Incorporating Company) in order to take into consideration the increase of the corporate capital for the purposes of the Merger transaction and therefore deriving from the application of the share swap ratio indicated under following paragraph 3 and taking into consideration the modalities of assignment of the shares TerniEnergia to the shareholders of the Company to be Incorporated.

IMPACT OF THE TRANSACTION ON THE COMPOSITION OF THE SHAREHOLDING

Following the Merger, the ordinary corporate capital of the Incorporating Company would indicatively result divided as follows, with exclusive reference to the shareholders that will hold significant shareholding and to the controlling shareholder:

T.E.R.N.I. Research S.p.A. shall maintain a controlling shareholding equal to 55.84% of the corporate capital represented by ordinary shares of the Incorporating. Nuova TIC S.r.l. shall hold 5.72% of the corporate capital.

The controlling shareholding, direct and indirect, of T.E.R.N.I. Research shall amount to 61.56%.

At the completion of the Merger, the own shares eventually held by TerniGreen shall be annulled.

In the knowledge of the Companies participating in the Merger, there are no significant shareholders' agreement pursuant to article 122 of the TUF, having as object the shares of the Incorporating.

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TIMING

The extraordinary shareholders' meeting called to resolve on the project of merger shall be called after the registration with the Companies' Register in Terni of the documentation provided by article 2501-ter of the Italian Civil Code.

TERMINATION CLAUSES

The Merger is subject to the non occurrence within the execution of the deed of Merger and also during and/or as result of the execution of the transaction itself and/or with or at the same time of the same of (a) extraordinary events or situations at national and/or international level determining significant changes in the political, financial, economic, monetary or market situation, which have effects substantially prejudicially on the conditions of the activities and/or property, economic and/or financial conditions of the Company and/or the group, or (b) acts, facts, circumstances, events, objections or situations, not already occurred as of the date of the Project of Merger and such as to determine a prejudice substantially affecting the conditions of the activities and/or the property, economic and/or financial conditions of the Company and/or the group, and/or (c) the non adoption/publication, within the execution date of the deed of Merger, by the competent entities, bodies or authorities of acts or legislative, administrative or judicial measures such as to preclude, limit or render substantially more onerous, entirely or partially, also temporary, the possibility of the Company and/or the group to which the Company belongs, to execute the Merger according to the terms and conditions described therein.

In the transaction TerniEnergia and TerniGreen are assisted by EnVent Independent Financial Advisor S.p.A. as independent financial advisor. PricewaterhouseCoopers S.p.A. has been appointed by the Court of Terni as common expert pursuant to article 2501-sexies of the Italian Civil Code for the drafting of the report on the congruity of the share swap ratio.

For TerniEnergia, the Committee for the Transactions with Related Parties, with the abstention of the independent director Paolo Ottone Migliavacca, present during both Board of Directors' meetings, expressed a positive opinion on the interest of the Company to complete the Merger's transaction.

Professor Gualtiero Brugger, appointed by TerniGreen as independent expert upon indication of the independent director Paolo Ottone Migliavacca, present during both Board of Directors' meetings, expressed a positive opinion on the Merger transaction.

This Press-Release is also available on the Company website www.ternienergia.com and www.ternigreen.com and on www.irtop.com.

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TerniEnergia, a company incorporated in September of 2005 and part of Terni Research 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 mainly through joint venture companies with EDF EN Italia S.p.A. and other leading national players. The Company intends to strengthen its sale activity of energy produced from solar source.

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.

TerniGreen, whose ordinary shares are listed in the multilateral system of negotiations named AIM Italia, active from September 2010 and belonging to the T.E.R.N.I. Research group, operates in the environmental 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.

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