



## Q4 2016 REPORT



**“Our mission is to be a leader in the creation of renewable energy, delivering complete solutions, working as a vertically integrated team to drive performance throughout the value chain while continuously delivering both commercial and utility scale power plants worldwide”**

# Building Energy at a glance

Building Energy is a global integrated independent renewable energy producer.

Building Energy's value proposition is to drive performance throughout the whole renewable energy downstream value chain, such as development, financing, construction and operation as well as owning and managing Solar PV, Wind, Biomass and Hydroelectric plants over the asset lifetime.

Founded in 2010, Building Energy is one of most prominent Italian's independent renewable energy power producers selling energy from 91MW of green power generation assets in South Africa, United States of America and Italy. Building Energy secured the construction of additional 272 MW net capacity in four different technologies that are expected to reach the notice to proceed by the end of next year.

Building Energy has in-house development, initial plant design, financing and operations capabilities and a perfect record of on time on budget project delivery; with a consolidated presence in Africa, America and Middle East the company has a significant number of generating assets for more than 2,500MW currently under development.

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## DISCLAIMER

- These *pro forma* interim consolidated financial statements are prepared in accordance with international accounting standard (IAS/IFRS), and are not different from the those used in the preparation of the annual consolidated financial statement as mentioned in the Group's explanatory notes for the 2015 Consolidated Financial statement, to which therefore please refer.
- With regards of the consolidation perimeter as of December 31<sup>st</sup> 2015, as shown at pages 70-73 of group's explanatory notes for the 2015 Consolidated Financial statement:, the following main changes are occurred:
  - inclusions:*
    - o Odyssey 3 LLC, Apollo Solar LLC, Daphne LLC (Cornell Harford and Musgrave PV plants spvs, USA entity);
    - o Sie Solar Srl included (Special Purpose Vehicle established for acquisition of Italian pv plants);
    - o Tororo Solar North (Ugandan entities established as IPP and owner for Tororo PV plant)
  - exclusions:*
    - o Refeel Solar Uno (Romanian entity);
    - o Bedrom SRL, Beddom SRL, Michelangelo SRL, Petrarca SRL, Cimabue SRL, Brunelleschi, Airon Wind Power SRL (Italian entities)
    - o Galindo, Los Guiros, TA Solar, BE Airon, Duvenostro, Fanamare, Hermare (Domenican Entities)
    - o Be Gulf (Emirian Entity)
- The preparation of the interim consolidated financial statements in conformity with international accounting standard requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.
- All the figures are expressed in €/000, excepted where noted otherwise.
- These *pro forma* interim consolidated financial report has not been audited.

## HIGHLIGHTS

- The construction of the two PV plants at the Cornell University in USA named Harford (2.8 MW) and Musgrave (5.6 MW) is substantially terminated as of December 2016 and the CODs (“Commercial Operating Date”) completed in January 2017; the Ellis Track project (8.3 MW within the Cornell University campus) is still under development and its construction start is planned by the end of 2017.
- The Uganda project - Tororo North project (10 MW Solar PV) – reached financial close in December 2016 and construction started in the same month.
- The financial close of the biomass project Mkuze, originally scheduled for February 2016, has been postponed. The South African Department of Energy confirmed the strategic importance of the project and extended the preferred bidders status until March, 2018.
- The construction of the 30MW wind farm in Iowa is facing the final phases: at December 2016 all the wind turbines have been erected and eight of ten were connected; final COD of all the wind turbines is expected by the end of Q1 2017.
- In USA Behus signed in December 2016 with GoldenSet (US entity focused on investment in the energy and environmental sectors) the refinancing of the plants in operation and under construction (i.e. Cornell Snyder Road, Geneva, Harford, Musgrave and Iowa wind), through the contribution of all the US companies related to the projects mentioned above to an Holdco owning and managing the assets.

## KEY FIGURES

FY 2015	€Thousand	FY 2016_Exp	variance	
			Δ	%
18.352	Revenues and other income	15.998	(2.354)	(13%)
(823)	EBITDA	(2.885)	(2.062)	<(100%)
(6.554)	Operating Profit	(5.887)	667	10%
(9.358)	Profit/(loss) before income tax	(4.860)	4.498	48%
(8.849)	Profit/(loss) for the period	(6.262)	2.587	29%
<b>(9.087)</b>	<b>Building Energy Group profit/(loss)</b>	<b>(6.602)</b>	<b>2.485</b>	<b>27%</b>
238	Profit/(loss) to non controlling interest	340	102	43%
	EBITDA by segment			
2.516	Power production	3.246	729	29%
898	Operation & Maintenance	721	(177)	(20%)
705	Development & Construction	(4.042)	(4.747)	<(100%)
(4.942)	Corporate & Elimination	(2.809)	2.133	43%
<b>(823)</b>	<b>Total</b>	<b>(2.885)</b>	<b>(2.062)</b>	<b>&lt;(100%)</b>
<b>105.553</b>	<b>Total assets</b>	<b>164.870</b>	<b>59.317</b>	<b>56%</b>
29.983	Equity	27.409	(2.575)	(9%)
34.887	Net financial position	40.844	5.957	17%
184.603	Net asset value (1)	190.399	5.796	3%

(1) Net Asset Value calculated on the basis of the calculation methodology set out in the Terms and Conditions of the Bond issued as of July 31<sup>st</sup>, 2015. The Net Asset Value will be updated on a quarterly basis.

## FINANCIAL STATEMENTS AS AT 31/12/2016

## BALANCE SHEET

€Thousand	notes	FY 2016_Exp	FY 2015	Δ
Property, plants and equipment	1	92.587	36.420	56.167
Intangible assets	2	31.231	21.759	9.472
Goodwill	-	400	400	-
Investments valued by the equity method	3	12.696	14.113	(1.417)
Deferred taxes	-	1.344	1.951	(607)
Other non-current assets	4	7.098	9.020	(1.923)
<b>Total non-current assets</b>		<b>145.356</b>	<b>83.663</b>	<b>61.693</b>
Inventories		80	80	-
Trade and other receivables	5	3.078	5.553	(2.475)
Current financial assets		-	51	(51)
Other current assets	6	3.360	2.050	1.310
Accruals and prepayments	7	6.680	579	6.101
Tax receivables	8	2.692	2.189	502
Cash and cash equivalents		2.131	9.894	(7.763)
<b>Total current assets</b>		<b>18.021</b>	<b>20.396</b>	<b>(2.376)</b>
Non current asset available for sale		1.493	1.493	-
<b>Non current asset available for sale</b>		<b>1.493</b>	<b>1.493</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>164.870</b>	<b>105.553</b>	<b>59.317</b>
Share capital		12.000	12.000	(1)
Share premium reserves		17.184	17.020	164
Reserves and retained earnings		(2.800)	8.457	(11.256)
Profit/(loss) of the period		(6.602)	(9.748)	3.146
<b>TOTAL GROUP SHAREHOLDERS'S EQUITY</b>		<b>19.782</b>	<b>27.728</b>	<b>(7.946)</b>
Equity of non-controlling interest		7.286	2.018	5.269
Profit/(loss) of non-controlling interest		340	237	103
<b>TOTAL EQUITY</b>		<b>27.409</b>	<b>29.983</b>	<b>(2.575)</b>
Debt towards banks and other lenders > 1	9.1	57.887	49.627	8.260
Deferred tax		760	197	563
Staff related funds		612	601	12
Provisions for risks		197	190	7
<b>Total non-current liabilities</b>		<b>59.456</b>	<b>50.615</b>	<b>8.841</b>
Trade and other payables	10	24.975	12.626	12.348
Tax liabilities	11	3.285	1.824	1.461
Debits towards banks and other lenders < 1	9.2	37.749	5.979	31.770
Accruals and deferrals		7.092	11	7.080
Other current liabilities	12	4.905	4.513	391
<b>Total current liabilities</b>		<b>78.005</b>	<b>24.955</b>	<b>53.051</b>
<b>TOTAL LIABILITIES</b>		<b>137.461</b>	<b>75.569</b>	<b>61.892</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>164.870</b>	<b>105.553</b>	<b>59.317</b>

## INCOME STATEMENT

FY 2015	€ Thousand	notes	FY 2016_Exp	Δ
8.374	Revenues	1	5.714	(2.660)
1.344	Other operating revenues		1.510	166
8.635	Increase in intangible assets for internal work	2	8.774	139
<b>18.352</b>	<b>Total revenues and other income</b>		<b>15.998</b>	<b>(2.354)</b>
(86)	Raw materials, semi-finished and finished products		(70)	16
(10.714)	Services	3	(10.970)	(257)
(7.330)	Personnel		(7.204)	126
(1.046)	Other operating costs	4	(638)	407
(5.730)	Depreciation, amortization and provisions	5	(3.002)	2.728
<b>(6.554)</b>	<b>Operating profit (EBIT)</b>		<b>(5.887)</b>	<b>667</b>
(3.554)	Financial income and charges	6	2.546	6.100
749	Share of profit from participating interest valued by the equity method	7	(1.520)	(2.269)
<b>(9.358)</b>	<b>Profit/(loss) before tax</b>		<b>(4.860)</b>	<b>4.498</b>
(153)	Income tax		(1.402)	(1.248)
<b>(9.511)</b>	<b>Result of the year</b>		<b>(6.262)</b>	<b>3.249</b>
662	Other comprehensive income		-	(662)
<b>(8.849)</b>	<b>Net comprehensive result of the year</b>		<b>(6.262)</b>	<b>2.587</b>



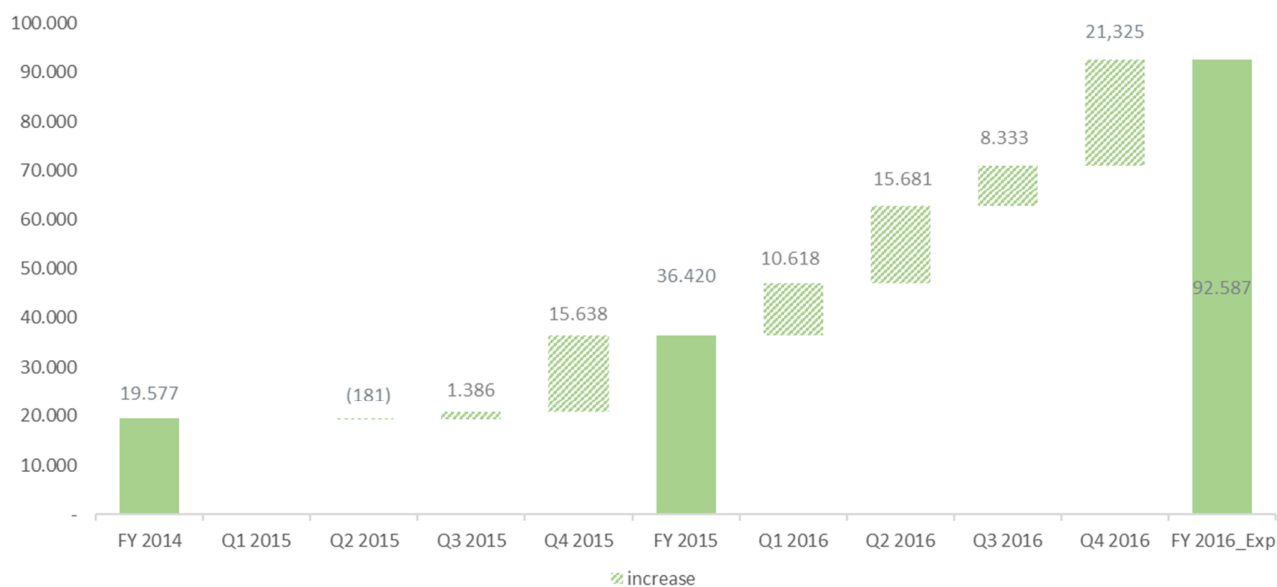
## CASH FLOW REPORT

€Thousand	FY 2016_Exp	FY 2015
<b>Profit (loss) before income taxes, interest, dividends and gains/loss on disposal)</b>	<b>(5.991)</b>	<b>(8.112)</b>
Cash flow before changes in net working capital	7.281	7.721
Cash flow after changes in net working capital	11.862	980
Cash flow after other adjustments	6.190	2.962
<b>A) Cash flows from operating profit (indirect method)</b>	<b>19.342</b>	<b>3.552</b>
<b>B) Cash flows from investing activities</b>		
Fixed assets	(60.007)	(18.126)
Intangible asset	(11.074)	(12.056)
Financial asset	3.946	(1.760)
Current Financial asset	-	(129)
<b>B) Cash flows from investing activities</b>	<b>(67.135)</b>	<b>(32.071)</b>
<b>C) Cash flows from financing activities</b>		
Third part sources	40.030	34.859
<b>C) Cash flows from financing activities</b>	<b>40.030</b>	<b>34.859</b>
<b>Increase (decrease) in cash</b>	<b>(7.763)</b>	<b>6.339</b>
Cash available at beginning of the year	9.894	3.555
Cash available at the end of the year	2.131	9.894

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31/12/2016 expected

## BALANCE SHEET (FY 2016 EXPECTED COMPARED TO FY 2015)

	FY 2016_Exp	FY 2015	Δ
<b>1</b> Property, plants and equipment	92.587	36.420	56.167

**Capital expenditure in property plant & equipment variance**


Increase of k€ 21.325 occurred in Q4 mainly due to the following assets under construction:

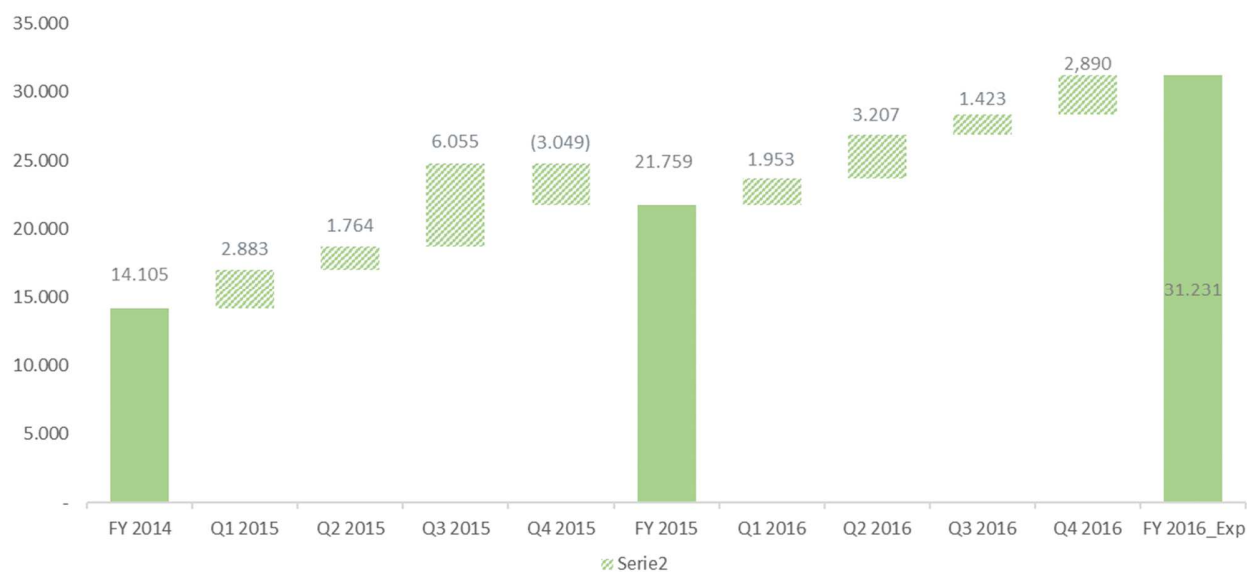
- Iowa wind plant (+ k€ 8.062);
- Cornell University pv plants (formally Harford and Musgrave, whose construction began in July and August 2016; + k€ 14.270)

Tab below outlines the book value of the main fixed assets by type and geographical area:

(€/000)	note nr. 1
92.587	total, of which:
67.506	Iowa wind plant under construction
23.276	pv plants in operation
902	land and buildings
338	plant and machinery
184	other fixed asset
381	leasehold improvements

**2 Intangible assets**

FY 2016_Exp	FY 2015	Δ
31.231	21.759	9.472

**Expenditure in intangible assets and cost capitalization variance**


Increase of intangible asset mainly due to internal capitalization of direct and indirect development costs; the balance can be split as follows:

(€/000)	note nr. 2
31.231 total, of which:	
31.092 project under development	
122 patent	
17 other	

**3 Investments valued by the equity method**

FY 2016_Exp	FY 2015	Δ
12.699	14.113	(1.414)

The variance is mainly due to associated companies REISA, the JV Guma Building Energy and WBHO Building Energy (Africa) and RES (USA); net of the exchange rate effect, main items are:

(€/000)	note nr. 3
12.699 total, of which:	
11.749 Reisa Ltd, owner of Kathu plant (10% of controlling interest)	
790 WBHO/BE, EPC contractor of pv Kathu pv plat (30% of controlling interest)	
48 Guma/BE, O&M contractor for Kathu pv plant (51% of controlling interest)	
47 Renewable Energy Solution, EPC and O&M contractor for some PV plant in USA	
66 other	

The decrease in Reisa's fair value of k€ 1.252 is due to the amortization of the fair value as par the IFRS accounting principles.

	FY 2016_Exp	FY 2015	Δ
<b>4</b> Other non-current assets	7.095	9.020	(1.926)

The balance is mainly composed by:

(€/000)	note nr. 4
7.095 total, of which:	
4.157 Loan to REISA Ltd (non consolidated)	
1.751 Loan to PSEP Ltd (non consolidated)	
670 deposit and prepayment	
240 restricted cash for Italian IPP	
278 other	

	FY 2016_Exp	FY 2015	Δ
<b>5</b> Trade and other receivables	3.078	5.553	(2.475)

Decrease of the trade receivables are due to the cash in of the receivables toward Reisa (k€ 3.600) related to the success fees, occurred in February 2016 but recognized in December 2015: outstanding receivables can be split regarding the Group main business department as follows:

(€/000)	note nr. 5
3.078 total, of which:	
1.240 receivables from IPP activity	
334 receivables from O&M activity	
1.217 receivables from engineering and consultancy services	
287 other	

	FY 2016_Exp	FY 2015	Δ
<b>6</b> Other current assets	3.360	2.050	1.310

The balance is mainly composed by:

(€/000)	note nr. 6
3.360 total, of which:	
2.241 restricted cash among US companies	
198 deposit and prepayment	
237 receivable toward non consolidated entities	
683 other	

	FY 2016_Exp	FY 2015	Δ
<b>7</b> Accruals and prepayments	6.680	579	6.101

The balance is mainly composed by:

(€/000)	note nr. 7
6.680 total, of which:	
5.896 prepayment for the construction of Tororo PV plant	
784 other prepayments and deferred expenses	

	FY 2016_Exp	FY 2015	Δ
<b>8</b> Tax receivables	2.692	2.189	502

The main Group tax assets can be split as follows:

(€/000)	note nr. 8
2.692	total, of which:
1.754	VAT credit, of which k€ 289 already claimed
938	Direct taxes asset, offsettable with tax liabilities in some cases

VAT credit up to k€ 700 will be used to offset with payables toward welfare institution for the same amount.

	FY 2016_Exp	FY 2015	Δ
<b>9.1</b> Debt towards banks and other lenders > 1 y	57.887	49.627	8.260

The detail is split below:

(€/000)	note nr. 9.1
57.887	total, of which:
30.512	THCP bond accounted for using the amortising costs (nominal value: k€ 30.000)
11.993	Leasing agreements for the construction of Italian pv plants
8.701	Future Growth loan facility accounted for using the amortising costs (nominal value Rand 145.000.000)
2.891	FMO loan for the financing of Tororo PV plant
2.133	Loan from National Cooperative Bank for the construction of Cornell Geneva
1.500	Facility from Banca Intesa
157	Other minor

	FY 2016_Exp	FY 2015	Δ
<b>9.2</b> Debits towards banks and other lenders < 1 y	37.749	5.979	31.770

Detail split below:

(€/000)	note nr. 9.2
37.749	total, of which:
32.839	Hannon Armstron loan to finance the Iowa wind plant
1.470	Solar NRG loan
949	Facility from Monte dei Paschi Siena (Washington)
749	Facility from Monte dei Paschi Siena (Italy)
375	Facility from Intesa San Paolo
776	parent company banks overdraft
557	Leasing agreements for the construction of Italian pv plants
34	other

	FY 2016_Exp	FY 2015	Δ
<b>10</b> Trade and other payables	24.975	12.626	12.348

Detail split below:

(€/000)	note nr. 10
24.975	total, of which:
12.070	payable toward EPC pv plant suppliers for Harford and Musgrave projects
7.087	payables toward parent company corporate suppliers (inclusive of invoice to be received)
3.971	payable toward wind plant suppliers for Iowa project
1.848	other

	FY 2016_Exp	FY 2015	Δ
<b>11</b> Tax liabilities	3.285	1.824	1.461

Detail split below:

(€/000)	note nr. 11
3.285	total, of which:
2.826	withholding tax on employees and consultants salaries and/or fees
459	income tax accrual for expected profit

	FY 2016_Exp	FY 2015	Δ
<b>12</b> Other current liabilities	5.890	4.513	1.376

Detail split below:

(€/000)	note nr. 12
5.890	total, of which:
1.340	debt arising from 2 egyptian companies hold for sale
1.371	payables toward italian social welfare institutes
954	payables toward employees for December's salaries and deferred salaries
586	other current liabilities
520	accruals for retainage on Iowa wind plant
163	USA IPP plant deferred revenues
300	South Africa deferred O&M revenues
655	other

## INCOME STATEMENT (FY 2016 EXPECTED COMPARED TO FY 2015)

	FY 2016_Exp	FY 2015	Δ
<b>1</b> Revenues	<b>5.714</b>	8.374	(2.660)

Revenue break down is the following:

(€/000)	note nr. 1
5.714 total, of which	
4.136 IPP energy sales	
1.442 o&m services sales	
135 Epc and development services	

Revenues from energy sales and power production detailed by each operating plants below:

plant	technology	power	FY 2016_Exp	FY 2015	Δ	price components
Ascoli	PV	0,8	1.006.135	1.011.381	(5.245)	(1%) market price + fit ("IV Conto Energia")
Medole	PV	0,9	1.156.918	1.162.837	(5.919)	(1%) market price + fit ("IV Conto Energia")
Asola	PV	4,0	4.480.522	4.445.617	34.905	1% market price + fit ("IV Conto Energia")
Ostellato	PV	1,0	1.080.915	1.091.027	(10.113)	(1%) market price + fit ("IV Conto Energia")
Voghera	PV	0,8	849.453	831.078	18.375	2% market price + fit ("IV Conto Energia")
<b>KWh Total Italy</b>			<b>8.573.944</b>	<b>8.541.940</b>	<b>32.003</b>	<b>0%</b>
<i>Italy energy Sales (€/000)</i>			2.364	2.486	(123)	(5%)
Cornell Snyder road	PV	2,1	1.995.595	2.134.571	(138.976)	(7%) market price + fit ("Niserda Incentive")
Cornell Geneva	PV	2,8	2.426.332	-	2.426.332	-
<b>KWh Total USA</b>			<b>4.421.927</b>	<b>2.134.571</b>	<b>2.287.356</b>	<b>&gt;100%</b>
<i>USA energy Sales (€/000)</i>			1.375	706	668	95%
Arabia Saudita	GETS		20.840	n/a	n/a	- PPA
<b>KWh GETS Total</b>			<b>20.840</b>	<b>n/a</b>	<b>n/a</b>	<b>-</b>
<i>GETS energy Sales (€/000)</i>			3	2	n/a	>100%
Energy Trading (€/000)			395	32		
<b>KWh Total</b>			<b>13.016.711</b>	<b>10.676.511</b>	<b>2.340.199</b>	<b>22%</b>
<i>Energy sales</i>			4.136	3.226	910	28%

O&M revenues and technical data detailed below:

plant	FY 2016_Exp	FY 2015	Δ
Ascoli	0,8	0,8	-
Medole	0,9	0,9	-
Asola	4,0	4,0	-
Ostellato	1,0	1,0	-
Voghera	0,8	0,8	-
Third Parties	28,0	18,7	9,3
<b>MW Total Italy</b>	<b>35</b>	<b>26</b>	<b>9,3</b>
<i>Italy o&amp;m services (€/000)</i>	989	944	45
<i>consolidation entries (€/000)</i>	(266)	(437)	171
<i>Net revenues (€/000)</i>	724	507	217
Cornell Snyder road	2,1	2,1	-
Cornell Geneva	2,8	2,8	-
Third Parties	1,2	1,2	-
<b>MW Total USA</b>	<b>6</b>	<b>6</b>	-
<i>USA o&amp;m services (€/000)</i>	121	-	121
<i>consolidation entries (€/000)</i>	-	-	-
<i>Net revenues (€/000)</i>	121	-	121
Kathu	81,0	81,0	-
<b>MW Total SA</b>	<b>81,0</b>	<b>81,0</b>	-
<i>SA O&amp;M services (€/000)</i>	596	601	(5)
<i>consolidation entries (€/000)</i>	-	-	-
<i>Net revenues (€/000)</i>	596	601	(5)
<b>MW Total</b>	<b>122,6</b>	<b>113,3</b>	<b>9,3</b>
<i>Total aggregated revenues (€/000)</i>	1.706	1.545	161
<i>consolidation entries (€/000)</i>	(266)	(437)	171
<b>Total Consolidated Revenues</b>	<b>1.440</b>	<b>1.108</b>	<b>332</b>

	FY 2016_Exp	FY 2015	Δ
<b>2</b> Increase in intangible assets for internal work	8.774	8.635	139

Increase mainly due to the capitalization of internal man-hours for development activities of Group's projects: the tab below shows amount and percentage contribution according to the main Group entities:

(€/000)	note nr. 2
8.774 total, of which	
7.989 due to employees capitalization	
786 due to external cost capitalized of projects	

	FY 2016_Exp	FY 2015	Δ
<b>3</b> Services	(10.970)	(10.714)	(257)



Tab below shows the breakdown according to the nature of the business:

(€/000)	note nr. 3			
(10.970)	total, of which			
(3.085)	Development cost			
(1.424)	Travel			
(1.288)	Professional fees			
(1.050)	Board compensation			
(729)	General expenses			
(718)	Facilities			
(646)	O&M cost			
(611)	IPOP cost			
(457)	Car rental			
(287)	Publicity and marketing			
(267)	IT			
(224)	Insurance			
(185)	Other			

		FY 2016_Exp	FY 2015	Δ
<b>4</b>	Other operating costs	(638)	(1.046)	407

(€/000)	note nr. 4			
(638)	total, of which			
(15)	Local tax			
(25)	Administrative formalities			
(598)	other			

		FY 2016_Exp	FY 2015	Δ
<b>5</b>	Depreciation, amortization and provisions	(3.002)	(5.730)	2.728

Lower level between the previous period reflect minor depreciation occurred in 2016:

(€/000)	note nr. 5			
(3.002)	total, of which			
(1.602)	Depreciation			
(1.523)	Amortisation			
122	other			

Main depreciation occurred during 2016 took place in South Africa (k€ 538) and USA (k€ 921).

		FY 2016_Exp	FY 2015	Δ
<b>6</b>	Financial income and charges	2.546	(3.554)	6.100

Composition reported in the tab below:

(€/000)	note nr. 6			
2.546	total, of which			
729	Financial income			
(3.046)	Financial charges (partially offset by interest capitalization on projects under development)			
5.305	Exchange rate income			
(1.273)	Exchange rate charges			
832	Recognition ok previous years positive audit adjustment			
<b>7</b>	<b>Share of profit from participating interest valued by the equity method</b>	<b>FY 2016_Exp</b>	<b>FY 2015</b>	<b>Δ</b>
		(1.520)	749	(2.269)

Detail reported in the tab below:

(€/000)	note nr. 7			
(1.520)	total, of which			
36	income arising from the evaluation accounted for using the equity method of the jv Guma/Be			
(126)	charges arising from the evaluation accounted for using the equity method of the jv WBHO/Be			
(153)	charges arising from the evaluation accounted for using the equity method of the jv RES			
(1.277)	charges arising from the evaluation accounted for using the equity method of the REISA			

## EBITDA by segment

Building Energy is focus on the following business segments: Power Production, Operation and Maintenance (O&M), Development & Construction, and Corporate. The purpose of the segment report is to provide a comprehensive set of information on the profitability of the activities of the individual segments in order to present revenues and margins of development, construction, operation and maintenance services of controlling entities that are eliminated in the Group consolidation process.

## Segment Financial FY 2016 expected

	IPP	O&M	D&C	Corporate & conso entries	FY 2016_Exp
Revenues	4.136	1.706	5.593	(5.721)	5.714
Change in work in progress	-	-	-	-	-
Other operating income	-	-	-	1.510	1.510
Incr. of assets for int. work	-	-	4.774	4.001	8.774
Raw materials	-	-	-	(70)	(70)
Cost of services	(875)	(807)	(9.428)	140	(10.970)
Labour	-	(178)	(4.981)	(2.045)	(7.204)
Other Operating Expenses	(15)	-	-	(623)	(638)
<b>EBITDA</b>	<b>3.246</b>	<b>721</b>	<b>(4.042)</b>	<b>(2.809)</b>	<b>(2.885)</b>

## Segment Financial FY 2015

	IPP	O&M	D&C	Corporate & conso entries	FY 2015
Revenues	3.226	1.545	9.712	(6.109)	8.374
Change in work in progress	-	-	-	-	-
Other operating income	-	-	-	1.344	1.344
Incr. of assets for int. work	-	-	3.888	4.747	8.635
Raw materials	-	(5)	-	(81)	(86)
Cost of services	(529)	(433)	(8.186)	(1.566)	(10.714)
Labour	-	(210)	(4.709)	(2.411)	(7.330)
Other Operating Expenses	(181)	-	-	(864)	(1.046)
<b>EBITDA</b>	<b>2.516</b>	<b>898</b>	<b>705</b>	<b>(4.942)</b>	<b>(823)</b>

Increase in IPP ebitda is mainly due to the entry into operation of the Geneva plant: the KWh production of is increased by 22% respect the previous year.

O&M ebitda is slightly decreased due to an increase of costs for the o&m activities rendered toward Italian pv plant for extraordinary items.

D&C ebitda decreases due to the fact that the 2015 Development and Construction revenues were influenced by the extraordinary revenue arising from the invoice of the Reisa Management fees equal to k€ 3.600.

Corporate ebitda improves for relevant decrease of cost of services, mainly due a decrease of corporate professional fees, marketing expenses and general and administration expenses.

## PROJECT STATUS

This section is intended to represent Building Energy's main projects under development. The aim is to provide a high level insight on Group's future outlook in the renewable energy market.

Projects under development depending on their status are categorized as in Near Notice to Proceed, Backlog and Pipeline.

Minimum requirements for a project to be included in the Near Notice to Proceed are: (i) in public tender markets, projects reached the awarding of preferred bidder status and/or secured financing; (ii) in regulated markets, projects need to have obtained main permits (i.e. EIA) and/or secured PPAs agreements and/or secured financing. Near Notice to Proceed projects with a secured offtake agreement and financing have a probability of realization higher than 90%.

To be included in Backlog, projects need to have reached bid awaiting status and/or have been shortlisted in case of public tender markets; while in regulated and merchant markets, Backlog projects need to have obtained a positive outcome from the connection identification and/or have undertaken the land optioning and/or the financial model can assure the return threshold. The remaining part of the projects under development are included in the Pipeline in case of a positive result from a preliminary resource availability screening and/or have initiated the obtaining permitting process.

	31/12/16	30/09/16	30/06/16	31/03/16	31/12/15	30/09/15	30/06/15
In operation	94	94	94	91	91	91	91
In construction	38	38	30	30	33	3	-
Near notice to proceed	275	267	272	236	233	263	255
Backlog	503	505	436	522	533	533	183
Pipeline	1.840	1.770	1.876	1.668	1.753	1.753	1.638
<b>Total MW</b>	<b>2.750</b>	<b>2.674</b>	<b>2.708</b>	<b>2.547</b>	<b>2.643</b>	<b>2.643</b>	<b>2.167</b>
net asset value (€/000)	190.399	184.265	168.754	174.654	184.603	143.032	145.786

## PLANTS IN CONSTRUCTION

The detail is shown in the following tab.

	technology	31/12/16	30/09/16	Δ
Iowa (USA)	wind	30,0	30,0	-
Harford (USA)	pv	2,8	2,8	-
Musgrave (USA)	pv	5,6	5,6	-
<b>Total MW</b>		<b>38,4</b>	<b>38,4</b>	<b>8,4</b>

**PROJECTS NEAR NOTICE TO PROCEED**

As at December, 31<sup>st</sup> 2016, the Company has identified eight projects to be classified as Near Notice to Proceed, for a total capacity of 267 MW of which:

<b>MW</b>
223 Africa and Middle East
7 Europe
45 Latin America
<b>275</b>

**BACKLOG PROJECTS**

As at September, 30<sup>th</sup> 2016, the Group's backlog portfolio consists in projects for a total of 506 MW, of which:

<b>MW</b>	<b>note nr. 6</b>
477 Africa and Middle East	
9 Latin America	
17 North America	
<b>503</b>	

The Board of Directors of Building Energy S.p.A.

Milan, March 17<sup>th</sup> 2017.

