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**How do renewables contribute
to sustainable growth and energy
security?**

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Overview of Italcementi



The world's fifth largest cement producer

A worldwide presence in 22 countries

A staff of about 19.000

A consolidated production capacity of approximately 68 million tons

2012 annual sales of 4.5 billion Euro

Over 145 years-old successful business strategy implemented by a family-driven company



The commitment to sustainability: the role of Italgen

- For more than ten years Italcementi Group has followed a corporate strategy based on its commitment to Sustainable Development, as a combination of economic prosperity, environmental protection and social responsibility.
- Within this framework, Italgen (part of Italcementi Group) has been created to develop energy business, focusing on Renewable Energy (taking into consideration that cement production is energy intensive).
- Italcementi Group has a leadership position in the Southern rim of the Mediterranean Sea (5 plants in Egypt, 3 plants in Morocco).
- The same area has the best world class conditions in terms of solar and wind resources (including large areas of desert land available) while the security of energy supply is not guaranteed, also due to the robust growing electricity demand.

The strategy to sustainability: increasing generation from renewable sources

The main focus is on Countries where:

- energy demand is forecasted to grow at high rate
- renewable energy sources are abundant and high quality
- local governments are adopting new regulatory frameworks to support renewable energies development and attract FDI

Italgen can boast :

- a strong background in energy sector
- Italcementi Group “platform” (presence in key markets, consolidated network, well reputed position, etc...)



Morocco - Ait Baha CSP plant

- The project received a grant of 4,5 millions Dirham from the Institut de Recherche en Énergie Solaire et Énergies Nouvelles “IRESEN” for its innovative content



- Investment: 30 millions dirham
- Commissioning: End 2013

Italgen - The energy reference scenario

Geographical footprint



a) 30% stake in i.Fotoguiglia

b) 49% stake in Gardawind

Conclusions

- Emerging Countries (and, in particular, Countries in the Southern Mediterranean rim) defined ambitious Strategies and Targets in terms of Renewable Energies.
- To match these targets, Countries need the contribution of the private sector and are therefore competing to attract the most relevant players in the field of renewable energies.
- Private sector (and in particular energy intensive industry) is keen to play a role (notwithstanding currently perceived risks for investments), taking into consideration the high potential of local resources (wind/solar).

BUT.....

Conclusions

We strongly recommend Local Governments focusing on:

- assuming a sound institutional and legal framework
- defining adequate “in kind” contribution
- assuming fast permitting procedures in respect of high quality standard in progressing steps

Financial Institutions concentrating their funding on:

- improving local electrical infrastructure
- supporting the transferring of know-how and new technology to be installed in the area to attract the RE Industry

The chance to bring Arab Countries as a real hub for RE is unique but with no more delay