

Sincrotrone Trieste S.C.p.A.



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FIRST EIB LOAN

- Signed 24/11/04
- 60 M€
- Interest rate 3,77 Fixed (15M€ 15/06/05 and 25M€ 15/06/06)
- Interest rate 4,46 Fixed (last tranche 20M€ 16/06/08)
- Guaranteed by Italian State
- To cover about 50% of the requirements

Total estimated project construction costs:	124.0 M€
• Italian MIUR	36.0 M€
• Friuli-Venezia-Giulia Region	10.0 M€
• EU and other public funds:	<u>18.0 M€</u>
Partial total:	64.0 M€
• EIB loan	<u>60.0 M€</u>
Total:	124.0 M€

PROJECT FINANCING FIRST LOAN

Expected annual output (Elettra + Fermi@Elettra) M€

• Current annual expenditure Elettra	21,50	
• Annual maintenance costs	3,00	
• <i>Extra budgetary expenditure (supported by Partners)</i>		5,35
• Cost for projects/contracts acquired	4,50	
• Increase for operation Fermi@Elettra	5,50	
• EIB debt repayment	<u>5,50</u>	
	40,00	

Annual funding existing or expected M€

• Italian MIUR (L. 644/94 - DL 7/05)	26,91	
• <i>Extra budgetary expenditure (supported by Partners)</i>		5,35
• Average annual acquisitions EU projects	0,90	
• Average annual acquisitions other projects and contracts	2,20	
• Extra amount to be achieved by EU (VII Framework Programme)	2,50	
• Extra amount to be achieved for other projects and contracts	3,00	
• Additional expenditure covered by Partners	3,00	
• Increase in industrial activity	<u>2,50</u>	
	41,01	

SECOND EIB LOAN

- Signed 29/04/10
- 20 M€
- Interest rate Floating*
- «Guaranteed» by RSFF
- To cover about 50% of the requirements

Total estimated cost integration: 40.0 M€

• ST funds (projects and co.) 20.0 M€

• EIB loan 20.0 M€

Total: 40.0 M€

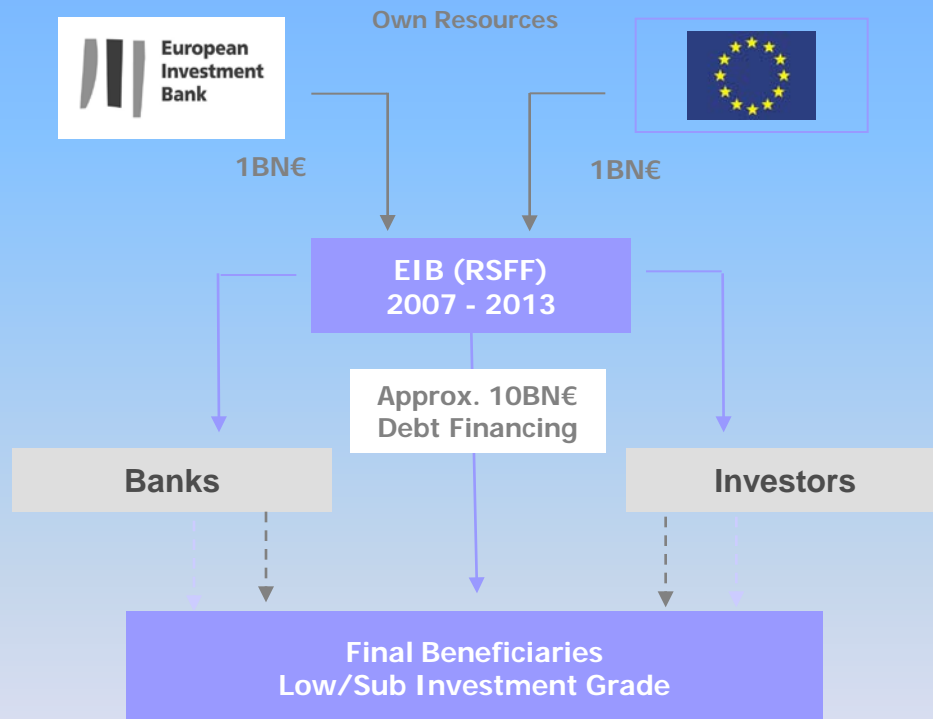
* semi-annual interest rate equal to the EURIBOR plus or minus the Spread determined by the Bank for each successive Floating Rate Reference Period. At present about 1%.

What is RSFF?

- The “RSFF” - *Risk Sharing Finance Facility* is a Bank financing instrument to finance research projects and research infrastructures under the VII Framework Programme of the European Union for Research and Technological Development (2007 – 2013)
- “ RSFF ” is a form of guarantee that covers not individual companies but business groups called “ *Clusters*”
- “ *Clusters*” are composed by non-homogeneous companies (higher risk and lower risk)

What is RSFF?

- RSFF allows to finance R&D and innovation projects to sub-investment grade borrowers



- RSFF is a debt based instrument not a grant
- Financing does not involve a subsidy element
- The facility does not concern risk capital such as venture capital

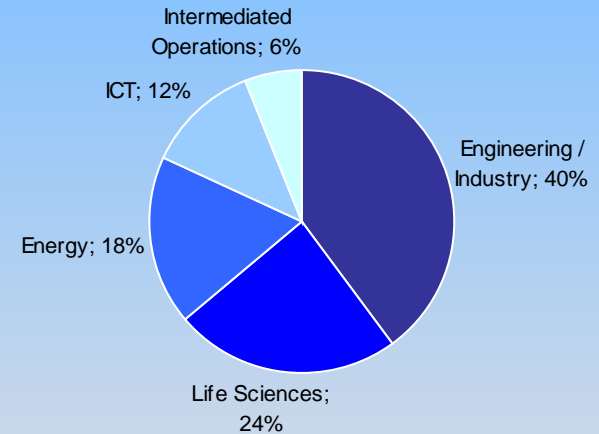
RSFF loans are usually between 30 M€ and € 300 M€

Recent examples of RSFF loans

 <p>Valéo (France)</p> <p>Term Loan EUR 300,000,000</p> <p>RDI in car engine efficiency and car safety</p> <p>July 2009</p>	 <p>Philips (Netherlands)</p> <p>Term Loan EUR 200,000,000</p> <p>Development of med tech products in healthcare and imaging</p> <p>October 2009</p>	 <p>Alphasat (UK)</p> <p>Term Loan EUR 225,000,000</p> <p>New high-power satellite providing broadband mobile services to Europe, Africa and parts of Asia</p> <p>Expected November 2009</p>
 <p>IEE (Luxembourg)</p> <p>Term Loan EUR 40,000,000</p> <p>RDI in automotive safety</p> <p>July 2008</p>	 <p>Med Invest (EU, US, Israel)</p> <p>Term Loan EUR 30,000,000</p> <p>Development of leading-edge medical devices</p> <p>November 2009</p>	 <p>Bulgarian Telecommunications Company EAD – BTC (Bulgaria)</p> <p>Term Loan EUR 100,000,000</p> <p>Network Expansion investments</p> <p>February 2008</p>

Breakdown of RSFF loans by sector

2007-Aug 09



Recent developments since last meeting October 2011

- **Amendment No 4 to the RSFF**
 - ▶ Signature on 5 December 2011 by Commissioner Geoghegan-Quinn & EIB President Maystadt
 - ▶ Amendment of the RSFF has created 3 Compartments:
 - ▶ (1) Classic RSFF for mid-sized and larger companies as well as stand-alone projects
 - ▶ (2) RSFF for SMEs/ smaller mid-caps (guarantee facility)
 - ▶ **(3) RSFF for Research Infrastructures**
- ▶ **Compartment 3 covering RSFF for Research Infrastructures:**
 - ▶ **Higher risk-taking by the EU** (first-loss on a portfolio of RI projects; 50% first-loss piece)
 - ▶ Inclusion of higher-risk RI projects but also lower-risk RI (**balanced portfolio**)
 - ▶ **Enlarged/clarified definition** of eligible RI allows inclusion of companies/ entities participating or contributing to RI (i.e. producers of scientific equipment) and/ or apply research results of RI for commercial purposes
 - ▶ Budget - from Sub-Programme Capacities – in place for risk-taking under Compartment 3: 157.5 M€

RI projects already allocated to Compartment 3

- **Projects allocated**
 - **Alphasat** (225 M€)
 - **Ion Beam Applications (IBA)** (50M€) – first RI supplier under the new scheme
 - **Sincrotrone TRIESTE** (20M€)

RI projects pipeline for allocation to Compartment 3 (1/2)

- **ESO – E-ELT** (up to 300M€ RSFF loan) – approved by the EC in 2009 and by EIB in 2010; signature expected in 2012 or 2013 (construction starts in 2014)
- **Max IV Synchrotron Radiation Facility** (Sweden): (up to 130M€ RSFF loan); approval and signature expected in 2012
- **European Spallation Source** (ESS, Sweden) (potential RSFF loan amount still unclear): technical approval expected in 2012; financing structure still uncertain

RI projects pipeline for allocation to Compartment 3 (2/2)

- EIB developing contacts with:
 - **Sartorius** (supplier)
 - **Oxford Instruments** (supplier)
 - **ELI**
 - **MYRRHA** (issue of eligibility to be resolved: yes as ESFRI project; doubtful as Euratom project) (project cost 1BN€)
 - **SKA** (Square Kilometre Array; project cost 1,500M€)
 - **BBMRI** (Biobanking and Molecular Research Infrastructures Network; project cost 170M€)
 - **ECRIN** (European Clinical Research Infrastructures Network; project cost 50M€)
 - **ERINHA** (European Research Infrastructure on Highly Pathogenic Agents; project cost 175M€)
 - **EATRIS** (European Advanced Translational Research Infrastructure in Medicine; project cost 255M€)
- Possible support for approved **JASPERS RI projects** (total investment cost of 2BN€) in new Member States. A tailored RSFF Facility associated with technical assistance could optimise financial engineering of scarce EU and national resources dedicated to RI, notably in cohesion regions across EU-27