

ACTELIOS group

Interim financial report
31 March 2009

Board of Directors' Meeting

Milan, 7 May 2009

ACTELIOS SpA
Share capital Euro 67,680,000 fully paid
Management and coordination by Falck SpA
Registered and fiscal address
20121 Milan – Corso Venezia, 16
REA Milan n. 1675378
Milan Companies Register n. 03457730962
VAT and Tax Code n. 03457730962

Interim financial report at 31 March 2009

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1. Company officers

1 Company officers

Board of Directors

Federico Falck	<i>Chairman</i>
Achille Colombo	<i>Deputy Chairman</i>
Paride De Masi	<i>Deputy Chairman</i>
Roberto Tellarini	<i>Managing Director</i>
Marco Agostini	<i>Director</i>
Enrico Falck	<i>Director</i>
Giuseppe Gatti	<i>Director</i>
Bruno Isabella	<i>Director</i>
Ferruccio Marchi	<i>Director</i>
Umberto Rosa	<i>Director</i>

Board of Statutory Auditors

Roberto Bracchetti	<i>Chairman</i>
Aldo Bisioli	<i>Statutory auditor</i>
Nicola Vito Notarnicola	<i>Statutory auditor</i>
Fabio Artoni	<i>Substitute statutory auditor</i>
Giampiero Maci	<i>Substitute statutory auditor</i>

Independent auditors

PricewaterhouseCoopers SpA

2. Financial information

2. Financial information

2.1 *Income statement*

	(Euro thousands)		
	31.3.2009	31.3.2008	31.12.2008
Revenue	24,098	22,329	97,699
Direct labour costs	(1,676)	(1,657)	(6,036)
Direct costs	(12,229)	(11,782)	(50,686)
Cost of sales	(13,905)	(13,439)	(56,722)
Gross profit	10,193	8,890	40,977
Other income	388	596	5,546
Other employee costs	(842)	(919)	(4,083)
Administrative expenses	(2,385)	(2,562)	(9,503)
Operating profit	7,354	6,005	32,937
Finance costs - net	(1,046)	616	(363)
Investment costs			(10)
Profit before income tax	6,308	6,621	32,564
Income tax expense			(13,102)
Profit for the period			19,462
Profit attributable to minority interest			(1,535)
Profit attributable to group equity holders			17,927

2. Financial information

2.2 *Net financial position*

	(Euro thousands)		
	31.3.2009	31.12.2008	Change
Short-term third party financial payables	(23,890)	(24,201)	311
Short-term group financial payables	(1,539)	(1,691)	152
Short-term third party financial receivables	5,850	6,003	(153)
Short-term group financial receivables	172,748	172,288	460
Other securities			
Cash and cash equivalents	22,096	21,031	1,065
Short-term net financial position	175,265	173,430	1,835
Medium/long-term third party financial payables	(76,795)	(76,746)	(49)
Medium/long-term group financial payables			
Medium/long-term third party financial receivables	2,099	2,099	
Medium/long-term group financial receivables			
Other securities			
Medium/long-term net financial position	(74,696)	(74,647)	(49)
Total net financial position	100,569	98,783	1,786
- of which non-recourse financing	(80,038)	(79,841)	(197)

3. Notes to the interim financial report

3. Notes to the interim financial report

3.1 *Accounting policies*

At 31 March 2009 the Actelios group consisted of 15 companies, of which 12 are consolidated on a line-by-line basis and 3 are consolidated applying the proportional method.

The consolidated financial statements of the Actelios group as at 31 March 2009 included the following companies:

		Method of consolidation
Actelios SpA	Parent company	Line-by-line
Abbiategrasso Bioenergia Srl	58.7% owned by Actagri Srl	Line-by-line
Actagri Srl	100% owned by Actelios SpA	Line-by-line
Actelios Solar SpA	100% owned by Actelios SpA	Line-by-line
Ambiente 2000 Srl	60% owned by Actelios SpA	Line-by-line
Ecosesto SpA	100% owned by Actelios SpA	Line-by-line
Elettroambiente SpA	100% owned by Actelios SpA	Line-by-line
Frullo Energia Ambiente Srl	49% owned by Actelios SpA	Proportional
Palermo Energia Ambiente ScpA	23.27% owned by Actelios SpA	Proportional
Platani Energia Ambiente ScpA	82.64% owned by Elettroambiente SpA	Line-by-line
Powercrop SpA	50% owned by Actelios SpA	Proportional
Prima Srl	85% owned by Actelios SpA	Line-by-line
Solar Rende Srl	100% owned by Ecosesto SpA	Line-by-line
Solar Mesagne Srl	100% owned by Actelios Solar SpA	Line-by-line
Tifeo Energia Ambiente ScpA	92.36% owned by Elettroambiente SpA	Line-by-line

Companies consolidated applying the line-by-line now include Solar Mesagne Srl, which was incorporated on 28 January 2009.

The interim financial report has been prepared in accordance with International Financial Reporting Standards (IAS/IFRS). The income statement is presented by function which, with regard to determination of the headings, complies with IFRS requirements.

Furthermore, the interim financial report has been prepared in accordance with Appendix 3D of CONSOB (the Italian stock exchange commission) regulation no. 14990 of 14 April 2005.

The accounting policies and measurement criteria applied in the preparation of the consolidated quarterly report are consistent with those adopted for the previous year-end financial statements and the financial information published in previous quarterly reports.

3.2 *Performance for the period and principal movements*

In the course of the 2009 first quarter the Actelios group recorded a profit before income tax and amounts attributable to minority interest of Euro 6,308 thousand, representing a slight decrease on the profit of the same period last year, which amounted to Euro 6,621 thousand. The operating results have improved compared to the 2008 first quarter; *Gross profit* amounted to Euro 10,193 thousand, an increase of Euro 1,303 thousand, *Operating profit* totalled Euro 7,354 thousand representing a rise of Euro 1,349 thousand. The *Gross profit/revenue* ratio amounted to 42.3%, compared to 39.8% in the 2008 first quarter. *Operating profit* expressed as a percentage of *revenue* equalled 30.5% (2008 first quarter – 26.9%).

3. Notes to the interim financial report

The 2008 results were affected by the breakdown of an alternator that caused a stoppage of the turbine group of the waste to energy plant in Granarolo dell'Emilia, with a resulting loss of electrical energy production for almost the whole of March. The first quarter of 2009 on the other hand reflects the fall in revenue relating to the biomass plant in Rende in respect of which the portion of the CIP6/92 incentives relating to 9MW expired at the beginning of February. The strong performance of the waste to energy plants in Trezzo sull'Adda and Granarolo dell'Emilia resulted in improvements in both revenue and profitability. Revenue also includes the adjustment of Euro 1,068 thousand on the 2008 sales of electrical energy made under the CIP6/92 regime. Despite the improvement in operating results, profit before income tax decreased slightly principally as a result of the fall in interest rates and the negative impact (Euro 673 thousand) arising on the fair value measurement of derivative financial instruments.

The net financial position, a net asset of Euro 100,569 thousand, increased by Euro 1,786 thousand compared to the balance at 31 December 2008. The net financial position comprises non-recourse loans of Euro 80,038 thousand.

All revenue is generated in Italy, the home market, and may be analysed by business segment as follows.

	(Euro thousands)	
	1° Quarter 2009	1° Quarter 2008
Sale of electrical energy	15,567	15,226
Waste treatment and disposal	6,215	6,254
Management of WTE plants and landfills	861	841
Other services	1,455	8
Total	24,098	22,329

Revenue from other services relates to the invoicing of the long-term contract on the Vieste landfill amounting to Euro 1,364 thousand, which is offset by the negative change in contract work-in-progress.

3.3 *Performance of subsidiaries and associates*

A summary of the performance of the principal subsidiaries and associates for the 2009 first quarter is presented below.

Abbiategrasso Bioenergia Srl

This company, which is 58.74% owned by Actagri Srl, submitted the Sole Authorisation and related plans in relation to the construction of the 1MW biogas plant in the town council of Abbiategrasso (MI). The first quarter of 2009 closed with a loss before tax of Euro 19 thousand with no revenue and a positive net financial position of Euro 140 thousand.

Actagri Srl

This company was set up with the purpose of becoming the holding of the segment operating in the production of electrical energy using biogas generated by the farming and animal breeding industries. It closed the first quarter with no revenue and a loss before tax of Euro 3 and a positive net financial position of Euro 358 thousand.

3. Notes to the interim financial report

Actelios Solar SpA

This company is the head of the segment involved in the production of electrical energy by photovoltaic plants. It closed the 2009 first quarter with a loss of Euro 52 thousand against no revenue. The net financial position at 31 March 2009 was a net indebtedness of Euro 1,601 thousand.

Ambiente 2000 Srl

The main business of Ambiente 2000 Srl is the operation and maintenance of the WTE plants. It recorded a profit before income tax and amounts attributable to minority interest of Euro 64 thousand and revenue of Euro 2,324 thousand.

The net financial position was a total asset of Euro 1,511 thousand.

Ecosesto SpA

The company owns a WTE plant that is fuelled by biomass and also operates in other environmental management activities. It also owns the photovoltaic energy plant in Rende. The 2009 first quarter closed with a profit before tax of Euro 389 thousand, against revenue of Euro 6,538 thousand. Capital expenditure at 31 March 2009 amounted to Euro 120 thousand.

The net financial position at 31 March 2009 was a total indebtedness of Euro 9,243 thousand.

Elettroambiente SpA

This company holds a controlling interest in two consortium enterprises: Platani Energia Ambiente ScpA and Tifeo Energia Ambiente ScpA. Each enterprise owns an industrial project aimed at the construction and operation of an integrated waste treatment and electrical energy production system with installed capacities of 30 and 50 MW respectively, which benefit from the CIP 6/92 tariffs.

Elettroambiente, which co-ordinates engineering activities and provides engineering services to the above consortium enterprises and Palermo Energia Ambiente ScpA, an associate of Actelios SpA, recorded a loss before tax in the first quarter of Euro 22 thousand, against revenue of Euro 558 thousand.

The net financial position was a total indebtedness of Euro 38,022 thousand.

Fruzzo Energia Ambiente Srl

This company, set up as a joint venture between Hera SpA (51%) and Actelios SpA (49%), is responsible for the operation of the WTE plant in Granarolo dell'Emilia (Bologna), which has installed capacity of 20 MW and falls within the CIP6/92 tariffs. It recorded a profit before tax of Euro 5,396 thousand, against revenue of Euro 13,418 thousand. Capital expenditure in the period amounted to Euro 371 thousand.

The net financial position, a total indebtedness of Euro 83,218 thousand, comprises cash and cash equivalents of Euro 13,263 thousand and non-recourse bank borrowings of Euro 85,610 thousand, net of Euro 2,001 thousand arising from application of the amortised cost method to the costs incurred in raising this finance, and shareholders' loans of Euro 8,400 thousand. Moreover, the net financial position comprises costs of Euro 2,471 thousand relating to the fair value measurement of derivative instruments entered into to hedge financing contracts (interest rate swaps to hedge interest rate risk and render variable rates fixed).

Palermo Energia Ambiente ScpA

This company, which is dedicated to the construction and operation of an integrated waste system for the treatment of the residual portion of urban waste, after separation of recyclable materials, in the Palermo and Trapani basins and the production of electrical energy with installed capacity of 62 MW that benefits from CIP 6/92 tariffs, proceeded with its start-up activities and closed the first quarter with a loss of Euro 302 thousand and no revenue.

In the course of the first quarter capital expenditure amounted to Euro 1,250 thousand and the net financial position was a total indebtedness of Euro 24,828 thousand.

3. Notes to the interim financial report

Platani Energia Ambiente ScpA

This enterprise, which is engaged in the construction and operation of an integrated waste system for the treatment of the residual portion of urban waste, after separation of recyclable materials, in the Agrigento basin and the production of electrical energy with installed capacity of 30 MW that benefits from the CIP 6/92 tariffs, proceeded with its start-up activities and closed the first quarter with a loss of Euro 215 thousand and no revenue.

In the course of the first quarter, capital expenditure amounted to Euro 620 thousand giving and the net financial position was a total indebtedness of Euro 15,446 thousand.

Powercrop SpA

This company, which is a joint venture between Seci Impianti Srl (50%) and Actelios SpA (50%), is responsible for the redevelopment of five sugar refineries into plants that produce electrical energy from biomass and vegetable oils. As this relates to a start-up business, it closed the 2009 first quarter with a loss of Euro 567 thousand and no revenue.

The net financial position was a net asset of Euro 360 thousand.

Prima Srl

This company is the owner of the WTE plant in Trezzo sull'Adda. In the first quarter it recorded a profit before tax and amounts attributable to minority interest of Euro 3,983 thousand and revenue of Euro 10,910 thousand. The net financial position, a total indebtedness of Euro 32,375 thousand, comprises cash and cash equivalents of Euro 14,281 thousand, which is subject to restrictions under the project financing contract, and bank loans for project financing of Euro 38,089 thousand, net of Euro 1,136 thousand arising from application of the amortised cost method to the costs incurred in raising this finance, a loan from Actelios SpA of Euro 6,374 thousand and other shareholders' loans of Euro 1,118 thousand. Moreover, the net financial position comprises charges of Euro 1,075 thousand relating to the fair value measurement of derivative instruments entered into to hedge project financing contracts (interest rate swaps to hedge interest rate risk and render variable rates fixed).

Solar Rende Srl

This company, which is 100% owned by Ecostesto SpA, was set up in order to develop and construct new initiatives in the photovoltaic power plant sector in Calabria. The company is in the start-up phases and closed the quarter with a loss of Euro 3 thousand, no revenue and a positive net financial position of Euro 10 thousand.

Solar Mesagne Srl

This company, which is 100% owned by Actelios Solar SpA, was incorporated with registered offices in Brindisi on 28 January 2009, with the purpose of developing and constructing new initiatives in the photovoltaic power plant sector in Puglia.

It closed in break even.

Tifeo Energia Ambiente ScpA

This company, which is dedicated to the construction and operation of an integrated waste system for the treatment of the residual portion of urban waste, after separation of recyclable materials, in the Augusta basin and for the production of electrical energy with installed capacity of 50 MW that benefits from the CIP 6/92 tariffs, proceeded with its start-up activities and closed the third quarter with a loss of Euro 248 thousand and no revenue.

In the course of the first quarter capital expenditure amounted to Euro 837 thousand and the net financial position was a total indebtedness of Euro 19,919 thousand.

3. Notes to the interim financial report

3.4 *Performance of the parent company Actelios SpA*

The income statement of Actelios SpA for the period ended 31 March 2009 closed with a profit before income tax of Euro 564 thousand, a fall on the same period last year, which recorded a profit of Euro 1,265 thousand. This decrease is principally due to lower finance income as a result of lower interest rates.

The net financial position was a total asset of Euro 261,436 compared to the balance of Euro 261,312 thousand at 31 December 2008.

The parent company income statement does not show dividend income as this will be included in the next quarter due to the fact that the shareholders' approvals took place in April.

3.5 *Outlook for the current year*

It is expected that 2009 will see a fall in revenue and lower profitability substantially due to the fact that the CIP 6/92 tariff incentives for 9MW granted to the biomass plant in Rende expired at the beginning of February 2009.

The 2009 result will also be affected by the development and start-up costs of new projects, which will most likely be incurred on both the dedicated crop biomass plants owned by Powercrop SpA, and the photovoltaic plants.

With regard to the Sicily projects, the agreement signed with ARRA (Regional Department for Waste and Water) on 28 April 2009 provides that interim works must be carried out up until 30 September 2009.

From a strategic point of view, the Actelios group is focusing on a wider business strategy that foresees the development of projects in the photovoltaic, biomass and biogas fields and other initiatives in the production of electrical energy from renewable sources.

The net financial position is expected to benefit from the significant cash generated by the operating plants. However, the level of investment required to construct the above plants will continue to impact the net financial position of the Actelios group.

3.6 *Employees*

At 31 March 2009 the total number of employees of the Actelios group consisted of:

	31.3.2009	31.12.2007	31.3.2008
Managers	16	16	17
White-collar staff and special categories	62	64	65
Blue-collar workers	60	60	60
Total	138	140	142

As Frullo Energia Ambiente Srl is consolidated applying the proportional method, the numbers above include the 49% share of the employees of this company that total 1 manager, 17 white-collar staff and 29 blue-collar workers.

4. Directors' report

4. Directors' report

4 *Review of significant business developments*

Solar Mesagne Srl was incorporated on 28 January 2009, details of which are noted in paragraph 3.3 Performance of subsidiaries and associates.

The Sicily project companies and their shareholders signed an agreement with the Regional Department for Waste and Water (ARRA) on 28 April 2009. This agreement defines the principal terms and conditions that allow ARRA to call a new bid for tenders, without compromising the activities and construction work carried out under the Convention. The agreement provides for payment to the project companies and the respective shareholders of the total amount of costs incurred and still to be incurred to develop the project. These amounts have already been verified by an advisor appointed jointly by the Sicily Region, the project companies and the shareholders. In the event that the bid is awarded to a third party, the project companies and their shareholders will also be paid damages equal to the average annual EBITDA, calculated over the twenty year period of the concession (2005/2024) and allocated to the project companies and the shareholders on the basis of criteria defined in the agreement.

Actelios SpA has noted that the advisor appointed jointly by the Sicily Region, ARRA, the project companies and Actelios itself, has already verified the existence of all of the costs reported in the financial statements of the project companies and Actelios SpA.

Moreover, the agreement with ARRA provides that the Regional Administration has the right to assess separately the actual costs incurred by the project companies and the respective shareholders in the event that the Region is required to takeover the projects.

Consequently, the board of directors of Actelios SpA has decided to make available immediately details of the costs incurred from commencement of the projects in 2002, which have all been presented in the reports prepared for the bid and the subsequent phases and verified as noted above.

The bid for tenders issued by ARRA for the construction of three waste to energy plants in Sicily was published in the Supplement to the Official Gazette of the European Union on 29 April 2009. The final submission date for bids is 30 June 2009.

4.2 *Significant capital expenditure and disposals*

In the course of the period capital expenditure on the WTE plants continued, in particular in respect of the start-up of the three plants in Sicily (Euro 1,748 thousand). Moreover, improvement work totalling Euro 182 thousand was carried out on the plant in Granarolo dell'Emilia.

No significant disposals, either in terms of size or amount, were made during the period.

5. Certification of the Compliance Officer

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ACTELIOS

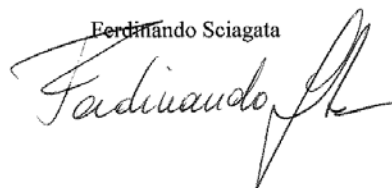
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Direzione e coordinamento
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REA 1675378

The “Dirigente Preposto” (Compliance Officer) for the preparation of company accounting information, Ferdinando Sciagata, Finance Director, declares in accordance with paragraph 2 article 154 bis of the Consolidated Finance Act, that the accounting information presented in this Interim Financial Report at 31 March 2009 corresponds to the relevant accounting records, books and entries.

The unaudited Interim Financial Report at 31 March 2009 has been prepared following the recommendations set out in the Listing Rules issued by the Commissione Nazionale per le Società e la Borsa (CONSOB – the Italian stock exchange commission) and in accordance with International Financial Reporting Standards (IFRS) adopted by the European Commission under article 6 of Regulation no. 1602/2002 of the European Parliament and Council dated 19 June 2002.

Ferdinando Sciagata



Milan, 7 May 2009