



GRUPPOFALCK

# FALCK RENEWABLES

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**2011 RESULTS**

**2012-2014 UPDATED BUSINESS PLAN**

Conference Call , 30 March 2012

 **Group Overview**

 **2011 Consolidated Results**

 **2012-2014 Updated Business Plan**

## OUR CORE BUSINESS



Waste  
to energy

Biomass  
energy

Wind  
energy

Solar  
energy

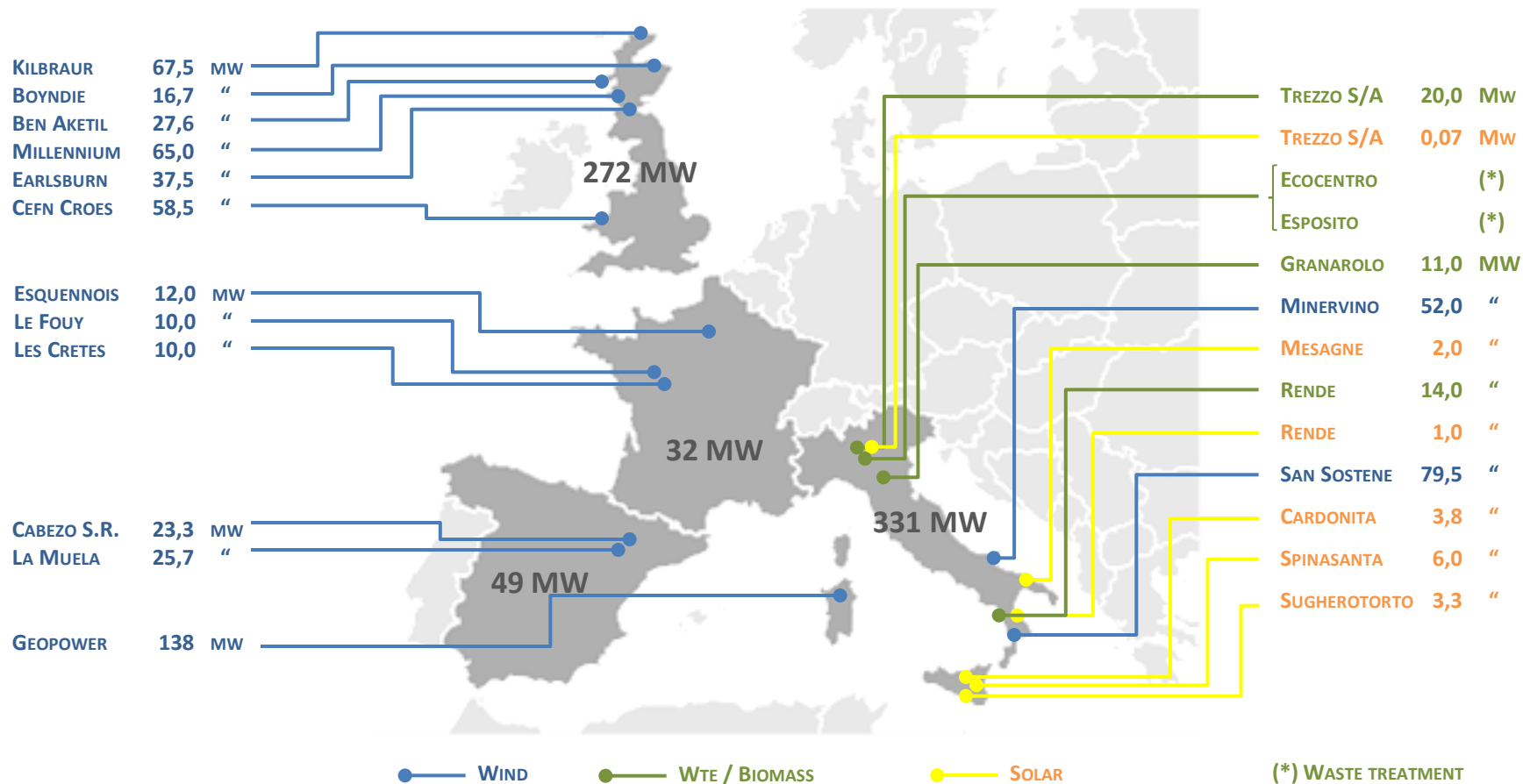
Waste  
treatment



## RECENT UPDATES

- ④ Close to completion **22 MW Petralia** wind plant, revenues from commissioning expected to be generated in early H2 2012 in line with expectation
- ④ Construction of **15 MW** commencing on **Nutberry** wind farm in South Lanarkshire (Scotland) in H1 2012
- ④ Authorization of **West Browncastle** wind farm in South Lanarkshire (Scotland) for an expected maximum capacity of **30 MW**
- ④ Signed **two joint venture** agreements for the development, financing and building in Italy of rooftop photovoltaic installations with **Photonike** and **L.E.D. Lighting and Renewable Energy Development Srl**
- ④ Opening new office in **Warsaw (Poland)** for wind projects development

## EUROPEAN PRESENCE: INSTALLED CAPACITY OF 684MW \*



\* As of December 2011

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## 2011 HIGHLIGHTS

	2011	2010 pro-forma	Δ vs 2010	Δ %
<b>INSTALLED CAPACITY - MW</b>	<b>684</b>	498	+ 186	+ 37%
<b>ENERGY PRODUCTION - GWh</b>	<b>1,560</b>	1,147	+ 413	+ 36%
<b>REVENUES - €m</b>	<b>248.6</b>	184.6	+ 64.0	+ 35%
<b>EBITDA - €m</b>	<b>141.7</b>	94.6	+ 47.1	+ 50%
<b>NET EARNINGS - €m</b>	<b>19.8</b>	2.4	+ 17.4	+ 738%
<b>NET EARNINGS - €m (Excluding PEA)</b>	<b>32.0</b>	2.4	+ 29.6	+ 1,252%

## 2011 KEY HIGHLIGHTS

- ④ **Strong revenues growth +35%** to approx **249 m€** thanks to:
  - ④ Start of commercial operation of solar plants in Sicily
  - ④ Growth from wind sector due to the start of Geopower and UK extensions
  - ④ Full year consolidation of Esposito Servizi Ecologici Srl and Ecocentro Soluzioni Ambientali Srl
  - ④ Full capacity of the biomass plant in Rende after revamping



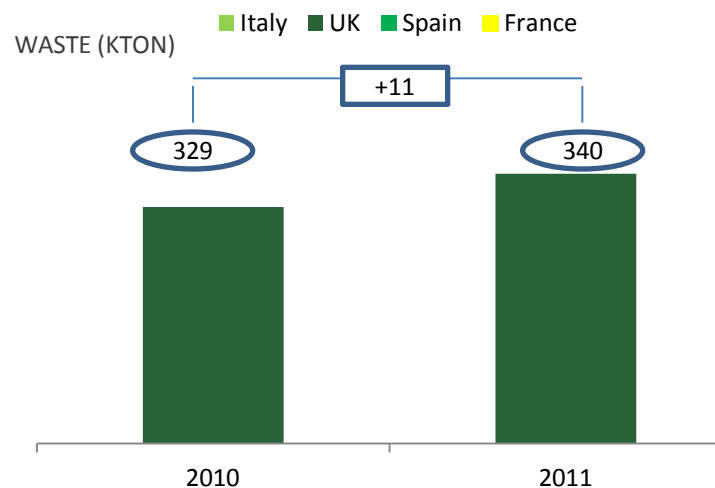
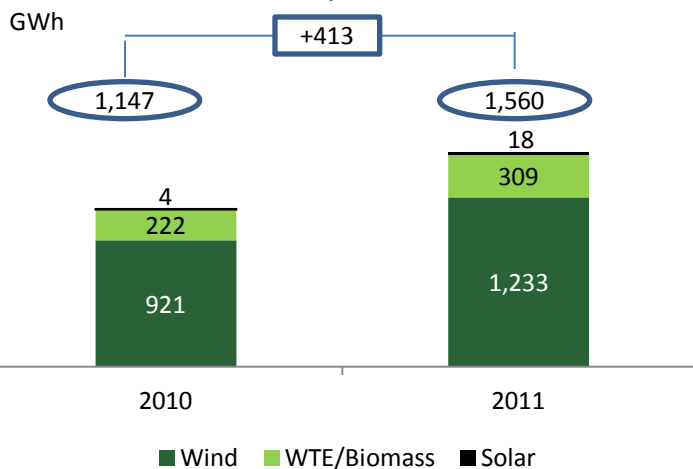
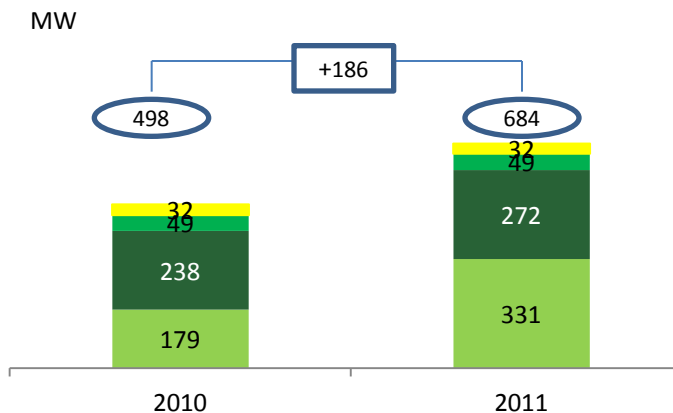
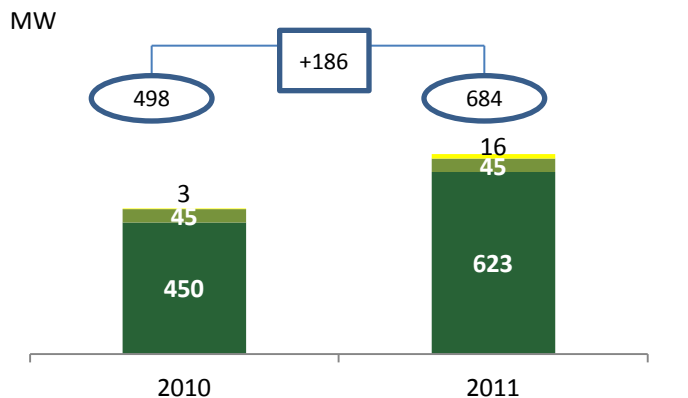
## 2011 KEY HIGHLIGHTS

- ④ **EBITDA** growth **+50%** to around **142 m€** thanks to:
  - ④ Increase in volumes
  - ④ Better plants performance
  - ④ Strong Portfolio management performance
  - ④ Reduced costs thanks to synergies
  
- ④ **EBITDA margin from 51% to 57%**
  
- ④ **PEA's** stake and receivables write-off of 12 m€, non cash impact
  
- ④ **Net earnings**, before PEA impact, **well above** 2010 pro-forma result: **32 m€ vs 2.4 m€**
  
- ④ **Net earnings up 738% to 19.8 m€**

# EVOLUTION OF INSTALLED CAPACITY AND PRODUCTION

### BY TECHNOLOGY

### BY COUNTRY



All figures are compared with 2010 pro-forma

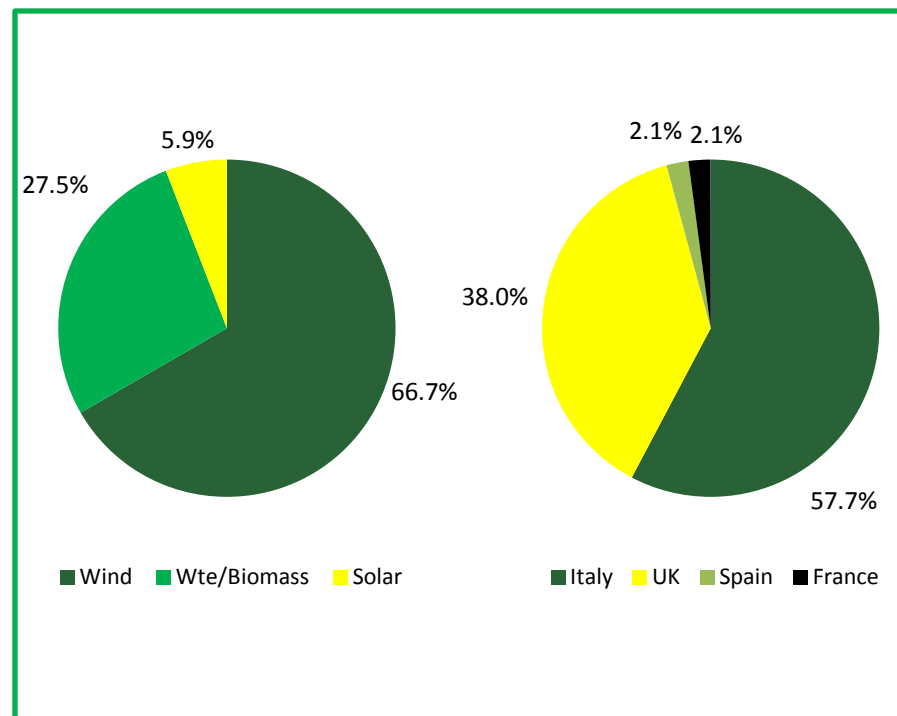
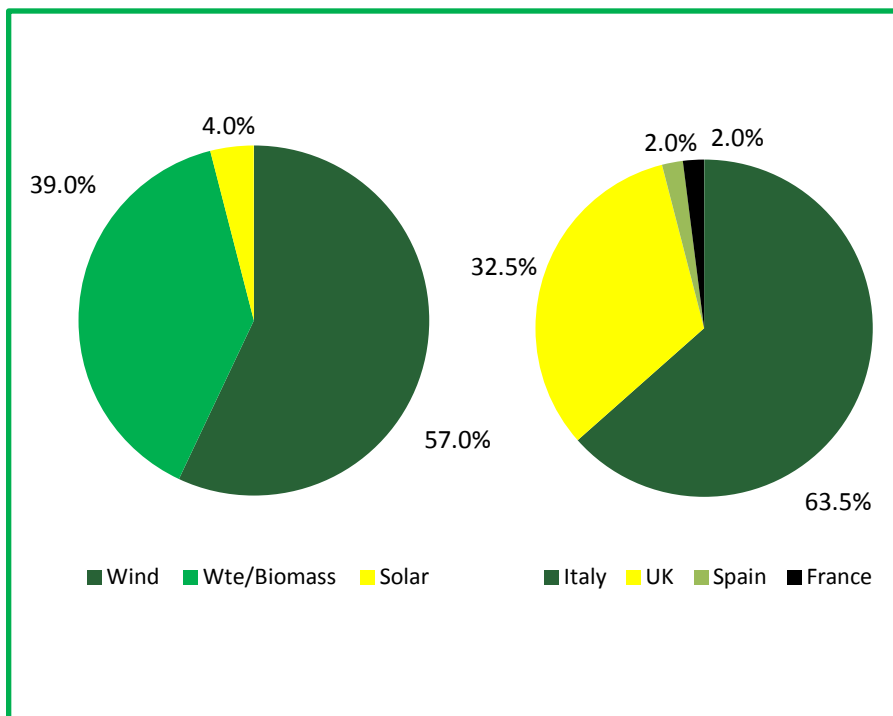
## FINANCIAL HIGHLIGHTS

millions of euro	2011 Before PEA	PEA Impact	2011	Pro-forma 2010	
<b>Revenues</b>	<b>248.6</b>	-	<b>248.6</b>	<b>184.6</b>	+ 35%
Operating costs	(106.9)	-	(106.9)	(90.0)	
<b>Ebitda</b>	<b>141.7</b>	-	<b>141.7</b>	<b>94.6</b>	+ 50%
<i>% on Revenues</i>	<i>57.0%</i>	<i>na</i>	<i>57.0%</i>	<i>51.2%</i>	
Depreciation - Amortization - Write Off	(56.3)	(6.2)	(62.5)	(46.1)	
<b>Operating result</b>	<b>85.5</b>	<b>(6.2)</b>	<b>79.2</b>	<b>48.5</b>	+ 63%
<i>% on Revenues</i>	<i>34.4%</i>	<i>na</i>	<i>31.9%</i>	<i>26.3%</i>	
<b>Financial income and charges</b>	<b>(36.9)</b>	<b>(5.8)</b>	<b>(42.7)</b>	<b>(35.8)</b>	
Equity investments	0.8	(0.1)	0.7	1.1	
<b>Profit Before Taxes</b>	<b>49.4</b>	<b>(12.1)</b>	<b>37.3</b>	<b>13.9</b>	
Taxes	(17.3)	(0.1)	(17.4)	(11.5)	
<b>Net Earnings</b>	<b>32.0</b>	<b>(12.2)</b>	<b>19.8</b>	<b>2.4</b>	
millions of euro	Dec 2011	PEA IMPACT	Dec 2011	Dec 2010	
<b>Net Invested Capital</b>	<b>1,289.3</b>	<b>(11.8)</b>	<b>1,277.9</b>	<b>1,063.7</b>	
<b>Equity</b>	<b>463.6</b>	<b>(12.2)</b>	<b>451.8</b>	<b>335.3</b>	
<b>Net Financial Position</b>	<b>(825.7)</b>	<b>(0.4)</b>	<b>(826.1)</b>	<b>(728.4)</b>	
<i>of which: Proj. Fin. and MLT no recourse</i>	<i>(749.7)</i>	-	<i>(749.7)</i>	<i>(601.2)</i>	
<b>NFP excluding Derivatives Instruments</b>	<b>(764.8)</b>	<b>(0.4)</b>	<b>(765.2)</b>	<b>(705.1)</b>	

## BREAKDOWN OF REVENUES & EBITDA BY COUNTRY/TECHNOLOGY

**REVENUES : 248.6 €M +35%**

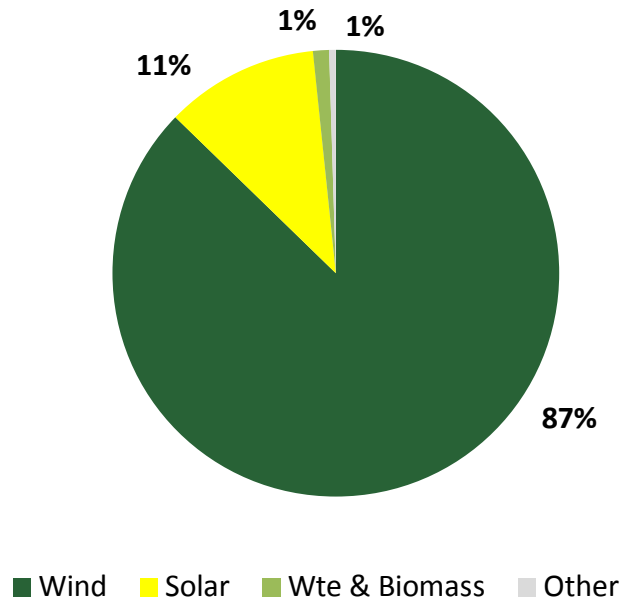
**EBITDA\* : 141.7 €M + 50%**



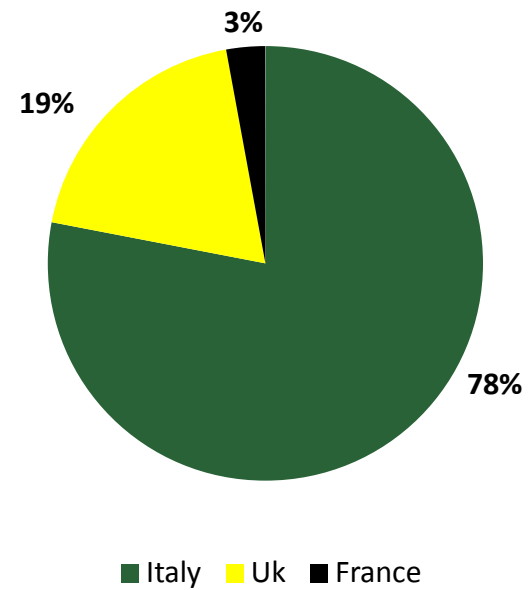
\* Breakdown of EBITDA by technology made on total Ebitda gross of holding impact

## BREAKDOWN OF CAPEX : 178 €M

BY TECHNOLOGY



BY COUNTRY



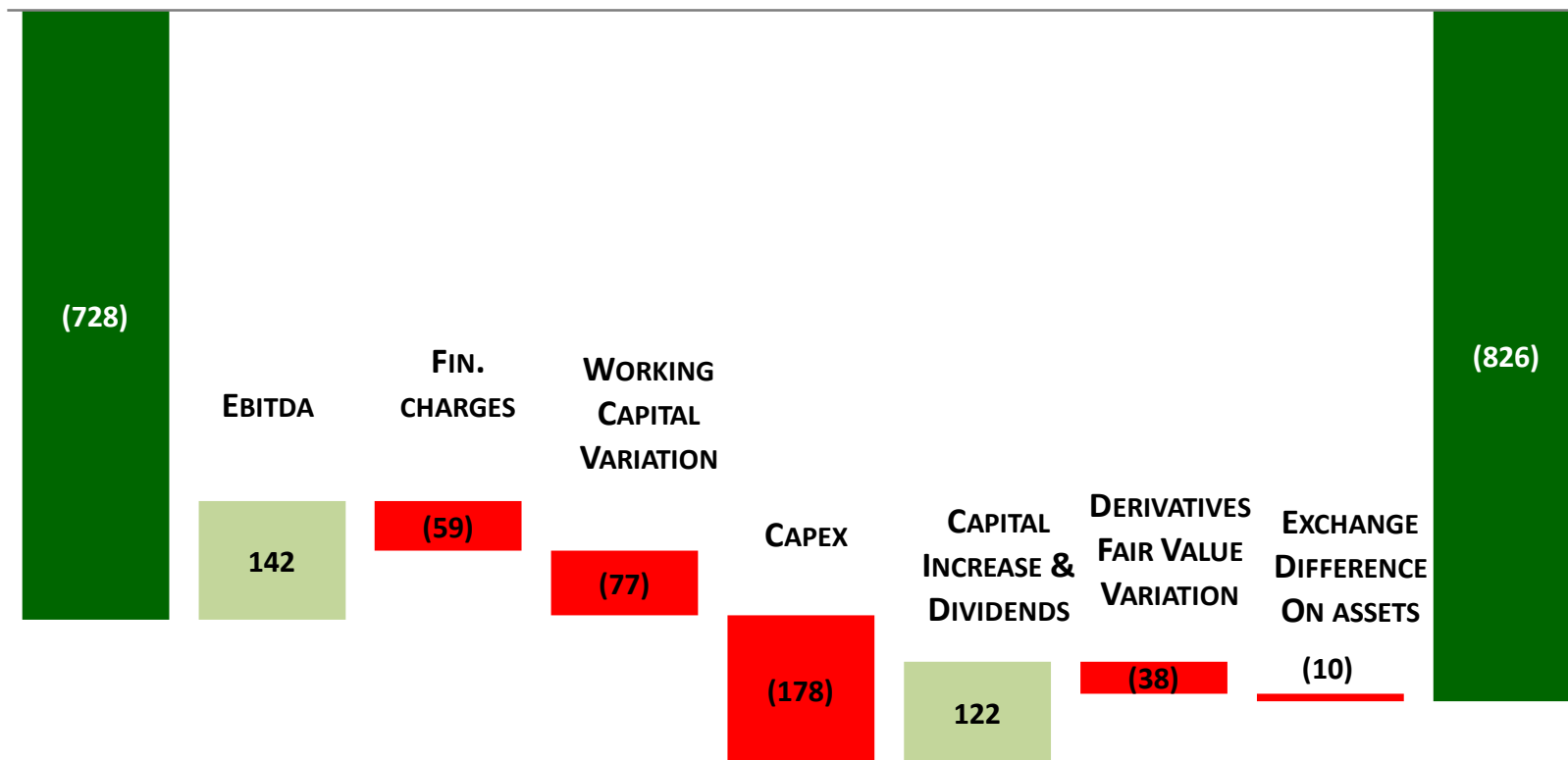
# FINANCIAL HIGHLIGHTS

## CASH FLOW

€M

DECEMBER 2010

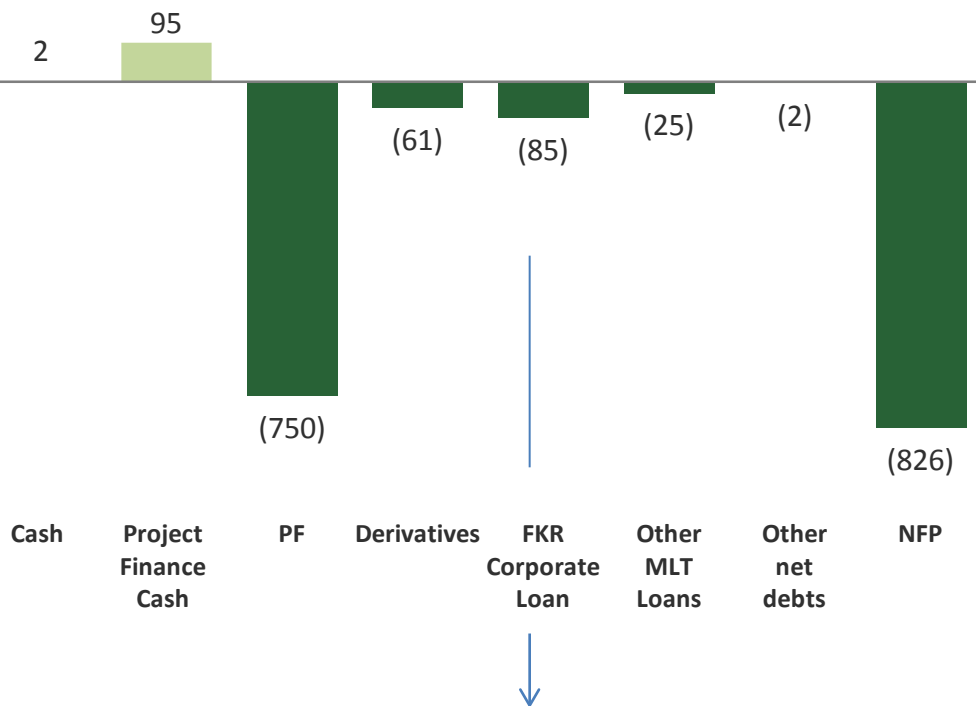
DECEMBER 2011



# NET FINANCIAL POSITION 1/2

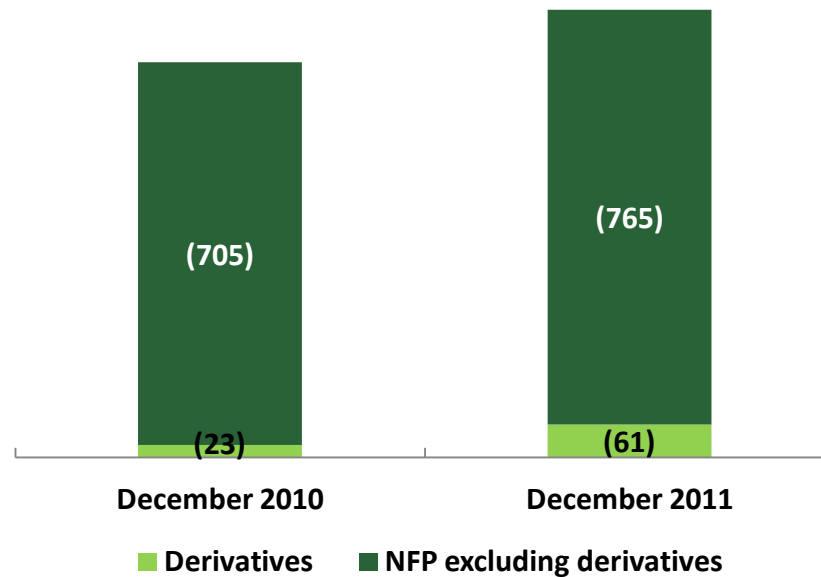
€M

**NFP BREAKDOWN**



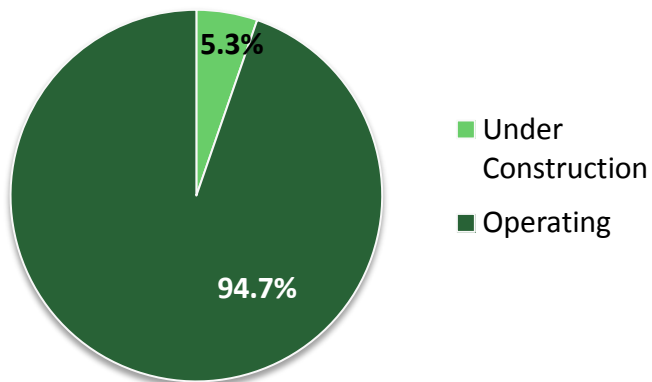
FKR Corporate Loan drawdown  
€ 89m as of December 2011

**DERIVATIVES IMPACT ON NFP**

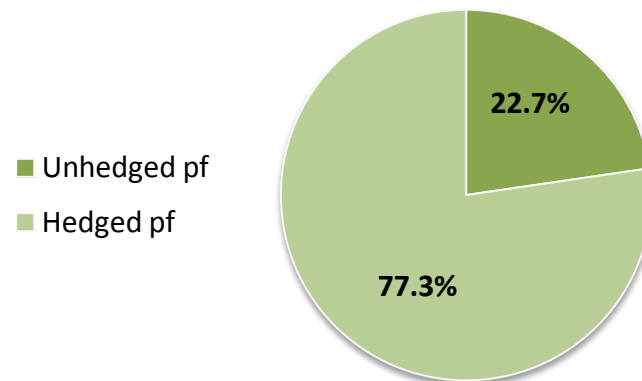


## NET FINANCIAL POSITION 2/2

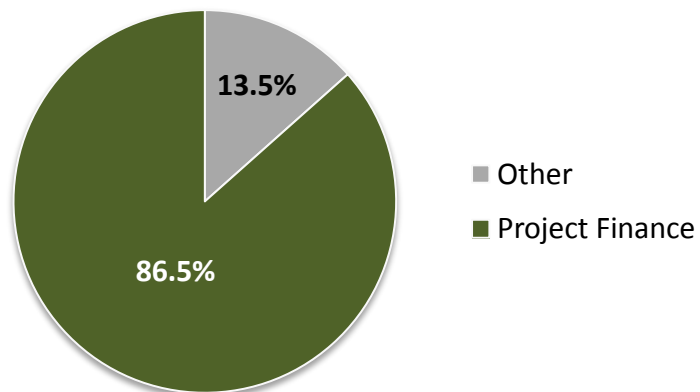
PLANT UNDER CONSTRUCTION/IN OPERATION



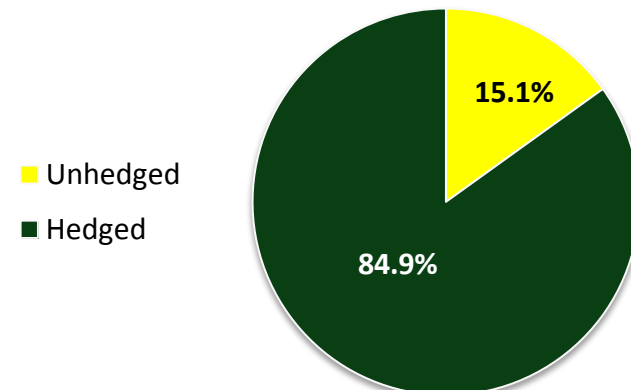
PROJECT FINANCE HEDGED



PROJECT FINANCE/NFP



NFP (WITHOUT DERIVATIVES) HEDGED





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 **2012-2014 Updated Business Plan**

## **2012-2014 Updated Business Plan**

 **Market Scenario**

 **Business Model**

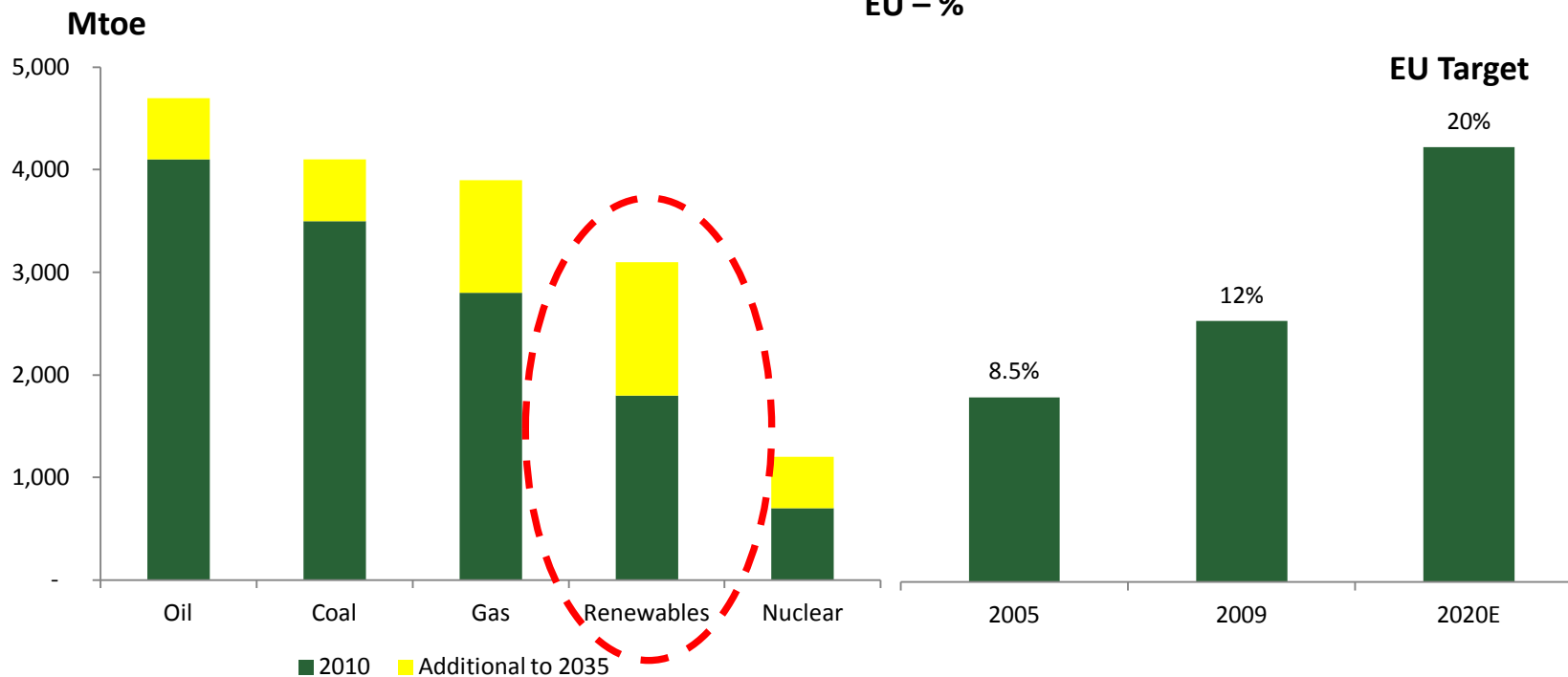
 **2012 – 2014 Strategic Guidelines**

 **2012 – 2014 Target**

## LEVERAGE ON IMPRESSIVE MARKET GROWTH

**GLOBAL ENERGY DEMAND (1)**

**% Renewables on Total Energy Produced (2)**



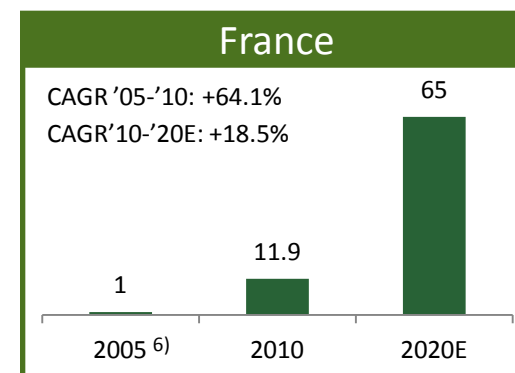
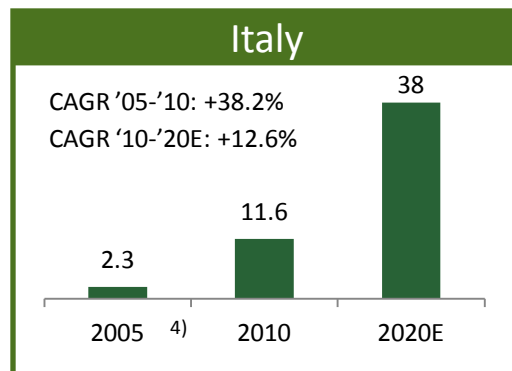
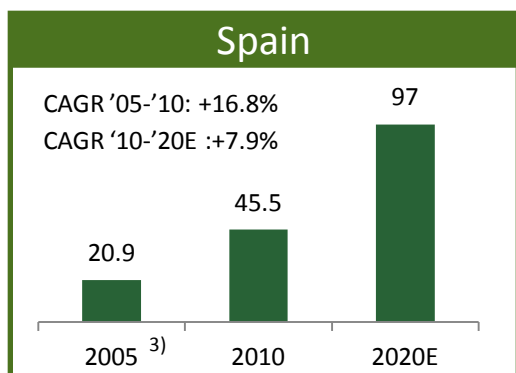
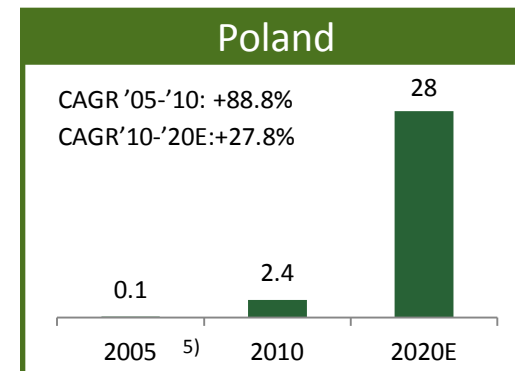
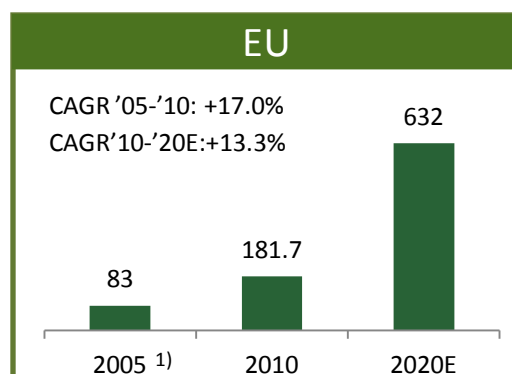
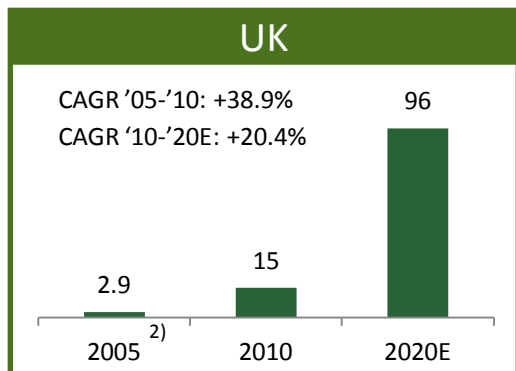
Sources:

(1) World Energy Outlook 2011 - International Energy Agency

(2) REN21 - Renewables 2011 Global Status Report, 2010 Renewable Energy Directive / European Commission

## WIND – FOCUS ON COUNTRIES WITH GREATEST APPEAL

### Electricity Produced '000 GWh



Sources:

All 2010 figures and 2020 estimates based on average low and high scenario forecasts by European Wind Energy Association, Jul 2011

(1) European Wind Energy Ass., Nov 2009

(3) Red Elctrica de Espana

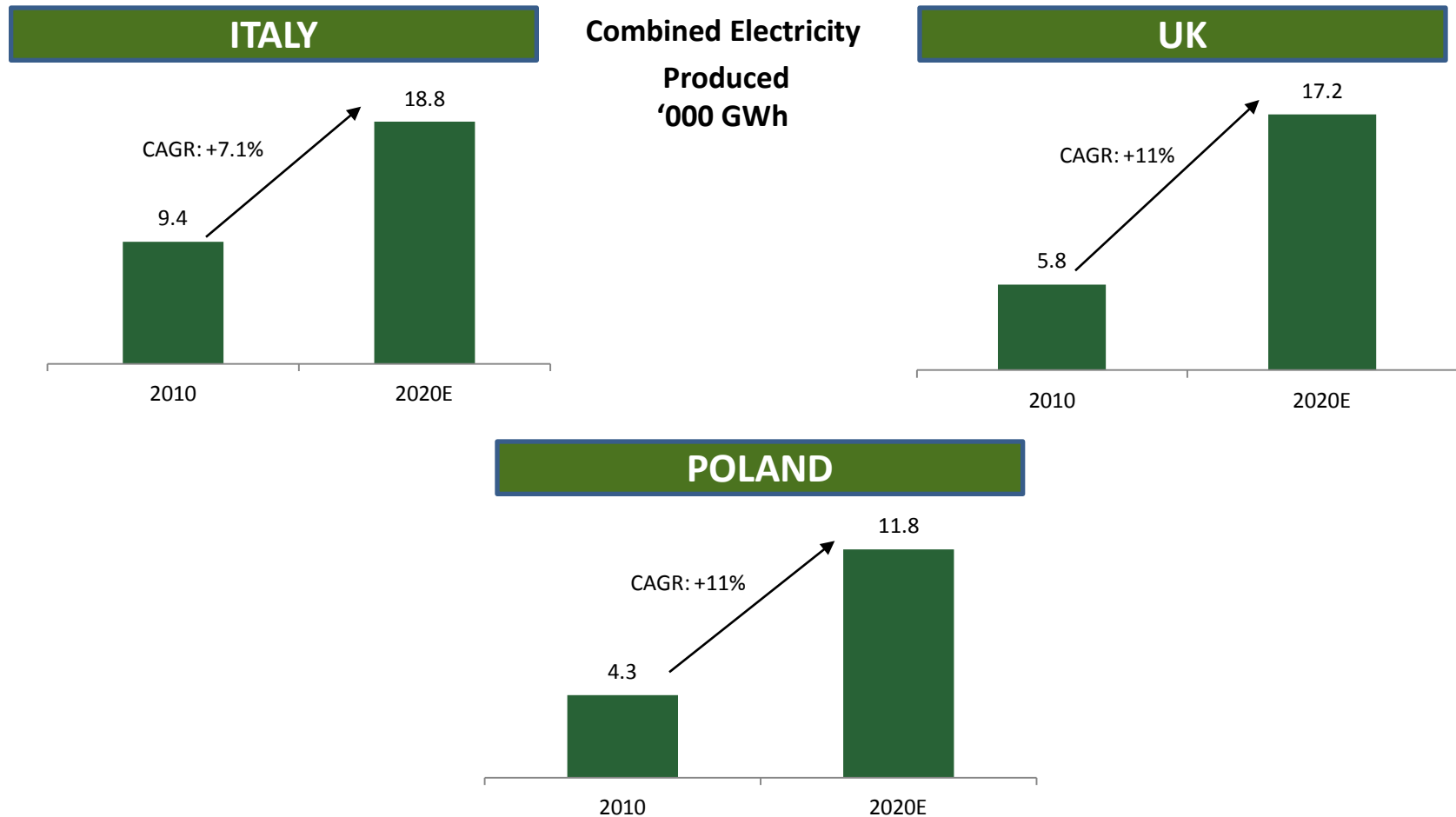
(5) IEO, IEA

(2) DECC

(4) Terna

(6) FEE 2005, RTE 2009

## WTE AND BIOMASS – FOCUS ON COUNTRIES WITH GREATEST APPEAL



Sources:  
Management best estimates on 2010 Global Data Report

## REGULATORY FRAMEWORK

GRANDFATHERING  
MECHANISM WILL PROTECT EXISTING  
ASSETS

Italy	UK	Spain	France	Poland
GC CIP6 CE	ROCS LECS NFFO	REGIO DECRETO	FEED IN TARIFF	GC

### Update on regulations:

- 🇬🇧 **UK:** New scheme expected from April 2013
- 🇮🇹 **Italy:** Green Certificates under review and expected auction over 5 MW  
No retroactivity expected  
Conto Energia – decrease up to 2016
- 🇫🇷 **France:** Feed in Tariff with stable and predictable cash flows
- 🇪🇸 **Spain :** Incentives stopped for new Renewables plants
- 🇵🇱 **Poland:** Green Certificate under review from 2013

## **2012-2014 Updated Business Plan**

 **Market Scenario**

 **Business Model**

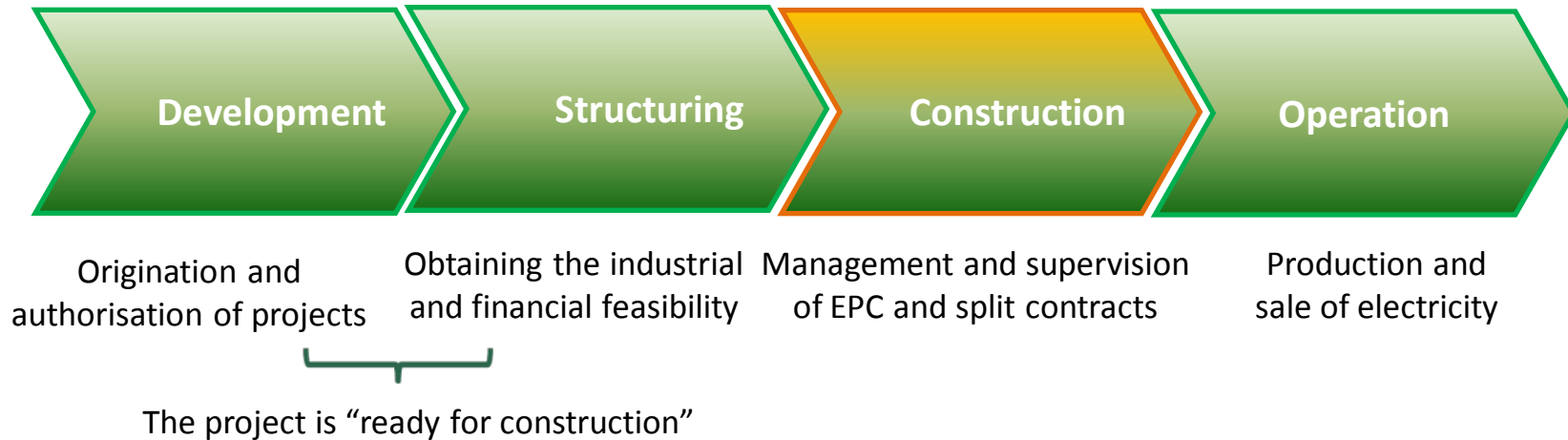
 **2012 – 2014 Strategic Guidelines**

 **2012 – 2014 Target**

## ENERGY SECTOR VALUE CHAIN

IN HOUSE

SUPERVISION



The presence along the whole value chain allows Falck Renewables to:

- maintain all the value within the company
- mitigate risks
- capture contingent opportunities



## INTEGRATION IN THE VALUE CHAIN: A KEY SUCCESS FACTOR

IN HOUSE

SUPERVISION



- 🔍 Huge pipeline of projects under development (1000 MW)

- 🔍 New approach to biomass and waste plants

- 🔍 Euro 715 M€ of outstanding PF as of 31 December 2011

- 🔍 Euro 230 M€ PF accomplished for Buddusò and Alà dei S. wind farm

- 🔍 Euro 47 M€ PF for 3 Sicilian solar plants

- 🔍 From 498 MW in 2010 to 684 MW in 2011: + 37%

- 🔍 Full revamping of a 14 MW biomass plant

- 🔍 Biggest wind farm in Italy 138MW completed in 30 months

- 🔍 Successful completion of Kilbraur (15MW) and Millennium (20MW) extensions

- 🔍 Approx. 8,000 operating hours in Trezzo WTE plant and 8,350 hours in Rende biomass plant during 2011

- 🔍 340 Kton/y approx. of waste treated in 2011 (+11 Kton YoY)

- 🔍 1,560 GWh 2011 production (+413 GWh YoY)

Achievements are the result of a tight integration of the activities throughout the value chain that allows FKR to mitigate risks and capture contingent opportunities

## **2012-2014 Updated Business Plan**

 **Market Scenario**






 **Business Model**

 **2012 – 2014 Strategic Guidelines**

 **2012 – 2014 Target**

## 2012-2014 STRATEGIC GUIDELINES

### Key drivers of the updated 2012-2014 Business Plan

-  Increased attention on the business characteristics and project profitability
-  Diversification by country and technology
-  Constant increase in installed capacity
-  Focus on the most efficient allocation of investments
-  Focus on operating efficiencies and cost containment

## FALCK RENEWABLES IS COMMITTED TO GEOGRAPHICAL AND TECHNOLOGICAL DIVERSIFICATION....

### WIND

- Maximize investments over the business plan horizon choosing within a significant pipeline **in UK and Poland** (wind hours > 2500 per year)
- Extension of existing sites **in Italy**

### SOLAR

- Consolidating presence and opportunities in specific niches:
  - roof plants in **Italy**
  - scouting in solar thermodynamic technology

### WTE

- Develop current projects and start development in interesting markets - **UK and Poland** - where the group is already active
- Opportunistic acquisition activities

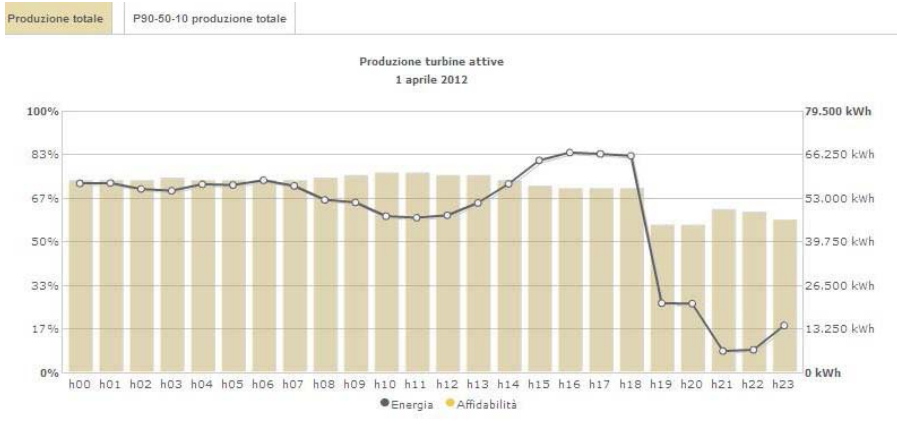
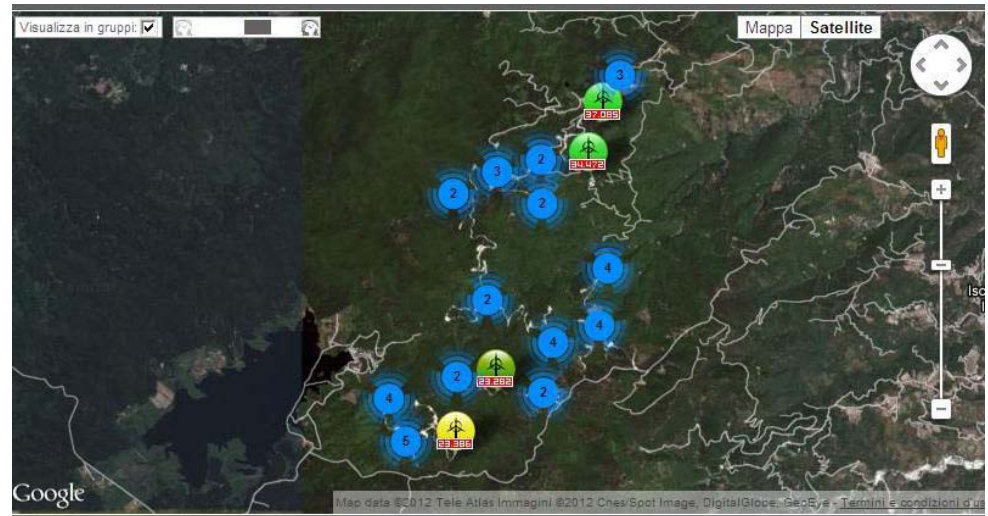
### BIOMASS

- Develop medium size plants (7/10 MW) highly integrated within the territory, use of local feedstocks
- Opportunistic acquisition activities

## ... TOGETHER WITH PROCESS IMPROVEMENT AND...

### Increase process management capabilities

- Weather and Production forecast capabilities
- Asset based energy trading
- Better “unbalance” management



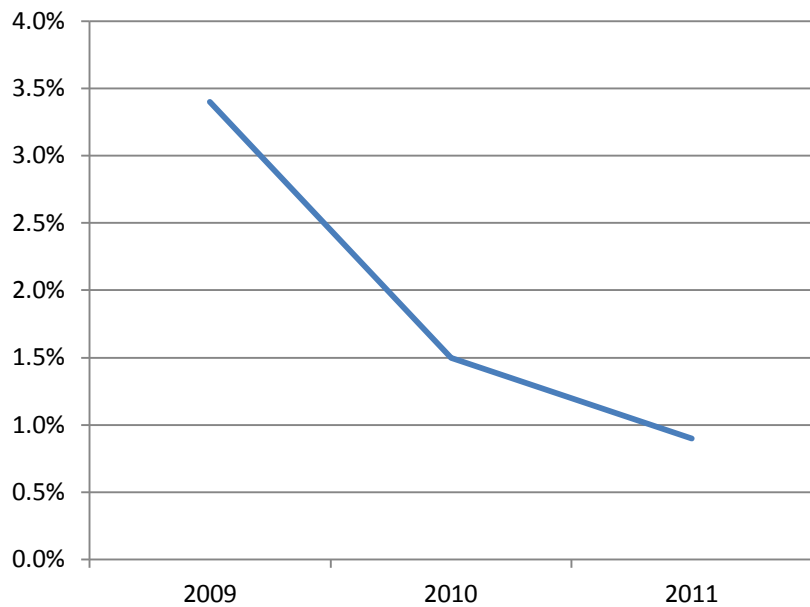
### San Sostene Plant layout

### San Sostene Plant 24 H weather and production forecast

## ... OPERATION & MAINTENANCE

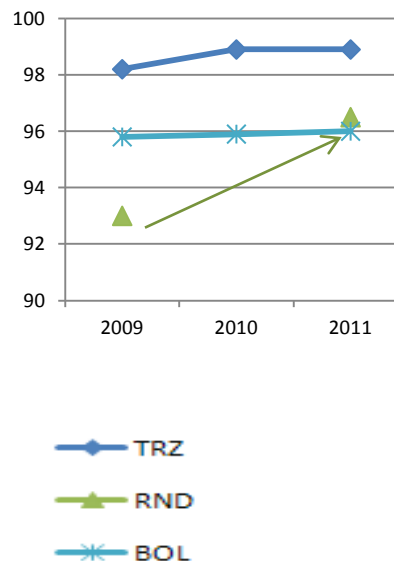
Commitment to improve efficiency and to save costs also thanks to internalisation

### Cumulated loss of production due to Balance of Plants (BoP) - wind

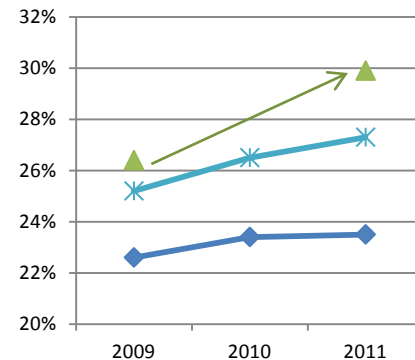


### Waste to Energy / Biomass

#### Reliability



#### Efficiency



## **2012-2014 Business Plan**

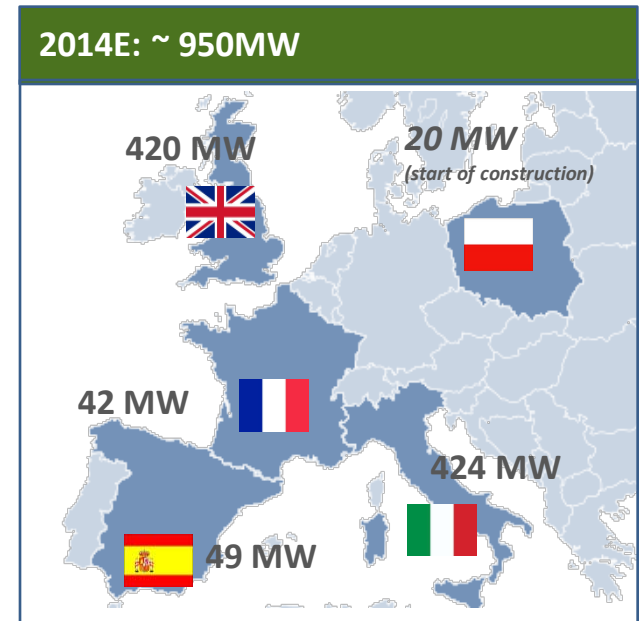
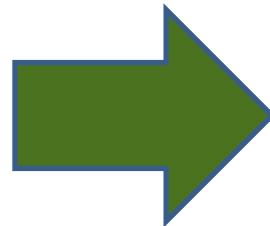
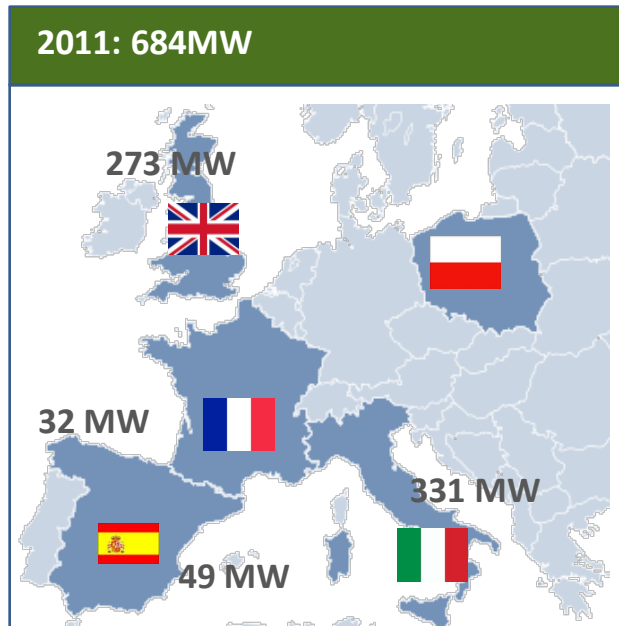
 Market Scenario

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## EUROPEAN PRESENCE 2011-2014



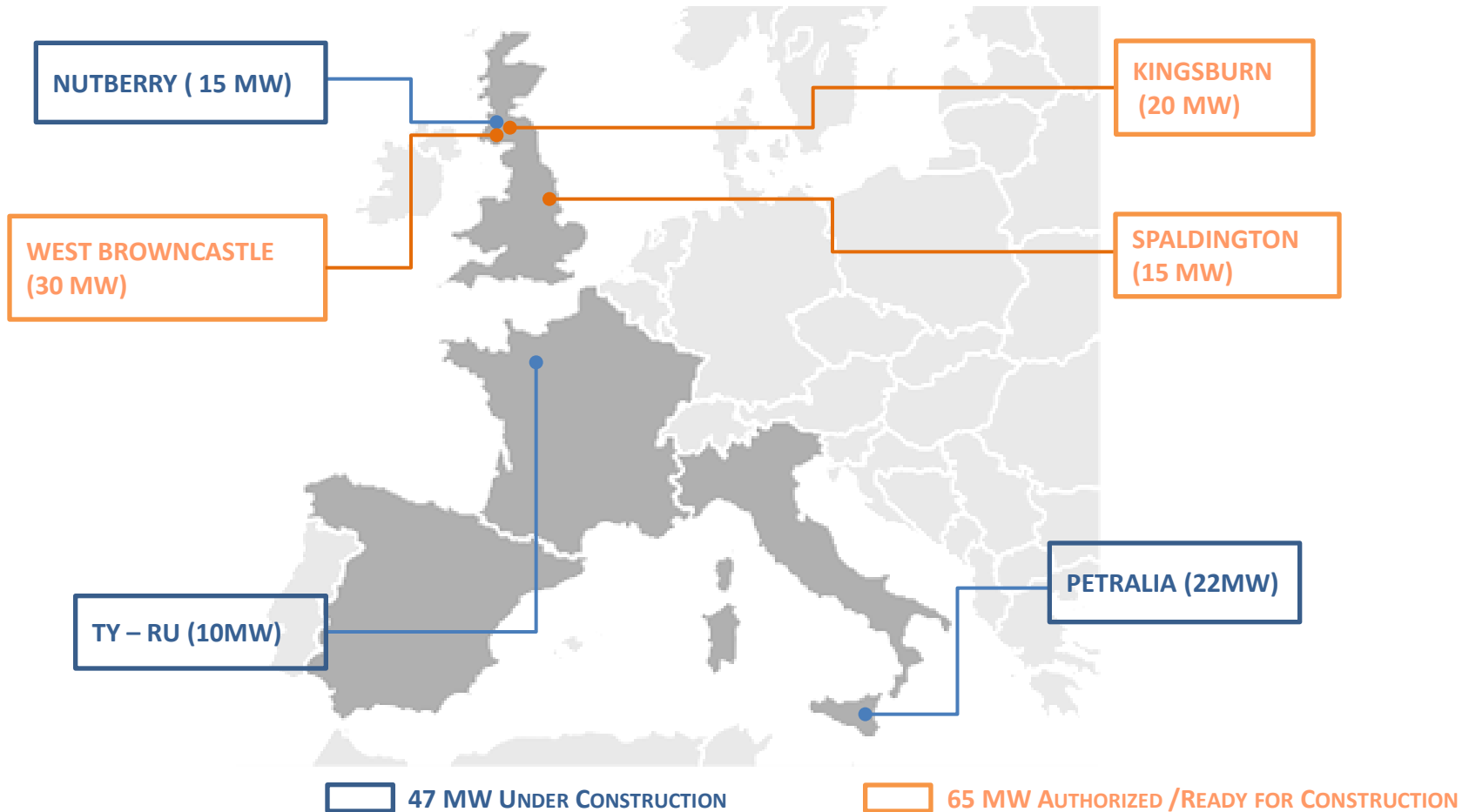
- Installed capacity in 2014 approx. 950 MW
- Major investments in the most profitable market – UK
- Exploit new countries like Poland



## LONG TERM GROWTH – BUSINESS DEVELOPMENT PLAN

Country / MW	MW authorized/ under construction	Pipeline already included in BP	Pipeline under development
UK	80 wind	70 wind	~ 700 wind ~ 30 wte/biomass
Italy	22 wind	30 wind 30 wte/biomass 10 solar	~ 40 solar ~ 45 wte/biomass
Poland	0	20 wind	~ 80 wind
France	10 wind		~ 50 wind
<b>Total</b>	<b>112 MW</b>	<b>160 MW</b>	<b>~ 1,000 MW</b>

## EUROPEAN PRESENCE: PLANTS UNDER CONSTRUCTION / AUTHORIZED

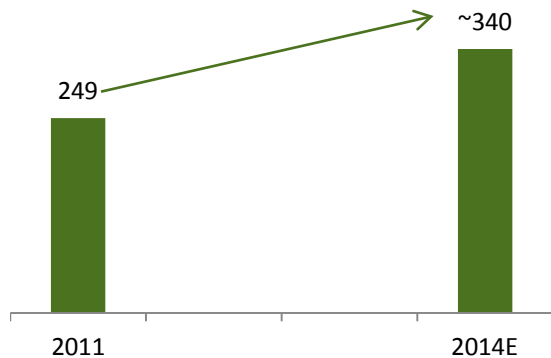


## 2012 – 2014 BUSINESS PLAN TARGET

### REVENUES GROWTH

EURO MN

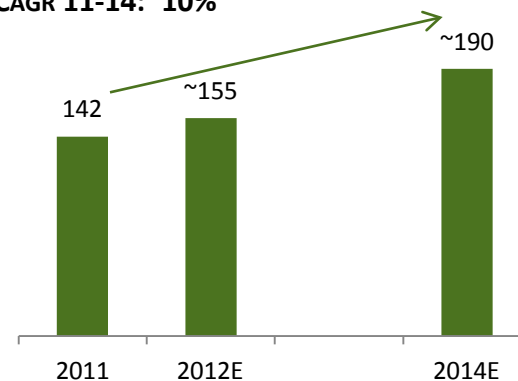
CAGR 11-14: 11%



### EBITDA GROWTH

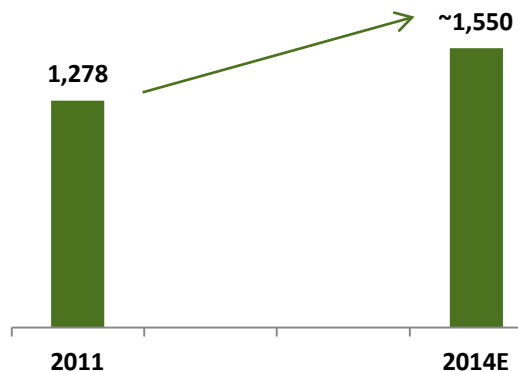
EURO MN

CAGR 11-14: 10%



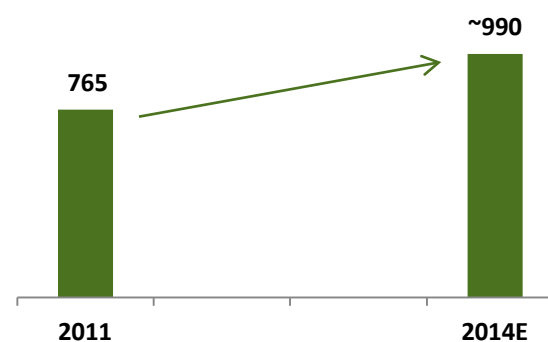
### NET CAPITAL INVESTED

EURO MN



### NET FINANCIAL POSITION \*

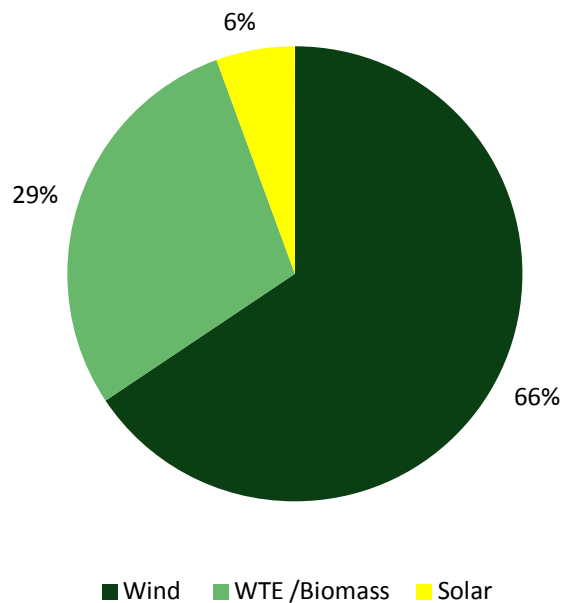
EURO MN



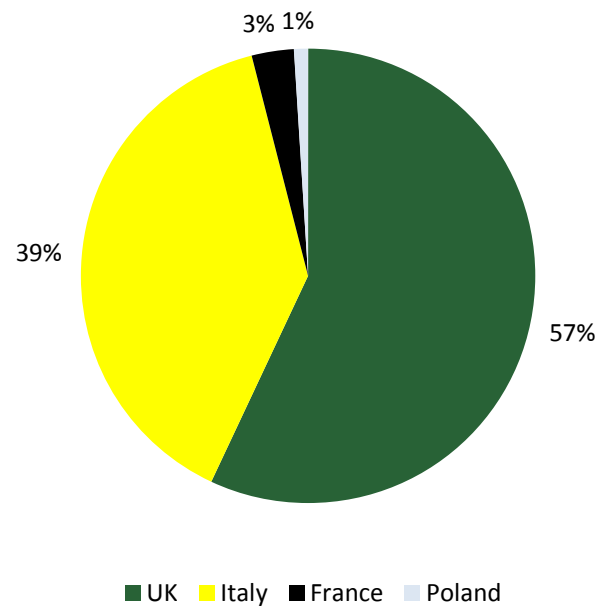
\* NFP without derivatives impact

## 2012-2014 BUSINESS PLAN : CUMULATED CAPEX AT AROUND 460 M€




BY TECHNOLOGY



BY COUNTRY



## 2015 GUIDANCE

-  The updated Business Plan 2012-2014 includes capex in 2014 that will contribute to Revenues and EBITDA in 2015
-  Including these projects, 2015 Revenues and EBITDA could respectively achieve approx. €375 mln and €210 mln
-  Other “upside” will arise thanks to :
  - internalisation of development activities
  - optimization of O&M activities

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