



GRUPPOFALCK
FALCK RENEWABLES

STAR Conference

Milan, 25 March 2014

Group Overview

 **2013 Financial Highlights**

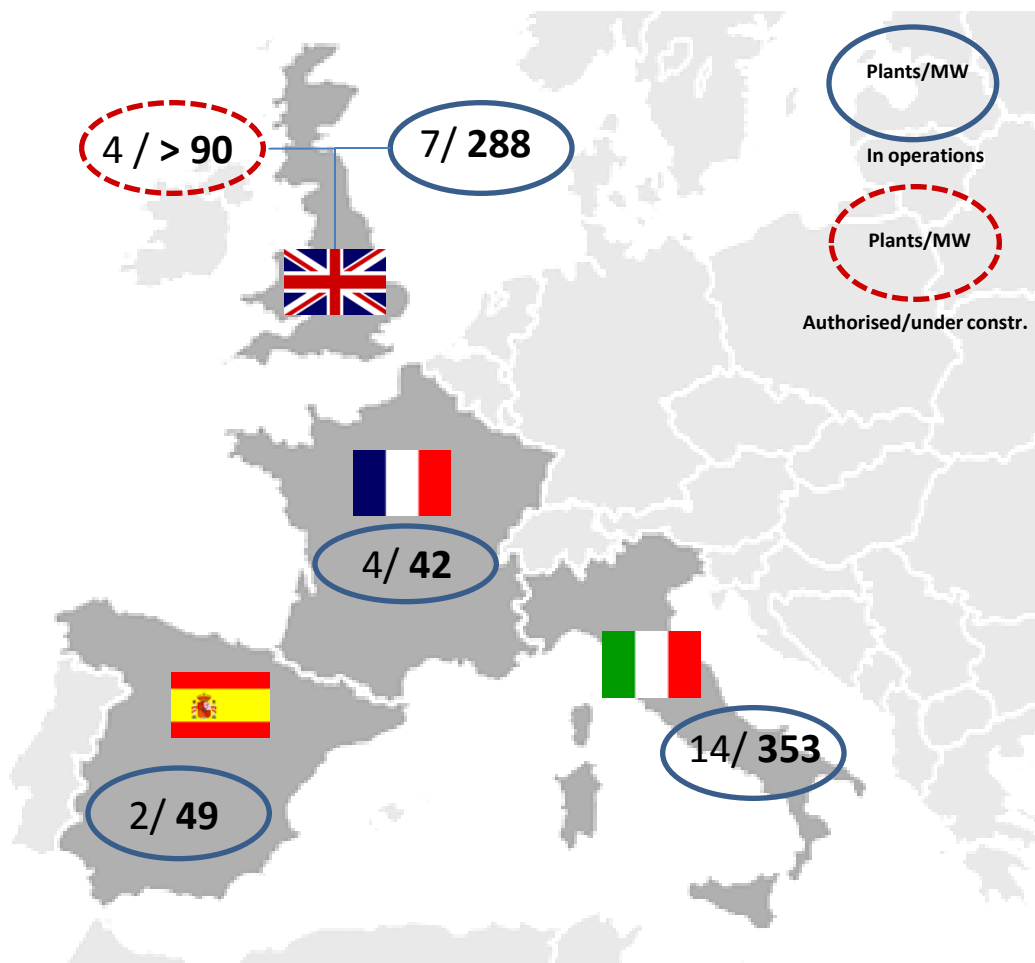
 **Strategy and Outlook**

 **Appendix**

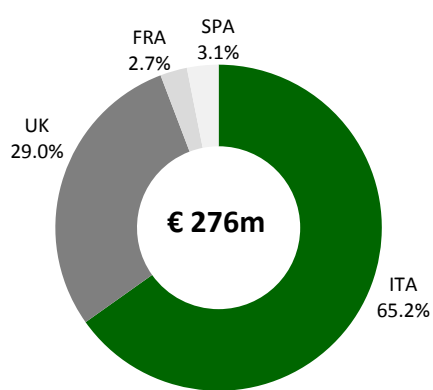
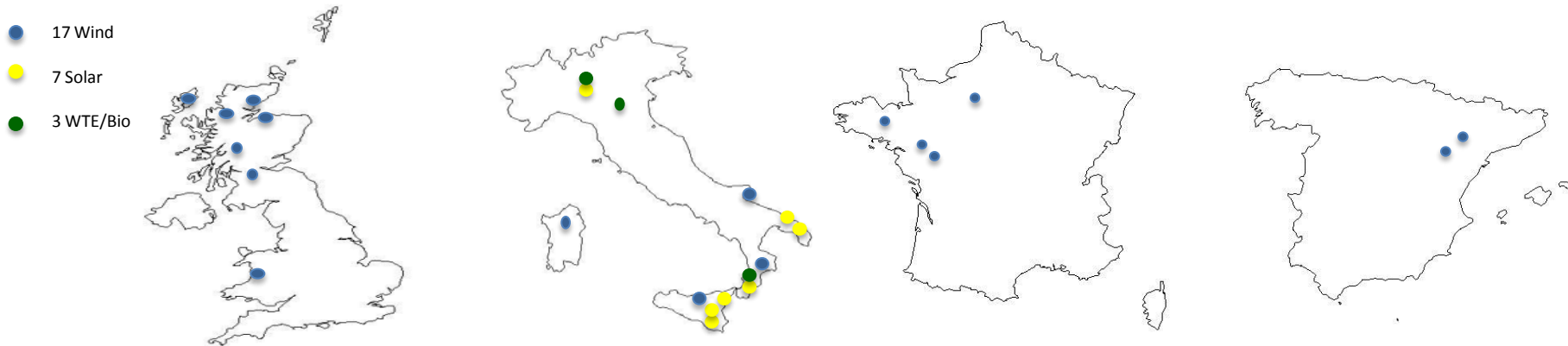
FALCK RENEWABLES AT A GLANCE



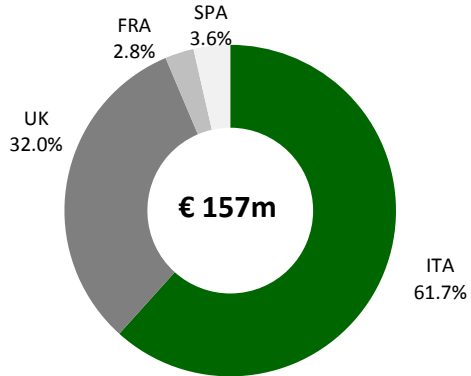
FALCK RENEWABLES: 731 MW ACROSS EUROPE...



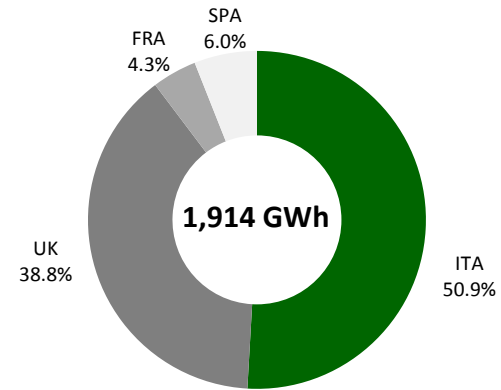
.... WITH A WIDE MARKET DIVERSIFICATION



Revenues



EBITDA



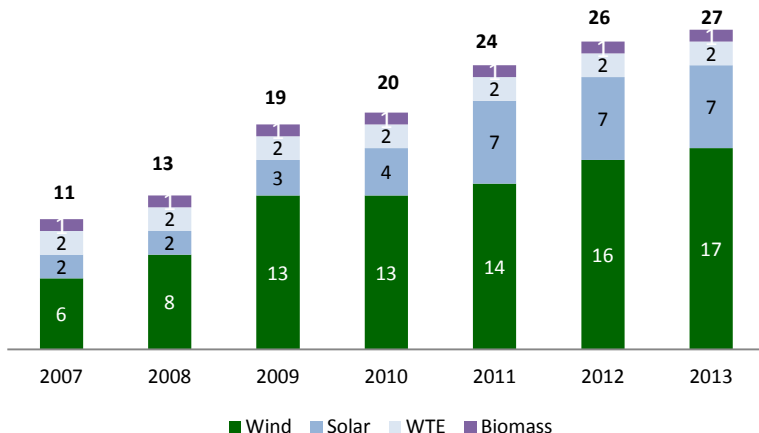
GWh

Figures as of 31 December 2013

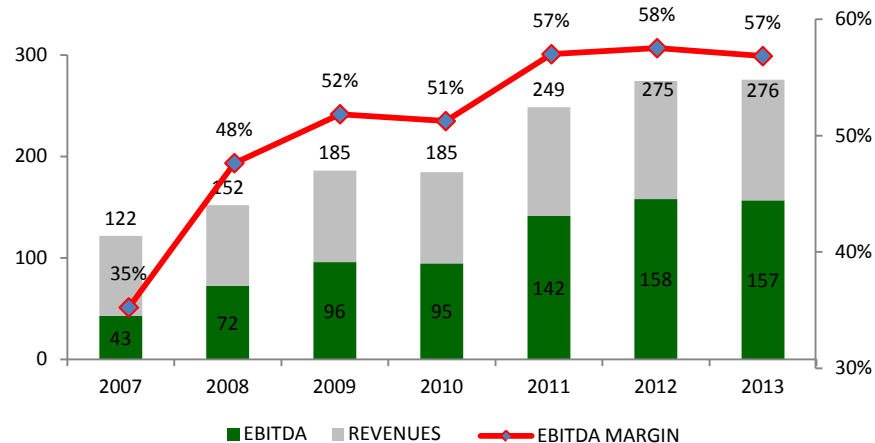
CONSISTENT DELIVERY AND CASH FLOW GENERATION

Euro millions

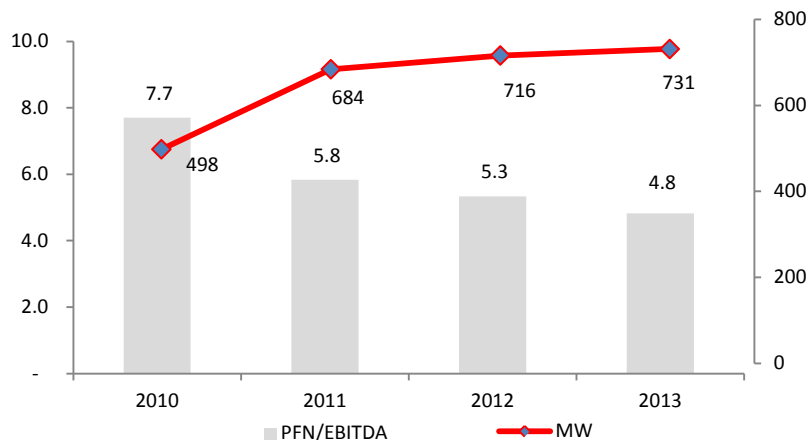
Plants



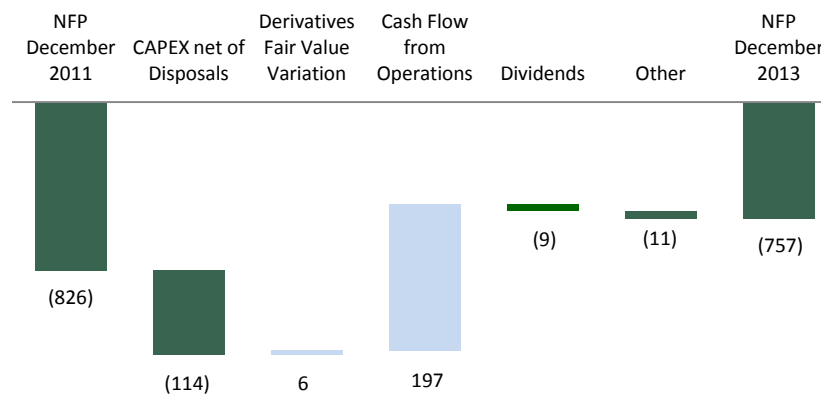
Continuous Profitability Growth



PFN/Ebitda vs Mw Growth



Cash Flow Generation



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 Appendix

2013 HIGHLIGHTS

Euro millions

	Dec 13	Δ vs Dec 12	Δ %	Dec 12
INSTALLED CAPACITY - MW	731	+ 15	+ 2%	716
ENERGY PRODUCTION - GWh	1,914	+ 121	+ 7%	1,793
REVENUES - €m	275.9	+ 1.3	+ 0%	274.6
EBITDA - €m	156.8	- 1.1	- 1%	158.0
NET EARNINGS - €m	15.0	+ 100.4	<i>n.m.</i>	(85.5)

2013 : KEY FACTORS

Operating Business

- Completion of Nutberry (15 MW) wind farm
- Authorization of Assel Valley (30 MW) wind farm
- **Strategic Partnership with Copenhagen Infrastructure I K/S (“CII”)** : sale of 49% stake in UK qualified operating assets and co-investment in projects under construction and development.

Change in Regulation

- Penalties on non programmable sources (E.g. unbalancing, captured price)
- Penalties on programmable sources (CIP 6)
- Introduction of levies in Spain

2013 Results

- **Results above expectations** in terms of marginality despite of tariff decrease, change in regulations and poor wind conditions during summer season.
- **Strong cash generation** from operating plants enables **reduction of the Net Financial Position**

2013 FINANCIAL STATEMENTS

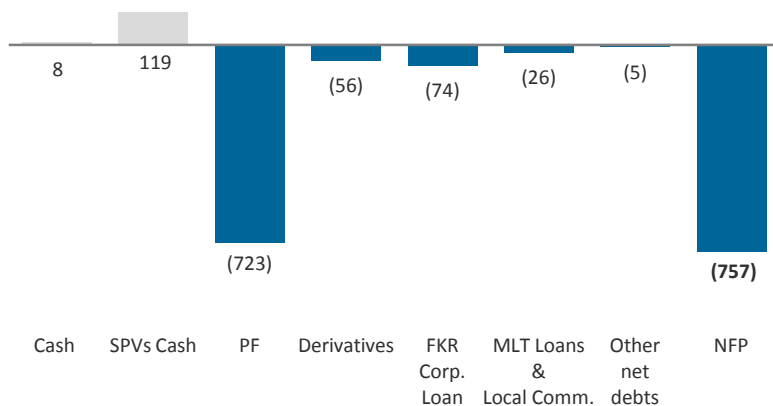
millions of euro	2013	2012	%
Revenues	275.9	274.6	0.5%
Net Operating costs	(119.0)	(116.7)	2.0%
Ebitda	156.8	158.0	-0.7%
% on Revenues	56.9%	57.5%	
Depreciation - Amortization - Write Off	(77.5)	(179.4)	
Operating result	79.3	(21.4)	n.m.
% on Revenues	28.7%	(7.8%)	
Financial income and charges	(48.5)	(47.1)	
Equity investments	-	0.7	
Earnings Before Taxes	30.8	(67.9)	n.m.
Taxes	(15.9)	(17.6)	
Net Earnings	15.0	(85.5)	n.m.

millions of euro	31/12/13	31/12/12	%
Net Invested Capital	1,135.7	1,186.5	-4.3%
Equity	378.8	343.7	10.2%
Net Financial Position	(756.8)	(842.8)	-10.2%
<i>of which: Proj. Fin. and MLT no recourse</i>	<i>(723.4)</i>	<i>(775.4)</i>	<i>-6.7%</i>
NFP excluding Derivatives Instruments	(700.9)	(757.1)	-7.4%

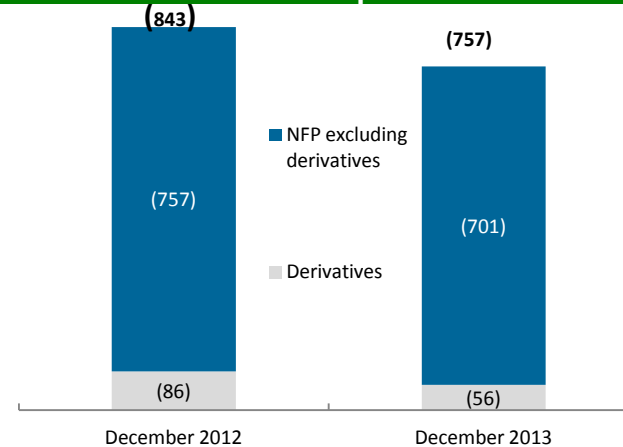
NET FINANCIAL POSITION DOWN 10% YOY

Euro millions

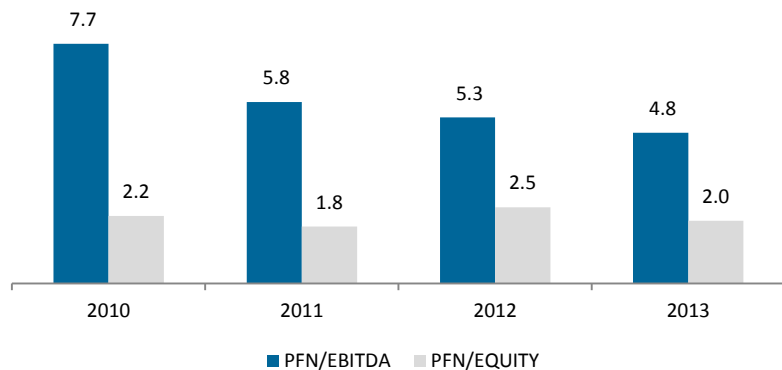
NFP Breakdown



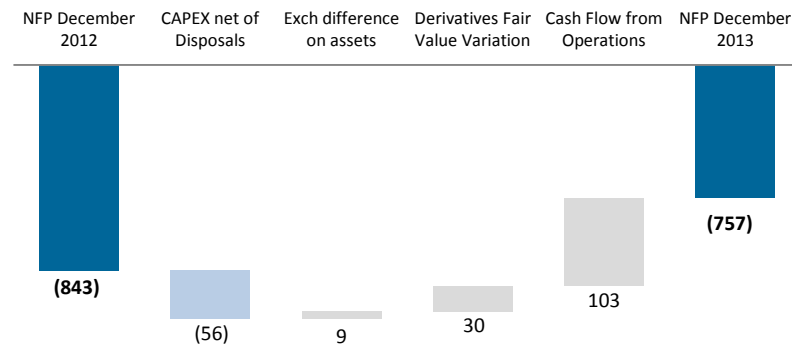
Derivatives Impact on NFP



NFP Ratios



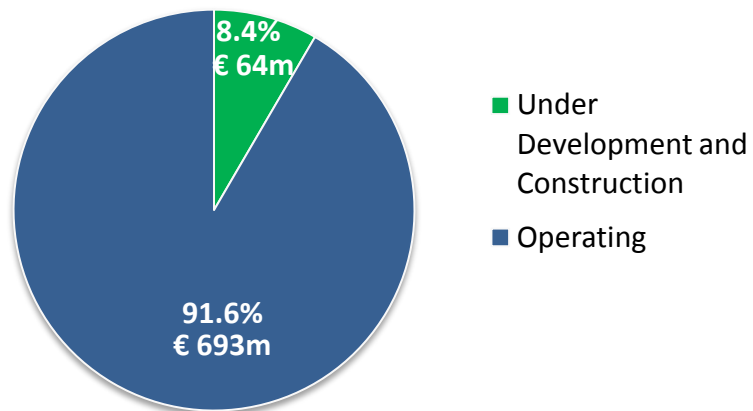
Cash Flow



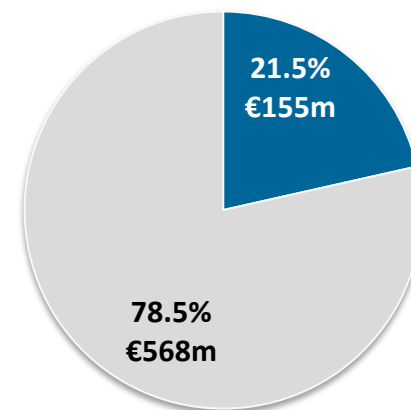
BREAKDOWN OF NET FINANCIAL POSITION

Euro millions

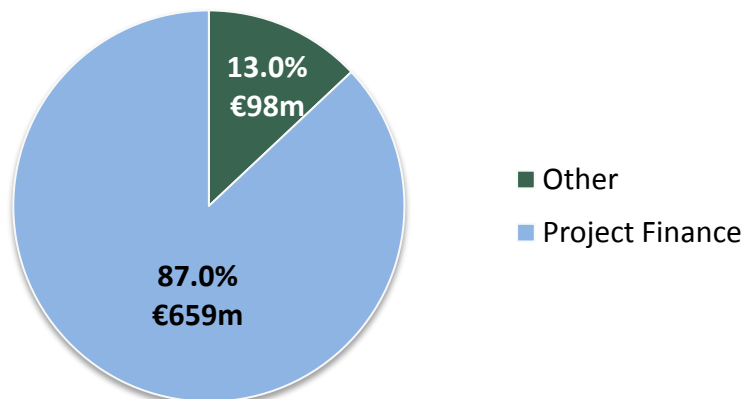
PLANT UNDER CONSTRUCTION/IN OPERATION



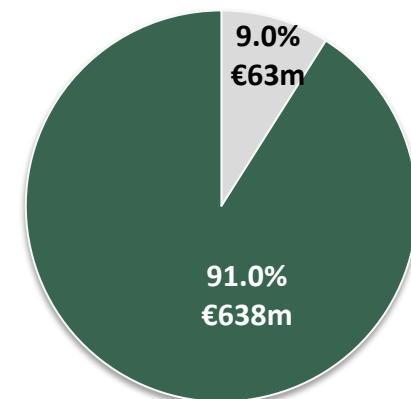
PROJECT FINANCE HEDGED



NET PROJECT FINANCE/NFP

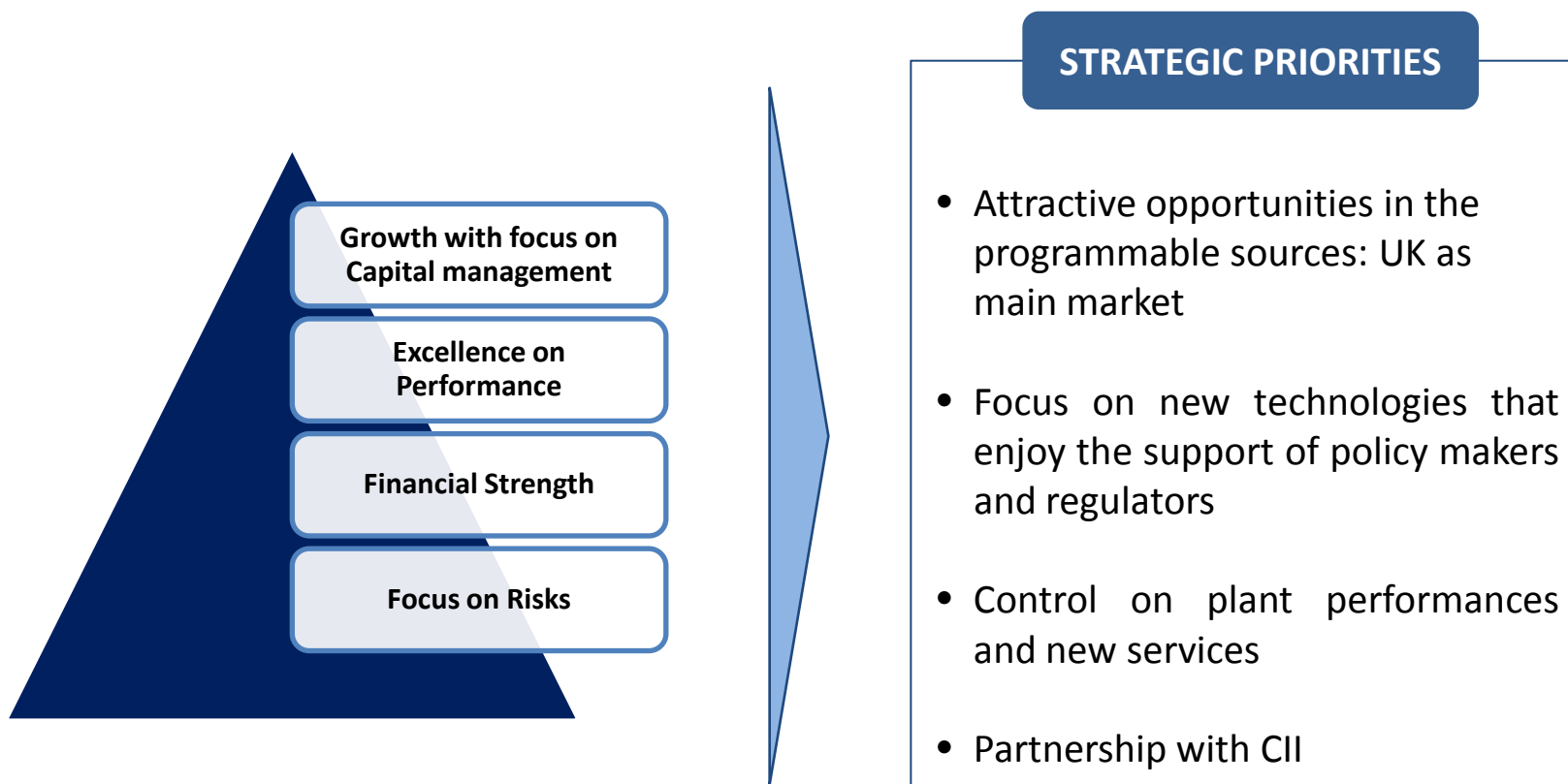


NFP (WITHOUT DERIVATIVES) HEDGED



-  Group Overview
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-  Appendix

STRATEGY: SAME OBJECTIVES WITH ADAPTED PRIORITIES



Falck Renewables ready to start a new **“Energy solutions provider”** Business

2014: KEY EVENTS

1

Existing Business

- Business rationalization and new organizational structure in place
- Control of plant performances (O&M)

2

Growth

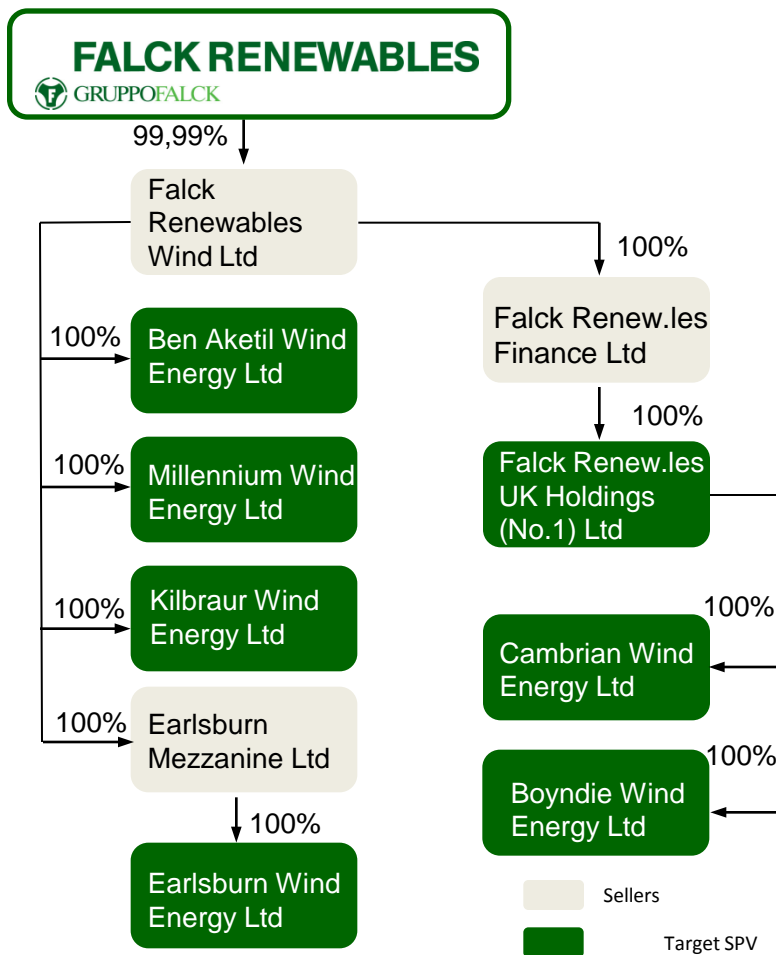
- Development in the UK of Waste to Energy plants
- M&A activity to develop the Service sector
- Focus on innovative Technologies (hybridization)

3

Partnership with CII

- Sale completion on 17 March 2014
- Use of proceeds: partial reimbursement of the existing corporate debt and support the growth strategy
- Sale of on-shore wind projects authorized/under construction

JV WITH COPENHAGEN INFRASTRUCTURE I K/S (“CII”) – PENSION DANMARK



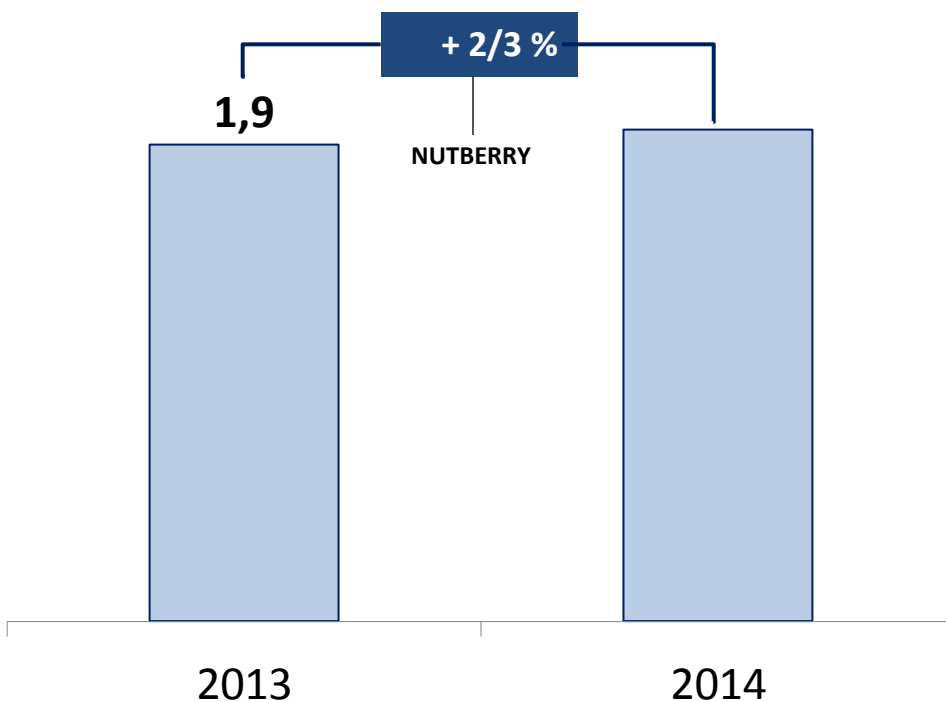
KEY ELEMENTS

- **Pension Danmark** is the largest labour market pension fund in Denmark, managing assets of **DKK 145bn (€ 19bn)** on behalf of c. **637,000 members**
- **Sale of 49% stake in UK qualified operating assets (Equity + Subordinated Shareholders' loans) to CII for GBP 154.4m**
- **EV on a 100% basis: GBP 451,2m*** equating to approx. **€ 2m/MW** installed
- **Partnership agreement with CII to invest :**
 - **€ 100m** in already authorized /under construction onshore wind projects in the Falck portfolio
 - **€ 125m** in other plants in the broader renewable energy sector.

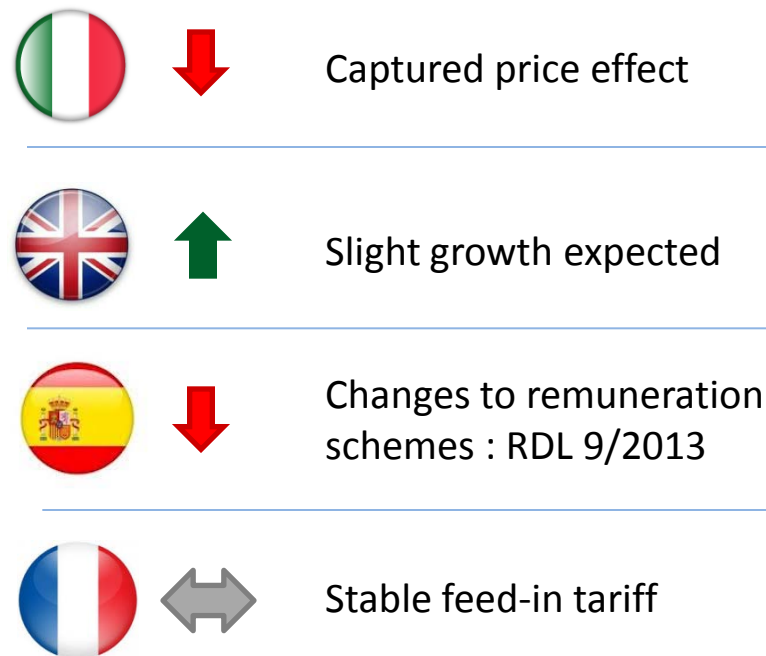
* Euro 542.9 million, based on GBP/EUR exchange rate: 1.203

2014: EXPECTED OUTPUT & PRICE OUTLOOK

ENERGY PRODUCTION (TWh) *

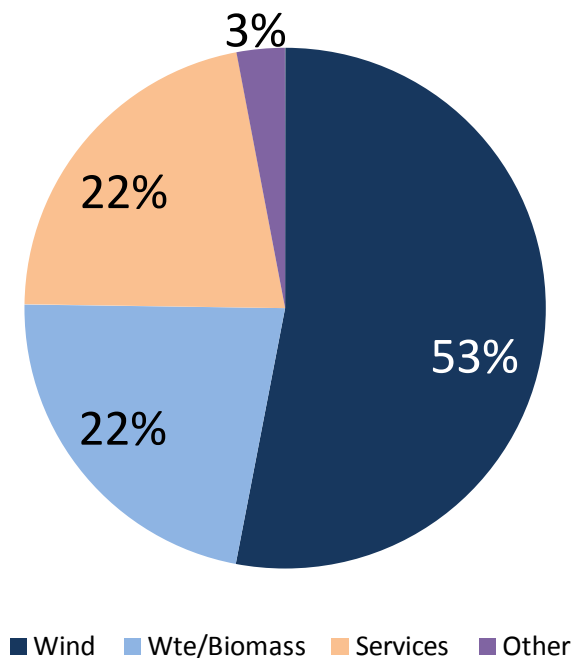


PRICE OUTLOOK



* On a 100% basis

2014 CAPEX PLAN



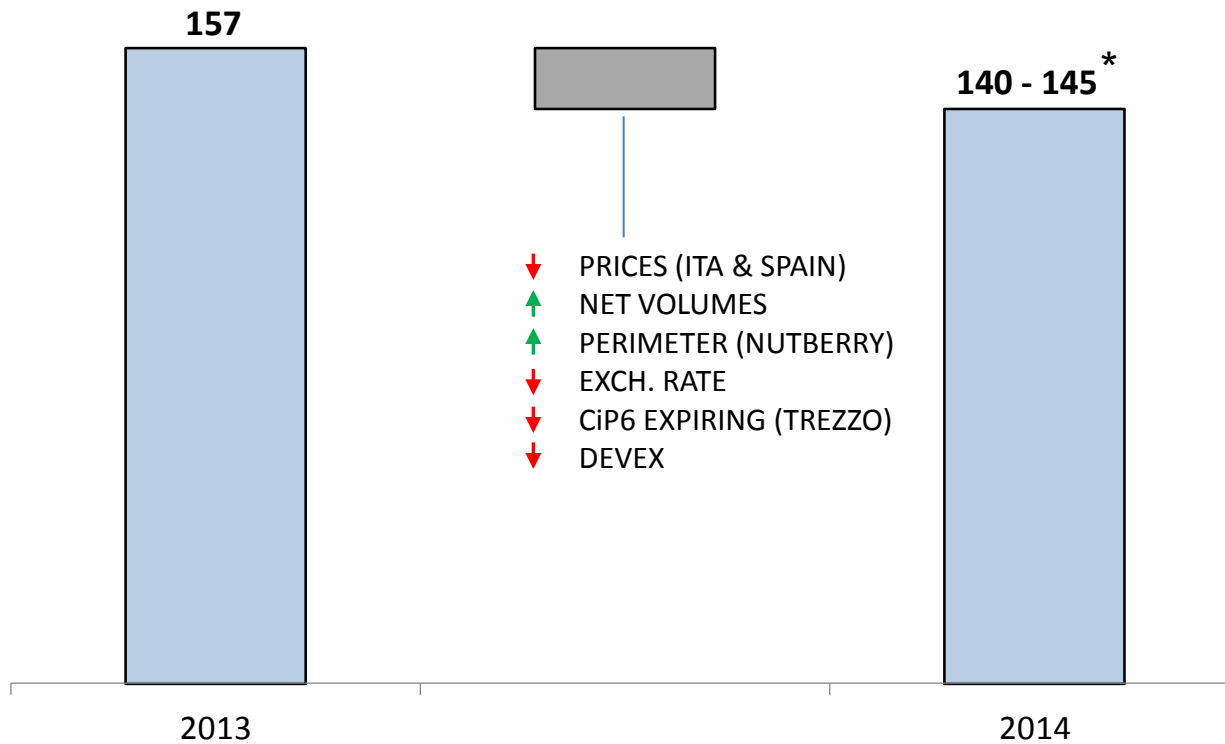
BREAKDOWN

- WtE in the UK
- Wind on-shore under construction: West Browncastle, Kingsburn & Spaldington
- Potential acquisition of Service Co.
- Completion of Solar Thermo project

WITH CAPEX OF ~ 95m THE 2014 NFP IS EXPECTED TO BE IN LINE WITH THE PREVIOUS YEAR

2014 EBITDA EVOLUTION

Euro millions



* 140 – 145 → 130 – 135 with the adoption of IFRS 11

WHY FALCK RENEWABLES ?

Industry

- **Balanced presence across markets**
- **Proven ability to deliver projects**
- **Experienced Management**

Outlook

- **Strong profitability and robust cash flow**
- **New partner CII**
- **Portfolio rebalancing**

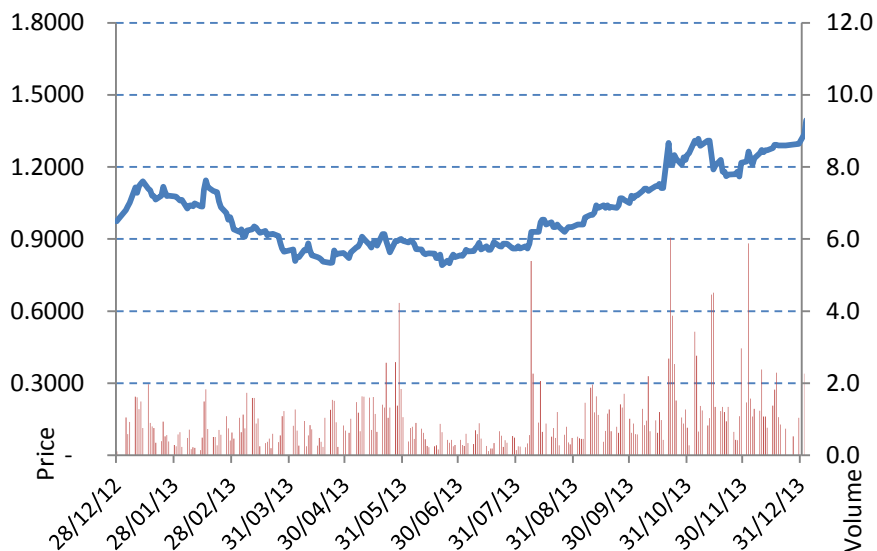
Investment case

- **Self sustainable business**
- **Financially stronger after JV with CII**
- **Undervaluation of the existing assets not included in the transaction**

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STOCK PERFORMANCE AND GOVERNANCE

FALCK RENEWABLES PRICE PERFORMANCE



Market Segment: STAR MTA

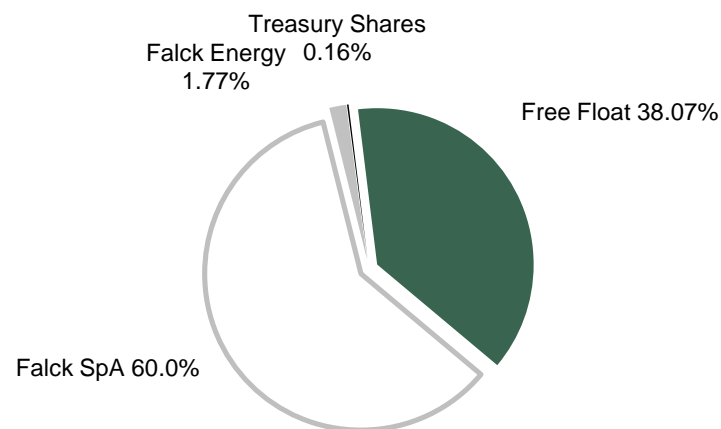
Reuters Code: FKR.MI

Bloomberg Code: FKR IM

Number of Shares Outstanding: 291,413,891

Auditors: Reconta Ernst & Young

SHAREHOLDERS' STRUCTURE *



Price (March 20th, 2014): 1.42 Euro

Market Cap (March 20th, 2014): 413.8 mn Euro

Average Daily Volume:** 1,227,190

Specialist: Banca Akros

* Source: Consob and Company

** Last three months

2013 RESULTS: IMPACT OF ONE-OFF ITEMS

millions of euro	Dec 2013 Op. activities	Sicily & Impair. Impact	Dec 2013	Dec 2012 Op. Activities	Sicily & Impair. Impact	Dec 2012
Revenues	275,9	-	275,9	274,6	-	274,6
Net Operating costs	(119,0)	-	(119,0)	(116,7)	-	(116,7)
Ebitda	156,8	-	156,8	158,0	-	158,0
<i>% on Revenues</i>	56,9%	-	56,9%	57,5%	-	57,5%
Depreciation - Amortization - Write Off	(64,4)	13,1	(77,5)	(67,8)	111,6	(179,4)
Operating result	92,4	13,1	79,3	90,2	111,6	(21,4)
<i>% on Revenues</i>	33,5%	-	28,7%	32,8%	-	(7,8%)
Financial income and charges	(47,5)	1,0	(48,5)	(46,8)	0,3	(47,1)
Equity investments	0,0	-	0,0	0,7	-	0,7
Earnings Before Taxes	44,9	14,1	30,8	44,0	111,9	(67,9)

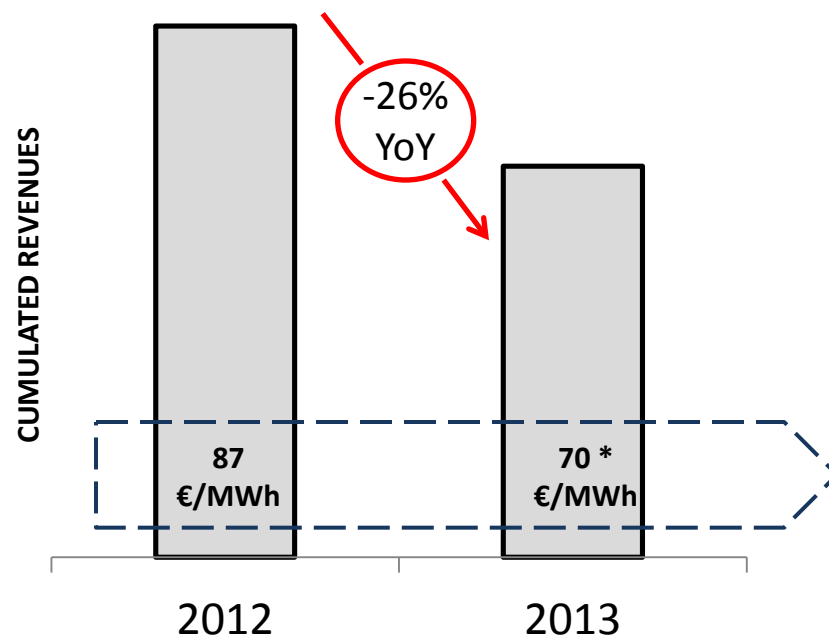
SPAIN: REGULATORY MODIFICATION

Euro millions

2013 FRAMEWORK

- **January 2013:** introduction of a 7% General Tax over electricity sales.
- **RD 2/2013:** review of the tariff scheme under the RD 661/2007. Mandatory for all operating assets to move into a Feed-in Tariff scheme.
- **RD 9/2013:** replace RD 2/2013 setting new parameters for a new tariff based of a average 7,5% return. **Assets in operation before 2005 loose incentives with a retrospective effect (July 2013)**

Asset	Source	MW	COD
Cabezo	Wind	23,25	2004
La Muela	Wind	25,75	2003



* Average price based on retrospective calculation starting from 01/07/2013

IFRS11 EFFECT ON 2013 RESULTS

Euro millions

- Assets consolidated proportionally are related to **partnerships** in Italy and Spain
- IFRS 11 Implementation from **01/01/2014**
- **No impact** in the **Net Income**

	2013 (reported)	2013 (IFRS 11)	Δ
Revenues	276	254	(22)
EBITDA	157	145	(12)
Operating Result	79	73	(6)
Net Earnings	15	15	0
NFP	(757)	(728)	+ 29
Employees	247	224	(23)

Asset	Source	Country	%	MW
Frullo E.A.	WtE	Italy	49	10,78
La Muela	Wind	Spain	26	25,75
P.E.A		Italy	23	

CONTACTS

IR CONTACTS

IR Manager

Giorgio Botta
Milan +39 02 2433 3338
giorgio.botta@falckgroup.eu

Via Alberto Falck 14-16
20099 Sesto San Giovanni
Milano

IR Consultant

Vincenza Colucci
CDR Communication Srl
Tel. +39 335 6909547
vincenza.colucci@cdr-communication.it

FKR ON LINE

www.falckrenewables.eu

Twitter
@falckrenewables

NEXT EVENTS

March 25-26th , 2014
STAR Conference Milan

April 29-30st , 2014
Ordinary Shareholders' Meeting

May 14th , 2014
Board of Directors to approve Q1 2014 results

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