

**PRESS RELEASE**

## Falck Renewables SpA

### Very strong Q1 2011 Results

#### Growing installed capacity in line with 2010-2014 Industrial Plan

- **Q1 2011 Revenues + 25% versus Q1 2010 Aggregate: 58.2 million Euro**
- **Q1 2011 EBITDA +27.2% versus Q1 2010 Aggregate: 35.3 million Euro and equal to 60.6% of revenues**
- **Q1 2011 Earning before taxes +54% versus Q1 2010: 15.4 million Euro**
- **Q1 2011 Installed capacity up 16% to 526.3 MW.**

Milan, 13th May 2011 – At today's meeting, the **Board of Directors of Falck Renewables SpA approved the interim financial report** at 31 March 2011.

These are the first quarterly results that consolidate all the activities in renewable energies. As such, we are comparing Q1 2011 consolidated results with Q1 2010 aggregate results (Actelios Group plus Falck Renewables Plc Group)<sup>1</sup>.

Piero Manzoni, CEO of Falck Renewables SpA stated: "The data approved today by the Board of Directors are significantly positive and this demonstrates that Falck Renewables' developing program is well on its way. The company ranked number 4 in Europe and number 2 in Italy as relevant player in the renewable sector with an installed capacity of 526.3 MW, in line with the 2010-2014 industrial plan. We will increase both installed capacity and EBITDA in order to reach the challenging targets we set for 2011".

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<sup>1</sup> As a result of the Demerger and Contribution transaction (hereinafter "Extraordinary Transaction") related to the wind sector activities of Falck Renewables, which were carried out on 15 November 2010, the income statement now also includes the wind sector outcomes, unlike to 1Q 2010. **Consequently the consolidated data at 31 March 2011 are not comparable with those at 31 March 2010 and for this reason the Q1 2010 Aggregated results have been prepared.**

**Q1 2011 Consolidated Results, Q1 2010 Aggregate Results and Q1 2010 Consolidated Results**

		(euro thousands)		
		Consolidated 31.3.2011	Aggregate 31.3.2010	Consolidated 31.3.2010
A	Revenues	58,150	46,465	21,439
	Direct labour cost	( 2,067)	( 1,618)	( 1,618)
	Overhead costs	( 26,318)	( 21,001)	( 9,948)
B	Cost of sales	( 28,385)	( 22,619)	( 11,566)
<b>C</b>	<b>Gross operating income</b>	<b>29,765</b>	<b>23,846</b>	<b>9,873</b>
	Other income	1,112	384	270
	Other employee costs	( 3,178)	( 2,287)	( 924)
	General and administrative expenses	( 3,628)	( 3,364)	( 2,097)
<b>D</b>	<b>Net operating income</b>	<b>24,071</b>	<b>18,579</b>	<b>7,122</b>
	Financial income and charges	( 9,033)	( 8,754)	( 1,105)
	Income and charges on equity investments	410	209	
<b>E</b>	<b>Earnings before income taxes</b>	<b>15,448</b>	<b>10,034</b>	<b>6,017</b>
	Income taxes			
<b>F</b>	<b>Net profit</b>			
G	Minority interests			
<b>H</b>	<b>Group net profit</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Ebitda (1)</b>	<b>35,267</b>	<b>27,724</b>	<b>9,617</b>

(1) 1) EBITDA is defined by the Falck Renewables Group as the net earnings before income and charges on equity investments, financial income and charges, depreciation, amortization, writedowns, provisions to risk reserves and income taxes. Such amount has been computed in accordance with the best market practices, including in light of the most recent financing contracts executed

**Comparison of Q1 2011 Consolidated Results with Q1 2010 Aggregate Results**

The Falck Renewables Group 1Q 2011 consolidated **revenues** compared to 1Q 2010 Aggregate revenues were up approximately 25%, 11.7 million Euros - despite below average of wind speeds in Southern Europe - due to various factors:

- the positive contribution of the consolidation of the two companies acquired in June 2010, namely, Esposito Servizi Ecologici Srl and Ecocentro Soluzioni Ambientali Srl;
- the growth of revenues in the photovoltaic sector from the start of commercial operation of the Notarpanaro plant;
- the positive contribution of the revamping of the biomass plant in Rende, which is from January 2011 fully in operation after nine months of revamping;
- the increase in revenues of the wind-energy business due to additional installed capacity.

Consolidated direct and indirect labour costs increased by Euro 1.3 million in the first quarter of 2011 mainly due to an increase in personnel following the consolidation of Esposito Servizi Ecologici Srl and Ecocentro Soluzioni Ambientali Srl, acquired in June 2010.

Q1 2011 Consolidated direct costs increased by Euro 5.3 million largely due to higher depreciations and amortisations and maintenance costs, due to the increase in installed capacity.

Q1 2011 Consolidated administrative expenses are in line with the Q1 2010 Aggregate.

Q1 2011 Consolidated **Ebitda** posted a strong increase of 27.2%, due to all the above factors.

Q1 2011 **EBIT** recorded a significant 29.6% thanks to the strong increase in revenues.

Q1 **EBT** increased by approximately 54% to Euro 15.4 million.

### **Net financial position**

		(euro thousands)
	31.3.2011	31.12.2010
<b>Global net financial position</b>	<b>(622,922)</b>	<b>(728,351)</b>

The **net financial position (NFP)** is equal to Euro 622.9 million, in reduction compared to end of 2010 NFP due to the share capital increase (Euro 130 million), which was partially offset by capital expenditure in the first quarter 2011 (Euro 27.8 million).

### **Installed capacity**

			(MW)
Technology	At 31 March 2011	At 31 December 2010	At 31 March 2010
Wind	465.2	450.2	408.1
Wte	31	31.0	31.0
Biomass	14	14.0	14.0
Photovoltaic	16.1	3.0	1.0
<b>Total</b>	<b>526.3</b>	<b>498.2</b>	<b>454.1</b>

The Q1 2011 **installed Capacity** increased by 16% versus Q1 2010 Aggregate Capacity and now is 526.3 MW.

**Comparison of Q1 2011 Consolidated capital expenditure with Q1 2010 Aggregate capital expenditure**

	(euro thousands)	
	31.3.2011	31.3.2010
Intangible assets	311	635
Property, plant and equipment	27,510	12,588
<b>Total intangible assets and property, plant and equipment</b>	<b>27,821</b>	<b>13,223</b>

Q1 2011 Capital expenditure on property, plant and equipment, equal to Euro 27.5 million, was principally related to construction works on the Buddusò-Alà dei Sardi wind farm (Euro 19.7 million) and to the extensions to the Kilbraur (Euro 3 million) and Millennium (Euro 3.2 million) wind farms. The Millennium extension was completed in 1Q 2011 as scheduled.

**2011 Outlook on Consolidated Results in comparison with 2010 Aggregate Results**

2011 Results will benefit from:

- the full year's results of the Rende biomass plant (14 MW), following its revamping that was completed in late 2010;
- the three photovoltaic plants, Cardonita (Enna), 3.8 MW, Spinasanta (Catania), 6 MW, and Sugherotorto (Ragusa), 3.3 MW, which came on stream from the end of April 2011;
- the full year consolidation of the results of EcoCentro Soluzioni Ambientali Srl and Esposito Servizi Ecologici Srl, which were only consolidated in 2010 from June onwards.

With regard to plants under construction, the Buddusò-Alà dei Sardi 138 MW wind farm is expected to be completed and commence operations, 82 MW of which in the first half of 2011 and the remaining 56 MW by the end of the year. Moreover, the Kilbraur (Scotland) 20 MW extension will be completed in 3Q 2011.

The relevant investments required for the construction of the above-mentioned plants (included in 2010-2014 Industrial Plan) will impact the net financial position, increasing the net debt which will be partially offset by cash flow generated by the operating plants.

The Group will continue to monitor regulations in the renewable sector, with particular focus on incentives policies, particularly in Italy where the post 2015 renewable energy incentives regime is currently under review, in order to allocate investments to those businesses or countries that are most favorable, with a view to diversifying both renewable technologies and geographical presence.

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*The Executive responsible for the drawing up of the company accounting documents, Paolo Rundeddu, certifies – in accordance with paragraph 2, article 154 bis of the Financial Act (TUF) – that the accounting information contained in this document corresponds to documentary evidence, books and accounting records.*

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The Board of Directors approved the updating of the organizational Model ex D. Lgs. 231/2001 which was already used by the Company, in order to conform it to the current regulation and to be in compliance with the new corporate and organizational structure of Falck Renewables Group.

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The Q1 2011 interim financial report of the company and of the Group is available at the company's registered office in Corso Venezia 16 Milan, in Borsa Italiana SpA and on the website [www.falckrenewables.eu](http://www.falckrenewables.eu) section Investor Relation.

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Falck Renewables S.p.A., a Falck Group company listed on the Italian Stock Exchange (ticket: FKR), operates in Europe with approximately 526 MW of installed capacity, developing, planning, constructing and managing plants for the production of Energy from renewable sources. Falck Renewables' mission is to contribute to the energy requirements of consumers and businesses, in accordance with a specific business-integration plan based on differentiating output by production technologies and geographic areas. As a result of this strategy, Falck Renewables has a flexible investment-allocation policy, with the possibility of mitigating risks while also capturing market opportunities. Falck Renewables aims at reaching an installed capacity of approximately 1.100 MW by the end of 2014.

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*Income statement (from the interim financial report at 31 March 2011)*

	(euro thousands)		
	Consolidated 31.3.2011	Consolidated 31.3.2010	Consolidated 31.12.2010
<b>Revenue</b>	58,150	21,439	99,196
Direct labour costs	(2,067)	(1,618)	(7,657)
Direct costs	(26,318)	(9,948)	(54,282)
<b>Total cost of sales</b>	<b>(28,385)</b>	<b>(11,566)</b>	<b>(61,939)</b>
Gross profit	<b>29,765</b>	<b>9,873</b>	<b>37,257</b>
Other income	1,112	270	1,527
Other employee costs	(3,178)	(924)	(5,356)
Administrative expenses	(3,628)	(2,097)	(13,772)
<b>Operating profit</b>	<b>24,071</b>	<b>7,122</b>	<b>19,656</b>
Finance costs - net	(9,033)	(1,105)	(4,011)
Investment income/(costs)	410		345
<b>Profit before income tax</b>	<b>15,448</b>	<b>6,017</b>	<b>15,990</b>
Income tax expense			(11,347)
<b>Profit for the period</b>			<b>4,643</b>
<b>Profit attributable to minority interest</b>			2,144
<b>Profit attributable to group equity holders</b>			<b>2,499</b>
<b>Ebitda</b>	<b>35,267</b>	<b>9,617</b>	<b>39,541</b>

*Net financial position*

	(euro thousands)		
	Consolidated 31.3.2011	Consolidated and aggregate 31.12.2010	Change
Short-term third-party financial payables	(45,486)	(51,708)	6,222
Short-term group financial payables	(46,539)	(161,464)	114,925
Short-term third-party financial receivables			
Short-term group financial receivables	36	13	23
Other securities			
Cash and cash equivalents	111,006	92,789	18,217
<b>Short-term net financial position</b>	<b>19,017</b>	<b>(120,370)</b>	<b>139,387</b>
Medium/long term third party financial payables	(655,026)	(618,746)	(36,280)
Medium/long term group financial payables	(1,769)		(1,769)
Medium/long term third party financial receivables	14,124	10,031	4,093
Medium/long term group financial receivables	733	734	(1)
Other securities			
<b>Medium/long term financial position</b>	<b>(641,938)</b>	<b>(607,981)</b>	<b>(33,957)</b>
<b>Total net financial position</b>	<b>(622,921)</b>	<b>(728,351)</b>	<b>105,430</b>
- of which non recourse financing	(645,092)	(601,213)	(43,879)

*The total equity position at 31 March 2011 are comparable with the consolidated data at 31 December 2010 because they correspond to those aggregate at 31 December 2010*