

PRESS RELEASE

Falck Renewables S.p.A.

Approval of the draft financial statements at 31 December 2010, with the contribution of the activities in the wind-energy sector for the month of December only:

- Revenues: €99.2 million
- EBITDA: €39.5 million, or 39.9% of revenues

Proposed distribution of a dividend of €0.012 per ordinary share.

Milan, 24 March 2011 - At a meeting held today, the Board of Directors of Falck Renewables S.p.A. examined and approved the drafts of the holding-company and consolidated financial statements for Falck Renewables at 31 December 2010. The Board of Directors also decided to submit a proposal to the meeting of the shareholders for the distribution of a dividend of €0.012 per ordinary share.

Commenting on the results, Piero Manzoni, the CEO of Falck Renewables S.p.A. stated, *"Incorporating only a minimal part of the earnings data in relation to the wind-energy business (previously in Falck Renewables Wind Ltd), the year that has just ended has made us confident about the future performance of the Group. As pledged to the shareholders and in accordance with the timing announced, we completed the non-recurring financing transactions needed for transforming Falck Renewables into one of the nation's and Europe's main players in renewable energies, and we also met the pre-established operating deadlines. Today, the new Falck Renewables is Italy's second largest publicly traded company in the renewables sector and the sixth-ranking in Europe, and it will tackle the future with adequate means and resources. With the capital increase that was successfully concluded with 100% of the subscriptions, the Falck Renewables Group has equipped itself with the financial resources needed for meeting the objectives outlined in the 2010-2014 business plan, that will begin to produce significant earnings results as early as this year."*

Comments on the results contained in the Falck Renewables S.p.A. Group's consolidated financial statements for 2010 results are set out below. As a result of the Demerger and Concentration of wind-energy activities within Actelios S.p.A. (currently, Falck Renewables S.p.A.), the consolidated earnings results in relation to the year ended 31 December 2010 incorporate the income-statement data for the entire year for the WtE, biomass, and photovoltaic businesses, whereas the **wind-energy sector** (Falck Renewables Wind Ltd, previously known as Falck Renewables Plc) is included only for the period from 1 December 2010 to 31 December 2010, since it became part of the Falck Renewables S.p.A. Group during the month of November 2010. The balance sheet at 31 December 2010 incorporates all the assets and liabilities of the aforementioned businesses.

For the effect of the foregoing, the data on earnings, capital and financial position at 31 December 2010 are not comparable with the data at 31 December 2009. However, aggregate data have been prepared and are presented herein (see Aggregate data below) in order to represent the capital, financial position and earnings with regard to the activities that are part of the Company as a result of the Demerger, as if the Actelios Group and the Falck Renewables Plc Group (currently, Falck Renewables Wind Ltd) were to have operated as a single group referable to Falck Renewables S.p.A. since 1 January 2009, even though the Demerger occurred on 15 November 2010.

Main consolidated data for the year of 2010

(in € 000's)	Year Ending 31/12/2010	Year Ending 31/12/2009
Revenues	99,196	94,923
Gross profit	37,257	32,826
<i>Gross profit/Revenues %</i>	<i>37.6%</i>	<i>34.6%</i>
Operating income	19,656	18,802
<i>Operating income/Revenues%</i>	<i>19.8%</i>	<i>19.8%</i>
Earnings before income taxes	15,990	16,133
Net profit	4,643	5,734
Group net profit	2,499	4,175
EBITDA	39,541	35,691
EBITDA/Revenues	39.9%	37.6%

(in € 000's)	31/12/2010	31/12/2009
Net financial position	(728,351)	95,258
- including "non recourse" borrowings	(601,213)	(65,371)

(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 by the Group. This definition has also been used retroactively in order to calculate EBITDA for prior periods.

Sales revenues came to €99.2 million, increasing by €4.3 million over 2009, mainly for the inclusion of the wind-energy sector in the consolidation for the month of December only. Indeed, the wind-energy sector recorded revenues of €8.9 million in the final month of 2010. Despite the strong performance of the Trezzo sull'Adda and Granarolo dell'Emilia plants, the WtE, biomass and photovoltaic sector realized a revenue decrease with respect to 2009, mainly because of lower revenues at the Rende biomass plant, which operated with reduced power during the first four months of the year, and was shutdown at the end of April for the planned total revamping for the purpose of benefiting from green certificates as from January 2011. Such effect was only partially mitigated by the contribution from the acquisition of the Esposito Group (Ecocentro Soluzioni Ambientali S.r.l. and Esposito Servizi Ecologici S.r.l.) as from the second half of 2010.

Gross operating income (€37.3 million) also rose, climbing by €4.4 million and its ratio to sales revenues stood at 37.6% (34.6% in 2009).

Operating income of €19.7 million reflects an increase of €0.9 million over 2009, and is equal to 19.8% of sales revenues (19.8% in 2009). It should be noted that operating income includes the writedown of goodwill in the Trezzo sull'Adda plant (€4.8 million) effected as a result of an impairment test, the costs sustained for the non-recurring transaction (€2.2 million), and a provision to miscellaneous risk reserves (€1.1 million).

Net profit amounted to €4.6 million and presents a decrease of €1.1 million with respect to 2009.

The **net financial position** is a debt balance of €728.4 million, and sharply increased with respect to the credit balance of €95.3 million at 31 December 2009. The non-recurring transaction carried out during the year entailed an increase in invested capital derived from the consolidation of assets in the wind-energy business with installed capacity equal to 450 MW at the end of 2010; this also led to the consolidation of the wind-energy sector's net financial position, that includes borrowings in relation to the investments sustained in recent years for the

construction of wind farms. It should be noted finally that the financial position is inclusive of “non recourse” borrowings amounting to €601.2 million at 31 December 2010.

Update on investments and development

The **investments** for the period came to €89.0 million, and represent the Group's financial commitment to wind farms and photovoltaic plants, the revamping of the Rende plant, and initiatives to improve the plants in operation. The amount of investments indicated above includes the wind-energy sector with relation to the month of December 2010 only, as previously pointed out.

Integrated system – Sicily

The dispute continues between the Sicilian companies, Tifeo Energia Ambiente S.c.p.a., Platani Energia Ambiente S.c.p.a., Palermo Energia Ambiente S.c.p.a., and the Council Office for Energy and Public Utility Services of the Region of Sicily. On 24 February 2011, the judge verified that notices had been regularly served to the third parties called, and granted the parties the terms provided by Article 183, Paragraph 6 of the Code of Civil Procedure in order to file briefs. The continuation of the proceedings was therefore deferred to a hearing scheduled for 23 November 2011.

Results of the holding company, Falck Renewables S.p.A.

The year of 2010 closed with a net loss of €0.2 million, after the accrual of €0.9 million of income from fiscal consolidation. When compared with the prior year, a reduction was seen in operating income (decrease of €3.0 million) that incorporated €2.2 million of costs for the planning and execution of the non-recurring transaction that has allowed for concentrating within Falck Renewables S.p.A. all of the activities of the Falck Group in relation to renewable energies, and €1.2 million of non-recurring charges.

Net financial income was also lower (decrease of €1.2 million) as were the investment income (decrease of €6.8 million) for the effect of lower dividends from Prima S.r.l. and Frullo Energia e Ambiente S.r.l. which amounted to €7.1 million. This heading also includes a charge of €1.0 million to the investment provision, and the €2.7 million writedown of the shareholding in Powercrop S.p.A. prior to its sale.

The financial position is a surplus of €199 million, and reflects a €48.0 million decrease with respect to 31 December 2009. The change is essentially the result of the demerger of Falck Energy S.p.A., the distribution of dividends (€5.7 million) and the acquisition of 100% of Ecocentro Soluzioni Ambientali S.r.l. and Esposito Servizi Ecologici S.r.l.

The Board will submit a proposal to the stockholders' meeting for the distribution of a dividend of €0.012 per ordinary share, on a pre-tax basis. The ex-dividend date is 23 May 2011, and the value date is set for 26 May 2011, coupon n. 7.

Business outlook

The earnings results for 2011 will benefit from the full-year consolidation of the wind-energy sector.

Operating results will furthermore benefit from:

- The start-up of the Rende biomass plant (14 MW), whose revamping was completed at the end of 2010;

- The start-up of operation of three photovoltaic plants at Cardonita (Enna), 3.8 MW, Spinasanta (Catania), 6 MW, and Sugherotorto (Ragusa), 3.3 MW, all of which are slated to be operational as from the second quarter of 2011;
- The full-year consolidation of the results of Ecocentro Soluzioni Ambientali S.r.l. and Esposito Servizi Ecologici S.r.l.

With reference to plants under construction, the Company plans the completion and commercial start-up of: the Buddusò-Ala de Sardi wind farm (138 MW), with 82 MW coming on stream by May 2011 and the remaining 56 MW by the end of the year; the extension of the Millennium (Scotland) wind farm during the first quarter of 2011; and the extension of the Kilbraur (Scotland) wind farm during the third quarter of 2011 for a total of approximately 35 MW of installed power.

The sizeable investments needed for the construction of the aforementioned facilities, as related to the 2010-2014 Business Plan presented to the market, will influence the net financial position, whose growth will be partially mitigated by the cash generation from the plants in operation.

The Group will continue to monitor the regulations governing the renewable energies sector. A particular accent will be placed on monitoring incentives, so as to allocate investments to the more interesting and favourable businesses/countries, with a view toward diversifying renewable technologies and geographic location.

Aggregate data

The following aggregate figures have been prepared in an effort to provide shareholders, stakeholders and the financial market with better insight about the significant size of the new Group's earnings, capital and financial position.

Accordingly, the aggregate data for Falck Renewables Group represent the capital, financial position and earnings of the activities that are part of the Company as a result of the Demerger, as if the Actelios Group and the Falck Renewables Plc Group (currently, Falck Renewables Wind Ltd) were to have operated as a single group referable to Falck Renewables S.p.A. as from 1 January 2009¹.

It should be noted nonetheless that even if the activities aggregated were to have been part of the group referable to Falck Renewables S.p.A. during such period, it is not certain that the earnings, capital and financial position would have been those represented below.

1) It is noted that the concentration became effective with the demerger on 15 November 2010.

	31.12.2010	31.12.2009
A Revenues	184,641	185,245
Direct labour cost	(8,001)	(6,484)
Overhead costs	(99,398)	(94,441)
B Cost of sales	(107,399)	(100,925)
C Gross operating income	77,242	84,320
Other income	3,742	4,032
Other employee costs	(10,640)	(10,480)
General and administrative expenses	(21,811)	(21,575)
D Net operating income	48,533	56,297
Financial income and charges	(35,802)	(27,206)
Income and charges on equity investments	1,138	(137)
E Earnings before income taxes	13,869	28,954
Income taxes	(11,501)	(7,535)
F Net profit	2,368	21,419
G Minority interests	2,072	4,772
H Group net profit	296	16,647
EBITDA (1)	94,559	96,231

(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 by the Group. This definition has also been used retroactively in order to calculate EBITDA of the aggregate financial statements for 2009 which goes from €95,012,000 to €96,231,000.

The Falck Renewables Group's aggregate **revenues** for 2010 are substantially in line with the aggregate revenues for 2009, and benefit from various factors, including:

- The positive contribution of the consolidation of the two companies acquired in June 2010, namely, Esposito Servizi Ecologici S.r.l. and Ecocentro Soluzioni Ambientali S.r.l.;
- The growth of revenues in the photovoltaic sector for the effect of the commercial start-up of the Notarpanaro plant in May 2010, and the full-year contribution of the Il Calce plant which began operating at the end of 2009;
- The incremental revenues from the wind-energy business for the effect of the start-up of production by several new plants and the increase in installed capacity, partially offset by the exceptional shortfall in windiness during 2010.

The positive effects outlined above were nonetheless offset by the pronounced drop in revenues in the biomass business mainly for the effect of the shutdown of the Rende plant for the planned revamping that began at the end of April 2010.

The Falck Renewables Group's aggregate **direct labour costs** for 2010 were higher than the aggregate reported for 2009, with the change mostly due to the growth of the number of employees year on year (following the consolidation of the two companies acquired in June 2010, namely, Esposito Servizi Ecologici S.r.l. and Ecocentro Soluzioni Ambientali S.r.l.) and non-recurring charges, partially offset by the more moderate impact of accruals in relation to the share plan.

The Falck Renewables Group's aggregate **overhead costs** for 2010 were higher than the aggregate reported for 2009, mainly for the effect of increased depreciation of tangible assets and higher maintenance costs, both due to the increase in installed capacity and partially offset by a decrease in materials costs due to lower purchases of

biomass in relation to the shutdown of the Rende biomass plant in 2010. The account was also impacted by the €4.8 million writedown of goodwill in relation to the Trezzo plant.

The Falck Renewables Group's aggregate **general and administrative expenses** for 2010 were substantially in line with the expenses recorded for 2009. However, the figures for 2010 are impacted by the costs related to the non-recurring transaction referenced above for a total of €2.2 million.

For the effect of the foregoing, the Falck Renewables Group's aggregate **EBITDA** for the year of 2010 is slightly lower than the aggregate EBITDA reported for 2009.

The Falck Renewables Group's aggregate **operating income** for 2010 presents a decrease with respect to 2009 due to higher depreciation charges as a result of the increase in installed capacity.

The Falck Renewables Group's aggregate **earnings before income taxes** contracted significantly for the effect of the items set out above and for the effect of higher financial charges accrued during the year as a result of the growth of net financial position.

In addition to the foregoing, it is noted that the large investments currently in process have increased the net financial position, but did not positively influence EBITDA for 2010. The investments are mainly related to the Buddusò-Ala de Sardi wind farm (138 MW, including a first part of 82 MW that can be expected to be in commercial operation by May 2011 and the remaining 56 MW as of the end of 2011) and the photovoltaic plants located at Cardonita (Enna) (3.8 MW), Spinasantà (Catania) (6 MW), and Sugherotorto (Ragusa) (3.3 MW) that will be operational as of the second quarter of 2011.

The Group's aggregate **tax provisions** for 2010 were substantially higher with respect to 2009, including for the effect of fewer benefits from the fiscal relief provided by the Tremonti-Ter law in 2010 when compared with 2009.

The **net profit** came to €2.4 million (€21.4 million at 31 December 2009).

The **net financial borrowings** increased as a result of the investments made, mostly in the wind-energy sector.

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

The audit of the draft of the financial statements at 31 December 2010 together with the report on operations is currently in process and near completion.

The draft of the holding-company and consolidated financial statements will be made available within the term provided for by law at the registered office in Corso Venezia 16, Milan, Italy, at Borsa Italiana S.p.A. and within the Investor Relations section of the Company's web site www.falckrenewables.eu and will be submitted for approval to the annual general meeting of the shareholders to be held on 6 May 2011 at 11:30 a.m., first call. The second call is scheduled for 7 May 2011, at the same time.

Falck Renewables S.p.A., a Falck Group company traded on the Italian Stock Exchange (ticker: FKR), operates in Europe with approximately 500 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 precise 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 to reach an installed capacity of approximately 1,100 MW by the end of 2014.

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Falck Renewables consolidated financial statements at 31 December 2010

Income statement

		(in € 000's)			
		31.12.2010		31.12.2009	
		<i>Related Parties</i>		<i>Related Parties</i>	
A	Revenues	99,196		94,923	75
	Direct labour costs	(7,657)		(6,436)	
	Overhead costs	(54,282)		(55,661)	(133)
B	Cost of sales	(61,939)		(62,097)	
C	Gross operating income	37,257		32,826	
	Other income	1,527	114	1,354	169
	Other employee costs	(5,356)		(3,715)	
	General and administrative expenses	(13,772)	(3,394)	(11,663)	(4,119)
D	Net operating income	19,656		18,802	
	Financial income and charges	(4,011)	1,102	(2,669)	1,931
	Income and charges from equity investments	345	1		
E	Earnings before income taxes	15,990		16,133	
	Income taxes	(11,347)		(10,399)	
F	Net profit	4,643		5,734	
G	Minority interests	2,144		1,559	
H	Group net profit	2,499		4,175	

Falck Renewables consolidated financial statements at 31 December 2010

Balance sheet

	(in € 000's)			
	31.12.2010		31.12.2009	
		<i>Related Parties</i>		<i>Related Parties</i>
Assets				
A Non-current assets				
1 Intangible assets	136,277		44,963	
2 Tangible assets	947,061		224,140	
3 Securities and equity investments	1,191		11	
4 Medium-/long-term financial receivables	10,765	734		
5 Deferred tax assets	17,833		9,990	
6 Other receivables	11,352	10,079	1,776	1,115
Total	1,124,479		280,880	
B Current assets				
1 Inventories	3,728		4,318	
2 Trade receivables	72,570	35	22,012	169
3 Other receivables	49,170	7,814	12,244	2,201
4 Crediti finanziari	13	13	158,935	153,963
5 Securities				
6 Cash and cash equivalents	92,789		20,709	
Total	218,270		218,218	
C Non-current assets held for sale				
Total assets	1,342,749		499,098	
Liabilities and shareholders' equity				
D Shareholders' equity				
1 Share capital	161,897		67,680	
2 Reserves	139,879		252,257	
3 Retained earnings	23,713		19,737	
4 Net profit for the period	2,499		4,175	
Total Group equity	327,988		343,849	
5 Minority interests	7,345		5,803	
Total shareholders' equity	335,333		349,652	
E Non-current liabilities				
1 Medium-/long-term financial liabilities	618,746		57,922	
2 Other non-current liabilities	1,837			
3 Deferred tax liabilities	17,471			
4 Reserves for risks and charges	5,982		1,008	
5 TFR	2,952		2,223	
Total	646,988		61,153	
F Current liabilities				
1 Trade payables	106,707	27,380	48,613	9,550
2 Other payables	40,549	8,554	13,216	5,665
3 Short-term financial liabilities	213,172	161,464	26,464	1,597
4 Reserves for risks and charges				
Total	360,428		88,293	
G Liabilities related to non-current assets held for sale				
Total liabilities and shareholders' equity	1,342,749		499,098	

Falck Renewables S.p.A. financial statements at 31 December 2010

Income statement

		(in € 000's)			
		31.12.2010		31.12.2009	
		<i>Related Parties</i>		<i>Related Parties</i>	
A	Revenues	364	346	189	189
	Direct labour costs				
	Overhead costs	(93)		(289)	
B	Cost of sales	(93)		(289)	
C	Gross operating income	271		(100)	
	Other income	3,001	2,593	2,991	2,915
	Other employee costs	(4,549)		(3,464)	
	General and administrative expenses	(8,081)	(2,576)	(5,760)	(2,532)
D	Net operating income	(9,358)		(6,333)	
	Financial income and charges	4,265	4,306	5,471	5,207
	Income and charges from equity investments	3,893	7,191	10,711	10,711
E	Earnings before income taxes	(1,200)		9,849	
	Income taxes	1,006		391	
F	Net profit	(194)		10,240	
	<i>Basic earnings per share (€ per share)</i>	(0.00)		0.15	

Falck Renewables S.p.A. financial statements at 31 December 2010

Balance sheet

	(in € 000's)			
	31.12.2010		31.12.2009	
		<i>Related Parties</i>		<i>Related Parties</i>
Assets				
A Non-current assets				
1 Intangible assets	88		54	
2 Tangible assets	62		79	
3 Securities and equity investments	227,696		83,415	
4 Trade receivables	2,763	2,763		
5 Medium-/long-term financial receivables	93,709	93,709	6,374	6,374
6 Deferred tax assets	1,567		403	
7 Other receivables	790	790	333	333
Total	326,675		90,658	
B Current assets				
1 Inventories				
2 Trade receivables	1,976	1,885	6,927	6,902
3 Other receivables	12,243	12,148	14,589	14,107
4 Financial receivables	270,799	270,799	242,129	242,129
5 Securities				
6 Cash and cash equivalents	33		72	
Total	285,051		263,717	
C Non-current assets held for sale				
Total assets	611,726		354,375	
Liabilities and shareholders' equity				
D Shareholders' equity				
1 Share capital	161,897		67,680	
2 Reserves	250,705		248,812	
3 Retained earnings	23,713		19,737	
4 Net profit	(194)		10,240	
Total Group equity	436,121		346,469	
5 Minority interests				
Total shareholders' equity	436,121		346,469	
E Non-current liabilities				
1 Medium-/long-term financial liabilities				
2 Other non-current liabilities				
3 Deferred tax liabilities				
4 Reserves for risks and charges	1,067		465	
5 Reserve for severance indemnities	526		499	
Total	1,593		964	
F Current liabilities				
1 Trade payables	7,572	1,740	4,303	3,359
2 Other payables	887		1,040	39
3 Short-term financial liabilities	165,553	165,073	1,599	1,599
4 Reserves for risks and charges				
Total	174,012		6,942	
G Liabilities related to non-current assets held				
Total liabilities and shareholders' equity	611,726		354,375	

