FALCK RENEWABLES

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PRESS RELEASE

Falck Renewables SpA

The BoD approves results for First Half 2011:

- **Revenues of to 114 million euro and Gross Operating Margin (Ebitda) of 65 million euro (57% of revenues) up respectively 32% and 39% compared with 1H 2010;**
- **Earnings before income taxes are up 130,5% compared with 1G 2010 result and total 24.8 million euro (21.8% of revenues);**
- **Net profit is up 59% compared with 1H 2010 totalling 14.3 million Euro (12.6% of revenues);**
- **Installed Capacity of 526 MW, up 19% compared with 1H 2010**
- **Net financial debt decreased 73 million euro to 655.6 million euro, of which 85% is related to project financing and 72% is hedged against interest rate movements.**

Net profit and Net Financial Debt are further better as those anticipated in the business plan.

Milan, 29th August 2011 – At today's meeting the **Board of Directors of Falck Renewables SpA** examined and **approved the First Half 2011 Financial Report at 30 June 2011**.

In this press release, in order to better understand the economic results, the consolidated 1H 2011 results at 30 June 2011 will be compared to the pro forma Combined Results at 30 June 2010, as if Actelios Group and Falck Renewables plc Group had operated as a single entity referable to Falck Renewables SpA from 1st January 2010 instead of 15 November 2010, that is the effective date of the demerger and contribution transaction [1].

Piero Manzoni, Chief Executive Officer of Falck Renewables SpA remarked: "We are very satisfied with the results approved at today's meeting of the Board of Directors and if the expected wind conditions prevail, we can confirm the target of Ebitda above 130 million euro set in our business plan for FY 2011. The net result deserves particular attention, because it would have increased by more than four times if we excluded from pro forma Combined 1H 2010 Results all tax benefits related to Tremonti-ter. Moreover, even if the introduction of the "Robin Hood tax" were confirmed, this would decrease the consolidated 1H 2011 Net profit by only 0.8 million euro. The net financial debt is reduced in comparison to End 2010. These results confirm the high quality of our projects, that benefit of excellent cost and production factors, the constant attention to managing factors and the reduction of internal costs. It is worth remembering that a significant amount of the Net Financial debt (30%) is related to investments that will generate revenues starting from in 2H. By the end of 2011 the installed capacity will reach approx. 685 MW, up 30% in comparison with the operating capacity as of 30 June 2011. We will keep growing both in terms of Ebitda and in terms of installed capacity thanks to our plants, which are recently built and which will provide 20-years of revenues".

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1) As a result of the Demerger and Contribution transaction related to the wind sector activities of Falck Renewables, which were carried out on 15 November 2010, the consolidated 1H 2011 results now also includes the wind sector results, unlike to 1H 2010. **Consequently the consolidated 1H 2011 results are not comparable with those at 30 June 2010 and for this reason the pro forma Combined 1H 2010 results have been prepared** which allow the comparison with consolidated 1H 2011 Results.

1H 2011 Consolidated Results, 1H2010 pro forma Combined , 1H 2010 Consolidated Results

(euro thousands)

		consolidated First Half 2011	pro forma Combined First Half 2010 (2)	consolidated First Half 2010 (3)
A	Revenues	114.034	86.196	43.266
	Direct labour costs	(4.797)	(4.093)	(3.852)
	Overhead costs	(53.617)	(43.671)	(20.544)
B	Cost of sales	(58.414)	(47.764)	(24.396)
C	**Gross operating income**	**55.620**	**38.432**	**18.870**
	Other income	1.527	2.871	878
	Other employee costs	(6.122)	(5.644)	(2.983)
	General and administrative expenses	(8.903)	(8.143)	(4.423)
D	**Net operating income**	**42.122**	**27.516**	**12.342**
	Financial income and charges	(17.867)	(17.068)	(1.398)
	Income and charges on equity investmens	560	317	1
E	**Earnings before income taxes**	**24.815**	**10.765**	**10.945**
	Income taxes	(10.483)	(1.768)	(4.179)
F	**Net profit**	**14.332**	**8.997**	**6.766**
G	Minority interests	997	1.541	1.076
H	**Group net profit**	**13.335**	**7.456**	**5.690**
	EBITDA (1)	**64.993**	**46.875**	**17.495**

(1) EBITDA is defined by Falck Renewables Group as the net earnings before income and charges on equity investments, financial income and charges, depreciation, amortizations, 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. This definition has been used retrospectively in order to compute the aggregated financial statement Ebitda related to the first half-year 2010.

(2) The pro-forma Combined First Half 2010 Results include both the results of Actelios Group at the same date, and the results of Falck of Falck Renewables Wind (wind sector) with the necessary adjustments and elisions.
(3) The consolidated First Half 2010 represents the results of Actelios Group at this date and therefore doesn't include the wind setor.

Comparison of 1H 2011 Consolidated Results with 1H 2010 pro forma Combined Results

The Falck Renewables consolidated First Half 2011 revenues compared to First Half 2010 revenues show a significant increase by 27.8 million Euro (+32.3%). They benefit i.a. of: additional revenues from the wind sector for a total of 15.6 million Euro due to the start of commercial operation of some new plants and the related rise in installed capacity, despite below average of wind speeds recorded during 2011 in Italy; the positive contribution of 5.4 million Euro coming from the first six months of 2011 consolidation of Esposito Servizi Ecologici Srl and Ecocentro Soluzioni Ambientali Srl acquired in June 2010; the increase in revenues by 1.7 million Euro of the photovoltaic plants thanks to the start of commercial operation of Actelios Solar SpA plants in Sicily; the new revamped biomass plant in Rende which started the operation in January 2011 and the good performance of Trezzo and Granarolo dell'Emilia plants, for a total of revenues equal to 5.1 million Euro. It is worth remembering that in April 2011 Trezzo plant tariff related to the incentive component referred to in paragraph 3 of the Italian decree CIP6/92 expired, while tariff related to the avoided cost is still effective.

The consolidated 1H 2011 **Ebitda** compared to 1H 2010 Ebitda reflects a marked improvement (+18.1 million Euro, +38.7%). Ebitda compared to revenues is 57% (in pro forma Combined 1H 2010 was 54.4%).

The **consolidated net operating income** in the First Half 2011 shows a significant increase in comparison to pro forma Combined 1H2010 net operating income (+14.6 million Euro, +53.1%).

The consolidated **earnings before income taxes** in the First Half 2011 posted a strong increase (+14.0 million Euro, +130.5 %) in comparison to 1H 2010 as a result of the above mentioned factors and the low financial costs.

The consolidated **income taxes** in the First Half 2011 highlighted a strong increase in comparison to 1H 2010 as a result of the higher profit, but above all as a result of the non-use of Tremonti-Ter tax relief which could be used just for the FY 2009 and 2010, which amounted to 6.0 million Euro for the first half 2010.

The **net profit** is positive for 14.3 million Euro (9.0 million Euro in 1H 2010) with an increase of 59.3%. It is worth remembering that the 1H 2010 included the Tremonti-Ter benefit for a total of 6.0 million Euro. Without the above mentioned tax benefit, the pro forma Combined 1H 2010 net profit would be equal to 3.0 million Euro, consequently consolidated 1H 2011 net result would increase by more than four times in comparison to that one posted in the same period of 2010. It is worth highlighting that, after the issue of the so called “Manovra di Ferragosto” that forsees an additional corporate income tax (so called Robin Hood Tax), equal to 10.5% on taxable income for those companies operating in the production of electric power with 10 million euro revenues and 1 million euro taxable profit, and waiting for any corrective action to be taken by the Parliament, Falck Renewables Group could have a higher income taxes of about 1.5 million euro in addition to the amount posted in consolidated 1H 2011, offset by the adjustment of the deferred tax asset of about 0.7 million euro and a consequent negative effect on the net profit of about 0.8 million euro. So far the Robin Tax shouldn’t impact significantly on economic and financial policies of the group for FY 2011.

Net financial debt

		(euro thousands)
	First Half 2011	End 2010
Consolidated Net financial Debt	**(655,604)**	**(728,351)**

The consolidated **net financial position** amounted to 655.6 million euro, in reduction compared to end 2010 of about 73 million euro, due to the Falck Renewables SpA share capital increase of about 130 million euro and the cash flow coming from the operating plants. This decrease is partially offset by capital expenditure in the first half 2011, equal to approximately 86 million euro, mainly used for the construction of Buddusò e Alà dei Sardi and Petralia Sottana wind farms in Italy, for the extension of Kilbraur and Millennium wind farms in the United Kingdom as well as for the photovoltaic plants of Spinasanta, Cardonita and Sugherotorto in Sicily.

The merger of all renewable energies in a single company, which occurred at the end of last year, has lead to an increase in net capital invested resulting from the consolidation of all wind activities (the installed capacity at the end of June 2011 is equal to 526 MW) with the related consolidation of the net financial debt of the wind activities.

The net financial debt incorporates net financial debts equal to 197.5 million euro related to investments that part will generate revenues during the second half 2001. In the next six months approx. 158 MW should enter into operation corresponding to approx. 30% of the installed capacity as of 30 June 2011. Therefore without this amount of debt, the consolidated net financial debt would be equal to 458.1 million euro.

It is worth remembering that the net financial debt includes non recourse loans in amount of approximately

639.0 million euro at 30 June 2011 (“Gross Debt Project Financing”).

The net financial debt of the project companies (PFN Project) which includes the Gross Debt Project Financing, the *fair value* of the derivatives related to the hedging of interest rate exposure and the cash referred to the project financing, is equal to 558.8 million euro, which is approximately 85% of the consolidated net financial debt at 30 June 2011.

Furthermore the Gross Debt Project Financing is hedged, through *interest rate swap*, from interest rate exposure for a total of approximately 457.6 million euro, equal to 72% of that debt.

Installed capacity

The following scheme shows the installed capacity by technology, and highlights the strong increase (+19%) compare to the pro forma Combined 1H 2010.

(MW)

Technology	At 30 June 2011	At 31 December 2010	Pro-forma Combined at 30 June 2010	Consolidated at 30 June 2010
Wind	465,2	450,2	408,1	n/a
Wte	31	31,0	31,0	31,0
Biomass	14	14,0	0,0	0,0
Photovoltaic	16,1	3,0	2,0	2,0
Total	**526,3**	**498,2**	**441,1**	**33,0**

Investments

(euro thousands)

	First Half 2011	End 2010
Intangible assets	363	13,522
Property, plant and equipment	85,519	177,418
Total Investments	**85,882**	**190,940**

The 85.9 million euro **investments** represent the Group’s CAPEX in wind and photovoltaic plants, as well as in the improvement of the operating ones. During the first half 2011, the Capex were related to the construction of the Buddusò and Alà dei Sardi wind farm for a total of 43.0 million euro; the construction of the Petralia Sottana wind farm for a total of 8.3 million euro; the extension of Kilbraur and Millennium wind farms in the United Kingdom for a total of 21.0 million euro; the construction of the three photovoltaic plants in Spinasanta, Cardonita and Sugherotorto for a total of 10.9 million euro.

Outlook for 2011 results in comparison with pro forma Combined 2010 results

Full year 2011 consolidated 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 into operation since 25th April 2011;
- the start of commercial operation of the Scottish Kilbraur (20 MW) that will be completed during the IIIQ

2011 and Millennium (15MW) extensions today in operation;

- the start of commercial operation of Buddusò Alà dei Sardi plant (138 MW) whose 50% is already completed and in commissioning and that will be completed during the IVQ 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.

Falck Renewables has already gathered all financial resources, both with non recourse loan and with corporate loan of 165 million euro for financing those plants under construction as set in the 2010-2014 business plan. Therefore, the Group is able to continue to take advantage of attractive investment opportunities while keeping attention on the increase in the net financial debt, mitigated by the cash flow coming from the very positive performance of all operating plants.

The Group will continue to monitor regulations in the renewable sector, with particular focus on incentives policies, particularly in Italy where the renewable Energy incentives regime is currently under review.

The Group will take in consideration those changes in order to allocate to those business or countries that are most favourable, with a view to diversifying both renewable technologies and geographical presence.

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The following are attached: Falck Renewables consolidated accounting statements derived from the Consolidated First Half 2011 Report at 30 June 2011 compared with 2010 consolidated balance sheet, pro-forma Combined 1H 2010 and with consolidated 1H 2010.

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 press release corresponds to documentary evidence, books and accounting records.

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The Consolidated First Half 2011 Financial Report at 30 June 2011 of Falck Renewables 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 section Investor Relation.

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A conference call will be held today at 4 o'clock p.m. (Italian time) for analysts, investors and banks in order to present the First Half 2011 Results. The call-in details are available on the web site www.falckrenewables.eu, under section *news*. The support material will be available on the web site, under the section *investor relation* as far as the conference call has started.

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1H Financial Report at 30 June 2011 – Consolidated balance sheet

(Euro thousands)

	Note	30.6.2011	of which related parties	31.12.2010	of which related arties
Assets					
A **Non-current assets**					
1 Intangible assets	(1)	132,408		136,277	
2 Property, plant and equipment	(2)	998,937		947,061	
3 Financial assets	(3)	997		1,191	
4 Medium/long-term financial receivables	(4)	10,824	734	10,765	734
5 Commercial assets	(5)	2,212			
6 Deferred income tax assets	(7)	18,389		17,833	
7 Other receivables	(6)	8,600	6,302	11,352	10,079
Total		**1,172,367**		**1,124,479**	
B **Current assets**					
1 Inventories	(8)	3,964		3,728	
2 Trade receivables	(5)	68,189	127	72,570	35
3 Other receivables	(6)	53,941	6,316	49,170	7,814
4 Financial receivables	(4)	56	42	13	13
5 Financial assets					
6 Cash and cash equivalents	(9)	104,782		92,789	
Total		**230,932**		**218,270**	
C **Non-current assets held for sale**					
Total assets		**1,403,299**		**1,342,749**	
Liabilities					
D **Equity**					
1 Ordinary shares		291,414		161,897	
2 Reserves		139,193		139,879	
3 Retained earnings		20,022		23,713	
4 Profit for the period		13,335		2,499	
Capital and reserves attributable to group	(10)	**463,964**		**327,988**	
5 Minority interest in equity		6,946		7,345	
Total equity	(10)	**470,910**		**335,333**	
E **Non-current liabilities**					
1 Medium/long-term financial liabilities	(13)	719,434		618,746	
2 Other non-current liabilities	(15)	1,929		1,837	
3 Deferred income tax liabilities	(7)	19,013		17,471	
4 Provisions for other liabilities and charges	(11)	8,303		5,982	
5 Staff leaving indemnity	(12)	3,599		2,952	
Total		**752,278**		**646,988**	
F **Current liabilities**					
1 Trade payables	(14)	87,412	11,352	106,707	27,380
2 Other payables	(15)	40,867	4,944	40,549	8,554
3 Short-term financial liabilities	(16)	51,832	1,773	213,172	161,464
4 Provisions for other liabilities and charges					
Total		**180,111**		**360,428**	
G **Liabilities attributable to non-current assets held for sale**					
Total liabilities		**1,403,299**		**1,342,749**	

1H Financial Report at 30 June 2011 – Consolidated income statement

					(Euro thousands)
			30.6.2011	30.6.2010	30.6.2010
		Note	consolidated	consolidated	combined
A	Revenue	(17)	114,034	43,266	86,196
	Direct labour costs	(18)	(4,797)	(3,852)	(4,093)
	Direct costs	(19)	(53,617)	(20,544)	(43,671)
B	Cost of sales		(58,414)	(24,396)	(47,764)
C	**Gross profit**		**55,620**	**18,870**	**38,432**
	Other income	(20)	1,527	878	2,871
	Other employee costs	(18)	(6,122)	(2,983)	(5,644)
	Administrative expenses	(21)	(8,903)	(4,423)	(8,143)
D	**Operating profit**		**42,122**	**12,342**	**27,516**
	Finance costs - net	(22)	(17,867)	(1,398)	(17,068)
	Investment income	(23)	560	1	317
E	**Profit before income tax**		**24,815**	**10,945**	**10,765**
	Income tax expense	(24)	(10,483)	(4,179)	(1,768)
F	**Profit for the period**		**14,332**	**6,766**	**8,997**
G	Profit attributable to minority interest		997	1,076	1,541
H	**Profit attributable to group equity holders**		**13,335**	**5,690**	**7,456**
	Earnings per share (Euro per share)	(10)	*0.06*	*0.08*	*0.11*