

PRESS RELEASE

Falck Renewables SpA

The Board of Directors approves results at 30 September 2011:

All economic figures are compared with the pro forma Combined results of the first nine months of 2010

- **Revenues: +27.5% to 168.6 million Euros;**
- **Ebitda: +32.2% to 93.5 million Euros (55.5% of revenues);**
- **Ebit: 33.5 million Euros, almost tripled in comparison with 2010;**
- **Installed Capacity +14% to 546.3 MW;**
- **Net financial debt without fair value derivatives: 686.9 million euros (705.1 million euros at 31.12.2010);**
- **Net financial debt equal to approx. 743 million euros (728 million euros at 31.12.2010).**

Milan, 14 November 2011 – At today's meeting, **the Board of Directors of Falck Renewables SpA** examined and **approved the interim financial report** at 30 September 2011.

For comparative purposes, the interim financial report at 30 September 2011 has to be compared with the pro forma Combined Results at 30 September 2010 of the Actelios Group and Falck Renewables Plc, as the combined Falck Renewables SpA has operated as a single entity since 1 January 2010 instead of 15 November 2010, the effective date of the demerger and contribution transaction the 15 November 2010¹.

Piero Manzoni, Chief Executive Officer of Falck Renewables SpA remarked: "Revenues, Ebitda and Earnings Before Taxes at 30 September 2011 confirm the steady growth of the company, in line with all 2011 targets. We are successfully implementing our plan, despite the European uncertainties related to the regulatory and economic framework and despite the ongoing financial crisis. The Group, thanks to its multinational presence, can shift attention towards those countries with lower financial risks and greater regulatory certainties and is well prepared to take advantage of changing market opportunities, with an eye to maintain constant focus on project funding and the earning capacity of new initiatives".

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 Q3 2011 also includes the wind sector results, unlike to Q3 2010. **Consequently the first nine month 2011 results are not comparable with those at 30 September 2010 and for this reason the pro forma combined results at 30 September 2010 have been prepared which allow the comparison with consolidated 30 September 2011 results.**

Nine month 2011 Consolidated Results, Nine month 2010 pro forma Combined Results and Nine month 2010 Consolidated results

	(euro thousands)		
	Consolidated 30.9.2011	Pro forma Combined 30.9.2010 (2)	Consolidated 30.9.2010 (3)
A Revenues	168,571	132,231	66,938
Direct labour cost	(6,262)	(5,945)	(5,636)
Overhead costs	(82,063)	(68,106)	(32,088)
B Cost of sales	(88,325)	(74,051)	(37,724)
C Gross operating income	80,246	58,180	29,214
Other income	1,527	3,504	1,471
Other employee costs	(8,905)	(8,222)	(3,787)
General and administrative expenses	(14,584)	(15,178)	(8,973)
D Net operating income	58,284	38,284	17,925
Financial income and charges	(25,397)	(27,647)	(2,029)
Income and charges on equity investment	572	838	351
E Earnings before income taxes	33,459	11,475	16,247
Ebitda (1)	93,475	70,725	28,237

- (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, also 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 nine months 2010, that amounts to 70,725 thousands euros.
- (2) The pro forma Combined Results at 30 September 2010 include both the results of Actelios Group at the same date and the results of Falck Renewables Wind (wind sector) with the necessary adjustments and elisions.
- (3) The consolidated Results at 30 September 2010 show the results of Actelios Group at this date and therefore it doesn't include the wind sector.

Comparison of first nine month 2011 Consolidated Results with first nine month 2010 pro forma Combined Results

The Falck Renewables nine month 2011 consolidated **revenues** compared with first nine month 2010 pro forma Combined results, show a significant increase of 36.3 million euros (+27.5%) due to (i) a positive contribution coming from the consolidation of Esposito Servizi Ecologici Srl and Ecocentro Soluzioni Ambientali Srl acquired in June 2010, which at 30 September 2010 contributed just for four months; (ii) the increase in revenues of photovoltaic plants thanks to the start of commercial operation of solar plants in Sicily, which were not operational the first nine months of 2010; positive outcomes from the biomass plant in Rende, which has started again at full capacity after the 2010 revamping; and (iii) growth from wind sector due to the start of commercial operation of some new plants.

The Falck Renewables consolidated **Ebitda** for the period under consideration is equal to 93.5 million euros, up 32.2% in comparison to pro forma Combined Ebitda of the same period of the previous year.

The Group consolidated **Operating Income** at 30 September 2011 is 58.3 million euros, an increase of 20 million euros, equal to 52.2% of revenue.

The Group consolidated **Earnings before income taxes** is almost tripled in comparison to 30 September 2010, to 33.5 million euros (+22 million euros), mainly due to an increase in operating income.

Net financial debt

	(euro thousands)	
	30.9.2011	31.12.2010
Consolidated Net financial debt	(742,946)	(728,351)
Consolidated Net financial debt without fair value derivatives	(686,871)	(705,123)

The **Net financial position** at September 30, 2011 amounts to 743 million euros, with an increase of 14.6 million euro in comparison to 31 December 2010, mainly due to investments made (157.1 million euros) partially offset by capital increase, ended in March 2011 (129.9 million euros).

The net financial position includes net financial debts equal to 263.6 million euros related to projects under construction, at 30 September 2011, which has not yet generated revenues or that generated very limited commissioning revenues. Excluding this amount, the net financial position would be equal to 479.4 million euros.

It is worth noting that the net financial position includes non recourse loans equal to 710.5 million euros ("Gross Debt Project Financing"), up 109.3 million euros in comparison to 31 December 2010.

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 647.2 million euros, which is approximately 87% of the consolidated net financial debt at 30 September 2011.

Furthermore the Gross Debt Project Financing is largely hedged, through interest rate swap, from interest rate exposure, totaling approximately 553.8 million euros, equal to 78% of this debt.

In September 2011, Falck Renewable SpA hedged, through an interest rate swap, on a par value of 70 million euros related to the amount drawn under the committed loan underwritten the 14th January 2011 with maturity at 30 June 2015.

Due to the hedging related to Gross Debt Project Financing and to the committed loan, the net financial position (derivatives fair value excluded) is approximately 91% hedged.

Installed capacity

The following shows the installed capacity by technology, indicating the increase (+14%) in comparison with the first nine month 2010 pro forma Combined data.

(MW)

Technology	Consolidated at 30 September 2011	Consolidated at 31 December 2010	pro forma Combined at 30 September 2010	Consolidated at 30 September 2010
Wind	485.2	450.2	445.6	n/a
Wte	31.0	31.0	31.0	31.0
Biomass	14.0	14.0	0.0	0.0
Photovoltaic	16.1	3.0	3.0	3.0
Total	546.3	498.2	479.6	34.0

Nine month 2011 Consolidated investments compared with nine month 2010 pro forma Combined Investments

	(euro thousands)	
	Consolidated 30.9.2011	pro forma Combined 30.9.2010
Intangible assets	440	3,289
Property, plant and equipment	156,702	96,635
Total Investments	157,142	99,924

The increase in **investments** at 30 September 2011 relates mainly to the construction of Buddusò and Alà dei Sardi wind farm (76.3 million euros), Petralia wind farm (23.6 million euros) and Ty Ru wind farm (3.1 million euros) still in construction and the completed Kilbraur and Millennium wind farm extensions (respectively 24.2 million euros and 7.2 million euros) and the completion of three photovoltaic plants in Sicily (totaling 19.7 million euros).

Outlook

Full year 2011 consolidated outcomes will benefit from the consolidation of the wind sector.

Furthermore they also 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 are operational since 25th April 2011;
- the start of commercial operation of the Kilbraur (20 MW) and Millennium (15 MW) wind farm extensions respectively since the end of September 2011 and April 2011;
- the start of commercial operation of Buddusò Alà dei Sardi plant (138 MW) whose commissioning phase is nearing completion;
- 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;
- the above mentioned effects offset the loss of the CIP/92 benefit for the Trezzo sull'Adda waste-to-energy plant of April 2011 as far as incentive tariffs is concerned.

The Group has secured all financial resources, required for those under construction or commissioning plants included in its 2010-2014 Industrial Plan, through non recourse loans and corporate loan of 165 million euros. Therefore, the Group is ready to seize good investment opportunities while keeping a meticulous attention to the increase in net financial position; noting that increases will be 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, especially in Italy where the renewable Energy incentives regime is currently under review.

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.

The interim financial report at 30 September 2011 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 section Investor Relation.

A conference call will be held today at 4 o'clock p.m. for analysts, institutional investors and banks in order to present the interim financial report at 30 September 2011. The call in details are available on the following 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.

For further information:

Giorgio BOTTA – Investor Relator - tel. 02.2433.3338

Paolo RUNDEDDU – Chief Financial Officer and Management Services Director – tel. 02.2433.3353

Ferdinando SCIAGATA – Group's Administrative Manager – tel. 02.2433.2384

Chiara VALENTI – Responsible for Communication - 02.2433.2360 – cell. 335.7598657

Interim financial report at 30 September 2011 compared to the Consolidated results at 30.09.2010

Income statement

	(euro thousands)				
	Q3 2011	Q3 2010	At 30.9.2011	At 30.9.2010	At 31.12.2010
Revenues	54,537	23,672	168,571	66,938	99,196
Direct labour costs	(1,465)	(1,784)	(6,262)	(5,636)	(7,657)
Direct costs	(28,446)	(11,544)	(82,063)	(32,088)	(54,282)
Total cost of sales	(29,911)	(13,328)	(88,325)	(37,724)	(61,939)
Gross profit	24,626	10,344	80,246	29,214	37,257
Other income		593	1,527	1,471	1,527
Other employee costs	(2,783)	(804)	(8,905)	(3,787)	(5,356)
Administrative expenses	(5,681)	(4,550)	(14,584)	(8,973)	(13,772)
Operating profit	16,162	5,583	58,284	17,925	19,656
Financial income and charges	(7,530)	(631)	(25,397)	(2,029)	(4,011)
Income and charges on equity investments	12	350	572	351	345
Earnings before income taxes	8,644	5,302	33,459	16,247	15,990
Income taxes					(11,347)
Net profit					4,643
Minority interests					2,144
Group net profit					2,499
Ebitda (*)	28,482	10,742	93,475	28,237	39,541

(*) Ebitda = L'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, also in light of the most recent financing contracts executed. This definition has been used retrospectively in order to compute the Ebitda of the previous FY.

Net financial position

(euro thousands)	30.9.2011	30.6.2011	31.12.2010	Changes	
	(1)	(2)	(3)	(4)=(1)-(2)	(5)=(1)-(3)
Short-term third-party financial payables	(50,133)	(50,059)	(51,708)	(74)	1,575
Short-term group financial payables	(1,777)	(1,773)	(161,464)	(4)	159,687
Short-term third-party financial receivables	14	14			14
Short-term group financial receivables	34	42	13	(8)	21
Cash and cash equivalents	123,094	104,782	92,789	18,312	30,305
Short-term net financial position	71,232	53,006	(120,370)	18,226	191,602
Medium/long term third party financial payables	(819,353)	(719,434)	(618,746)	(99,919)	(200,607)
Medium/long term third party financial receivables	4,441	4,441	4,442		(1)
Medium/long term group financial receivables	734	734	734		
Third party financial receivables under derivatives		5,649	5,589	(5,649)	(5,589)
Medium/long term financial position	(814,178)	(708,610)	(607,981)	(105,568)	(206,197)
Total net financial position	(742,946)	(655,604)	(728,351)	(87,342)	(14,595)
- of which non recourse financing	(710,466)	(639,021)	(601,213)	(71,445)	(109,253)