FALCK
RENEWABLES

FALCK RENEWABLES SPA
via Alberto Falck, 4-16 (ang. viale Italia)
20099 Sesto San Giovanni (Mi)
tel. 02 24331
www.falckrenewables.eu

Cap. soc. Euro 291.413.891,00 int. vers.
Direzione e coordinamento
da parte di Falck SpA
Sede legale:
corso Venezia, 16 - 20121 Milano
Registro Imprese
C. F. e P. I. 03457730962
REA MI-1675378

PRESS RELEASE

Falck Renewables SpA

1) The Board of Directors approves the results for the nine months ending 30 September 2012:

- **Strong growth versus the first nine months of 2011: revenue up 18.2%, EBITDA up 23.3%, production up 25%;**
- **Net financial debt, excluding the fair value of derivatives, of Euro 777.2 million, a slight increase versus 31.12.2011, despite not having received the payment of approx. Euro 24.5 million for Green Certificates and considering new investments of Euro 43.7 million.**

2) Launch of the own share purchase plan

Milan, 12 November 2012 - The **Board of Directors of Falck Renewables SpA** met today to examine and approve the **interim financial report** at 30 September 2012.

Piero Manzoni, CEO of Falck Renewables SpA stated: “The first nine months of the year have confirmed our group’s growth on 2011, with the increase in new installed production capacity and the sound performance of power plants overall and programmable, WTE and Biomass plants in particular, while wind farms have been negatively affected by lower wind during July and August and ROC Recycle changes in the UK.
Nevertheless, by implementing operating cost synergies, cutting fixed costs and, especially, improving the performance of operations, management has once again led the group to outperform forecast results for the nine-month period. Based on these results, if there are no unexpected changes in normal production factors over the next few months, we expect to end the year in line with published estimates and to carry on the investment plan we have outlined. Moreover, the group has launched a plan to repurchase treasury shares in order to help stabilise the share’s list price.”

Consolidated interim results for the nine months ended 30 September 2012, 30 September 2011 and the year ended 31 December 2011

(euro thousand)

	30.9.2012	30.9.2011	31.12.2011
Revenues	199,269	168,571	248,650
Direct labour costs	(6,270)	(6,262)	(8,100)
Direct costs	(115,465)	(82,063)	(122,488)
Total cost of sales	(121,735)	(88,325)	(130,588)
Gross profit	**77,534**	**80,246**	**118,062**
Other income	1,424	1,527	1,662
Other employee costs	(9,615)	(8,905)	(12,983)
Administrative expenses	(16,359)	(14,584)	(27,508)
Operating profit	**52,984**	**58,284**	**79,233**
Financial income and charges	(35,301)	(25,397)	(42,682)
Income and charges on equity investments	676	572	700
Earnings before income taxes	**18,359**	**33,459**	**37,251**
Income taxes			(17,407)
Net profit			**19,844**
Minority interests			981
Group net profit			**18,863**
Ebitda (*)	**115,268**	**93,475**	**141,738**

(*) EBITDA = The Falck Renewables group measures EBITDA as earnings before income and expense from investments, net finance income/costs, amortisation, depreciation, impairment, provisions for risks and income taxes. It is calculated in line with market best practices, considering the group's most recent financing agreements.

Consolidated revenue of the Falck Renewables Group for the nine months ended 30 September 2012 amounts to Euro 199.3 million, up 18.2% on the Euro 168.6 million of the first nine months of 2011, mainly due to:

- the increased installed production capacity thanks to the Buddusò-Alà dei Sardi wind farm, the Kilbraur and Millennium extensions, which were not yet fully operational in the first nine months of 2011, and to the Ty Ru and Petralia Sottana wind farms that were completed in 2012;
- the good performance of the Group plants, notwithstanding the reduced wind conditions in July and August;
- the full operation of the solar power plants in Sicily.

These increases more than offset both the reduction due to the expiration of the incentive portion of the tariff under point 3 of the CIP6/92 decree in 2011 for the WtE plants (although the tariff for the "avoided costs" remained in effect) and the recalculation of the UK "ROC Recycle" incentive (an incentive offered to renewable energy producers if the production of renewable energy is lower than the annual thresholds set by the government) for British wind power plants. The effect amounted to approximately Euro 2.4 million in the first nine months of 2011 and Euro 1.1 million in the first three months of 2012 (the British tax year). The value of the ROC Recycle incentive, which is announced roughly six months after the end of the tax year, significantly differed from all market estimates, due to the combination of the particularly mild and windy winter and the effect of new renewable power plants (biomass and offshore wind) that were not adequately accounted for in the prior period recycle calculation.

EBITDA rose up 23.3% to Euro 115.3 million, with an impact of 57.8% on revenue, versus 55.5% at 30 September 2011. This increase is due to the above mentioned effects, while there are no significant changes on the operating costs.

The **Consolidated Operating Profit,** which amounts to Euro 53 million, down Euro 5.3 million on the first nine months of 2011, reflects the Euro 14.7 million impairment of goodwill on the Sicilian projects in the half year report following impairment tests. Without this impairment, the operating profit would have come to Euro 67.7 million, up 27.7% on the period ended 30 September 2011. Details are provided in the interim financial report at 30 September 2012.

Net financial charges amount to Euro 35.3 million, up Euro 9.9 million on the nine months ended 30 September 2011, due to greater debt as a result of completed investments.

The **Consolidated Profit before Income Tax** of the Falck Renewables Group amounts to Euro 18.4 million, down on the Euro 33.5 million for the first nine months of 2011. Not considering the impairment described above, the profit before income tax would have come to Euro 33.5 million, substantially in line with the same period of 2011.

Net financial debt

Net financial debt, without considering the fair value of derivatives, amounts to Euro 777.2 million, up on 31 December 2011 (Euro 765.2 million). This increase is mainly due to investments of the period, totalling Euro 43.7 million, partially offset by cash flows generated by production plants. Non-recourse financing amounts to Euro 750.4 million. Net financial debt includes net financial liabilities of Euro 19.4 million relating to projects under construction, which, at 30 September 2012, have not yet generated revenue. Not considering this amount or the fair value of derivatives, net financial debt would have amounted to Euro 757.8 million.
Total net financial debt, including the fair value of derivatives amounts to Euro 864.8 million at 30 September 2012 (Euro 826.1 million at 31 December 2011). This increase is due to the variance of the fair value of derivatives for approx. Euro 23 million and does not benefit from the collection of Euro 24.5 million related to the Green Certificates of the 2011 operations.

Installed production capacity

(MW)

Technology	30.9.2012	31.12.2011	30.9.2011
Wind	655,3	623,2	485,2
Wte	31,0	31,0	31,0
Biomass	14,0	14,0	14,0
Photovoltaic	16,1	16,1	16,1
Total	**716,4**	**684,3**	**546,3**

Installed production capacity of 716.4 MW is up 31% on 30 September 2011 and 5% on 31 December 2011. In the first nine months of the year, the Group produced **1.277 GWh**, up 25% on the first nine months of the previous year.

Investments

Investments in the nine months of the year, which amount to Euro 43.7 million, mainly consisted in the construction of the Nutberry wind farm (Euro 11.2 million), the Ty Ru wind farm (Euro 10.6 million), the Petralia Sottana wind farm (Euro 5.8 million), the Spaldington and West Browncastle wind farms (Euro 5.3 million) and in completing the Buddusò and Alà dei Sardi wind farm (Euro 9.0 million). Moreover, some investments were related to the improvement of the WtE plants of Granarolo dell'Emilia and Trezzo sull'Adda and of Rende biomass plant.

Outlook

2012 revenue is expected to benefit from production of:

- the Buddusò-Alà dei Sardi wind power plant (138 MW)
- the extensions of the Kilbraur (20 MW) and Millennium (15 MW) wind power plants
- the production of the Sicilian solar energy plants
- the completion of new wind farms in July 2012 (Ty Ru 10 MW and Petralia Sottana, 22 MW)

This increase in production capacity will more than offset the decrease in revenue due to the 2011 expiration of the incentive portion of the tariff under point 3 of the CIP6/92 decree for both the Trezzo sull'Adda and Granarolo dell'Emilia WTE plants.

If production factors in the fourth quarter of 2012 are in line with those of the fourth quarter of 2011, the group will post, *ceteris paribus*, EBITDA of approximately Euro 155-160 million.

In addition, work has commenced to build the Nutberry Wind Energy Ltd wind farm (15 MW), whose completion is scheduled within the first four months of 2013.

With respect to the Sicilian projects, the group is carefully monitoring the development of pending litigation, and reference should be made to that described in the interim financial report at 30 September 2012 in this regard.

***

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.

***

As required by law, the Group's interim financial report at 30 September 2012 is available at the registered office at Corso Venezia 16, Milan, with Borsa Italiana SpA and online in the Investor Relations section of the www.falckrenewables.eu website.

***

A conference call will be held at 5pm today with analysts, institutional investors and banks to present the interim financial report at 30 September 2012. For details, please visit the news section of www.falckrenewables.eu. Supporting materials will be published on the website in the *Investor Relations* section when the conference call begins.

***

Launch of the own share purchase plan

Today, 12 November 2012, a plan for the repurchase of own ordinary shares has been approved according to the resolution of the shareholders passed during the ordinary shareholders' meeting held on 22 October 2012. It will begin starting on 19th November.

As required by Article 144-bis of Consob resolution no. 11971/1999 ("Issuers Regulation"), the details of the repurchase plan are provided below.

Objective of the plan

The plan is aimed at purchasing own shares for the creation of a "stock of securities", pursuant to the provisions of Practice no. 2 approved with Consob resolution no. 16839 of 19 March 2009, in order for the shares to potentially be used as a consideration in extraordinary transactions, including the trading of equity investments, with other parties in the scope of the company's strategic plans.

Minimum and maximum considerations and maximum value

The consideration to be paid for purchases may not be 20% lower or 20% higher than the list price of Falck Renewables SpA shares on the trading day preceding each transaction.

Maximum number of treasury shares

The purchase plan provides for the purchase of shares, in more than one instalment, up to the maximum established by the shareholders' resolution of 22 October 2012, i.e., 5,828,277. As of today, the company does not own any own shares.

Authorisation term

The term of authorisation for the purchase of own ordinary shares is set for a maximum of 18 months from the date of approval and therefore until 22 April 2014. There are no time limits to the provision.

Purchase methods

Own shares may be purchased in accordance with the operating methods established in the Regulation for Markets organised and managed by Borsa Italiana SpA in order to ensure the fair and equal treatment of shareholders, pursuant to Article 132 of Legislative decree no. 58/1998 and Article 144-bis, section 1, letter b) of the Issuers Regulation, and in accordance with the conditions provided for by the market practices under Article 180, section 1, letter c) of Legislative decree no. 58/1998, approved with Consob resolution no. 16839/2009. In particular, own shares will be purchased using operating methods that do not enable purchase offers to be directly matched with predetermined sale offers.

In terms of the daily volume of transactions under this plan, purchases may not generally be more than 25% greater than the average daily volume of shares traded in the 20 trading days preceding the date of each individual purchase; in exceptional cases the limit could be increased to 50%, which would be communicated.

***

*Active in Europe with installed capacity of roughly 716 MW, **Falck Renewables SpA**, a Falck Group company listed on the Italian stock exchange in the STAR segment (FKR.MI) and included in the MSCI Global Small Cap Index, develops, designs, builds and manages power production plants from renewable sources. Its mission is to contribute to meeting the energy needs of the population, in accordance with a specific integrated business plan based on the differentiation of production technologies and geographical segments. Through this strategy, the company is flexible in the allocation of investments, with the aim of mitigating risks and taking advantage of market opportunities*.

For information:
Giorgio BOTTA – Investor Relator - tel. 02.2433.3338
Paolo RUNDEDDU – Chief Financial Officer and Director of Management Services – tel. 02.2433.3353
Ferdinando SCIAGATA – Group Administration Manager – tel. 02.2433.2384

Chiara VALENTI - Communications Manager - 02.2433.2360 – cell. 335.7598657

Interim financial report at 30 September 2012

Income statement

(euro thousand)

	Q3 2012	Q3 2011	At 30.9.2012	At 30.9.2011	At 31.12.2011
Revenues	57,326	54,537	199,269	168,571	248,650
Direct labour costs	(1,889)	(1,465)	(6,270)	(6,262)	(8,100)
Direct costs	(34,362)	(28,446)	(115,465)	(82,063)	(122,488)
Total cost of sales	(36,251)	(29,911)	(121,735)	(88,325)	(130,588)
Gross profit	**21,075**	**24,626**	**77,534**	**80,246**	**118,062**
Other income	533		1,424	1,527	1,662
Other employee costs	(3,119)	(2,783)	(9,615)	(8,905)	(12,983)
Administrative expenses	(6,062)	(5,681)	(16,359)	(14,584)	(27,508)
Operating profit	**12,427**	**16,162**	**52,984**	**58,284**	**79,233**
Financial income and charges	(12,027)	(7,530)	(35,301)	(25,397)	(42,682)
Income and charges on equity investments		12	676	572	700
Earnings before income taxes	**400**	**8,644**	**18,359**	**33,459**	**37,251**
Income taxes					(17,407)
Net profit					**19,844**
Minority interests					981
Group net profit					**18,863**
Ebitda (*)	**29,611**	**28,482**	**115,268**	**93,475**	**141,738**

(*) EBITDA = The Falck Renewables group measures EBITDA as earnings before income and expense from investments, net finance income/cost, amortisation, depreciation, impairment, provisions for risks and income taxes. It is calculated in line with market best practices, considering the group's most recent financing agreements.

Net financial position

(euro thousand)

	30.9.2012	30.6.2012	31.12.2011	Changes	
	(1)	(2)	(3)	(4)=(1)-(2)	(5)=(1)-(3)
Short-term third party financial liabilities	(66,380)	(51,219)	(44,185)	(15,161)	(22,195)
Short-term Group financial liabilities					
Short-term third party financial receivables	552	279		273	552
Short-term Group financial receivables			14		(14)
Other securities					
Cash and cash equivalents	112,657	104,633	96,890	8,024	15,767
Short-term net financial position	**46,829**	**53,693**	**52,719**	**(6,864)**	**(5,890)**
Medium/long-term third party financial liabilities	(912,047)	(901,402)	(879,569)	(10,645)	(32,478)
Medium/long-term Group financial liabilities					
Other securities					
Medium/long-term financial position	**(912,047)**	**(901,402)**	**(879,569)**	**(10,645)**	**(32,478)**
Net financial position pursuant to Consob circular DEM/6064293/2006	**(865,218)**	**(847,709)**	**(826,850)**	**(17,509)**	**(38,368)**
Medium/long-term third party financial receivables	407	407			407
Medium/long-term Group financial receivables			734		(734)
Total net financial position	**(864,811)**	**(847,302)**	**(826,116)**	**(17,509)**	**(38,695)**
- of which non-recourse financing	**(750,370)**	**(747,135)**	**(749,680)**	**(3,235)**	**(690)**