

PRESS RELEASE

Falck Renewables SpA

The Board of Directors approves the results for the half year ended 30 June 2013

All economic indicators show strong growth

- Revenue up 8.4% on the first half of 2012, to Euro 153.9 million;
- EBITDA up sharply, +11.1% on the first half of 2012, to Euro 95.1 million;
- Operating profit up 46.2% on the first half of 2012, to Euro 59.3 million;
- Profit for the half year of Euro 19.3 million, versus Euro 5.4 million for the first half of 2012;
- Net financial debt, without considering the fair value of derivatives, of Euro 691.7 million, compared to Euro 757.1 million at 31 December 2012, due to the significant cash flow generation of approximately Euro 73 million, with investments of Euro 23.6 million;
- Installed capacity of 716 MW, with 14.6% growth in production from 916 GWh in the first half of 2012 to 1,050 GWh in the same period of 2013.

Milan, 7 August 2013 - **The Board of Directors of Falck Renewables SpA** met today, examining and **approving the interim financial report** as at and for the half year ended 30 June 2013.

The Group's results for the first half of 2013, which highlight 8.4% growth in revenue to Euro 153.8 million and a profit for the half year of Euro 19.3 million, compared to the profit for the first half of 2012 of Euro 5.4 million, are extremely positive. The improvement over the same period of the previous year is significant despite the broadbased decline in European electricity prices due to the lingering effects of recession and negative legislative measures. It should be noted that the profit results for the half year ended 30 June 2012 were significantly impacted by the Euro 14.7 million impairment of a portion of goodwill on the Sicilian projects.

Piero Manzoni, Managing Director, noted, *"These are the strongest half-year results in the last five years, and the absolute best since the company began focusing its business on renewable energies. Not only are volumes and profit margins up, but cash generation has grown as well, with a significant and substantial improvement in net financial debt despite investments in the period.*

These results highlight the excellent trend in ordinary operations and confirm the validity of our strategic decisions. All indicators show sharp growth relative to 2012 despite the generally challenging context, in terms of both the lingering economic crisis and the effects of downward pressure on energy incentives coupled with new legislative and regulatory measures throughout Europe.

This is the scenario in which Falck Renewables continues to grow, by leveraging its mix of renewable energy sources, technological differentiation and geographical diversification, which remain the key elements of its strategy. In addition, our policy of continuously improving business performance is designed to improve overall results even further.

These core aspects of the company's business model made clear in the new business plan, confirms our decision to pursue an internationalisation strategy and to continue to balance the portfolio by focusing investments in geographical areas with expanding renewable energy systems, innovating in the monitoring and management of our assets, all the while continuing to development the company by fully leveraging its already significant project pipeline."

Consolidated income statements for the half years ended 30 June 2013 and 2012

		(thousands of euros)	
		Consolidated 1H13	Consolidated 1H12
A	Revenue	153,882	141,943
	Direct personnel expense	(4,379)	(4,381)
	Direct costs	(74,842)	(81,103)
B	Total cost of goods sold	(79,221)	(85,484)
C	Gross profit	74,661	56,459
	Other income	754	891
	Indirect personnel expense	(6,723)	(6,496)
	General and administrative expenses	(9,389)	(10,297)
D	Operating profit	59,303	40,557
	Net finance costs	(25,574)	(23,274)
	Net investment income		676
E	Profit before taxation	33,729	17,959
	Total income taxes	(14,465)	(12,600)
F	Profit for the year	19,264	5,359
G	Profit attributable to non-controlling interests	62	591
H	Profit attributable to the owners of the parent	19,202	4,768
	EBITDA (1)	95,127	85,657

(1) 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.

Comparison of the consolidated results for the half year ended 30 June 2013 with those for the half year ended 30 June 2012

Consolidated revenue amounts to Euro 153.9 million, up 8.4% on Euro 141.9 million for the half year ended 30 June 2012. The Group increased revenue despite the fact that prices in Italy, the UK, France and Spain fell in the first half of 2013 compared to the same period of 2012 and regardless of the introduction of penalising legislative measures. The increase in revenue was mainly due to the following:

Wind power: wind power revenue rose by roughly Euro 14 million with the roll-out of the Petralia wind farm (22.1 MW) in Italy and the Ty Ru wind farm (10 MW) in France, which raised installed capacity from 623.2 MW in the first half 2012 to 655.3 MW by 30 June 2013, and improved production factors, especially among the Italian plants;

Waste-to-energy, biomass and solar power: revenue fell by roughly Euro 2 million due to the drop in revenue from the waste-to-energy plants in Trezzo sull'Adda and Granarolo dell'Emilia, which, despite performing well, were affected by the valuation of the avoided fuel cost. It considers, in the determination of 2013 revenue from the transfer of energy under the CIP6 agreement, the Ministry of Economic Development's endorsement of opinion no. 535/2012 issued by the Authority for Electricity and Gas, as provided for by Law no. 99/09. In this respect, the Group companies affected by this legislative measure are waiting for the outcome of their appeal with the Lazio Regional Administrative Court. Furthermore, in addition to the legislative measure described above, Decree Law no. 69 was published on 21 June 2013 (emergency measures to relaunch the economy), providing for another substantial amendment to the regulations concerning the determination of the avoided fuel cost with effect from 1 January 2013. Partially offsetting the decrease in CIP6 revenue, the performance of the Rende biomass plant and the solar power plants in Sicily improved.

Consolidated EBITDA amounts to Euro 95.1 million, up 11.1% on the Euro 85.7 million of the first half of 2012, and accounting for 61.8% of sales revenue, compared to 60.3% in the first half of 2012.

The **consolidated operating profit** amounts to Euro 59.3 million, up 46.2% on the first half of 2012, and accounting for 38.5% of sales revenue (28.6% in the first half of 2012). Operating profit was affected by the impairment of roughly Euro 4.1 million on the Trezzo sull'Adda waste-to-energy plant following impairment testing as a result of the aforementioned Decree Law no. 69, which amended the way in which the avoided fuel cost is determined, the basic component in the valuation of the electricity transferred by the Trezzo plant.

Finally, the operating profit for the first half of 2012 was affected by the impairment of goodwill on the Sicilian projects, totalling Euro 14.7 million. Without this impairment, the operating profit would have amounted to Euro 63.4 million for the first half of 2013 and to Euro 55.2 million for the same period of 2012.

After finance cost of Euro 25.6 million (+9.9% on the first half of 2012) and income taxes of Euro 14.5 million (+14.8% on the first half of 2012), calculated at a tax rate of 42.8%, the **consolidated profit for the half year** comes to Euro 19.3 million, versus Euro 5.4 million for the first half of 2012.

Net financial position

Net financial debt, without considering the fair value of interest rate derivatives¹ amounts to Euro 691.7 million, showing a clear improvement on Euro 757.1 million as at 31 December 2012. The reduction in debt is substantially due to the generation of cash flows from production plants, totalling approximately Euro 73 million, which was only partly offset by investments in the period of Euro 23.6 million.

Non recourse investments amount to Euro 734.1 million (Euro 775.4 million as at 31 December 2012).

Net financial debt includes net financial liabilities of Euro 50.0 million related to plants under construction that, at 30 June 2013, had not begun generating revenue. Not including this amount and the fair value of derivatives, net financial debt would have been Euro 641.6 million.

1) The consolidated net financial position is calculated as the sum of cash and cash equivalents, current financial assets including securities available for sale, financial liabilities, the fair value of hedging instruments and other non-current financial assets.

As at 30 June 2013, net financial debt including the fair value of derivatives amounts to Euro 754.1 million, compared to Euro 842.8 million as at 31 December 2012.

Installed production capacity

The following table illustrates installed capacity, analysed by technology, and shows the increase on the first half of 2012.

				(MW)
Technology	30 June 2013	31 December 2012		30 June 2013
Wind power	655.3	655.3		623.2
WTE	31.0	31.0		31.0
Biomass	14.0	14.0		14.0
Solar power	16.1	16.1		16.1
Total	716.4	716.4		684.3

In July 2012, the Petralia Sottana wind farm (22.1 MW) in Sicily and the Ty Ru (10 MW) wind farm in France were rolled out, increasing total installed capacity to 716.4 MW.

During the half year, the Group's produced **1,050 GWh of energy**, up 14.6% on the first half of 2012, and it **treated 171.4 tonnes of waste**, up 4.8% on the first half of the previous year.

Investments

Investments of the period, which amount to Euro 23.6 million, underscore the Group's financial commitment to developing wind power plants and improving plants that are already operating. In the first half of 2013, the Group mainly invested in the construction of the wind farms in Spaldington and West Browncastle (Euro 15.3 million), Nutberry (approximately Euro 2 million) and Kingsburn (Euro 0.5 million), with value adjustments to the wind farms in Millennium, Ben Aketil, Kilbraur and Boyndie totalling Euro 3.9 million. In addition, it incurred costs for improvements to WTE, biomass and solar power production plants totalling around Euro 1 million.

Significant events in the first half of 2013

During the first six months of the year, Falck Renewables SpA acquired 280,000 treasury shares for a nominal amount of Euro 280,000, with an outlay of Euro 231,074.

As of today, treasury shares total 460,000, with a total carrying amount of Euro 403,026, corresponding to an average value per share of Euro 0.876. Treasury shares constitute 0.1579% of the company's share capital.

2013 events relating to the Sicilian projects

Reference should be made to the 2012 financial statements for information on 2013 events relating to the Sicilian projects.

Furthermore, with the measures dated 28 May 2013, the Joint Sections of the Court of Cassation admitted the appeals lodged by the Group companies on 23 September 2012 against the Milan Court's orders suspending the civil law proceedings. The cases were therefore ordered to continue. With respect to the administrative proceedings, on 23 July 2013, the Group companies lodged an appeal with the Administrative Justice Council for the Region of Sicily against the Palermo Regional Administrative Court's judgements determining (i) that the Second Jurisdiction Regulation was without grounds, (ii) the originating

applications could not be pursued and (iii) the appeals should be denied for additional reasons lodged by the Group companies against Decree no. 548/2010.

Outlook

The following factors will influence the Group's results:

- the economic situation, which is particularly weak, it may have a negative impact on the price of electricity throughout Europe;
- the effects of CIP6 tariff cuts following Decree Law no. 69, published on 21 June 2013 (emergency measures to relaunch the economy) and the Ministry of Economic Development's Decree of 20 November 2012 will continue, unless the latter is found null and void as a result of the appeal lodged by the companies affected by the measure, as described above;

2013 revenue will benefit from a full year of production at the Petralia (22.1 MW) and Ty Ru (10 MW) wind farms. In addition, with respect to plants under construction, the Nutberry wind farm is slated for completion and roll-out by the end of 2013, and will generate 15 MW.

The Group's extremely positive performance in the first half of 2013, due to the growth in volumes and more favourable energy source mix, almost completely offset the negative effects of the external events described above, which, however, will continue to have an impact in the second half of the year.

The authorised UK plants in West Browncastle (30 MW), Spaldington Airfield (up to 15 MW) and Kingsburn (up to 22.5 MW) are slated to begin operating in the second half of 2014, the first half of 2015 and the first half of 2016, respectively.

The Company announces that Mr. William Heller has resigned from his role as CEO and Managing Director of Falck Renewables Wind Limited with effect from 29 December 2013. The Company thanks Mr. Heller for the contribution he has made in his years with the Group.

Falck Renewables Group figures extrapolated from the interim financial report as at and for the half year ended 30 June 2013, compared with consolidated statement of financial position data as at 31 December 2012 and consolidated figures as at and for the half year ended 30 June 2012, are attached.

Pursuant to article 154-bis.2 of the consolidated finance code, the manager responsible for preparing the corporate accounting reports, Mr. Paolo Rundeddu, states that the accounting information contained in this press release is consistent with the documentary evidence, ledgers and accounting entries.

The Group's interim financial report at 30 June 2013 is available as required by law 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.

At 18.00 pm today, 7 August 2013, a conference call will be held for analysts, investors and banks to present the interim financial report. Details on how to participate are available at www.falckrenewables.eu in the news section. Support material will be made available online in the investor relations section when the conference call begins.

*Active in Europe with installed capacity of roughly 716 MW at year-end 2012, **Falck Renewables SpA**, a Falck Group company that is listed on the stock exchange in the STAR segment ("FKR.MI"), develops, designs, builds and manages renewable source power production plants. 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 areas. Through this strategy, the company is flexible in the allocation of investments, with the aim of mitigating risks and making the most of market opportunities.*

For information:

Giorgio BOTTA – Investor Relator - tel. 02.2433.3338

Alessandra RUZZU – Communications Manager – Tel. 02.2433.2360

Interim financial report as at and for the half year ended 30 June 2013 - Statement of financial position

		(thousands of euros)			
		30.6.2013		31.12.2012	
	Note	<i>of which with related parties</i>		<i>of which with related parties</i>	
Assets					
A Non-current assets					
1					
1	(1)	94,365		97,499	
2	(2)	1,010,574		1,035,019	
3	(3)	5		5	
4	(4)				
5	(5)				
6	(7)	29,166		33,560	
7	(6)	1,634		1,929	
Total		1,135,744		1,168,012	
B Current assets					
1					
1	(8)	5,330		3,258	
2	(5)	114,642	84	114,938	201
3	(6)	40,372	7,791	55,367	6,453
4	(4)	241		303	
5					
6	(9)	141,713		139,178	
Total		302,298		313,044	
C Non-current assets held for sale					
Total assets		1,438,042		1,481,056	
Liabilities					
D Equity					
1					
1		291,414		291,414	
2		67,045		127,864	
3				3,916	
4		19,202		(79,207)	
Total equity attributable to the owners of the parent	(10)	377,661		343,987	
5		(245)		(270)	
Total equity	(10)	377,416		343,717	
E Non-current liabilities					
1					
1	(13)	838,212		907,928	
2	(15)				
3	(7)	14,294		11,397	
4	(11)	41,386		43,412	
5	(12)	4,076		3,994	
Total		897,968		966,731	
F Current liabilities					
1					
1	(14)	56,171	2,340	56,688	2,235
2	(15)	48,635	14,378	39,553	7,589
3	(16)	57,852		74,367	
4					
Total		162,658		170,608	
G Liabilities associated with non-current assets held for sale					
Total liabilities		1,438,042		1,481,056	

Interim financial report as at and for the half year ended 30 June 2013 - Income statement

		(thousands of euros)			
		1H13		1H12	
		<i>of which with related parties</i>		<i>of which with related parties</i>	
	Note				
A	Revenue	(17)	153,882	141,943	
	Direct personnel expense	(18)	(4,379)	(4,381)	
	Direct costs	(19)	(74,842)	(81,103)	25
B	Total cost of goods sold		(79,221)	(85,484)	
C	Gross profit		74,661	56,459	
	Other income	(20)	754	106	891
	Indirect personnel expense	(18)	(6,723)	(6,496)	
	General and administrative expenses	(21)	(9,389)	(807)	(10,297)
D	Operating profit		59,303	40,557	
	Net finance costs	(22)	(25,574)	43	(23,274)
	Net investment income	(23)		676	
E	Profit before taxation		33,729	17,959	
	Total income taxes	(24)	(14,465)	(12,600)	
F	Profit for the year		19,264	5,359	
G	Profit attributable to non-controlling interests		62	591	
H	Profit attributable to the owners of the parent		19,202	4,768	