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PRESS RELEASE

Falck Renewables SpA

Growth in revenue and EBITDA and a reduction in net financial debt confirm the soundness of strategic decisions.
In line with changing market conditions, a new 2013 -2017 business plan provides for a renewed business model which focuses activities on programmable renewable technologies and services and partnerships

The Board of Directors approved:

a) the draft financial statements and consolidated financial statements for the year ending 31 December 2012

- **Revenue up 10% on 2011 to approximately €275 million;**
- **EBITDA up 11% on 2011 to approximately €158 million;**
- **Write-downs and adjustments bring the net profit for the year down from €26.6 million to a net loss of €85.5 million.**
- **Net financial debt, excluding the fair value of derivatives, amount to 757 million (€765 million at 2011 year end).**

b) the interim financial report for the period ending 31 March 2013

- **Revenue of approximately €83 million, up 5% on the first quarter of 2012;**
- **EBITDA of approximately €52 million, in line with the first quarter of 2012;**
- **Net financial debt, excluding the fair value of derivatives, continues to be reduced to €742 million (€757 million at 2012 year end).**

c) the new 2013-2017 Business Plan

- **Expected 2017 EBITDA of approximately €225 million;**
- **Sharp focus on sustainable growth: expected net financial position, without considering the fair value of derivatives, of €640-660 million, despite substantial investments.**

Milan, May 22, 2013. During the meeting held yesterday the Board of Directors of Falck Renewables SpA approved the draft financial statements and the consolidated financial statements for the year ending 31 December 2012, the interim financial report for the period ending 31 March 2013 and the 2013-2017 business plan.

Piero Manzoni, Managing Director of Falck Renewables SpA noted, "*We are very satisfied with the industrial performance of Group companies; the net result was impacted by the adjustments to the Sicilian projects, for which management is taking all suitable measures.. The annual and quarterly figures show the sound performance of ordinary operations and underscore the soundness of our strategic decisions.*
The new 2013-2017 business plan, developed as a response to changing market conditions, both with respect to macroeconomic trends and legislation in the Italian and European energy sector, provides for the creation of partnerships and a rebalancing of the portfolio in favour of programmable sources, less sensitive to the volatility of production and incentive systems. The planned investments will focus on geographic areas with expanding renewable energy activities where we have already developed a significant pipeline of projects."

Consolidated results for the years ended 31 December 2012 and 31 December2011

		(thousands of Euro)	
		2012	2011
A	Revenue	274,603	248,650
	Direct labour costs	(8,171)	(8,100)
	Direct costs	(175,837)	(122,488)
B	Total cost of sales	(184,008)	(130,588)
C	**Gross profit**	**90,595**	**118,062**
	Other income	2,516	1,662
	Other employee costs	(12,726)	(12,983)
	Administrative expenses	(30,846)	(27,508)
	Adjustments to non-current assets	(70,946)	
D	**Operating profit (loss)**	**(21,407)**	**79,233**
	Net finance costs	(47,139)	(42,682)
	Net invstment income	686	700
E	**Profit (loss) before income tax**	**(67,860)**	**37,251**
	Income tax expense	(17,607)	(17,407)
F	**Profit (loss) for the year**	**(85,467)**	**19,844**
G	Profit attr. to non-controlling interests	(6,260)	981
H	**Profit (loss) attr. to owners of the parent**	**(79,207)**	**18,863**
	Basic and diluted earnings per share	*(0.272)*	*0.070*
	EBITDA	**157,952**	**141,738**

Results for the year ended 31 December 2012

The group's installed capacity at the end of 2012 was 716 MW, up by 32MW on the previous year as a result of the connection of the Petralia (22 MW) and Ty-Ru (10 MW) wind farms to the grid.
The Falck Renewables group achieved **revenue** of €274.6 million, up 10.4% on 2011. This improvement was primarily due to a €38.5 million increase in wind sector revenue, resulting from the start-up of the new plants and full year operation of the Kilbraur, Millennium and Buddusò/Ala de Sardi wind farms, which offset the lower wind farm production in October and November due to low winds, and the expiration of the incentive portion of the Cip6 tariff for waste-to-energy plants.

EBITDA of approximately €158 million increased by 11.4% on the previous year, with an overall margin of approximately 58%, slightly up on 2011.

The **operating loss** of €21.4 million was heavily impacted by adjustments to non-current assets with respect to the Sicilian projects (for greater details see "Significant events after 31 December 2012 in connection with the Sicilian Projects" below), amounting to €70.9 million, and by the impairment of intangible assets, amounting to €29.3 million, also in connection with these projects. The operating loss was also affected by the €0.4 million depreciation of Tifeo's land and the impairment of Falck Renewables SpA's trade and financial receivables from Palermo Energia Ambiente ("Pea") in liquidation and by the provision for risks in relation to guarantees of Pea's third-party creditors and the liquidation provision set up by Pea, totalling €3.2 million and other minor impacts for a total of €0.2 million were recorded.
Without the items detailed above, which total €104.1 million, the group would have posted an operating profit of €82.7 million, equal to 30.1% of sales revenue.

The operating loss was also negatively impacted by the impairment of non-current assets of roughly €7.5 million, mainly relating to: Eolica Petralia (€2.2 million), Rende biomass plant (€2.4 million), Prima Srl (€1.5 million) and Esposito Servizi Ecologici (€1.2 million)

Without the items detailed above, which total €111.6 million, the group would have posted an operating profit of €90.2 million, equal to 32.8% of sales revenue.

The operating loss was also negatively affected by the provision for other risks, in accordance with the Decree of the Ministry of Economic Development of 20 November 2012 concerning the "Adjustment of the prices applicable to electricity sold to GSE (the Energy Service Manager) in 2010, 2011 and 2012 as part of specific transfer arrangements pursuant to CIP no. 6/92". By effect of this Decree, the group companies that operate or operated under CIP6/92 tariffs are subject to a reduction in the amount of revenue from December 2012 a negative adjustment based on energy sold during 2010 and 2011. The companies concerned, i.e., Prima Srl, Ecosesto SpA and Frullo Energia Ambiente Srl, have lodged appeals with the Regional Administrative Court (TAR) of Lazio, petitioning for the cancellation of the Decree with respect to the part that extends the new legislation to previous periods. Pending the outcome of the appeal, €6 million provision has been accrued.

The group's consolidated **income tax expense** is substantially in line with the previous year, and reflects the taxable profits generated in the various countries where the group operates, taking into account developments in the respective tax regulations.

As a result of these factors, the **loss for the year amounts to €85.5 million**. Without **adjustments to intangible assets and property, plant and equipment and the impairment detailed above,** which, net of tax effect, amount to €112.1 million**, the Group would have posted a profit for the year of €26.6 million.** Taking into account the "Sicily effect" only, as shown in the table below, the profit for the year would have been equal to €20.6 million.

Considering accruals to the provisions for risks adjusting the Sicilian project assets, deferred tax assets were not recognised in the consolidated financial statements, as they would be recoverable (i) only in the scope of tax consolidation, (ii) only if the group generates sufficient taxable profit and (iii) only after the conditions for their deductibility have been met, i.e., following the conclusion of litigation that, considering its complexity, is not currently foreseeable within the period of time covered by the 2013-2017 business plan.

(thousands of Euro)

		31.12.2012 before the SICILY effect	SICILY effect	31.12.2012 with the SICILY effect
A	Revenue	274,603		274,603
	Direct labour costs	(8,171)		(8,171)
	Direct costs	(146,540)	(29,297)	(175,837)
B	Total cost of sales	(154,711)	(29,297)	(184,008)
C	**Gross profit**	**119,892**	**(29,297)**	**90,595**
	Other income	2,516		2,516
	Other employee costs	(12,726)		(12,726)
	Administrative expenses	(27,000)	(3,846)	(30,846)
	Adjustments to non-current assets		(70,946)	(70,946)
D	**Operating profit (loss)**	**82,682**	**(104,089)**	**(21,407)**
	Net finance costs	(46,819)	(320)	(47,139)
	Net investment income	686		686
E	**Profit (loss) before income tax**	**36,549**	**(104,409)**	**(67,860)**
	Income tax expense	(15,967)	(1,640)	(17,607)
F	**Profit (loss) for the year**	**20,582**	**(106,049)**	**(85,467)**
G	Profit (loss) attr. to non-controlling interests	(60)	(6,200)	(6,260)
H	**Profit (loss) attr. to owners of the parent**	**20,642**	**(99,849)**	**(79,207)**

Financial position as at 31 December 2012

Without considering the fair value of derivatives, **net financial debt** amounts to approximately €757.1 million, showing an improvement on 31 December 2011 (€765.2 million). The main changes refer to investments of approximately €58 million, and significant cash generation of roughly €94 million from operating plants.

Including the fair value of derivatives, **net financial debt** amounts to approximately €843.8 million, substantially in line with the previous year (€826.1 million); the fair value of derivatives increased by approximately €24.8 million.

It should be noted that net financial debt includes net financial liabilities of €33.8 million relating to projects under construction which, at 31 December 2012 have not yet generated revenue. Net of this amount and the fair value of derivatives, net financial debt would be €723.2 million. As of 31 December 2012 all financial covenants were satisfied.

Information on investments and growth in installed production capacity

The table below shows the installed capacity broken down by technology

(MW)

Technology	31.12.2012	31.12.2011
Wind	655.3	623.2
WTE	31.0	31.0
Biomass	14.0	14.0
Solar	16.1	16.1
Total	**716.4**	**684.3**

Investments

(thousands of Euro)

	31.12.2012	31.12.2011
Intangible assets	210	468
Property, plant and equipment	58.062	177.527
Total non-current assets	**58.272**	**177.995**

Investments of the year, amounting to €58.3 million, reflect the group's financial commitment to new wind power plants as well as to improve operating plants.

During the year under review, investments primarily involved the construction of the Nutberry wind farm (€17.3 million), the construction of the Petralia Sottana wind farm (€8.9 million), the construction of the Ty Ru wind farm (€10.7 million), the construction of the Spaldington and Browncastle wind farms (together totalling €8.7 million) and the completion of the Buddusò Alà dei Sardi wind farm (€8.9 million). In addition, improvements were carried out on the WTE plants owned by Prima Srl (€1.2 million) and by Frullo Energia Ambiente Srl (€0.6 million), and on Ecosesto SpA's biomass facility (€1.2 million).

Significant events after 31 December2012 in connection with the Sicilian Projects

With reference to information already disclosed to the market on 12 May 2010, i.e. the fact that all the documentation relating to the participation in the tender called in 2002 relating to the Sicilian projects had been seized by the Italian Tax Police as part of an investigation against unidentified suspects in January and February 2013, senior management was summoned as witnesses by the Tax Police of Palermo by order of the public prosecutor's office of Palermo, to provide summary information.
Following this summons, at the request of the Company's CEO and CFO, who is also the executive responsible for the preparation of the accounting documents, on 28 February 2013, the Board of Directors decided to postpone the approval of the 2012 draft financial statements and to carry out further inquiries into events that occurred prior to the appointment of the company's current management team, starting from the 2002 public tender procedures for the assignment of contracts for integrated waste disposal and electric power generation systems in Sicily, which led to (i) a civil dispute with the Sicilian Regional Government, currently suspended pending the decision of the Italian Court of Cassation; (ii) an administrative dispute before the Regional Administrative Court of Palermo, and (iii) an investigation by the

public prosecutor's office into the 2002 tender, as mentioned above, for the construction of integrated waste management systems in Sicily.

Consequently, the official receivers of the companies in liquidation, Tifeo, Platani and Pea, and the CEO of Elettroambiente were also notified of the above and decided to postpone the presentation of the draft interim liquidation financial statements and, for Elettroambiente, the draft financial statements, in order to conduct said inquiries and ensure all the parties involved arrive at an objective assessment of the situation in light of the latest events.

Such inquiries were carried out with the assistance of a specialized independent company (the "Advisor") which, upon completing the assignment, submitted the results of its review (the "Report") to the relevant corporate bodies and to the lawyers in charge of the Sicily disputes.
On the basis of this report and other considerations, the company's legal advisors agreed that the information emerging from the records concerning the tender procedure, and the Sicilian projects in general (1999 – 2009 period), reviewed as part of the internal investigation conducted by the Advisor (the content of which are illustrated in the Advisor's Report) increases the complexity and uncertainties of the litigation between the companies Tifeo, Platani and PEA (as well as Falck, Falck Renewables and Elettroambiente) on one side, and the Sicilian Region on the other.

These recent discoveries entail changes to the risk profile for the companies involved in said disputes; as a result, the evaluations expressed in prior opinions dated 25 February 2010, 22 July 2010, 20 February 2012, and 26 July 2012 cannot be confirmed, nor is it possible, in general, to foresee the possible outcome of these proceedings or their duration (which in any case can be expected to be significantly longer than anticipated so far).

In consideration of the inquiry findings and of the lawyers' opinion, the official receivers of Tifeo and Platani have announced that they will adjust, in the draft interim liquidation financial statements, which they have not yet finalised at present, non-current assets relating to land, WTE project in progress and a security deposit *through an accrual to the provision for other risks,* classified as *"adjustments to non-current assets"* in the financial statements.

The directors of the parent Falck Renewables SpA subsequently acknowledged and agreed with the decisions announced by the official receivers, and implemented them in the consolidated financial statements by fully impairing goodwill on the Tifeo and Platani projects for an amount of €29.3 million and impairing Tifeo's land by €0.444 million. In addition to this impairment, management recognised the aforementioned "*accrual to the provision for risks adjusting non-current assets"* which, in these consolidated financial statements, amounts to €70.9 million and is made up as follows: assets under construction: €65.2 million; land: €5.2 million; and other receivables – security deposits: €0.6 million.
Assets under construction and security deposits were fully impaired, while land was impaired to its recoverable amount of €1.8 million.
Moreover, with regard to Palermo Energia Ambiente in liquidation, the provision for other risks, already allocated as of 31 December 2011, was increased by €3.2 million, and other minor impacts for a total of €0.2 million were recorded.
On the basis of the above, the total impact on the Consolidated Operating Result was €104.1million.

Considering accruals to the provisions for risks adjusting the Sicilian project assets, deferred tax assets were not recognised in the consolidated financial statements, as they would be recoverable (i) only in the scope of tax consolidation, (ii) only if the group generates sufficient taxable profit and (iii) only after the conditions for their deductibility have been met, i.e., following the conclusion of litigation that, considering its complexity, is not currently foreseeable within the period of time covered by the 2013-2017 business plan presented by the parent.

Lastly, the proceedings against the Sicilian Regional Authorities will continue in order to protect the group's rights and interests (to obtain compensation for both consequential damage and loss of profit), as well as in defence against the Sicilian Regional Authorities' claims for compensation for damage.

Within the scope of the administrative proceedings initiated by Falck Renewables Group companies before the Regional Administrative Court of Palermo, on 26 April 2013, the second appeal challenging jurisdiction was lodged pursuant to article 41 of the Code of Civil Procedure. In addition, following the hearings on 7 May 2013, the panel of judges of the Regional Administrative Court of Palermo filed the provisions of its rulings on 10 May 2013, which rejected the latest appeal challenging jurisdiction, found the preliminary appeals inadmissible and denied the claim on additional grounds lodged by the Falck Renewables Group companies challenging decree no. 548/2010 (which the Court therefore confirmed and deemed lawful) which established, among other things, that the tenders called in 2002 to award contracts for integrated waste management systems and all subsequent acts and measures were null and void.
Once the merits of the rulings have been issued, the company will provide additional reports to the market should material information arise. It intends to challenge the aforementioned Court decisions before the Administrative Court of Justice for the Region of Sicily.

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On the other hand, with respect to the appeals challenging jurisdiction lodged on 23 September 2012 before the Court of Cassation by the Falck Renewables Group companies, on 28 January 2013, the Public Prosecutor with the Court of Cassation filed its observations, affirming, as maintained by the Falck Renewables Group, that an ordinary judge had jurisdiction. At the hearings for the appeals on 14 May 2013, the Court of Cassation accepted the cases for deliberation.

As Falck Renewables SpA shows a loss for 2012 of €102 million, the Board of Directors will propose covering €10 million of the loss by using all of retained earnings and the remaining amount of €92 million by using the share premium.

Interim financial report as at and for the period ended 31 March 2013

Consolidated results for the periods ended 31 March 2013 and 31 March 2012

(thousands of Euro)

	31.3.2013	31.3.2012	31.12.2012
Revenue	82,476	78,380	274,603
Direct labour costs	(1,973)	(1,981)	(8,171)
Direct costs	(37,371)	(32,452)	(175,837)
Total cost of sales	(39,344)	(34,433)	(184,008)
Gross profit	**43,132**	**43,947**	**90,595**
Other income	240	391	2,516
Other employee costs	(3,322)	(3,076)	(12,726)
Administrative and general expenses	(4,056)	(4,477)	(30,846)
Adjustments to non-current assets			(70,946)
Operating profit (loss)	**35,994**	**36,785**	**(21,407)**
Net finance costs	(13,800)	(11,582)	(47,139)
Net investment income		1,487	686
Profit (loss) before income tax	**22,194**	**26,690**	**(67,860)**
Income tax expense			(17,607)
Loss for the year			**(85,467)**
Loss attr. to non-controlling interests			(6,260)
Loss attr. to owners of the parent			**(79,207)**
EBITDA	**51,576**	**51,420**	**157,952**

Falck Renewables Group **consolidated revenue** for the period ended 31 March 2013 amounts to €82.5 million, with an increase of €78.4 million, or 5%, on the first quarter of 2012. This increase is primarily attributable to higher revenue from greater installed production capacity (from 684 MW to 716 MW) as a result of the start-up of the Petralia (22 MW) and Ty Ru (10 MW) wind farms in the wind power sector. This performance more than offset the decrease in revenue generated by the WTE plants in Trezzo sull'Adda and Granarolo impacted by the reduction of the CEC component in the CIP6 incentive after the enactment of the Ministry of Economic Development's Decree of 20 November 2012, as detailed above.
Consolidated **EBITDA** amounts to €51.6 million, in line with the same period of the previous year (€51.4 million), equal to 62.5% as a percentage of revenue, compared to 65.6%.

The **consolidated operating profit** of €36 million is also substantially in line with the first quarter of 2012 (€36.8 million). The net finance cost increased by €2.2 million compared to the first quarter of 2012 as a result of higher financial debt of approximately €60 million arising from investments made in the April 2012-March 2013 period, and lower capitalised financial charges compared to the same period 2012, in relation to the wind power plants of Buddusò/Ala de Sardi, Petralia Sottana and Ty-Ru.

As a result of these factors, Falck Renewables Group's consolidated **profit before income tax** amounts to €22.2 million, down by €4.5 million from €26.7 million in the first quarter of 2012.

Net financial position

Without the fair value of derivatives, **net financial debt** of €742.1 million shows an improvement on 31 December 2012, when it amounted to €757.1 million. This can be attributed mainly to cash flow generated by operating plants, which enabled the group to repay part of the corporate loan.
Non-recourse loans amount to €776.4 million. Net financial debt includes net financial liabilities of €43.9 million relating to projects under construction which have not yet generated revenue as at 31 March 2013; net of this amount and the fair value of derivatives, net financial debt would amount to €698.2 million.
Including the fair value of derivatives, net financial debt as at 31 December 2012 is €825.5 million (€842.8 as at 31 December 2011).

Information on investments and growth in installed production capacity

(MW)

Technology	31.3.2013	31.12.2012	31.3.2012
Wind	655.3	655.3	623.2
TWTE	31.0	31.0	31.0
Biomass	14.0	14.0	14.0
Solar	16.1	16.1	16.1
Total	**716.4**	**716.4**	**684.3**

Installed capacity, **equal to 716.4 MW,** grew by approximately 5% compared to 31 March 2012 and remained unchanged from 31 December 2012.
During the quarter under review, the group **generated 578 GWh of energy**, with a 10% growth on the same quarter of the previous year.

During the first quarter of 2013, investments in property, plant and equipment amounted to €11.9 million and concerned primarily the construction of the wind farms of Spaldington and West Browncastle (€10.7 million), Nutberry (€0.6 million), and Kingsburn (€0.3 million).

Expected developments

The Group's 2013 performance will be affected by the following factors:

- the weak economic environment will negatively impact European electricity prices, although renewable energy will benefit from mechanisms that will limit this effect (e.g. Italian green certificate system);
- the revision of Italian legislation regulating imbalance charges; from 2013 these charges are reversed to energy producers for non-programmable sources as well and this may have a negative impact on revenue in terms of the margins of wind power companies operating in Italy;
- by effect of the Ministry of Economic Development's Decree of 20 November 2012 concerning the "Adjustment of the prices applicable to electricity sold to GSE (the Energy Service Manager) in 2010, 2011 and 2012 as part of specific transfer arrangements pursuant to CIP no. 6/92", the group

companies Prima Srl and Frullo Energia Ambiente Srl, operating under a CIP6 agreement, will suffer a decrease in revenue as a result of the reduction of the CEC component of said incentive, unless the decree is repealed by the appeal filed by the aforesaid companies, as discussed above.

These negative effects will be only partially offset by the fact that 2013 revenue will benefit for the entire year from the production of the Petralia (22.1 MW) and Ty Ru (10 MW) wind farms. Additionally, in relation to the plants under construction, the completion and start-up of the 15 MW Nutberry wind farm is slated for the first half of 2013.

For the West Browncastle (30 MW), Spaldington Airfield (up to 15 MW) and Kingsburn (up to 22.5 MW) wind farms, authorized in the United Kingdom, start-up is expected by the second half of 2014, the first half of 2015 and the first half of 2016, respectively.

The group's investment policy will be influenced by the financial restrictions arising from loan covenants, in particular with reference to the debt/equity ratio.

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2013-2017 Business Plan

The Board of Directors approved the new 2013-2017 Business Plan.

The new 2013-2017 business plan is aimed at meeting new market conditions, both at macroeconomic level and with respect to the energy sector. Decrease in demand, resulting in pressure on energy prices due to lower consumption, grid management issues caused by increasing intermittent input, sovereign debt crisis and the consequent negative outlook on incentives, and banks' reduced willingness to finance industrial investments have led the Falck Renewables Group to rethink its business model and growth strategy.

Leveraging the management's technical and development expertise acquired in the area of renewable energy, the Group's strategic objective is to create partnerships through the sale of minority stakes in existing operational plants and to continue to develop new initiatives. The partner will be offered shares in the project companies and will be provided with performance management and business operation systems. By balancing the installed capacity, the current portfolio will shift in favour of programmable plants through integrating existing intermittent plants with other renewable sources, thus ensuring greater programmability as well as optimization of the existing infrastructure: the Group will start up innovative plants for which it owns proprietary patents.

Additionally, the know-how in creating value and optimizing performance, acquired over the years, will be offered as integrated services to its own plants, to those co-owned with the partner and to the external market.

Additional investments in non-programmable energy (particularly in the wind segment) will be concentrated in areas with attractive renewable resources (for example, UK) and in countries with expanding renewable energy portfolios, and will be made primarily through the partner(s) financial contribution: this will provide not only a more balanced risk/return profile, but also sustainable growth for the Group in this particular international and financial environment.
A precondition to carry out this activity is the sale to a partner interested in co-developing new initiatives of a non-controlling stake - up to 49% - initially for the assets located in the UK Rothschild has been designated as advisor and will provide a valuation of these assets. They are expected to complete the assignment by the early months of 2014.

In particular, the 2013-2017 Business Plan is based on the following guidelines:

- Construction of the wind power plants for which authorization has already been obtained
- Sale of non-controlling interests (up to 49%) of the companies that own plants to a partner (for purposes of analysis only, plan assumptions are based on the sale of non-controlling interests of UK wind plants):
    - Co-investment with the new partner of part of the resources obtained for the development /construction of new plants
    - Partial repayment of the mid-term credit line obtained by Falck Renewables SpA in January 2011 (corporate debt), resulting in improvement in the Net Financial Position
- Development of the new Services business, in the form of Greenfield Development, based on an extensive pipeline of projects of roughly 1500 MW, and Performance and Portfolio Management, with the objective to transform the Services segment into a real Business Unit, and as such into a source of revenue and margins capable to sell its activities both to Group companies and third parties.

In greater detail, in the **WIND POWER SEGMENT**, the Group will complete the plants currently under construction (Nutberry and West Browncastle) and authorized (Spaldington and Kingsburn), bringing wind

power capacity to a total of 770 MW by the end of 2017. Investments for the period are expected to be approximately €145 million.
As mentioned above, the Plan includes the possible sale of non-controlling stakes (up to 49%) of the companies that own the UK wind power plants for a total installed power of 273 MW (calculated on a 100% basis), enabling the Group to continue to (i) develop the pipeline in the different technologies (wind and others) through co-investments with the partner, and (ii) ensure the best balance of programmable and non-programmable sources. The expected EBITDA from this business is approximately €170 million by 2017, with a 2013-2017 CAGR (Compound Annual Growth Rate) of approx. 7%.

With a view to rebalancing and reducing the Group's business volatility, the majority of investments – both direct and in co-investment with the partner(s) as discussed above - will be made **in the PROGRAMMABLE SOURCES segment,** in particular in Waste to Energy, anaerobic digestion and waste biomass. We have developed a robust investment plan **with total cumulative capex of approximately €250 million for the period;** this plan also envisages the possibility of acquiring existing assets/facilities, with the goal to **achieve approximately 81 MW installed capacity by 2017**. No additional investments are planned in the solar energy business. The expected EBITDA from the Programmable source business is roughly €40 million, with a 2013-2017 CAGR of approximately 19 percent.

The **SERVICES SEGMENT** will play an increasing role in the Group's outlook, and the **expected EBITDA for 2017 is approximately €25 million**. The main business focus will be on:

- **Greenfield Development:** most activities will be carried out in-house; this will strengthen the internal structure. The Group will be responsible for the entire process until authorization is obtained for the development of projects both in the wind and in the programmable source segments; the projects may then be transferred to Group companies or third parties. This activity will initially help to achieve greater efficiency and cost reductions, and will later become sources of income.
- **Performance and asset management:** here again most of the activities will be performed in-house, with the dual objective of reducing costs and improving performance. Strengthening in this area could also be achieved through acquisitions or partnerships, with the goal of accelerating penetration in this market and becoming a standard setter in the industry.
- **Development of Dispatching & Imbalance activities** will continue with the objective of optimizing the management of the existing plant portfolio and mitigating the associated market risks.

The 2013-2017 investment plan is expected to amount to more than €400 million over the plan period. The total estimated production capacity at the end of 2017 will be 865 MW.

As mentioned before, the Group's EBITDA for 2013 may be impacted by the introduction of regulatory changes and higher costs linked to the implementation of the new business model, and is therefore estimated around €145 million if the current operating structure is maintained, including regulatory and tariff changes in Italy. In case of full acceptance of the development plan and sale of the assets, this value could decrease to €136 million due to higher related costs. However, this will allow the Group to fully implement the **Business Plan which, in 2017, is expected to increase the EBITDA by approximately €225 million as a result of the effects of the new strategy.**

Following the strategic repositioning, the net financial position, excluding the fair value of rate risk hedging instruments, is expected to range from €640 to €660 million at the end of 2017.

A payout ratio of approximately 30% is envisaged within the plan horizon.

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All the data in the "2013-2017 Business Plan" section have been calculated according to consistent accounting principles, i.e. applying to present and future joint ventures the proportional consolidation method, so as to make them comparable to final 2012 financial statement data and to 2013 guidance. Application of the equity, rather than the proportional consolidation method, which will be obligatory for all joint venture from 1/1/2014, would result in lower revenue and EBITDA, as well as lower net financial debt.
Additionally, revenue from the possible sale of future projects by the Services Business have been calculated, with respect to Plan data, in the EBITDA. However, this revenue could also occur in the form of "proceeds from the sale of equity investments", in which will be incorporated the authorizations, and therefore the result would be posted in financial income and not in the EBITDA: this would only change the accounting representation, but not the results of the Group.
The new 2013-2017 Business Plan replaces the 2012-2014 Business Plan, whose update was approved by the Board of Directors on 30th March, 2012.

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Luciano Cavalli, the Group Business Development Director, has been appointed Key Manager for the Falck Renewables Group, and will fill the position vacated by Marco Codognola, as noted in the press release issued on 7 May 2012.
Mr. Cavalli's CV is available on the Falck Renewables SpA's website in the management section (www.falckrenewables.eu).

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The executive responsible for preparing the company's accounting documents, Mr. Paolo Rundeddu, certifies under paragraph 2, Article 154 bis of the Unified Statute on Financial Transactions (TUF), that the accounting information provided in this release corresponds to the data contained in the documents, books and accounting records.

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The draft financial statements as at and for the year ended 31 December 2012, along with the Directors' Report are currently being audited.

The draft separate and consolidated financial statements will be made available within the legal deadline at the company's headquarters (Corso Venezia 16, Milan), at Borsa Italiana SpA and in the Investor Relations section of the website www.falcrenewables.eu and will be submitted for the shareholders' approval at the meeting to be held on first call on 26 June 2013 at 11:30 am. The meeting has been scheduled for second call on 27 June 2013 at the same time.

Today, 22 May 2013, at 10:00 am, a conference call will be held with analysts, institutional investors and banks to present the financial data at 31 December 2012, the interim financial report at 31 March 2013 and the new 2013-2017 Business Plan.

Details on how to participate in the conference call are available at www.falcrenewables.eu, in the news section. Support material will be made available online in the investor relations section when the conference call begins.

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Falck Renewables S.p.A., *a member of the Falck Group listed on the Stock Exchange (ticker: FKR), operates in Europe with some 716 MW installed capacity, and develops, designs, builds and manages plants for the production of energy from renewable sources. Its mission is to contribute to the energy requirements of consumers and businesses, according to a precise industrial integration plan that is based on differentiating output by production technologies and geographic areas. As a result of this strategy, the Company has a flexible investment allocation policy, with the objective of mitigating risks and making the most of market opportunities*.

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FALCK RENEWABLES CONSOLIDATED financial Statements as at and for the year ended 31 December 2012

Income Statement

(thousands of Euro)

		Note	2012	2012 *of which with related parties*	2011	2011 *of which with related parties*
A	Revenue	(16)	274,603		248,650	1
	Direct labour costs	(17)	(8,171)		(8,100)	
	Direct costs	(18)	(175,837)	(26)	(122,488)	(2)
B	Cost of sales		(184,008)		(130,588)	
C	**Gross profit**		**90,595**		**118,062**	
	Other income	(19)	2,516	469	1,662	250
	Other employee costs	(17)	(12,726)		(12,983)	
	Administrative expenses	(20)	(30,846)	(1,695)	(27,508)	(1,674)
	Adjustments to non-current assets	(21)	(70,946)			
D	**Operating profit (loss)**		**(21,407)**		**79,233**	
	Net finance costs	(22)	(47,139)	195	(42,682)	(1,535)
	Net investment income	(23)	686	747	700	700
E	**Profit (loss) before income tax**		**(67,860)**		**37,251**	
	Income tax expense	(24)	(17,607)		(17,407)	
F	**Profit (loss) for the year**		**(85,467)**		**19,844**	
G	Profit (loss) attr. to non-controlling interests		(6,260)		981	
H	**Profit (loss) attr. to owners of the parent**		**(79,207)**		**18,863**	
	Basic and diluted earnings per share	(10)	*(0.272)*		*0.070*	

FALCK RENEWABLES

FALCK RENEWABLES CONSOLIDATED Financial Statements as of Dec. 31, 2012

Balance sheet

(thousands of Euro)

	Note	31.12.2012	of which with related parties	31.12.2011	of which with related parties
Assets					
A **Non-current assets**					
1 Intangible assets	(1)	97,499		131,069	
2 Property, plant and equipment	(2)	1,035,019		1,098,604	
3 Financial assets	(3)	5		1,096	
4 Medium/long-term financial receivables	(4)			734	734
5 Deferred tax assets	(7)	33,560		29,853	
6 Other receivables	(6)	1,929		8,288	5,760
Total		**1,168,012**		**1,269,644**	
B **Current assets**					
1 Inventories	(8)	3,258		4,263	
2 Trade receivables	(5)	114,938	201	102,554	236
3 Other receivables	(6)	55,367	6,453	60,449	6,250
4 Short-term financial receivables	(4)	303		14	14
5 Financial assets					
6 Cash and cash equivalents	(9)	139,178		96,890	
Total		**313,044**		**264,170**	
C **Non-current assets held for sale**					
Total assets		**1,481,056**		**1,533,814**	
Liabilities					
D **Equity**					
1 Share capital		291,414		291,414	
2 Reserves		127,864		114,614	
3 Retained earnings		3,916		20,022	
4 Profit (loss) for the year		(79,207)		18,863	
Equity attributable to owners of the parent	(10)	**343,987**		**444,913**	
5 Non-controlling interests		(270)		6,913	
Total equity	(10)	**343,717**		**451,826**	
E **Non-current liabilities**					
1 Medium/long-term financial liabilities	(13)	907,928		879,569	
2 Other non-current liabilities	(15)			352	
3 Deferred tax liabilities		11,397		14,990	
4 Provisions for other liabilities and charges	(11)	43,412		33,797	
5 Staff leaving indemnity (TFR)	(12)	3,994		3,790	
Total		**966,731**		**932,498**	
F **Current liabilities**					
1 Trade payables	(14)	56,688	2,235	62,116	3,034
2 Other payables	(15)	39,553	7,589	43,189	8,519
3 Short-term financial liabilities	(13)	74,367		44,185	
4 Provisions for other liabilities and charges					
Total		**170,608**		**149,490**	
G **Liabilities attributable to non-current assets held for sale**					
Total liabilities		**1,481,056**		**1,533,814**	