

PRESS RELEASE

The Board of Directors approves the Interim Report as at September 30, 2014

Quarter results rise. Progressive results decreased, but improved on the 2014 interim position. Net financial debt considerably improved . Guidance 2014 confirmed. Important pipeline of wind and Wte projects in the UK.

Third quarter 2014

- **Consolidated revenues** up 7.6% to Euro 47 million, as compared with the Euro 43.6 million for Q3 2013, despite the unfavorable wind conditions;
- **EBITDA** rises: +14.8% (Euro 17.6 million) on the Euro 15.3 million of Q3 2013; incidence on revenues improves from 35.1% to 37.4%.

Progressive results as at September 30, 2014

- **Progressive revenues** of Euro 174.1 million versus the Euro 185.6 million as at September 30, 2013, **EBITDA** stands at Euro 89.6 million as compared with Euro 103.8 million for the same period of last year;
- **EBITDA** decreases owing to exceptional events, such as the downtime of the Wte plant in Trezzo sull'Adda due to a failure of the alternator (Euro 5.0 million) and - exceptional low wind that characterized 2014 until September 30 (Euro 6.8 million).
- **Profit before taxation** up to Euro 4.2 million from Euro 22.7 million for the nine months ended September 30, 2013;
- **Net financial debt**, without considering the fair value of derivatives, has improved sharply, down to Euro 553 million, compared to Euro 673.8 million at December 31, 2013, mainly as a result of the sale of the minority interests in UK plants.
- **Cash flow from operations** : Euro 62 million

Growth and Investments

- Acquisition completed of the Vector Cuatro Group and start-up of the new Services division;
- Group investments continue:
 - approved today by the Board of Directors the construction of the wind plant in Assel Valley (UK) with total installed capacity of 30 MW and around 3,000 expected annual wind hours;
 - under construction the wind plants of Spaldington (12.5 MW) and Kingsburn (up to 22.5 MW) in the UK;
 - important pipeline of wind and waste-to-energy projects in the UK.
- Guidance confirmed of EBITDA of Euro 130-135 million for 2014.

Milan, November 12, 2014 – In a meeting held today, the Board of Directors of Falck Renewables S.p.A. reviewed and approved the interim financial report at September 30, 2014.

The third quarter of 2014 closes with 7.6% growth in revenues and 14.8% in EBITDA, despite the continued unfavorable wind conditions seen during the quarter and a generalized decline in the price of electricity in

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Italy and Spain as compared with the same period of last year. These effects were worsened by the plant downtime due to a failure of the waste-to-energy plant of Trezzo sull'Adda and accompanied by the penalizing industry legislation.

*“The data of the third quarter of the year - commented **Piero Manzoni, Chief Executive Officer for Falck Renewables** – show revenues and EBITDA that have improved on the results of Q3 2013, despite the little wind in the summer period and the downtime due to the failure of the waste-to-energy plant of Trezzo. We are therefore firmly convinced that the year can close posting a recovery and enabling us to confirm the target profits already disclosed to the market. Some macro factors penalizing our business – continued **Mr. Manzoni** - including the repeated legislative changes (which have their negative effects on both the Italian and Spanish market), the decline in the price of electricity in Italy and Spain, have negatively affected the results of the first nine months, causing us to book a decline in revenues and the pre-tax result. Despite the unfavorable economic context, we have in any case maintained good profit levels, that have, in line with the provisions of the 2013-2017 Business Plan, allowed us to pursue our growth and development. The completion of the Vector Cuatro Group acquisition of last September has enabled us to launch the new Services division, whilst in the Wte and biomass sector, we are developing some innovative initiatives in the UK, and in the wind power segment, our desire for growth is confirmed by the construction and development of three new wind power plants for approximately 70 MW”.*

Consolidated results at September 30, 2014 and September 30, 2013

	(thousands of Euro)				
	Q3 2014	Q3 2013	As at 09.30.2014	(*) As at 09.30.2013	(*) As at 12.31.2013
Revenues	46,957	43,642	174,14	185,623	253,796
Direct payroll costs	(1,312)	(1,542)	(4,707)	(5,207)	(6,8)
Direct costs and expenses	(35,5)	(32,493)	(104,558)	(100,033)	(143,542)
Total cost of goods sold	(36,812)	(34,035)	(109,265)	(105,24)	(150,342)
Gross industrial profit	10,145	9,607	64,875	80,383	103,454
Other income	523	736	4,847	1,507	2,322
Structure payroll costs	(3,583)	(3,35)	(11,849)	(10,073)	(13,623)
General and administrative expenses	(5,986)	(6,959)	(17,112)	(16,286)	(18,192)
EBIT	1,099	34	40,761	55,531	73,961
Financial income and expense	(12,788)	(11,918)	(38,083)	(37,139)	(47,408)
Income and expense from investments			(1)		
Income and expense from equity investmer	804	2,172	1,565	4,326	2,088
Pre-tax result	(10,885)	(9,712)	4,242	22,718	28,641
Income tax					(13,687)
Net result					14,954
Minority resulti					(135)
Group result					15,089
EBITDA (**)	17,583	15,32	89,646	103,797	145,275

(*) Restated due to introduction of IFRS 11

(**) The Falck Renewables Group measures EBITDA as earnings before income and expense from investments, net financial income/expense, amortization, depreciation, impairment, provisions for risks and income taxes. This amount has been determined in line with best market practice taking into consideration the latest project financing contracts entered into by the Group.

Introduction

The accounting principles and valuation criteria used in preparing the interim financial report at September 30, 2014 consider the introduction on 1 January 2014 of IFRS 11, which removes the option to account for jointly controlled entities using the proportionate consolidation method. Jointly controlled entities that meet the definition of joint venture must now be accounted using the equity method only.

Group companies subject to this change in accounting method include Frullo Energia Ambiente Srl (of which we own 49%), Nuevos Parque Eolicos La Muela AIE, Parque Eolico La Carracha SL, Parque Eolico Plana de Jarreta SL (of which we own 26%), and Palermo Energia Ambiente s.c.p.a. in liq. (held 23.27%).

These companies, which were consolidated proportionately in previous period reports, are consolidated using the equity method in this interim financial report, and therefore the data at September 30, 2013 and December 31, 2013 have been adjusted by retroactive application of the new accounting principle, as if it had been applied in FY 2013. In this way, the data for the periods under examination are consistent and comparable.

Results of the third quarter 2014

The quarter's **consolidated revenues** show growth of 7.6% to Euro 47 million from the Euro 43.6 million of the third quarter 2013. This trend is mainly due to the new wind plants of Nutberry (15 MW) from the start of the year and of West Browncastle (30 MW) which began operating during the second half of June, which more than offset:

- the particularly scarce wind levels across Europe, characterizing the quarter in all sites where the Group's plants operate;
- the impact of the failure of the waste-to-energy plant of Trezzo sull'Adda, which contributed only with revenues from waste disposal activities. The damages, which have been quantified in around Euro 5 million, have been requested as an insurance refund for approximately Euro 3.7 million, net of the excess. The plant resumed producing electricity on October 16, 2014;
- the reduction, moreover forecast by the Group, of average prices for the sale of electricity as compared with the 2013 prices in Italy (with specific reference to the fuel avoidance cost component of CIP 6/92) and in Spain.

Thanks to careful performance management, EBITDA for Q3 2014 grows by 14.8% to Euro 17.6 million as compared with the Euro 15.3 million of Q3 2013, improving the incidence on revenues from 35.1% to 37.4%. Consolidated EBIT comes to Euro 1.1 million (Euro 34 thousand during Q3 2013) and includes the write-down of the Rende photovoltaic plants (Euro 415 thousand) and those of Mesagne (Euro 546 thousand) for impairment tests performed during the quarter, following the "Spalmaincentivi" Decree, converted into Law no. 116 of August 11, 2014 and the related implementation decrees issued in October. After net financial expense for Euro 12.8 million, up on the Euro 11.9 million recorded during the third quarter of 2013, mainly due to expenses for the delayed payment recorded by Tifeo Energia Ambiente ScpA in liquidation and the increased scope and income from equity investments for Euro 0.8 million with respect to the Euro 2.2 million of Q3 2013 (mainly due to the revision of the incentive policy in Spain and the lesser performance of the Frullo plant), the pre-tax result is negative, coming in at Euro 10.9 million as compared with the pre-tax loss of Euro 9.7 million recorded during the third quarter of 2013.

Progressive results as at September 30, 2014

Consolidated revenue amounts to Euro 174.1 million, down 6.2% compared to Euro 185.6 million at September 30, 2013.

Sector trends

Wind power: lesser revenues in the amount of Euro 2.5 million, due to the exceptional little wind that characterized the second and third quarters of 2014, despite the increased production capacity due to the start-up of the Nutberry wind plant at the start of the year and, during the second half of June, of the wind plant of West Browncastle. Lesser revenues are also recorded from the Spanish wind farm of Cabezo San Roque, due to the elimination of incentives.

Waste to Energy, Biomass and Photovoltaic: lesser revenues for Euro 9.0 million connected with:

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- the downtime for failure of the alternator at the Trezzo sull'Adda waste-to-energy plant (economic impact of Euro 5.0 million);
- the reduction of average prices for the sale of electricity, with specific reference to the fuel avoidance cost component of CIP 6/92;
- the expiry of the O&M contract on the Fusina plant, which was carried out by Ecosesto SpA;
- the unfavorable weather conditions seen throughout the period for the photovoltaic plants.

We would recall that revenues during the first nine months of 2013 included negative adjustments of revenues due to unbalancing charges for approximately Euro 2 million.

As a consequence of the factors described above, the consolidated EBITDA amounts to Euro 89.6 million versus Euro 103.8 million at September 30, 2013, or 51.5% of sales revenue compared to 55.9% in the first nine months of 2013.

Consolidated EBIT comes to Euro 40.8 million compared to Euro 55.5 million for the first nine months of 2013. EBIT is influenced by the write-down of Euro 1.9 million following impairment testing of the plants of Trezzo sull'Adda, Rende and Mesagne, already applied in the half-yearly report, in addition to the impairment of the photovoltaic plants of Rende (Euro 415 thousand) and Mesagne (Euro 546 thousand) applied in Q3 2014 for impairment testing carried out following the "Spalmaincentivi" Decree. Total impairment therefore comes to Euro 2.8 million, as compared with the Euro 4.1 million as at September 30, 2013.

After net financial expenses of Euro 38.1 million, up 2.5% on the Euro 37.1 million as at September 30, 2013, mainly due to expenses for the delayed payment recorded by Tifeo Energia Ambiente ScpA in liquidation and the increased scope, the pre-tax result is Euro 4.2 million (Euro 22.7 million as at September 30, 2013).

Net financial position

Net financial debt, without considering the fair value of derivatives¹, amounts to Euro 553 million, showing a significant improvement on the Euro 673.8 million at December 31, 2013. The reduction in debt is substantially due to the sale of the minority interests in the UK wind projects to the Danish infrastructural fund Copenhagen Infrastructure I K/S, which brought proceeds of Euro 186.5 million, of which Euro 139.8 million had a positive impact on the net financial position, while Euro 46.7 million were applied to the takeover of the subordinated debts of the fund shareholders. Investments made during the first nine months for Euro 35.2 million, dividends distributed, the change in exchange rates on financial items held in sterling and the acquisition of Vector Cuatro, which resulted in the outlay, for now, of approximately Euro 8.4 million, were significantly offset by the Group's cash generation, which came to Euro 62.1 million.

Non recourse loans amount to Euro 698.5 million (Euro 690.8 million at December 31, 2013).

Net financial debt includes net financial liabilities of Euro 15.4 million relating to projects under construction that, at September 30, 2014, had not yet begun generating revenue. Not including this amount and the fair value of derivatives, net financial debt would have been Euro 537.6 million.

As of September 30, 2014, **net financial debt, inclusive of the fair value of derivatives**, was Euro 629.0 million, (Euro 728.1 million at December 31, 2013).

1) Note that total 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.

Installed production capacity

The following table illustrates installed capacity, analyzed by technology:

Technology	(MW)		
	As at 09.30.2014	As at 12.31.2013	As at 09.30.2013
Wind power	674.6	644.6	629.6
WtE	20.0	20.0	20.0
Biomass	15.0	14.0	14.0
Photovoltaic	16.1	16.1	16.1
Total	725.7	694.7	679.7

It should be noted that IFRS 11 introduced on January 1, 2014, is also applicable to installed capacity; therefore, once the new accounting principle was retroactively applied to data as of September 30, 2013 and December 31, 2013, as if it had always been applied, the installed capacity of the WtE, Biomass and Photovoltaic sector decreased by 11 MW, and those of the Wind sector decreased by 25.7 MW for both periods. In absolute terms, the Group's installed capacity has increased for the wind farm of West Browncastle (30 MW) and for the hybrid plant of Rende (1 MW).

During the first nine months of 2014, the Group produced energy of 1,212 GWh (1,275 GWh during the same period of 2013), in addition to 44 GWh that have not been produced due to Grid detachments, for which the Group has obtained related indemnity, and has processed waste for approximately 167 thousand tonnes (168 thousand tonnes during the first nine months of 2013).

Investments

During the first nine months of 2014, investments in property, plant and equipment and intangible fixed assets came to Euro 35.2 million, mainly concerning:

- Wind power sector: Euro 23.9 million for the construction of wind parks in West Browncastle (Euro 14.3 million), Spaldington (Euro 1.6 million), Nutberry (Euro 6.0 million), Kingsburn (Euro 1.0 million), Assel Valley (Euro 0.6 million) and Auchrobert (Euro 0.2 million);
- WtE, biomass and photovoltaic sector: Euro 2.6 million, of which Euro 1.6 million for improvements made to production plants and approximately Euro 1 million for the plant and start-up of Verus Energy Oak in the UK.
- Services sector: Euro 8.4 million due to the greater price paid with respect to book values in acquiring the Vector Cuatro Group on September 15, 2014.

Most important management events during the third quarter of 2014

Acquisition of Vector Cuatro SLU

On July 31, 2014, Falck Renewables entered into an agreement for the acquisition of the entire share capital of Vector Cuatro SLU, including the indirect acquisition of its subsidiaries (the "Vector Cuatro Group"). Founded in 2007 by Borja Escalada and other partners, headquartered in Madrid, the Vector Cuatro Group manages and services renewable energy production facilities. It also provides engineering, transaction and consultancy services for generating electricity from renewable sources.

In 2013, the Vector Cuatro Group recorded revenues of approximately Euro 7.4 million and a Net Result of approximately Euro 1 million (13.5% on revenues). For 2014, revenues are expected to grow to about Euro 9.0 million with EBITDA of Euro 1.8 million (20% on revenues).

The Vector Cuatro Group Enterprise Value has been established as Euro 12 million as at July 31, 2014.

The price for the purchase of 100% of the share capital of the Vector Cuatro Group (its “equity value”) was paid in cash and calculated according to the net financial position as at July 31, 2014 and the change in net working capital as at the same date, as compared with a pre-established target level.

75% of the price, equal to Euro 8,416 thousand, was paid on the closing date (September 15, 2014), whilst the remaining 25% (Euro 2,805 thousand) will be paid off on June 30, 2015. The operation was entirely financed through own funds.

Vector Cuatro Group former shareholders are still committed to it in their role as top managers, leading the operations of the Group, which will continue operating under the same brand, as well as the relationship with its clients. Moreover, Vector Cuatro Group former shareholders will play a key role within the Falck Renewables Group in the definition, development and provision of innovative services to the market. The managers will be entitled to participate in a Long Term Incentive Plan for the period 2015-2018.

Acquisition in the WtE, biomass and photovoltaic sector

On July 30, 2014, Falck Renewables Wind Ltd acquired 51% of the capital of the English company Verus Energy Oak Ltd, for an amount of Euro 821 thousand. This company owns the authorization to build and manage a waste-to-energy plant with a power of 16.2 MW in West Bromwich (near Birmingham in the UK).

Significant events after the quarter end

There are no significant events worthy of report with reference to the industrial business.

Events relating to the Sicilian projects

With regard to the company’s appeal to the Court of Cassation against the determination of jurisdiction (the Second Determination) under Article 41, in order to reach a final decision on which court has jurisdiction, in conclusion of the new hearings of September 16, 2014, the United Chambers upheld the request submitted jointly by the parties to postpone judgment to the meeting of the Board of January 13, 2015.

As concerns the Civil Proceeding, please note that after the hearing of October 28, 2014, the Court postponed matters until December 19, 2014. Please also note that under the scope of the civil proceedings against the Councilors, the Presidency of the Region of Sicily has filed a deed of intervention.

Lastly, please remember that the administrative proceedings pending on appeal before the Sicilian Regional Administrative Justice Board (CGARS) remain pending until decision by the Court of Cassation on the Second Regulation with regards to the order of February 06, 2014.

As concerns the dispute between Tifeo and the Gulino Group, information on which was given in the Interim Financial Report of June 30, 2014, by sentence filed on last September, 11, the Court of Enna settled the matter, sentencing Tifeo to fulfill the contract for the sale of the land of Enna and Assoro stipulated by the parties on December 01, 2005 with regards to the obligation to pay 95% of the price of sale for said land and, therefore to pay Gulino the amount of Euro 2,931,700.00 plus interest pursuant to Italian Legislative Decree no. 231/2002 of April 08, 2010 until payment of final balance (for approximately Euro 1 million) and reimbursement of all legal costs, in the amount of approximately Euro 15 thousand. The sentence was challenged by Tifeo with writ of summons brought before the Court of Appeal of Caltanissetta on September 25, 2014, whereby a request was made to fully reform the decision on the basis of five grounds for appeal. The first hearing of the appeal is scheduled for January 21, 2015. At the same time as registering the ruling on appeal, a petition was also filed, in the interests of Tifeo, pursuant to Art. 351 of the Italian Code of Civil Procedure aimed at obtaining suspension of the provisional enforcement of

the Sentence whilst waiting for the judgment on appeal. The President of the Court of Appeal of Caltanissetta, by decree filed on October 07, 2014, decided that "there were no urgent reasons to be enforced immediately" with regard to the specified petition pursuant to Art. 351 of the Italian Code of Civil Procedure and therefore scheduled the hearing of November 19, 2014 to take all decisions on the suspension of the provisional enforcement of the Sentence, once the cross-examination was organized with Gulino.

Outlook

- The 2014 results will benefit for the entire year from production of the wind plant of Nutberry, for six months of the wind plant of West Browncastle and for three months of the consolidation of the Vector Cuatro Group. The plant of Trezzo sull'Adda has also returned to being fully operative.
- As concerns the UK plants that have been authorized of Spaldington Airfield (12.5 MW- -around 2,700 expected annual wind hours) and Kingsburn (up to 22.5 MW around 3,300 expected annual wind hours), start-up is expected for the first half of 2016; Assel Valley (up to 30 MW around 3,000 expected annual wind hours) is instead expected to start operating during the first quarter of 2017. Auchrobert plant (up to 36 MW- around 3,300 expected annual wind hours) is in final stage of construction and should start operating during the first quarter of 2017 as well.

The following factors, among the others, will influence the Group's results:

- the economic situation, which is particularly weak, will negatively impact the price of electricity throughout Europe, although renewable energies will continue to benefit from mechanisms aimed at offsetting this effect, except in Spain, where the incentive has been eliminated;
- the effects of CIP6 tariff cuts following Decree Law no. 69, published on June 21, 2013 (emergency measures to relaunch the economy) and the Ministry of Economic Development's Decree of November 20, 2012 will continue whilst awaiting the result of the appeal lodged with the Lazio Regional Administrative Court.

Despite the market changes, the Group has managed to maintain good levels of profit, thanks to the construction of plants in sites with a great many hours of wind and the capacity to reduce costs with efficiency and effectiveness yields that improve constantly. The Group is focusing on the planning, management and improvement of performance, including through the development and implementation of innovative solutions - activities that in the future may also be offered to third parties.

In view of these factors, the Group confirms the guidance of EBITDA for 2014 of Euro 130-135 million.

Attached are the statements of the Falck Renewables Group taken from the interim Financial Report as at September 30, 2014, compared with the consolidated equity data as at December 31, 2013 and the consolidated data as at September 30, 2013.

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 September 30, 2014 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 and on the authorized storage mechanism website "1Info" (www.1info.it).

A conference call will be held for analysts, investors and banks at 10:00 am on Thursday November 13, 2014, to present the interim results as at September 30, 2014. Details on how to participate are available at www.falckrenewables.eu, in the news section. Support material will be made available on-line in the investor relations section when the conference call begins.

*Active in Europe with installed capacity of roughly 762 MW in 2014 (726 MW according to IFRS 11 reclassification), **Falck Renewables S.p.A.**, 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. Thanks to this strategy, the Company is flexible in allocating investments, with the aim of mitigating risks and seizing market opportunities.*

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Interim financial report as at September 30, 2014 - Income statement

	Q3 2014	Q3 2013	As at 09.30.2014	(*) As at 09.30.2013	(*) As at 12.31.2013
Revenues	46,957	43,642	174,140	185,623	253,796
Direct payroll costs	(1,312)	(1,542)	(4,707)	(5,207)	(6,800)
Direct costs and expenses	(35,500)	(32,493)	(104,558)	(100,033)	(143,542)
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Financial income and expense	(12,788)	(11,918)	(38,083)	(37,139)	(47,408)
Income and expense from investments			(1)		
Income and expense from equity investments	804	2,172	1,565	4,326	2,088
Pre-tax result	(10,885)	(9,712)	4,242	22,718	28,641
Income tax					(13,687)
Net result					14,954
Minority result					(135)
Group result					15,089
EBITDA (**)	17,583	15,320	89,646	103,797	145,275

(*) Restated due to introduction of IFRS 11

(**)The Falck Renewables Group measures EBITDA as earnings before income and expense from investments, net financial income/expense, amortization, depreciation, impairment, provisions for risks and income taxes. This amount has been determined in line with best market practice taking into consideration the latest project financing contracts entered into by the Group.

Interim financial report as at September 30, 2014 - Net financial position

(thousands of euros)

	09.30.2014	06.30.2014	12.31.2013(*)	Changes	
	(1)	(2)	(3)	(4)=(1)-(2)	(5)=(1)-(3)
Short-term financial payables to third parties	(79.563)	(84.905)	(59.258)	5.342	(20.305)
Short-term financial payables to Group members					
Short-term financial receivables from third parties	1.599	2.627	779	(1.028)	820
Short-term financial receivables from Group members			25		(25)
Other securities					
Short-term liquid funds	248.075	264.109	120.819	(16.034)	127.256
Short-term net financial position	170.111	181.831	62.365	(11.720)	107.746
Medium/long-term financial payables to third parties	(799.175)	(779.765)	(790.818)	(19.410)	(8.357)
Medium/long-term financial payables to Group members					
Other securities					
Medium/long-term financial position	(799.175)	(779.765)	(790.818)	(19.410)	(8.357)
Net financial position as per Consob					
communication no. DEM/6064293/2006	(629.064)	(597.934)	(728.453)	(31.130)	99.389
Medium/long-term financial receivables from third parties					
Medium/long-term financial receivables from Group members	29		367	29	(338)
Total net financial position	(629.035)	(597.934)	(728.086)	(31.101)	99.051
- of which "non-recourse" loans	(698.499)	(692.576)	(690.751)	(5.923)	(7.748)

(*) Restated due to introduction of IFRS 11