

PRESS RELEASE

The Board of Directors approves the Interim Report as at September 30, 2015

**Progressive results improve significantly (EBITDA +23%). Net financial debt down.
Guidance on EBITDA revised upwards.**

Third quarter 2015

- **Consolidated revenues:** +12.0% to Euro 52.6 million compared to Euro 47.0 million for the third quarter of 2014;
- **EBITDA:** +41.6% to Euro 24.9 million on the Euro 17.6 million of Q3 2014; incidence on revenues improves from 37.4% to 47.3%.

Progressive results as at September 30, 2015

- **Progressive revenues** +15% to Euro 199.8 million versus the Euro 174.1 million of 2014, EBITDA +23% to Euro 110.0 million as compared with Euro 89.6 million for the same period of 2014;
- **EBIT** around +25% to Euro 50.8 million, up on the Euro 40.8 million booked in the nine months of 2014;
- **Profit before taxation** to Euro 18.7 million from Euro 4.2 million (+345%) for the nine months ended September 30, 2014;
- **Net financial debt, not considering the fair value of derivatives**, down Euro 549.1 million on Euro 560.0 million at December 31, 2014;
- **Guidance on 2015 EBITDA** has increased to Euro 137-142 million.

Milan, November 12, 2015 – 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, 2015.**

“The results of these nine months of 2015 – Piero Manzoni, Chief Executive Officer of Falck Renewables S.p.A. commented – confirm the correct operations of the team of managers and all company staff. We have embarked upon a route that is yielding very positive results in terms of profitability, development prospects and solidity of our business model. The factors that have most affected the results of the first nine months, the best ever since Falck Renewables was created, confirm that our strategic choices are correct and are rapidly taking the Group towards excellent performance levels, recording strongly-growing EBITDA that reaches Euro 110,0 million (+23% on 2014), a pre-tax result that goes from Euro 4.2 to 18.7 million , thereby confirming the investments for development and reducing our net financial position. The main positive factors of the period are the careful investments policy, the improvement of plants performance, the renegotiation of O&M contracts and the increasing attention paid to Energy Management for the sale of electricity and certificates, as well as other factors such as the increased production capacity installed in the United Kingdom, the revaluation of the sterling against the euro, the return to full operation of the waste-to-energy plant of Trezzo sull'Adda and the consolidation of Vector Cuatro Group, despite, amongst

other issues, the envisaged reduction in the electricity tariffs, again in the United Kingdom and in Spain and the non-exceptional wind levels seen in the third quarter of 2015.

As always, we are paying close attention - Mr Manzoni concluded – also to aspects relating to innovation, required to improve our operative performance.

All this allows us to look positively to the future, raising the guidance on EBITDA for the end of the year by Euro 5 million, to the range between Euro 137 and 142 million”

Consolidated results at September 30, 2015 and September 30, 2014

	(thousands of Euro)				
	3rd quarter 2015	3rd quarter 2014	Year to 30.9.2015	Year to 30.9.2014	Year to 31.12.2014 (*)
Revenue	52,609	46,957	199,843	174,140	248,325
Direct personnel expense	(2,675)	(1,312)	(8,493)	(4,707)	(7,169)
Direct costs and expenses	(34,998)	(35,500)	(114,367)	(104,558)	(142,951)
Total cost of goods sold	(37,673)	(36,812)	(122,860)	(109,265)	(150,120)
Gross profit	14,936	10,145	76,983	64,875	98,205
Other income	1,372	523	4,409	4,847	9,365
Indirect personnel expense	(3,433)	(3,583)	(10,450)	(11,849)	(15,240)
General and administrative expenses	(8,112)	(5,986)	(20,159)	(17,112)	(21,628)
Operating profit (loss)	4,763	1,099	50,783	40,761	70,702
Net financial expense	(10,332)	(12,788)	(34,833)	(38,083)	(49,820)
Net investment income	(4)		152	(1)	213
Net equity investment income	940	804	2,630	1,565	409
Profit (loss) before taxation	(4,633)	(10,885)	18,732	4,242	21,504
Income taxes					(12,592)
Profit (loss) for the year					8,912
Profit (loss) attributable to non-controlling interests					5,612
Profit (loss) attributable to the owners of the parent					3,300
EBITDA (**)	24,896	17,583	110,022	89,646	135,292

(*) Data restated to reflect the adjustments made following the application of IFRS 3 - Business combinations - in relation to the purchase of the Vector Cuatro Group.

(**) 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.

Results of the third quarter 2015

The quarter's **revenues** have increased with respect to the corresponding quarter of 2014 for an amount of approximately Euro 5.6 million, mainly due to:

- the greater production of the Trezzo sull'Adda plant, which in the same period of 2014 had not produced electricity as a result of the alternator failure;
- the revaluation of the sterling (+11% with respect to the third quarter of 2014) with regards to the euro, with reference to revenues generated by the plants of the United Kingdom;
- the consolidation of the Vector Cuatro Group, acquired in September 2014, whose revenues were not present in the third quarter of the previous year.

The careful performance management, together with the good revenues achieved, had a positive impact on the quarter's **EBITDA**, which came in at Euro 24.9 million, from the Euro 17.6 million of the third quarter 2014. The improved result has also ensure growth in the incidence of EBITDA on revenues, going from 37.4% to 47.3%. The quarter's **Consolidated EBIT**, of Euro 4.8 million, is up on the same period of 2014 (Euro 1.1 million); in August the Group received notice of the debit of charges for the transport and distribution of electricity in relation to previous years. The amount of these charges comes to around Euro 3 million, which the Group has decided to set aside, in this Interim Financial Report, to the provision for risks, despite the fact that it intends to pursue its rights as these charges are considered unjustified.

Net financial expense came to Euro 10.3 million, up Euro 2.5 million on the Euro 12.8 million of 2014.

Please note that the third quarter usually shows negative profitability due to the seasonal nature of the wind sector. This year, the **Pre-tax result for the third quarter**, despite recording a negative balance Euro 4.6 million, closes with a clear improvement on the same period of 2014, when it had a negative balance of Euro 10.9 million.

Progressive results as at September 30, 2015

Progressive **revenue** amounts to Euro 199.8 million, up approximately 15% compared to Euro 174.1 million at September 30, 2014.

Sector trends

Wind power: greater revenue for Euro 18.7 million (+14.3%) due above all to excellent wind levels during the first and second quarter of 2015, the greater production capacity installed, deriving from the wind power plant of West Browncastle (which during the same period of 2014 was only operative from June) and to the new O&M management contracts and the new PPAs. The benefit deriving from the revaluation of the sterling against the euro is in addition to these operative factors.

Waste to Energy, Biomass and Photovoltaic: greater revenue for Euro 0.7 million connected with the greater electricity production by the waste-to-energy plant of Trezzo sull'Adda with respect to the same period of 2014, when the plant did not produce energy as a result of a failure of the alternator (from end April to mid-October); this effect is partially offset by the reduction in the average price of electricity sales, with particular reference to the "avoided cost" component (6/92), expired in August 2014 in relation to 15 MW (3 MW still remain) and the shutdown for the scheduled maintenance of the WTE plant in March 2015.

Services: This sector revenues, comprising the Spanish Vector Cuatro Group, come to Euro 6.3 million. It should be specified that the Group, acquired on September 15, 2014, was consolidated as from October 1, 2014, hence it is impossible to compare the data.

By virtue of the dynamics explained above and the efficient technical management of the plants and Energy Portfolio Management, **the Group's EBITDA comes in at Euro 110.0 million with respect to the Euro 89.6 million as at September 30, 2014 (approximately +23%),** with a margin of 55.1% on revenues, up on the 51.5% of the first nine months of 2014.

Group **EBIT** comes to Euro 50.8 million compared to Euro 40.8 million for the first nine months of 2014. The EBIT is influenced both by total impairment for approximately Euro 5.1 million (as already described in the Interim Report) and by the provision made, for approximately Euro 3.0 million, in relation to the expenses for the transport and distribution of energy, as commented on in the "Results of the third quarter".

After financial expense for approximately Euro 34.8 million, down 8.5% on the Euro 38.1 million as at September 30, 2014, predominantly as a result of lesser interest expense in connection with the shareholder loans provided by CII Holdco under the scope of the Borea transaction and the lesser costs on the corporate loan, the Group's **Pre-tax result** comes in at Euro 18.7 million, a great improvement on the euro 4.2 million of the first nine months of 2014.

Net financial position

Net financial debt, without considering the fair value of derivatives¹, amounts to Euro 549.1 million, a reduction on the Euro 560.0 million at December 31, 2014.

Investments made during the first nine months of 2015, for approximately Euro 39.4 million, dividends distributed for Euro 19.6 million and changes in exchange rates in connection with financial items in sterling were more than offset by the cash generation of Euro 79.8 million.

"Non recourse" loans amount to Euro 655.5 million (Euro 673.9 million at December 31, 2014).

Net financial debt includes net financial liabilities of Euro 52.1 million relating to projects under construction that, at September 30, 2015, had not yet begun generating revenue. Not including this amount and the fair value of derivatives, net financial debt would have been Euro 497.0 million.

As of September 30, 2015, **net financial debt, inclusive of the fair value of derivatives,** was Euro 618.2 million, (Euro 638.1 million at December 31, 2014).

1) The 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)		
	Year to 30.9.2015	Year to 31.12.2014	Year to 30.9.2014
Wind power	674,6	674,6	674,6
WTE	20,0	20,0	20,0
Biomass	15,0	15,0	15,0
Solar power	16,1	16,1	16,1
Total	725,7	725,7	725,7

During the first nine months of 2015, the Group produced energy of 1,337 GWh (1,212 GWh during the same period of 2014) and has processed waste for approximately 207 thousand tonnes, up 3% on the 201 thousand tonnes during the first nine months of 2014.

Investments

During the first nine months of 2015, investments in property, plant and equipment and intangible fixed assets came to Euro 39.4 million, mainly concerning:

- Wind power sector: Euro 37.8 million for the construction of wind parks in Assel Valley, Spaldington, Auchrobert and Kingsburn in the United Kingdom;
- WtE, biomass and photovoltaic sector: Euro 0.9 million for improvements on the waste-to-energy plant of Trezzo sull'Adda;
- Services sector: Euro 0.4 million for the implementation of the new management system and the restructuring of the Madrid and Tokyo offices.

Most important management events during the third quarter of 2015

No important events took place during the third quarter.

Significant events after the quarter end

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

Outlook

The Group's results for FY 2015 will benefit from the entire year of production by the West Browncastle wind power plant for 30 MW, which in 2014 only contributed for 7 months, and the consolidation of the Vector Cuatro Group, again for the whole year (whilst in 2014, it only contributed towards Group results for three months).

The performance of the nine months of 2015, which exceeds forecasts, is an excellent basis for achieving very good results the whole year. Confirmation of this positive trend throughout the year will depend on (i) the production factors for the coming months that are not predictable and which constitute the most important contribution on an annual level due to the very seasonal nature of the business, (ii) the economic situation which currently is still having a negative impact on the demand for electricity, despite showing some improvement on last year, and (iii) the regulatory environment, also in light of the decision announced by the British Government to abolish the exemption from the Climate Change Levy, which

represents, through the mechanism of LECs, an additional remuneration of renewable energy plants that could be added to the regulatory interventions, carried out in Italy for FY 2015 and that were not present in the previous year, related to charges of imbalance and reduction of 8% of the incentive fee on 16.1 MW of the Group's solar plants. The economic results on the Interim Financial Report consider this reduction as from August 1, 2015 and until September 30, 2015.

The Group's development will continue through the construction and start-up of authorized plants in the United Kingdom of Spaldington Airfield (11.75 MW), Kingsburn (22.5 MW), Auchrobert (36 MW) and Assel Valley (25 MW), full operation of which is envisaged for the second half of 2016 for Spaldington and Kingsburn, whilst for Assel Valley should apply as from the start of the first quarter 2017 and Auchrobert at the end of the first quarter 2017.

The corporate loan contract stipulated on June 12, 2015 and maturing on June 30, 2020 with a pool of Italian banks for the amount of Euro 150 million, which envisages better financial conditions than that expired and repaid, will allow us to continue the growth of financial expense due to the increased debt deriving from the specified investment program.

The Constitutional Court ruling that declared the unconstitutionality of the Robin Hood Tax will have a positive effect on the Group's net results.

Despite the market changes, the Group manages 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.

In light of the data of the first nine months, **the Group increases the guidance on EBITDA** disclosed to the market on March 12, 2015 in the range of Euro 132 and 137 million, to the new range of **Euro 137-142 million**.

Attached are the statements of the Falck Renewables Group taken from the interim Financial Report as at September 30, 2015, compared with the consolidated economic data as at September 30, 2014 and the consolidated financial data as at December 31, 2014.

The Executive Responsible for drawing up the company's accounting documents, Paolo Rundeddu, certifies – in accordance with paragraph 2, article 154 bis of the Financial Act (TUF) – that the accounting information contained in this document corresponds to documentary evidence, books and accounting records.

The Group's interim financial report at September 30, 2015 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 DSIR-NIS managed by Blt Market (www.emarketstorage.com).

A conference call will be held for analysts, investors and banks at 10:30 am tomorrow, Friday November 13, 2015, to present the interim results as at September 30, 2015. 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 2015 (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, 2015 - Income statement

	(thousands of Euro)				
	3rd quarter 2015	3rd quarter 2014	Year to 30.9.2015	Year to 30.9.2014	Year to 31.12.2014 (*)
Revenue	52,609	46,957	199,843	174,140	248,325
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Interim financial report as at September 30, 2015 - Net financial position

	(thousands of Euro)				
	30.9.2015	30.6.2015	12.31.2014	Changes	
	(1)	(2)	(3)	(4)=(1)-(2)	(5)=(1)-(3)
Current financial liabilities - third parties	(87,864)	(79,519)	(87,976)	(8,345)	112
Current financial liabilities - intragroup					
Current financial receivables - third parties	2,360	76	856	2,284	1,504
Current financial receivables - intragroup	10	15		(5)	10
Other securities					
Liquid funds	175,684	179,875	207,606	(4,191)	(31,922)
Current net financial position	90,190	100,447	120,486	(10,257)	(30,296)
Non-current financial liabilities - third parties	(709,131)	(724,604)	(758,640)	15,473	49,509
Non-current financial liabilities - intragroup					
Other securities					
Non-current financial position	(709,131)	(724,604)	(758,640)	15,473	49,509
Net financial position, as per					
Consob communication no. DEM/6064293/2006	(618,941)	(624,157)	(638,154)	5,216	19,213
Non-current financial assets - third parties	754	763		(9)	754
Non-current financial assets - intragroup			25		(25)
Total net financial position	(618,187)	(623,394)	(638,129)	5,207	19,942
- including non recourse loans	(655,484)	(665,172)	(673,866)	9,688	18,382