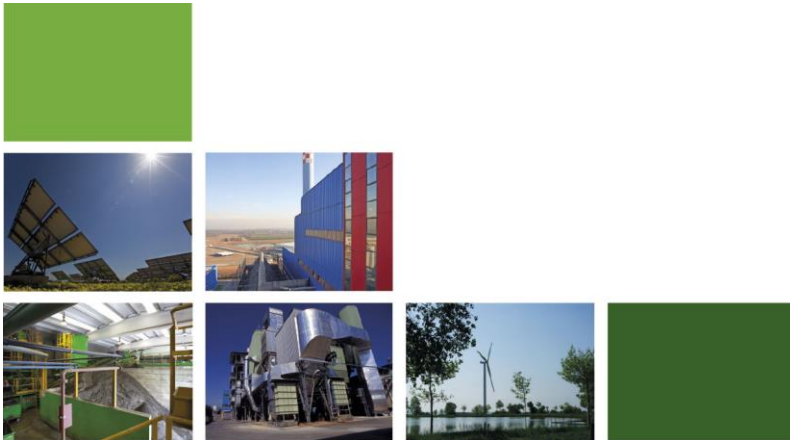


1H 2016 Results



Conference Call
August 04th, 2016

 **1H 2016 Results**

 **Conclusions**

 **Annex**

1H 2016 Highlights

Solid results in an adverse market scenario



- COD achieved earlier than anticipated at Spaldington and Kingsburn (34MW)
- Good wind conditions in Italy
- Continued operational cost savings
- IMU and Law 488 positive impact on FKR Group Net Income
- Good results of Vector Cuatro

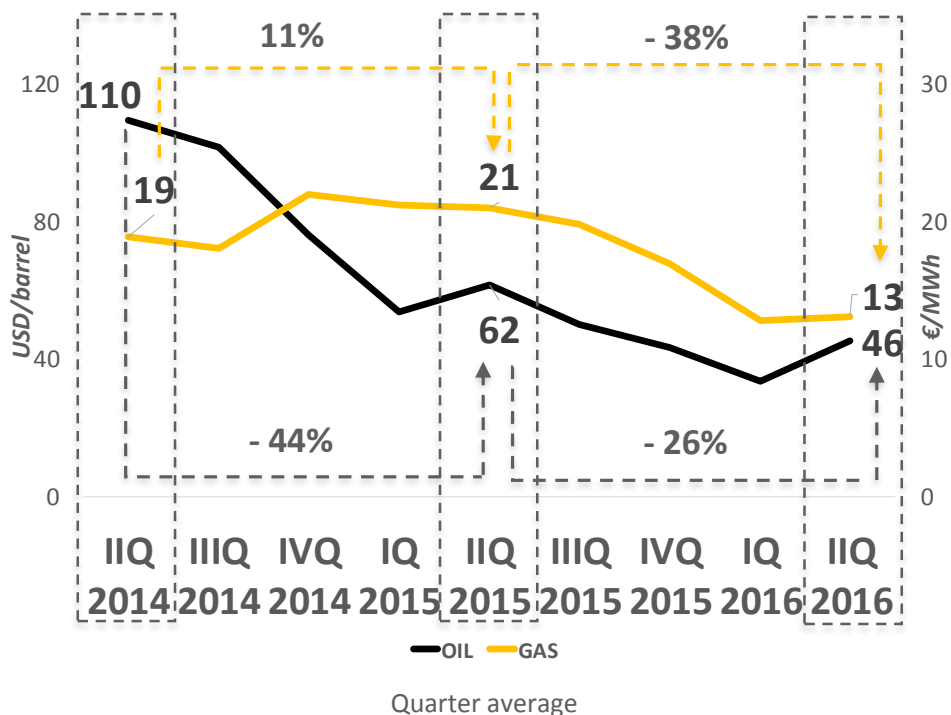


- Electricity prices confirmed weak in 2016
- Poor wind conditions in the UK
- Negative effect of regulatory changes
- Negative impact from GBP/€ exchange rate

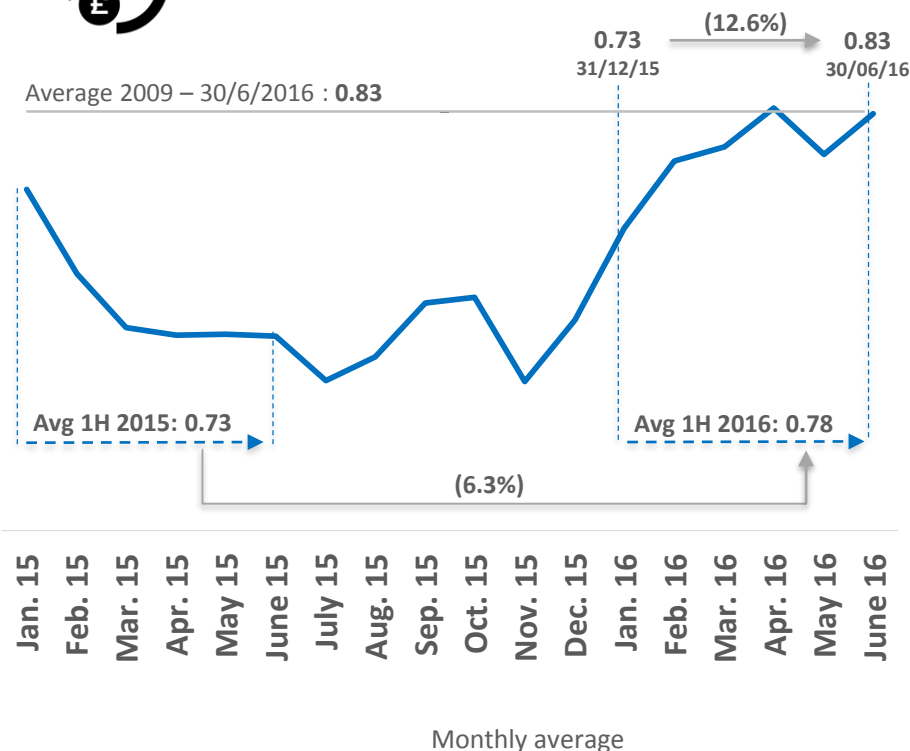
- **1H 16: €71.3m EBITDA, NFP improved by €41m to €589m**
- **1H 16 Group Net Earnings at €9.0m, increased 3.4% vs 1H 15**

Market context – oil & gas price and exchange rate evolution

Slight recover in commodities prices in 2Q 2016



GBP devaluation: different impact on P&L and NFP



Market context – wholesale price evolution

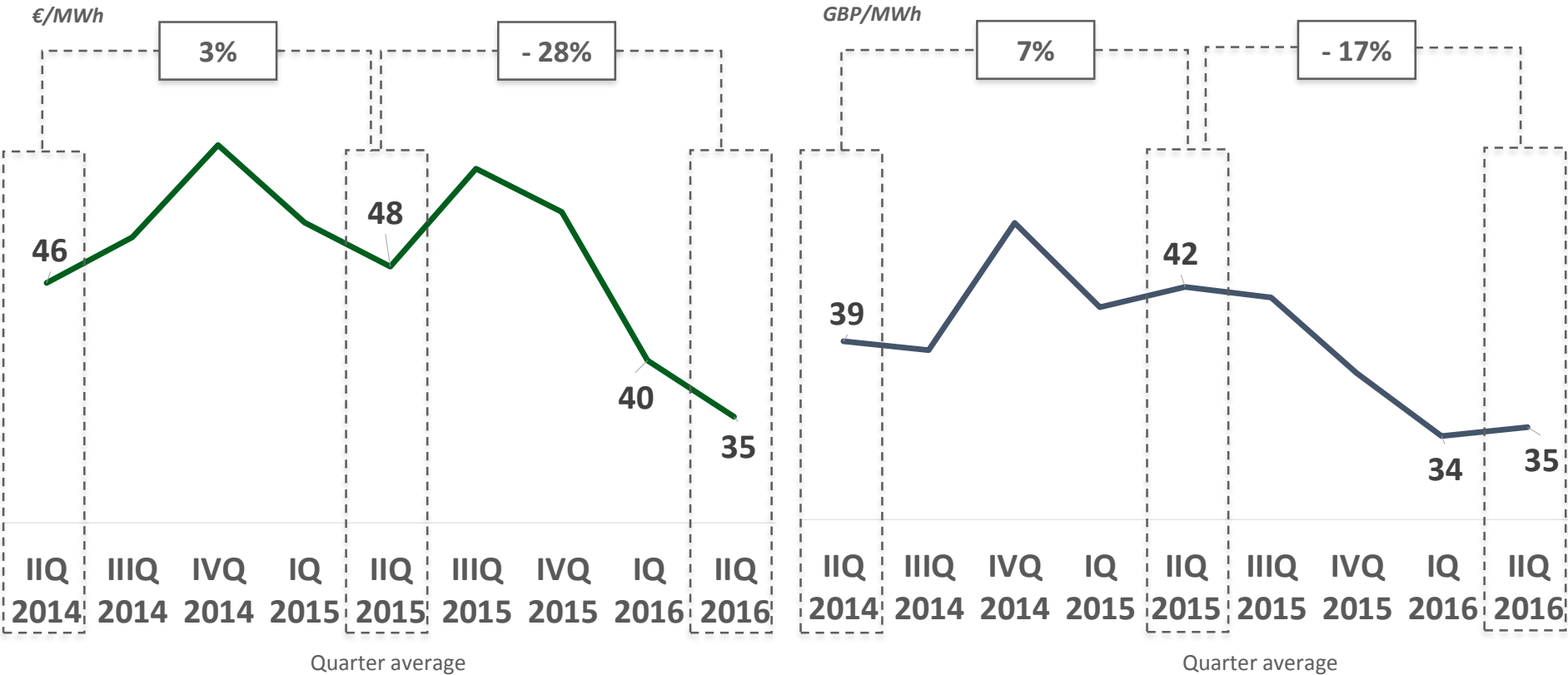
Negative wholesale price evolution affecting group performance YoY

 Average PUN




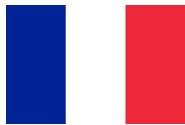
 Average wholesale price

€/MWh



GBP/MWh

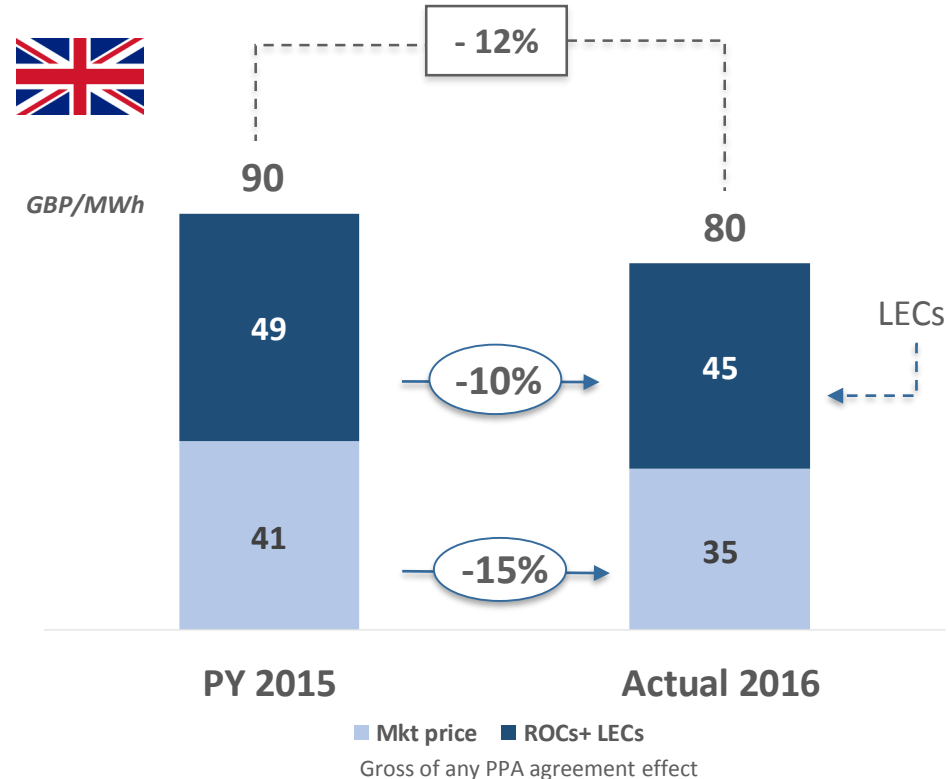
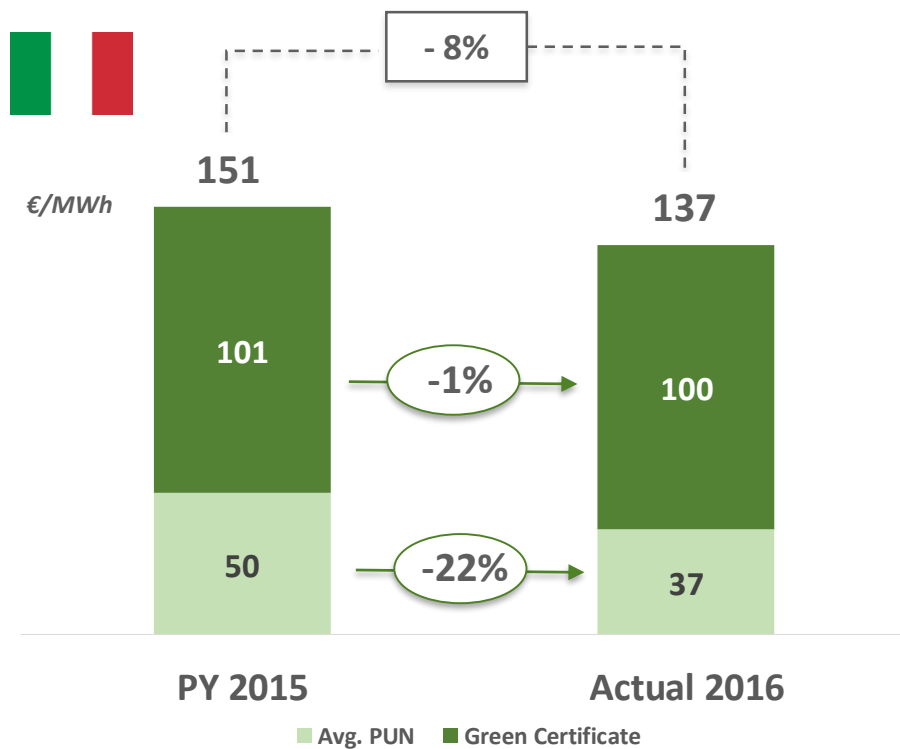


Impact of change in regulations – updates

	Change in regulation	Effective date	Impact on Incentives	Expected event
	Discontinuity in incentive calculation vs previous year	01/01/2016	~ (11 €/GC)	X
	Review of wholesale price for incentive calculation for biomass (New Decree)	01/07/2016	80 €/GC ↓ 100 €/GC	1H 2H V
	Cancellation of LECs	01/08/2015	~ (5 £/MWh)	V
	Recent ruling imposed fee payment over FiT received from 2009 - 2014	15/04/2016	(€0.8m) cumulated	X

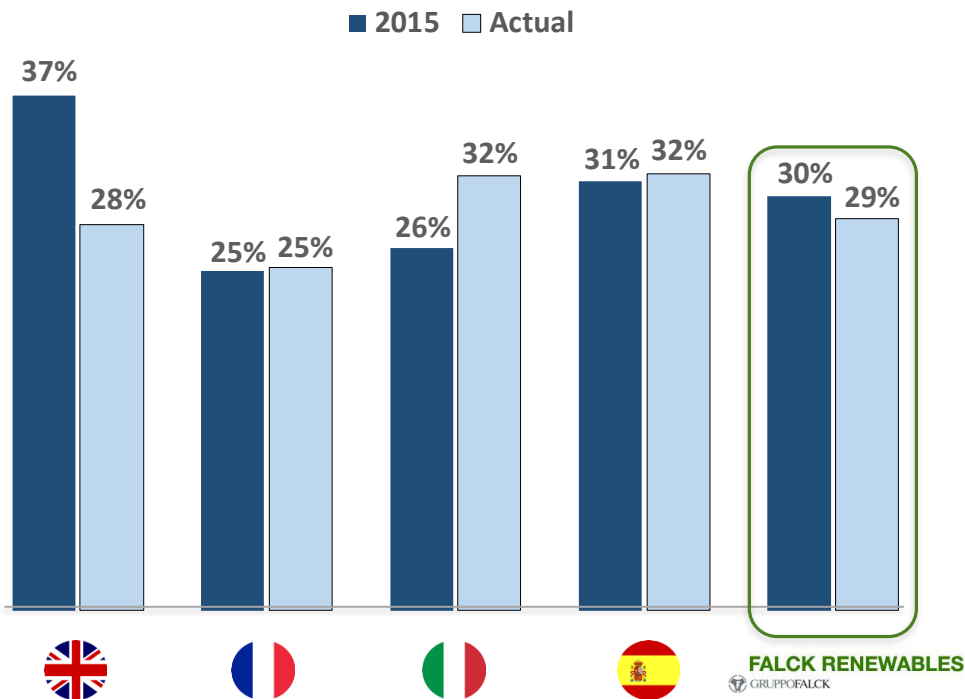
Market average price (wholesale + incentive)

Euro/MWh	PY 2015	Act. 2016	Δ %
	91	91	0
	39	24	-45%

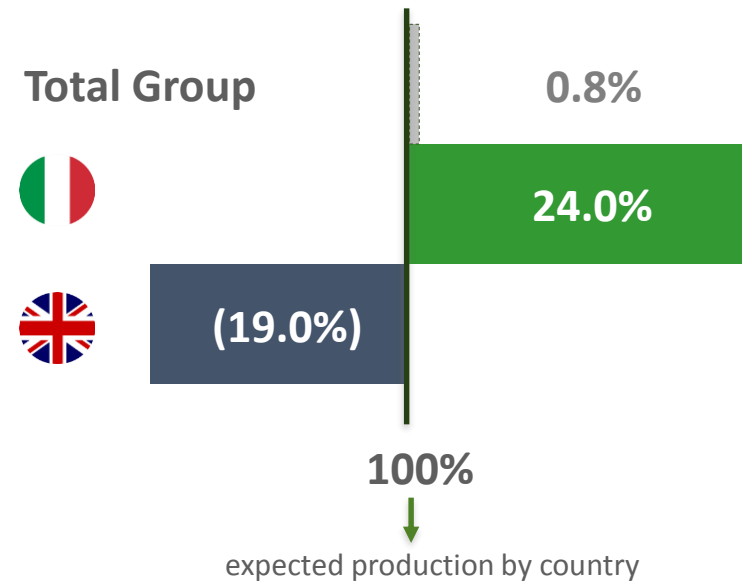


1H Wind farms performance

1H 2016 vs 1H 2015: load factor by country

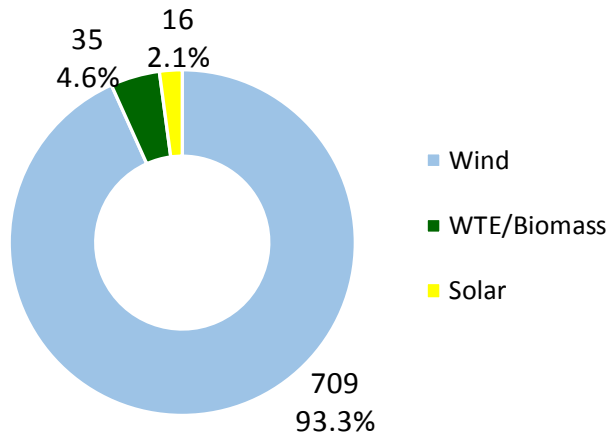


1H 2016: UK & Italy plant performance

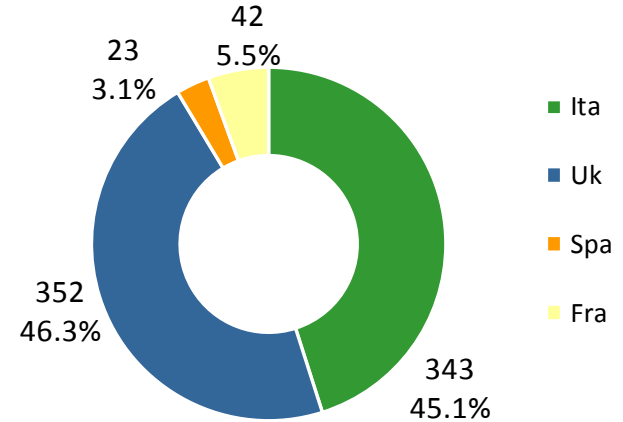


Installed capacity and production

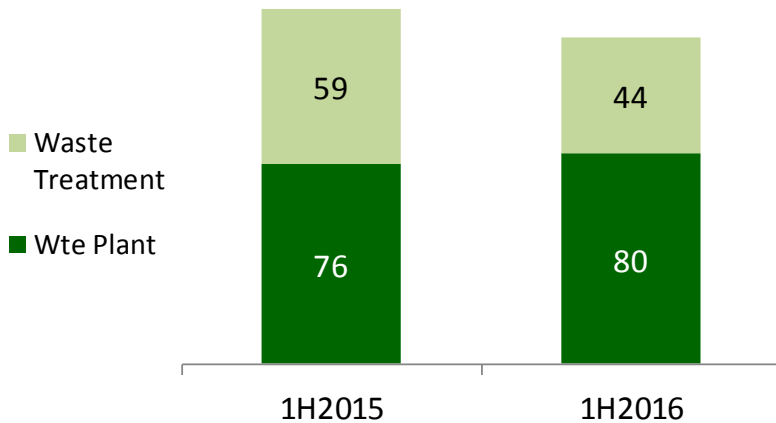
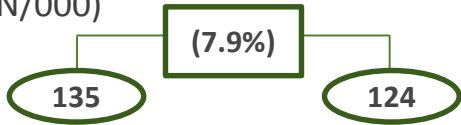
By Technology



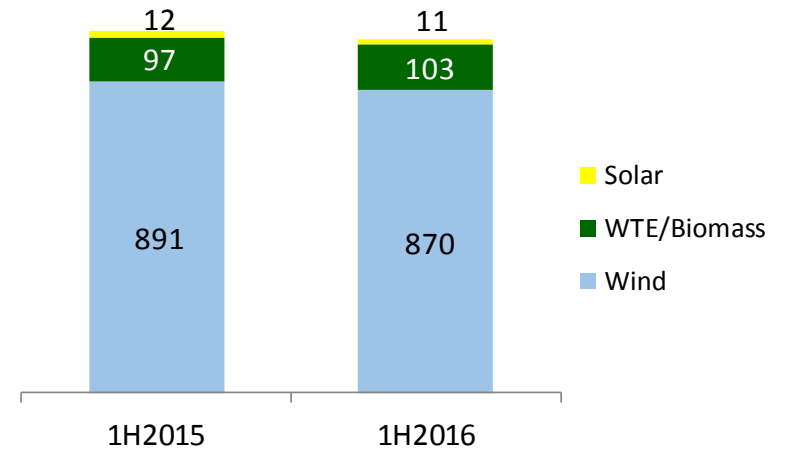
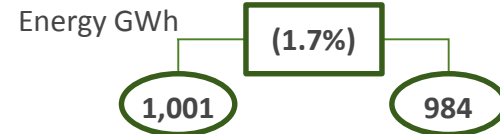
By Country



WASTE (TON/000)



Energy GWh



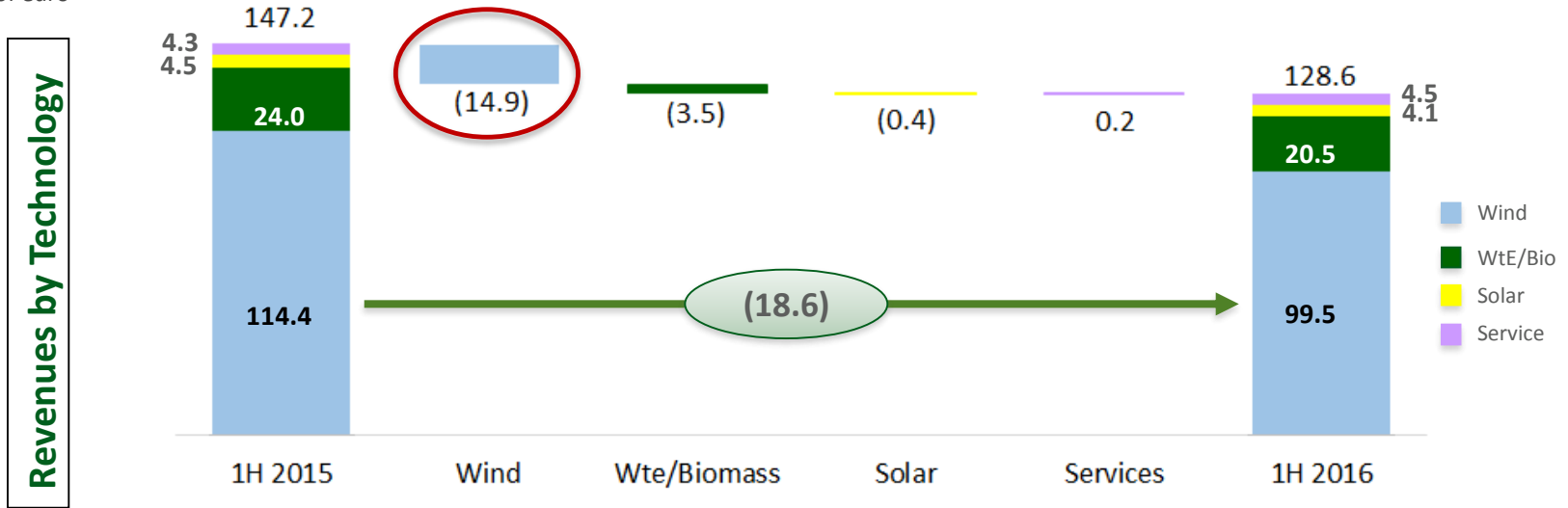
1H2016 Highlights

	1H2016	1H2015	Δ
Installed Capacity - MW	760	726	34.0
Energy Production - GWh	984	1,001	(17.0)
Revenues - €m	128.6	147.2	(18.6)
EBITDA - €m	71.3	85.1	(13.8)
EBIT- €m	35.7	46.0	(10.3)
EBT - €m	16.6	23.4	(6.8)
Net Earnings - €m	11.0	14.8	(3.8)
Group Net Earnings -€m	9.0	8.7	0.3
Capex	(45.1)	(15.8)	(29.3)
Net Financial Position	(589.1)	(629.9)*	40.8

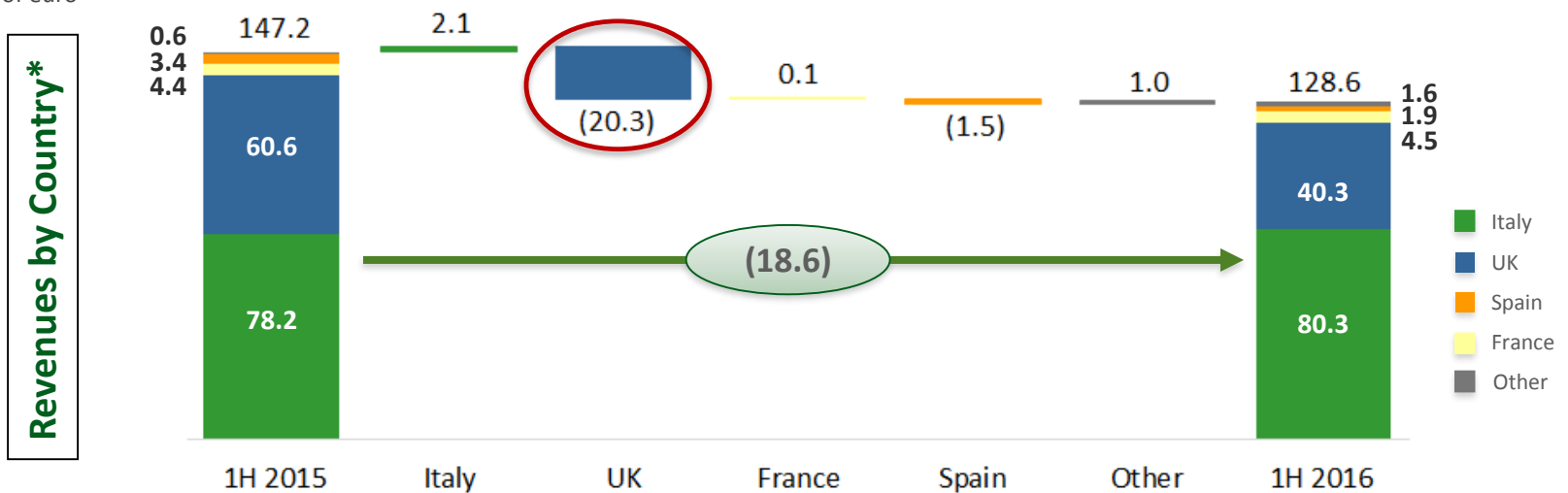
*As of 31 December 2015

1H 2016 Revenues Evolution

Millions of euro



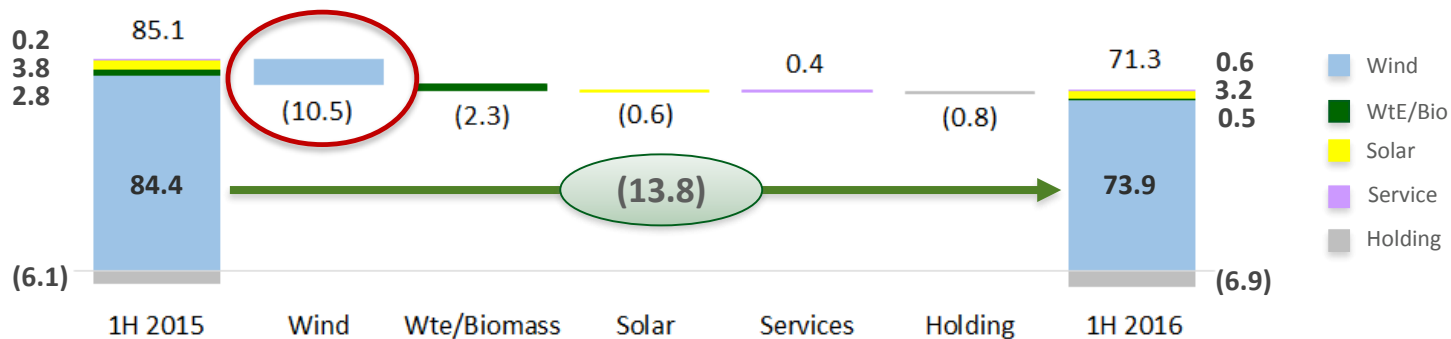
Millions of euro



1H2016 EBITDA Evolution

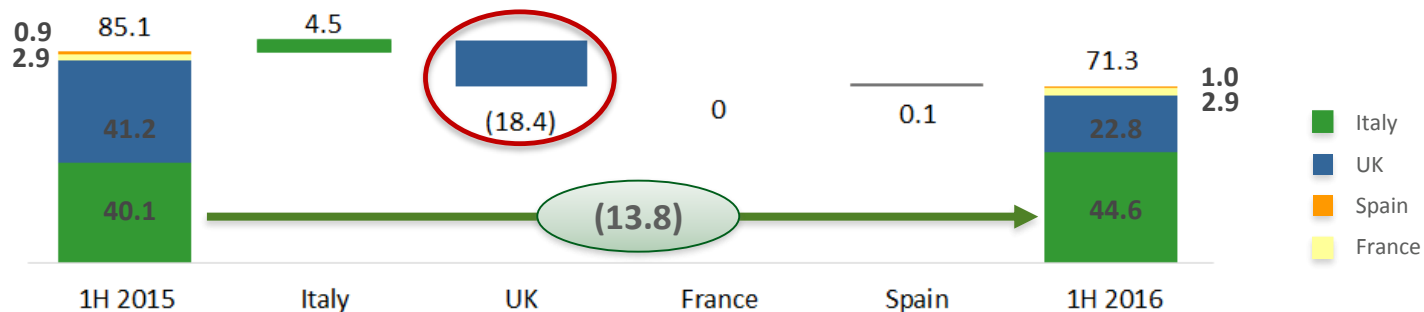
Millions of euro

EBITDA by technology



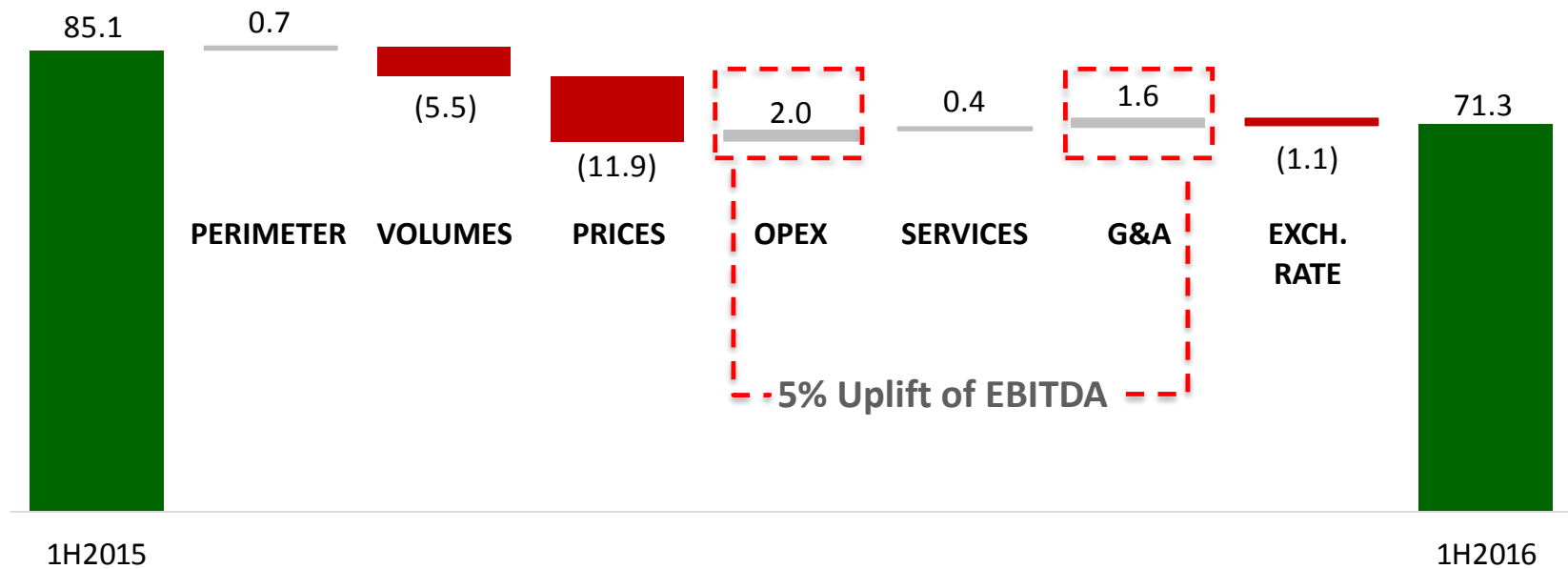
Millions of euro

EBITDA by Country *



1H2016 EBITDA Evolution

Millions of euro



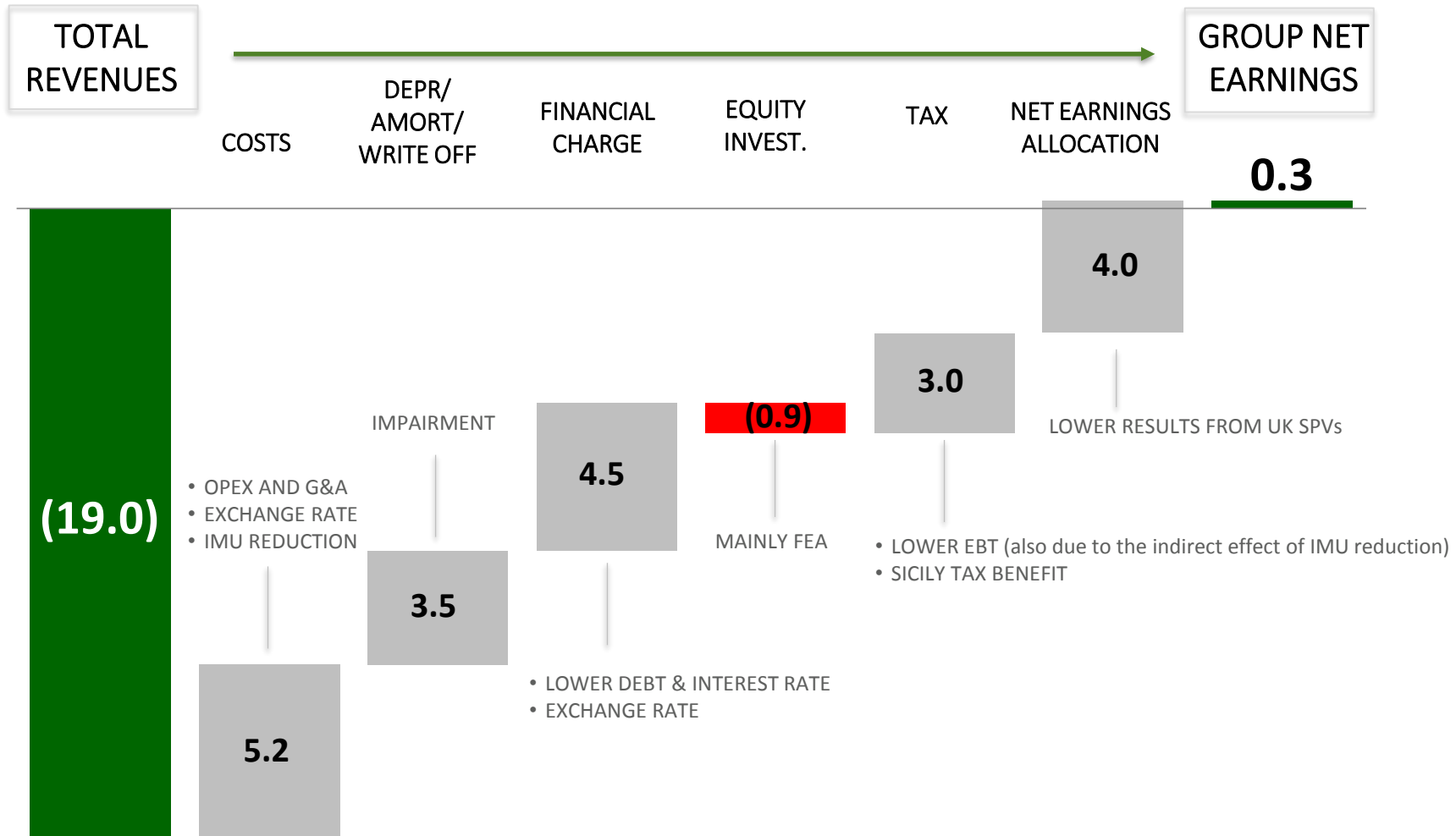
1H2016 Financial highlights

millions of euro	1H2016	1H2015	
Revenues	128.6	147.2	(12.6%)
Other income	2.6	3.0	
Operating costs	(59.9)	(65.1)	
Ebitda	71.3	85.1	(16.2%)
<i>% on Revenues</i>	55.5%	57.8%	
Depreciation - Amortization - Write Off	(35.6)	(39.1)	
Operating Result	35.7	46.0	(22.4%)
<i>% on Revenues</i>	27.8%	31.3%	
Financial income and charges	(20.0)	(24.5)	
Equity investments	0.9	1.8	
Earnings Before Taxes	16.6	23.4	(29.1%)
Net Earnings	11.0	14.8	(25.7%)
Group Net Earnings	9.0	8.7	3.4%

Millions of euro	1H2016	1H2015
Impairment		(4.0)
Write - off		(1.0)
Provisions	(3.0)	(0.5)

millions of euro	1H2016	FY2015
Net Invested Capital	1,074.9	1,148.8
Equity	485.7	519.0
Group Equity	443.2	472.5
Net Financial Position	(589.1)	(629.9)
<i>of which: Proj. Fin. and MLT no recourse</i>	<i>(672.5)</i>	<i>(634.7)</i>
NFP excluding Derivatives Instruments	(520.2)	(566.6)

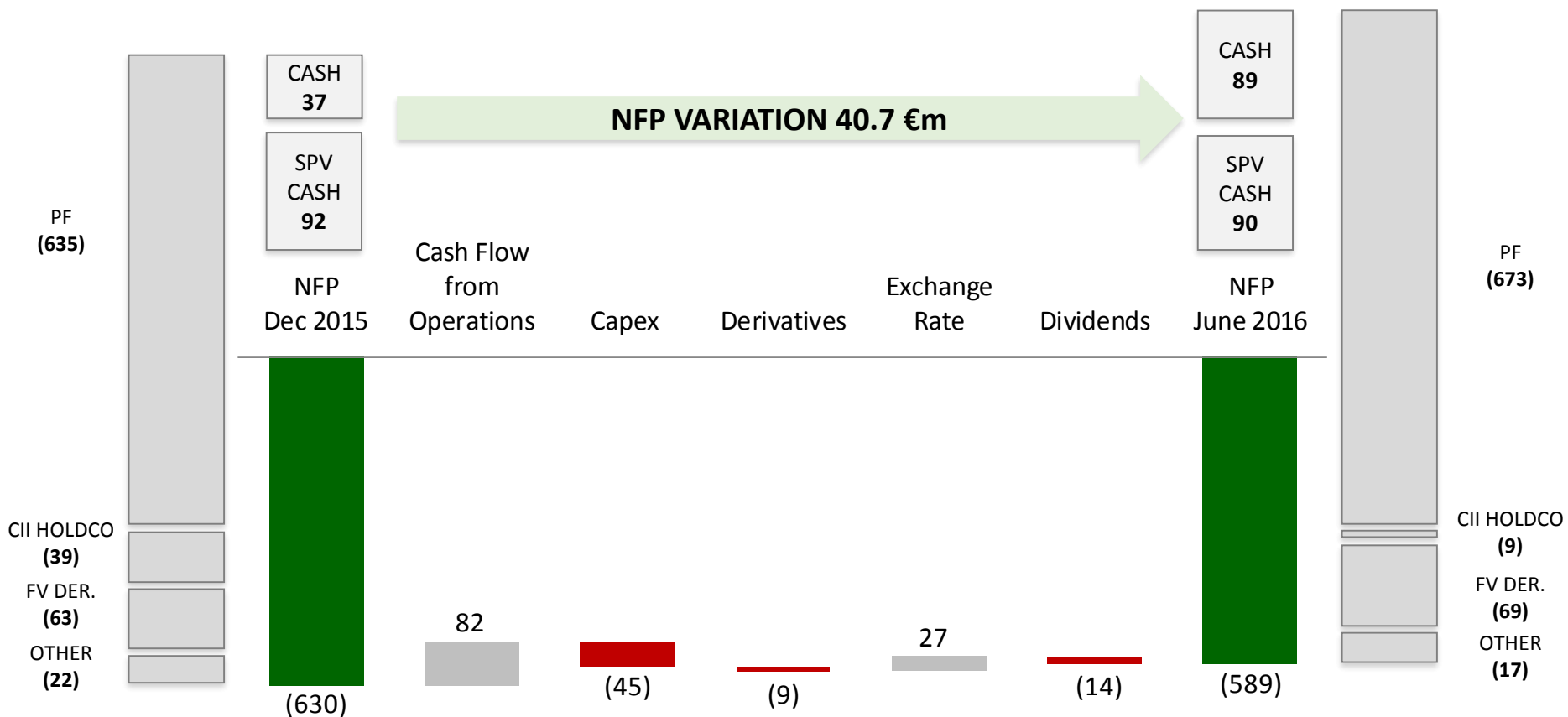
1H2016 P&L variation analysis



The decrease of **1H 2016 Revenues** vs 1H 2015 is compensated by cost reduction, lower financial charges and taxes that entails an increase of **Group Net Earnings** of **+3.4%**.

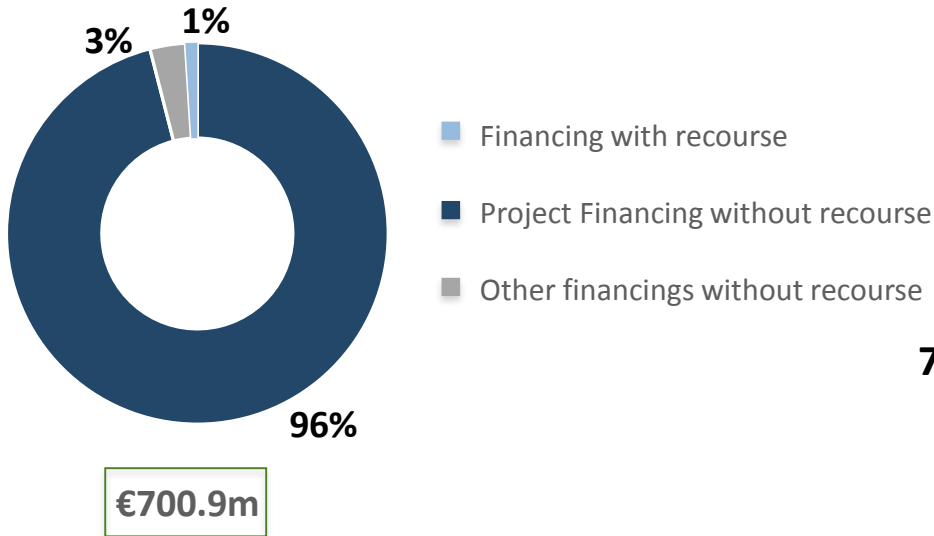
Cash Flow

Millions of euro

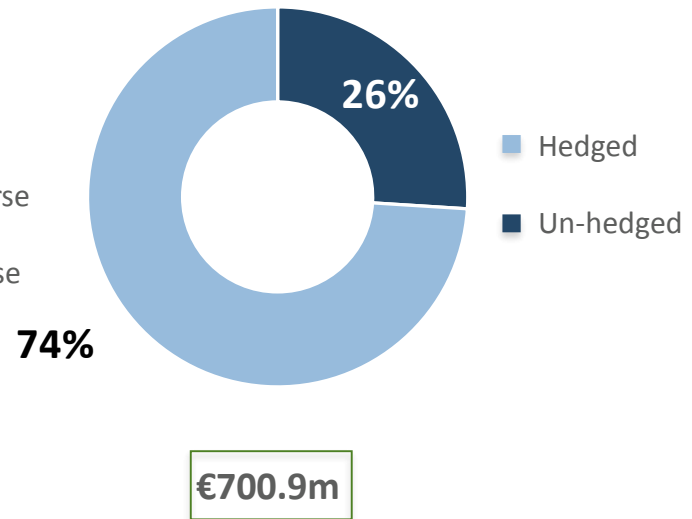


Debt Breakdown

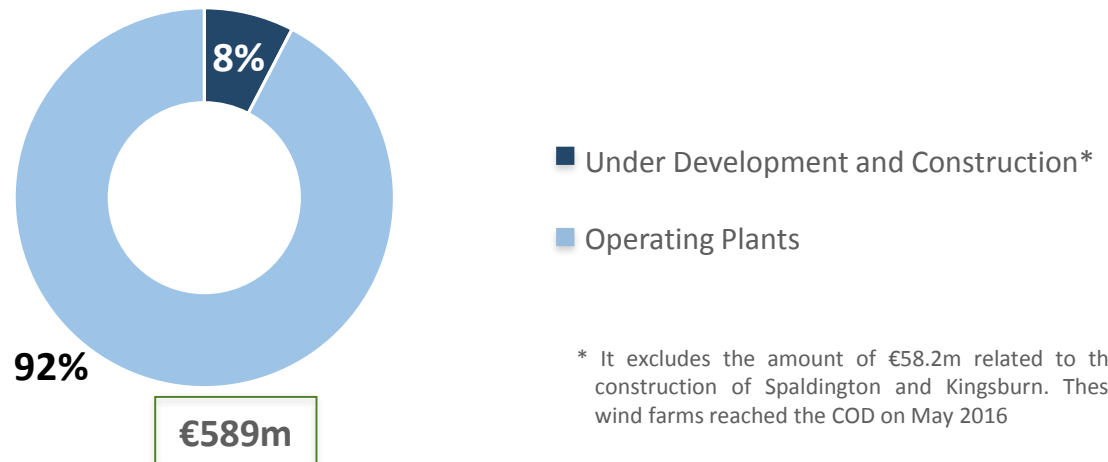
Gross Debt Nature without derivatives



% Gross debt without derivatives hedged



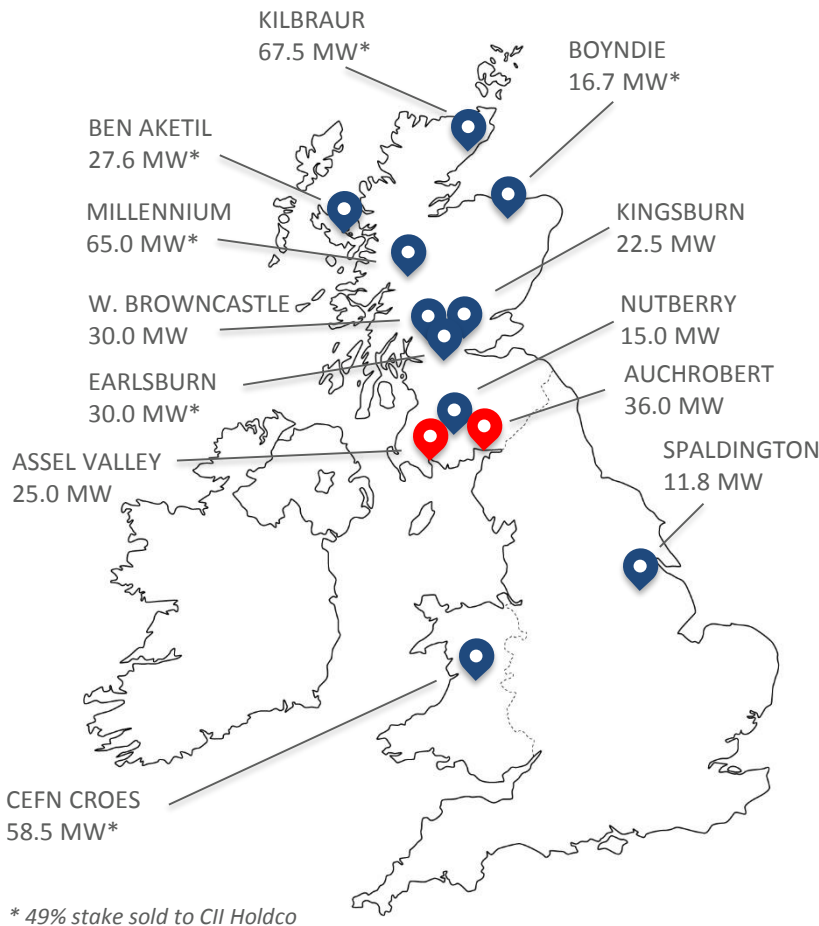
NFP Plant under construction*/in operation



Average interest rate **4.6%** (including interest rate swap)

* It excludes the amount of €58.2m related to the construction of Spaldington and Kingsburn. These wind farms reached the COD on May 2016

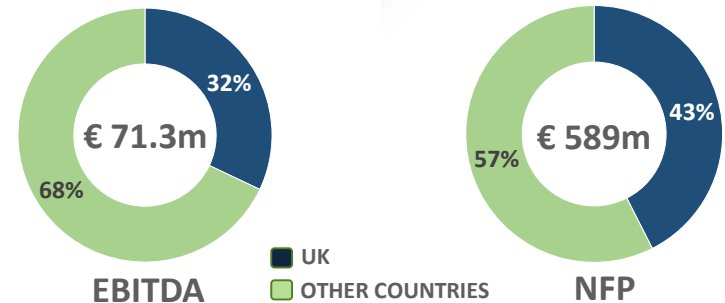
Brexit: overview on Falck Renewables business in the UK



Under construction: 61 MW In operation: 352 MW

ITEM	IMPACT ANALYSIS
Plants in operation	→ Debt in GBP supported by cash flows in the same currency
Plants under constr.	→ Capex hedged
Project Financing	→ Opportunities from potential decrease in interest rates
GBP/€ on 1H EBITDA 2016 vs 2015	→ Negative impact of ~ € 1.4m (-2,5 revenues and + 1,1 costs)
GBP/€ on Equity 30/6/2016	→ Negative impact of ~ € 23.0m vs end of 2015
GBP/€ on NFP 30/6/2016	→ Positive impact of ~ € 26.6m vs end of 2015

EBITDA and NFP in GBP as of JUNE 2016

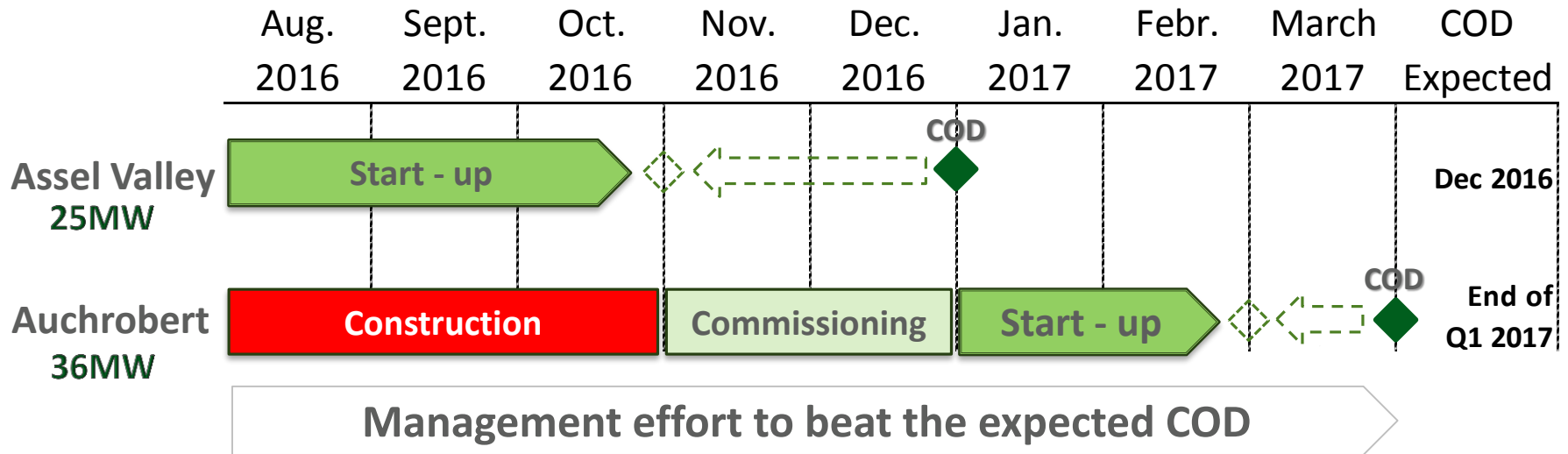


 1H2016 Results

 **Conclusions**

 Annex

2016: update of the construction phase (61MW)



2016 EXPECTED PRODUCTION

EXPECTED 2015 = 100%

+3%

New capacity as per initial plan

+1.3%

Acceleration program

ASSEL VALLEY 25MW

W. hours: ~ 3,250

Turbine M.: Nordex

Status: All turbines erected
Ready for commissioning

Exp. COD: October 2016

AUCHROBERT 36MW

W. hours: ~ 2,900

Turbine M.: GE

Status: Installation due to complete in October

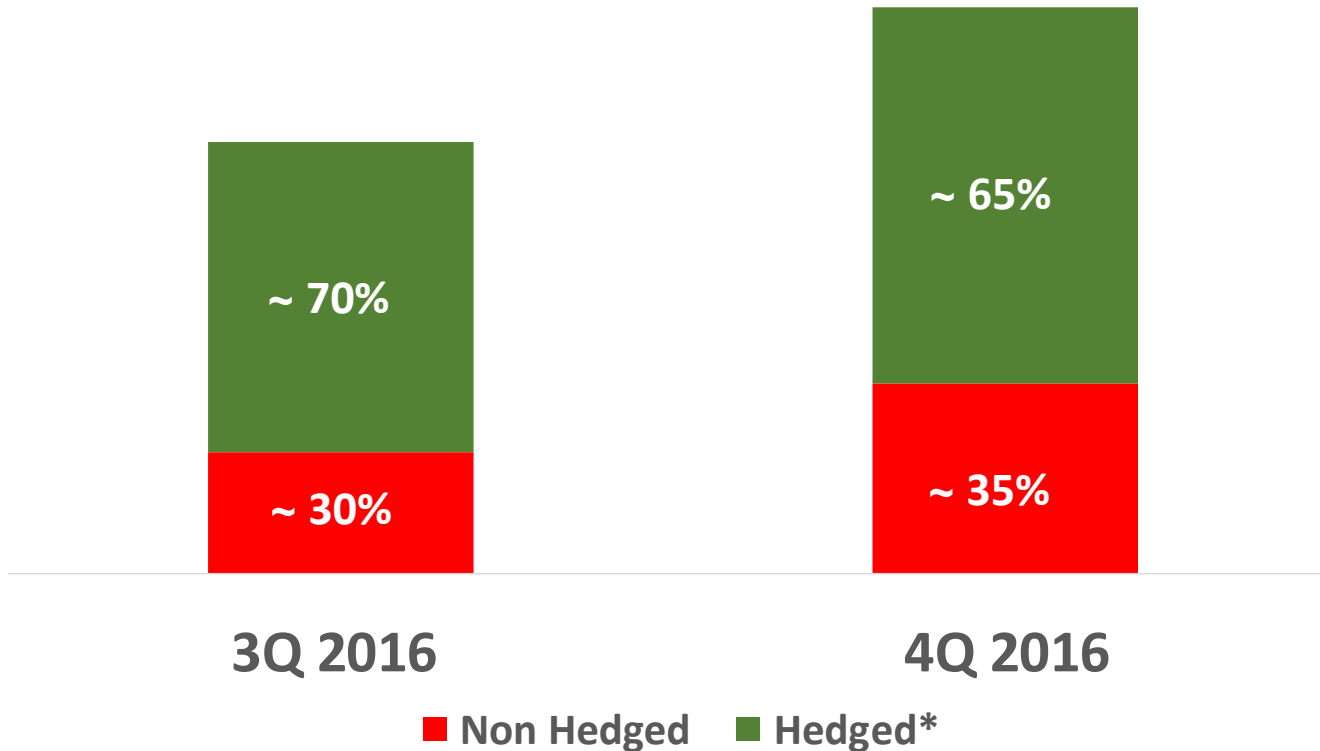
Exp. COD: March 2017

2016 EBITDA Guidance: a sensitivity on GBP/€ impact

GUIDANCE	SENSITIVITY			
<p>€ 130m*</p> <p>TOLERANCE OF -3% +2%</p>	€ 0m	~ -1.9	~ -2.5	~ -3.1
<p>GBP/€ (Avg. 2016)</p>	0.78	0.81	0.82	0.83
<p>GBP/€ (Avg. 2H 2016)</p>	0.78	0.84	0.86	0.88

GUIDANCE CONFIRMED

Hedged component of revenues by quarter



2H 2016 ORDINARY REVENUES: PARTIAL PRICE EXPOSURE and FULL VOLUME EXPOSURE

2016: final remarks

STRATEGY

- On track with **strategic plan**
- **Analyst day** 29.11.2016 (Industrial plan presentation)

OPERATIONS/COST

- **PPA closed** with Vattenfall
- Wind O&M contract **renegotiation initiated**
- O&M and structural **cost reduction** ongoing



FINANCE

- Closed **West Browncastle financing**
- Working on **Kingsburn, Spaldington, Asset Valley financing**
- **FRUK financing** and benefits from **Law 488 for Minervino**

CONSTRUCTION

- **Asset Valley on track**
- Evaluating **substation/interconnection** expediting at Auchrobert

 1H 2016 Results

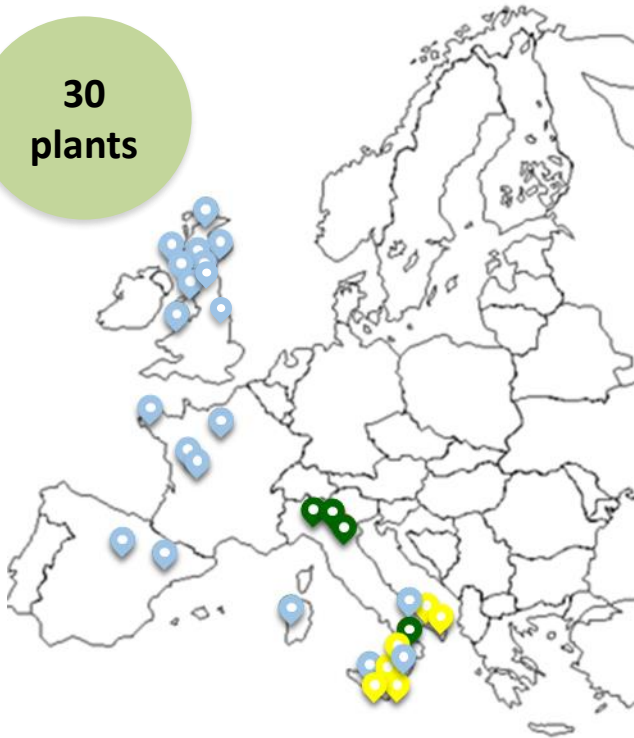
 Conclusions

 **Annex**

Group Overview

797* MW ACROSS EUROPE

30 plants

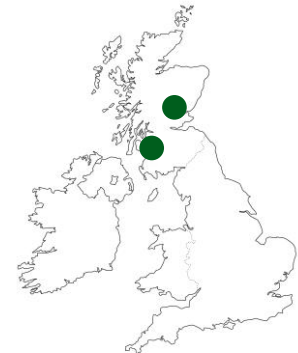


1,120 MW UNDER MANAGEMENT BY 



WIND ON-SHORE UNDER COSTRUCTION

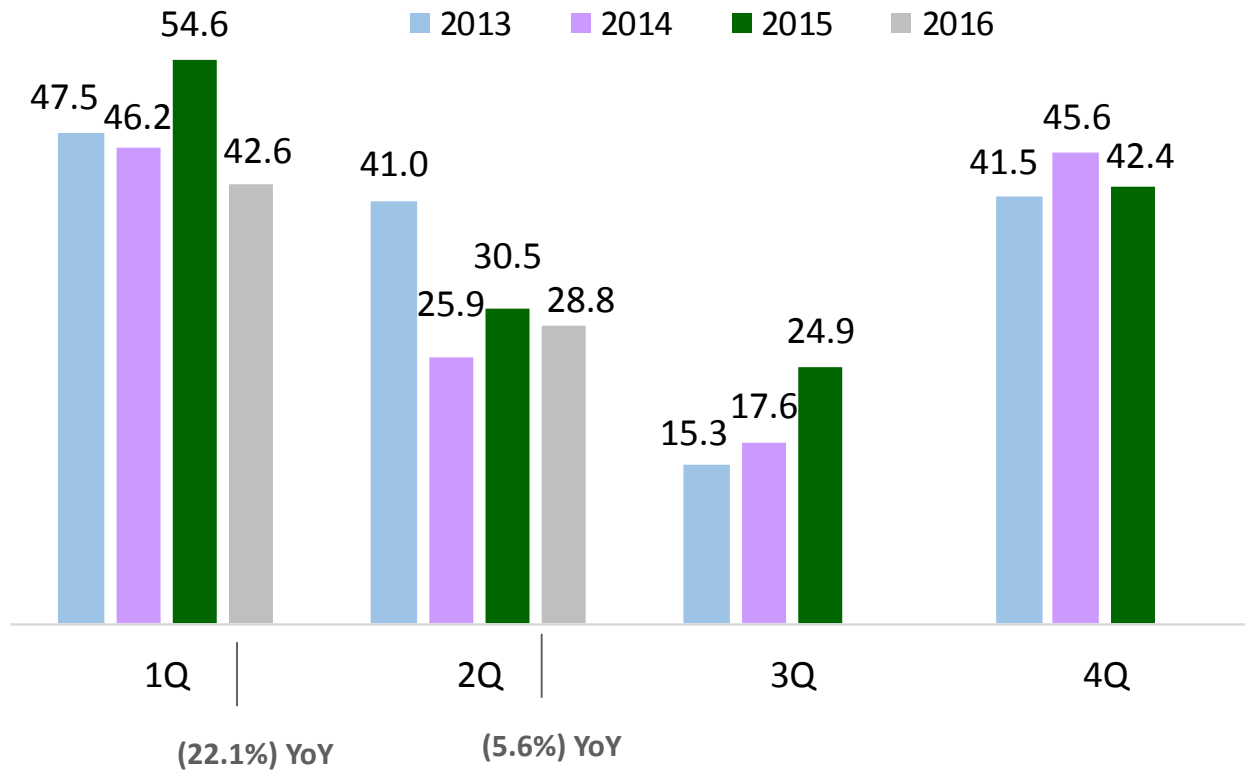
61 MW



* Including minority stake in La Muela wind farm and Frullo Energia Ambiente for a total amount of 36MW

EBITDA breakdown by quarter

Millions of euro



2Q Ebitda lowered by electricity price evolution and wind performance in the Uk, partially compensated by opex and G&A under control.

Installed capacity and Production by Plants 1H 2016



WIND

Plants	MW	Energy produced 1H 2016 (GWh)
Cefn Croes (Wales)	58.5	73
Boyndie (Scotland)	16.7	20
Earlsburn (Scotland)	37.5	44
Ben Aketil (Scotland)	27.6	39
Millennium (Scotland)	65.0	69
Kilbraur (Scotland)	67.5	75
Nutberry (Scotland)	15.0	22
West Browncastle (Scotland)	30.0	34
Spaldington (England)	11.8	4
Kingsburn (Scotland)	22.5	9
San Sostene (Italy)	79.5	106
Minervino Murge (Italy)	52.0	53
Buddusò – Alà dei Sardi (Italy)*	138.0	220
Petralia Sottana (Italy)	22.1	25
Ty Ru (France)	10.0	12
Fouy (France)	10.0	10
Cretes (France)	10.0	10
Esquennois (France)	12.0	13
Cabezo San Roque (Spain)	23.2	32



SOLAR

Rende (Italy)	1.0	1
Sicily (Italy)	13.1	9
Mesagne (Italy)	2.0	1

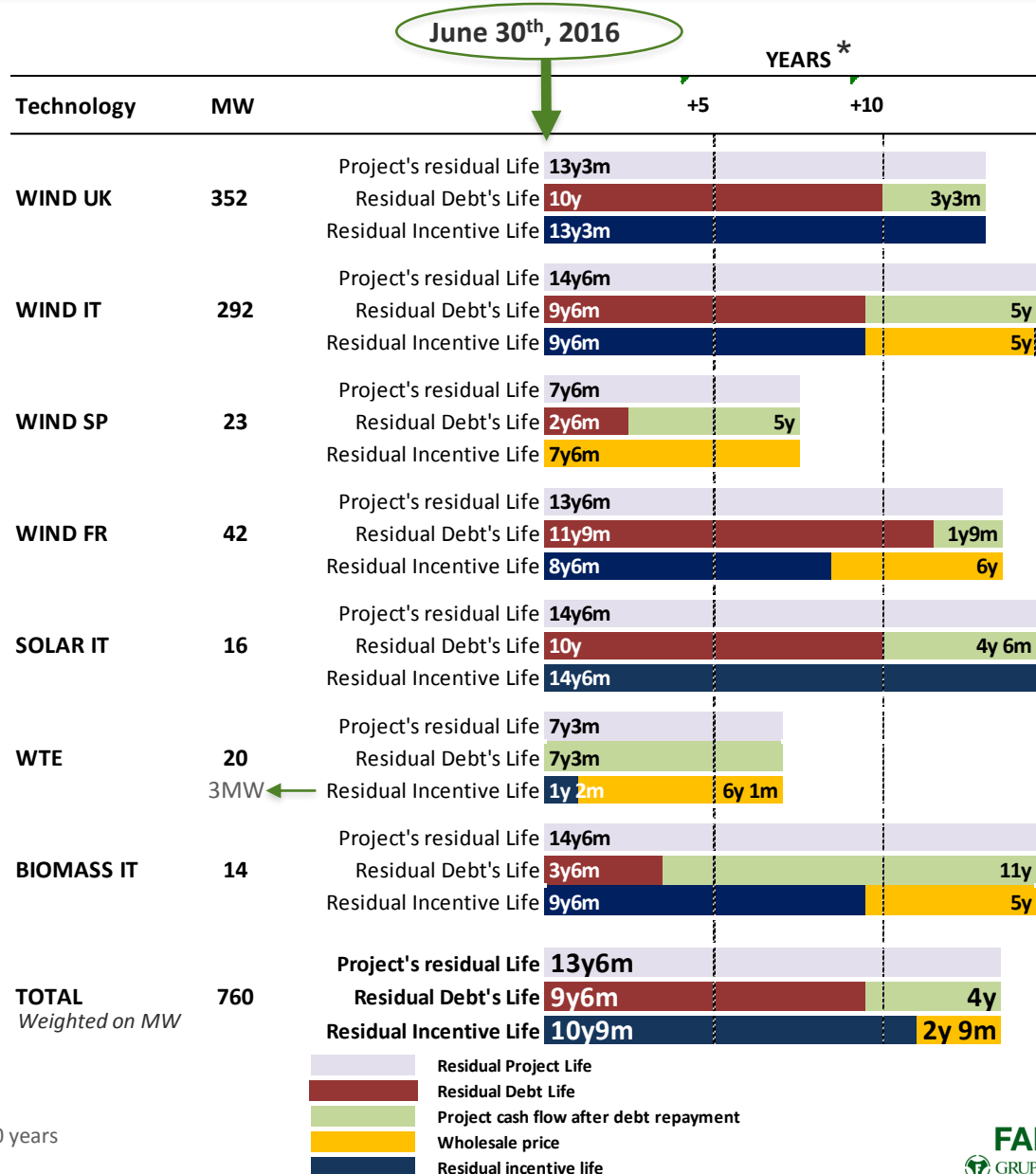


WTE/BIO

WTE Trezzo (Italy)	20.0	56
BIO Rende (Italy)	15.0	47

TOTAL **760.0** **984**

Young asset base



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Next Events

November 10th, 2016
Q3 Results

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