FALCK RENEWABLES
GRUPPOFALCK

9M 2016 Results

Conference Call
November 11th, 2016

9M 2016 Results

Conclusions

Annex

Q3 2016 Highlights

Q3 delivers solid results

+

- Operational cost savings and profitable energy management
- Full impact of Spaldington and Kingsburn (34MW) on energy production
- Confirmed growth trend for Vector Cuatro
- Sweet spot hit on financing terms for Spaldington and Kingsburn (£45.6m)

-

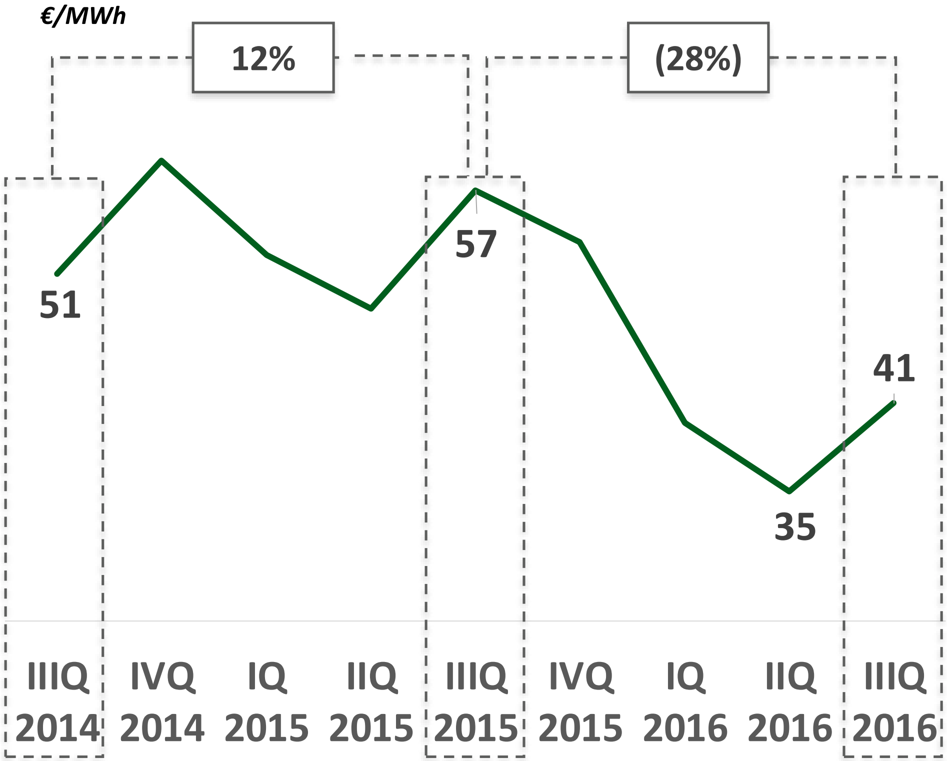
- Sustained weakness in Q3 electricity prices in all countries
- Wind volumes across Europe lower than expected
- Negative impact from GBP/€ exchange rate on P&L

- **NFP stable with increased capex (€591.5m)**
- **Q3 2016 EBITDA nearly flat despite significant decrease of revenues**
- **Q3 2016 EBIT increased by nearly 50% to €8.7m, reflecting benefit of cost reductions**
- **2016 EBITDA Guidance confirmed**

Market context – wholesale price evolution

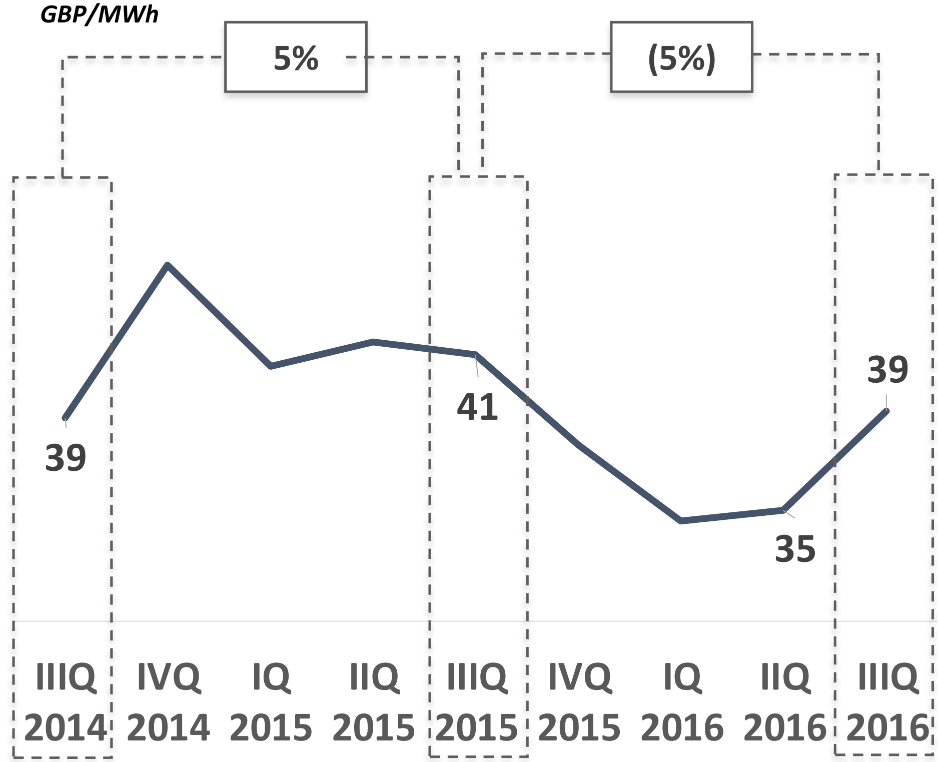
Recovery of prices in Italy and in the UK in Q3

Average PUN



Quarter average

Average wholesale price



Quarter average

Source: Management figures on Heren and GME data

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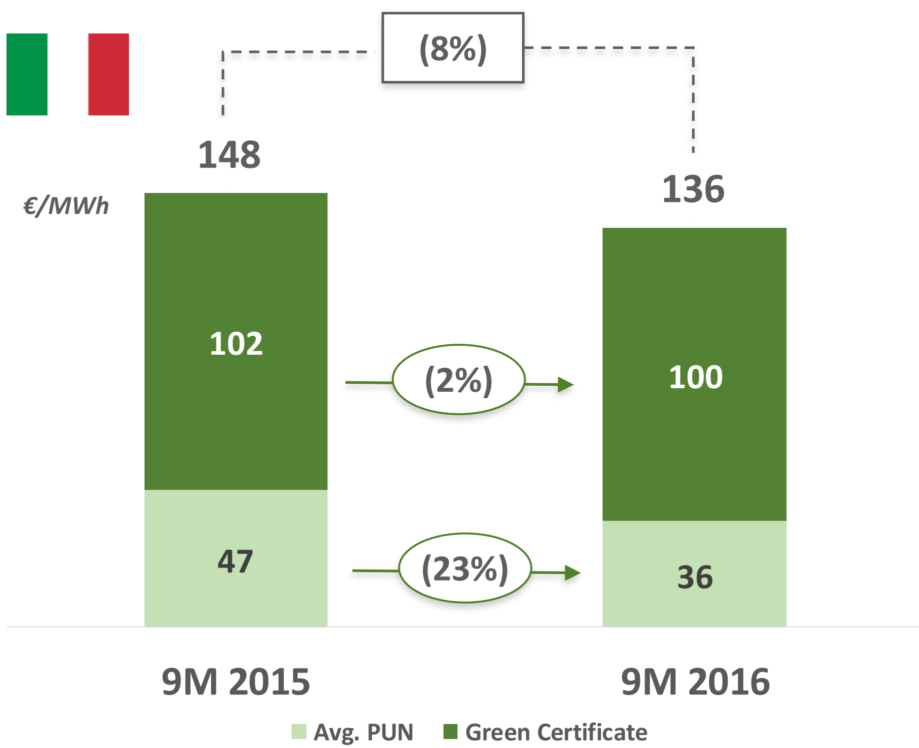
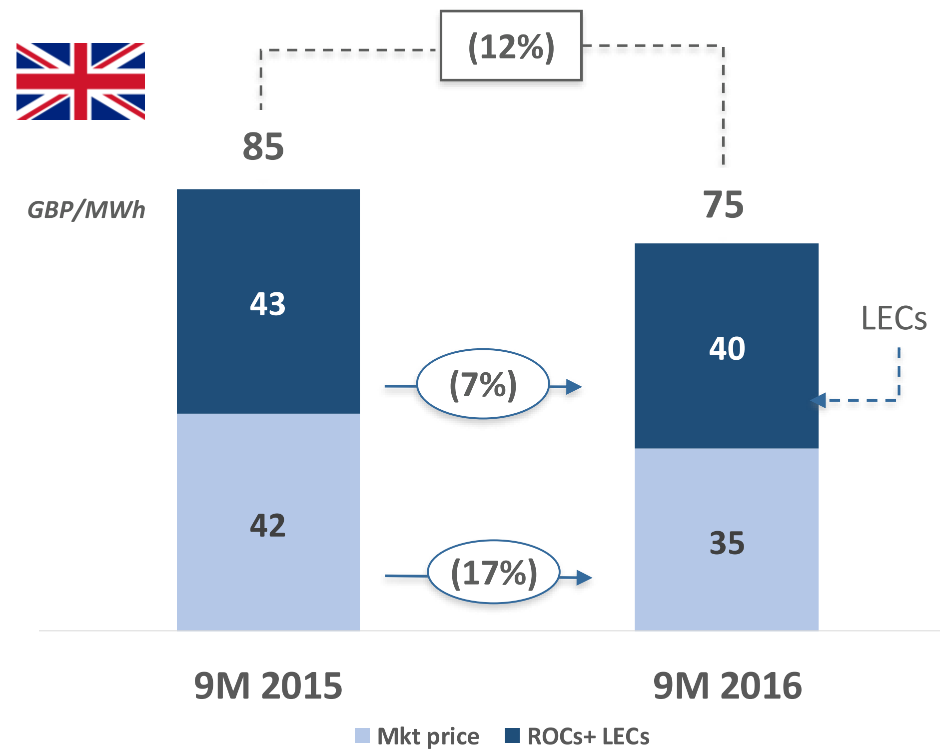
Market average price (wholesale + incentive)

Euro/MWh	9M 2015	9M 2016	Δ %
	91	91	-
	42	28	(33%)

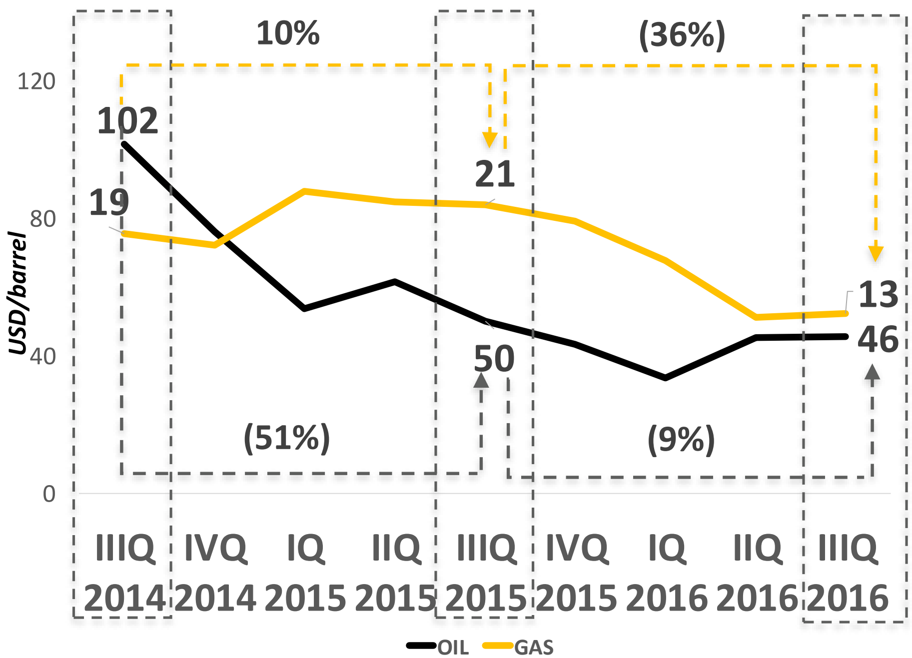




Gross of any PPA agreement effect

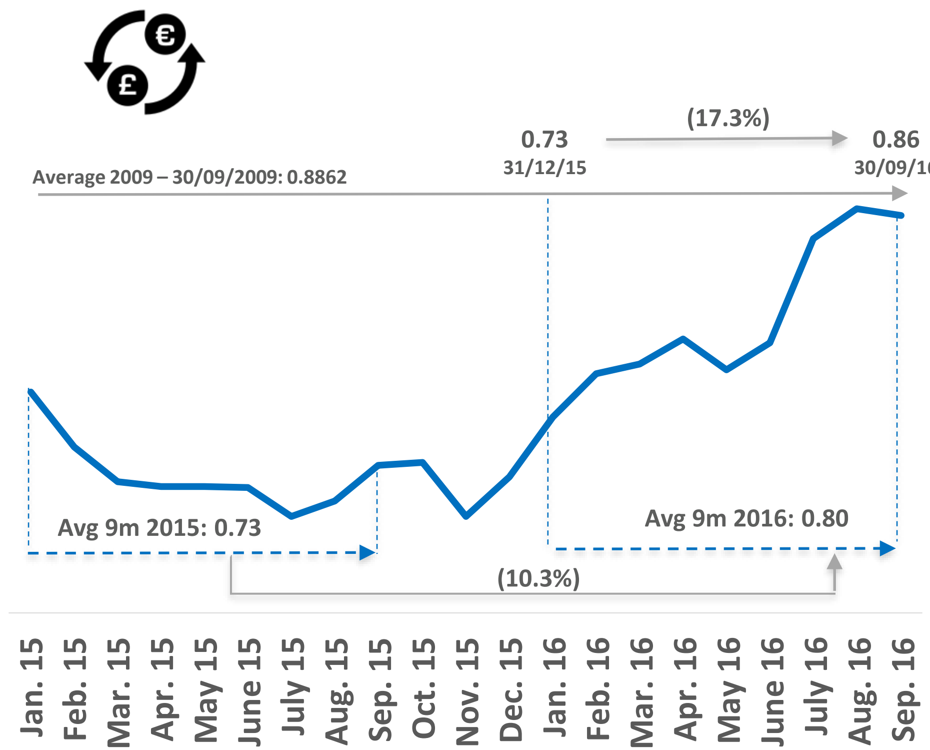
Market context – oil & gas price and exchange rate evolution

Commodities trend plateauing in Q3 2016



Quarter average

FX Headwinds Impacting P&L and NFP



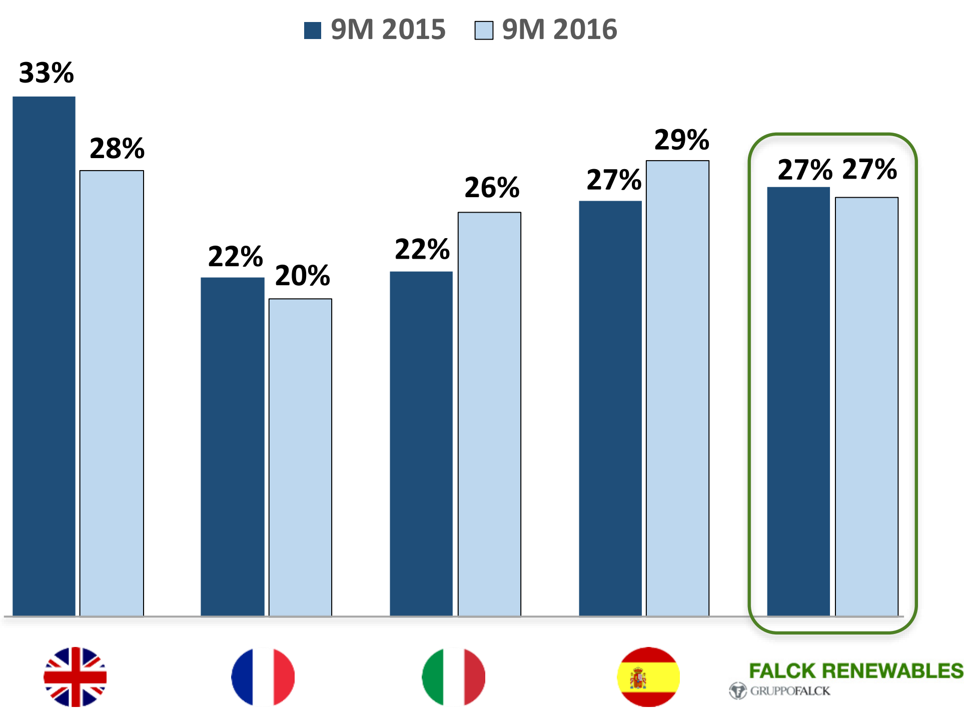
Monthly average

Source: Management figures on TTF platf. and Eia data

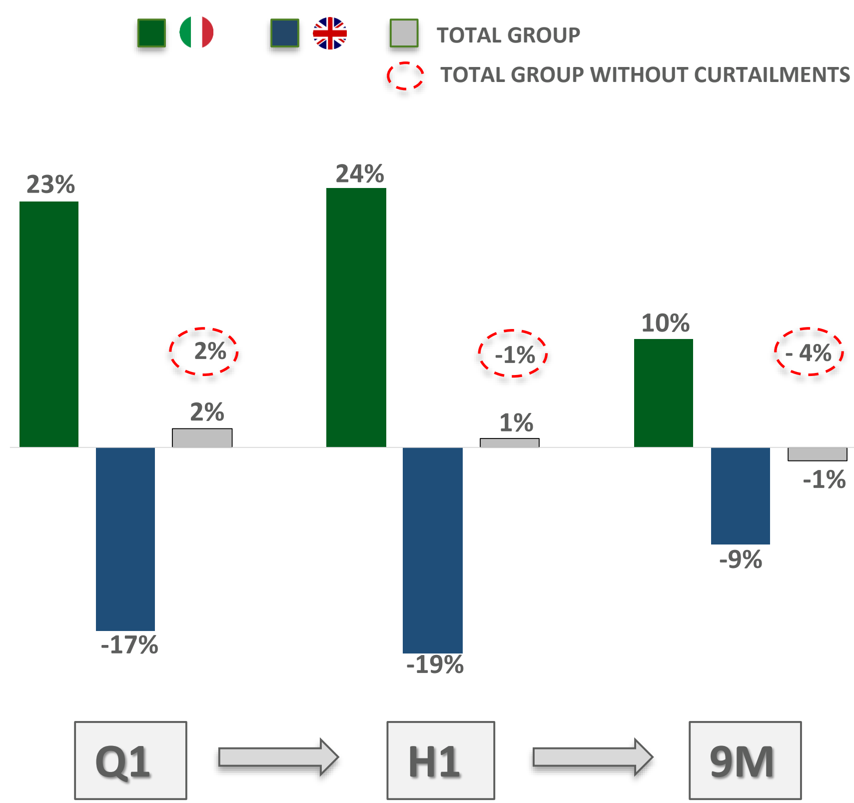
Source: Ufficio Italiano Cambi

9M Wind farms performance

9M 2016 vs 9M 2015: load factor by country

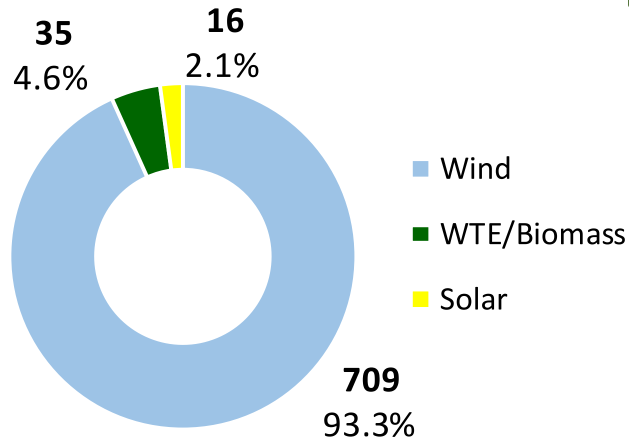


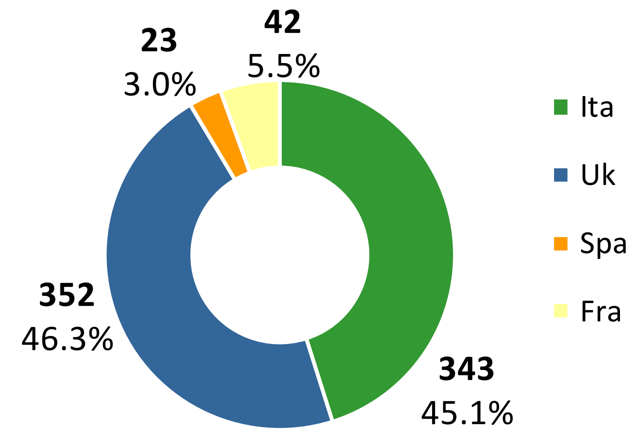
UK & Italy: evolution of plant performance

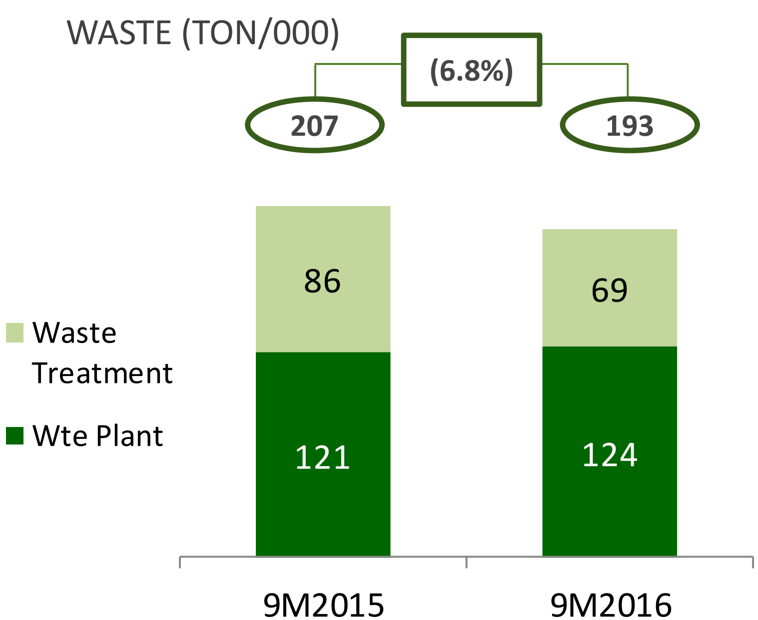


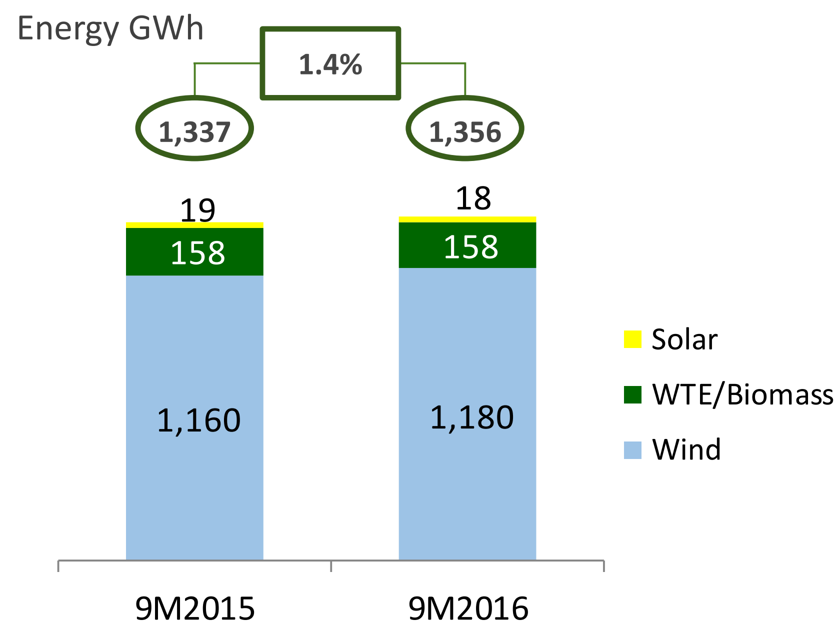
Installed capacity and production

By Technology — 760 MW* — By Country









* excluding minority stakes in La Muela and FEA

9M 2016 Highlights

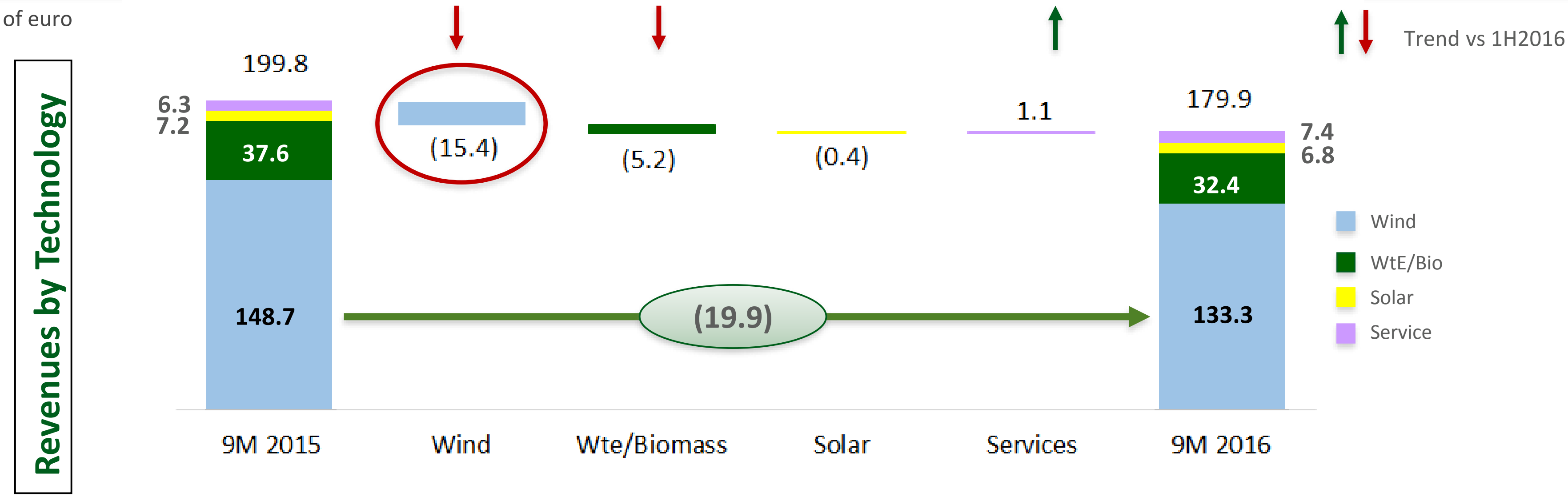
	9M2016	9M2015	Δ
Installed Capacity - MW	760	726	34
Energy Production - GWh	1,356	1,337	19

	Q32016	Q32015	Δ	9M2016	9M2015	Δ
Revenues - €m	51.2	52.6	*(1.4)*	179.9	199.8	*(19.9)*
EBITDA - €m	24.5	24.9	*(0.4)*	95.9	110.0	*(14.1)*
EBIT- €m	8.7	4.8	*3.9*	44.4	50.8	*(6.4)*
EBT - €m	0.4	(4.6)	*5.0*	17.0	18.7	*(1.7)*
Capex	(18.4)	(23.6)	*5.2*	(63.5)	(39.4)	*(24.1)*
Net Financial Position				(591.5)	(629.9)*	*38.4*

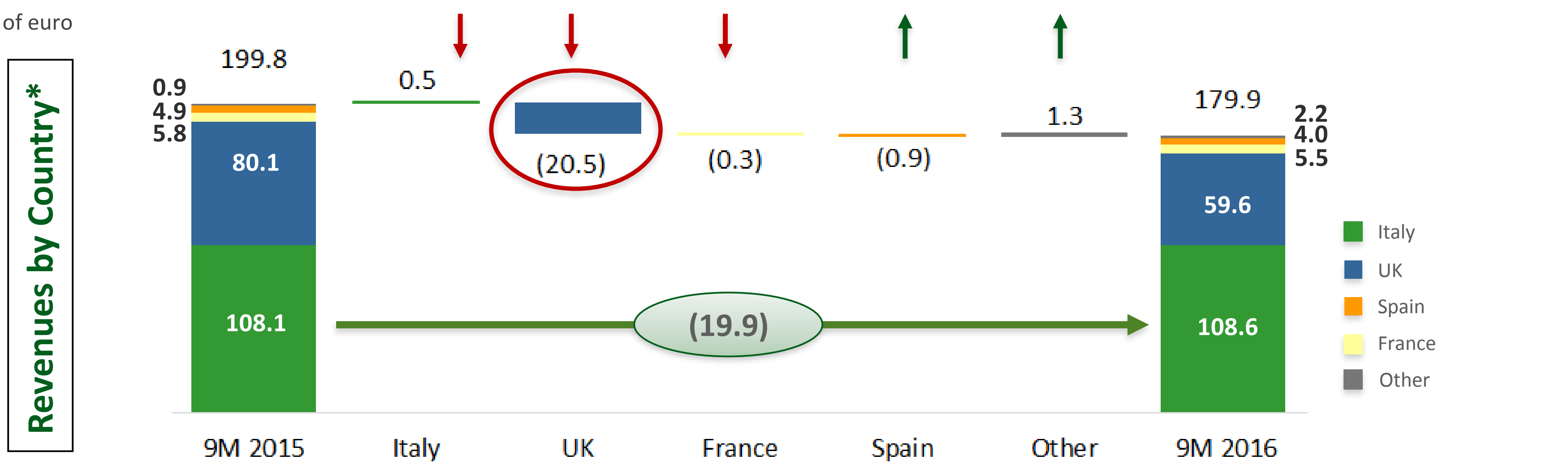
*As of 31 December 2015

9M 2016 Revenues Evolution

Millions of euro



Millions of euro



* By origination

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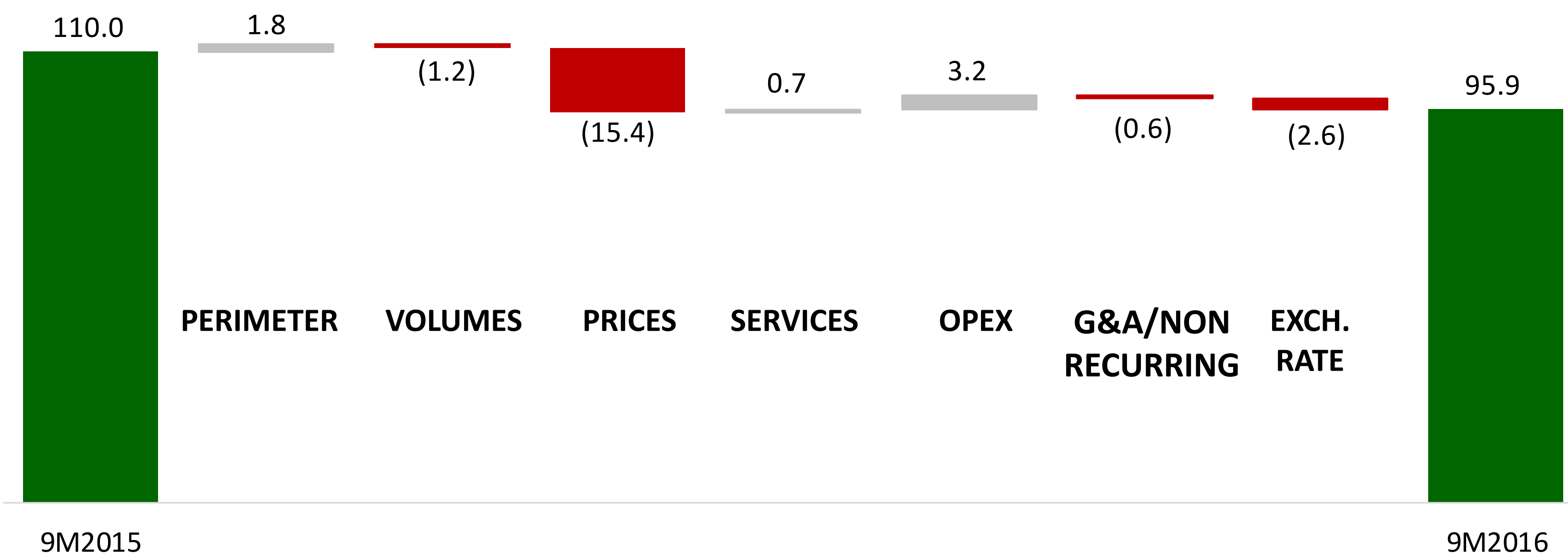
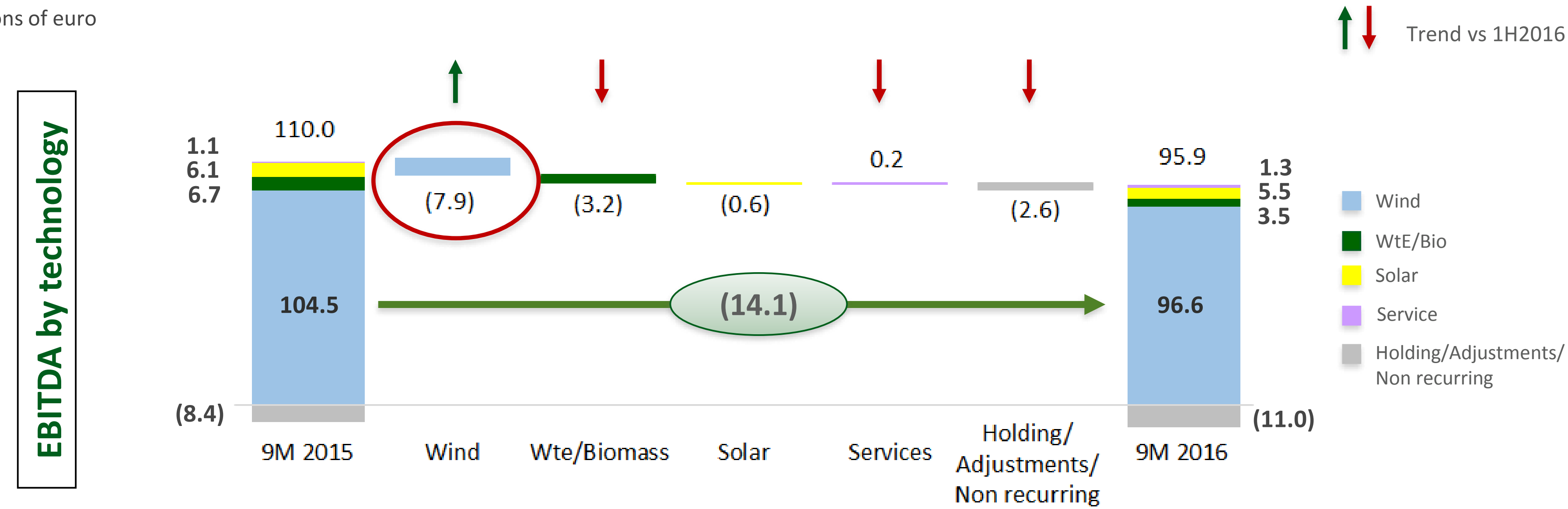
9M 2016 EBITDA Evolution

Millions of euro

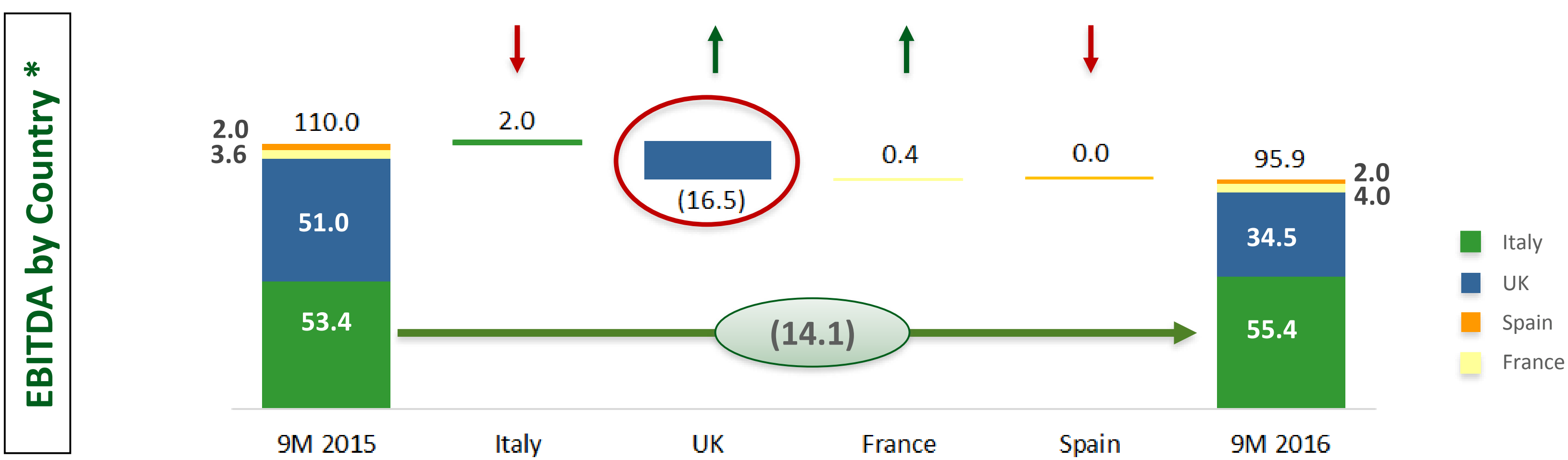


9M 2016 EBITDA Evolution

Millions of euro



Millions of euro



* By origination

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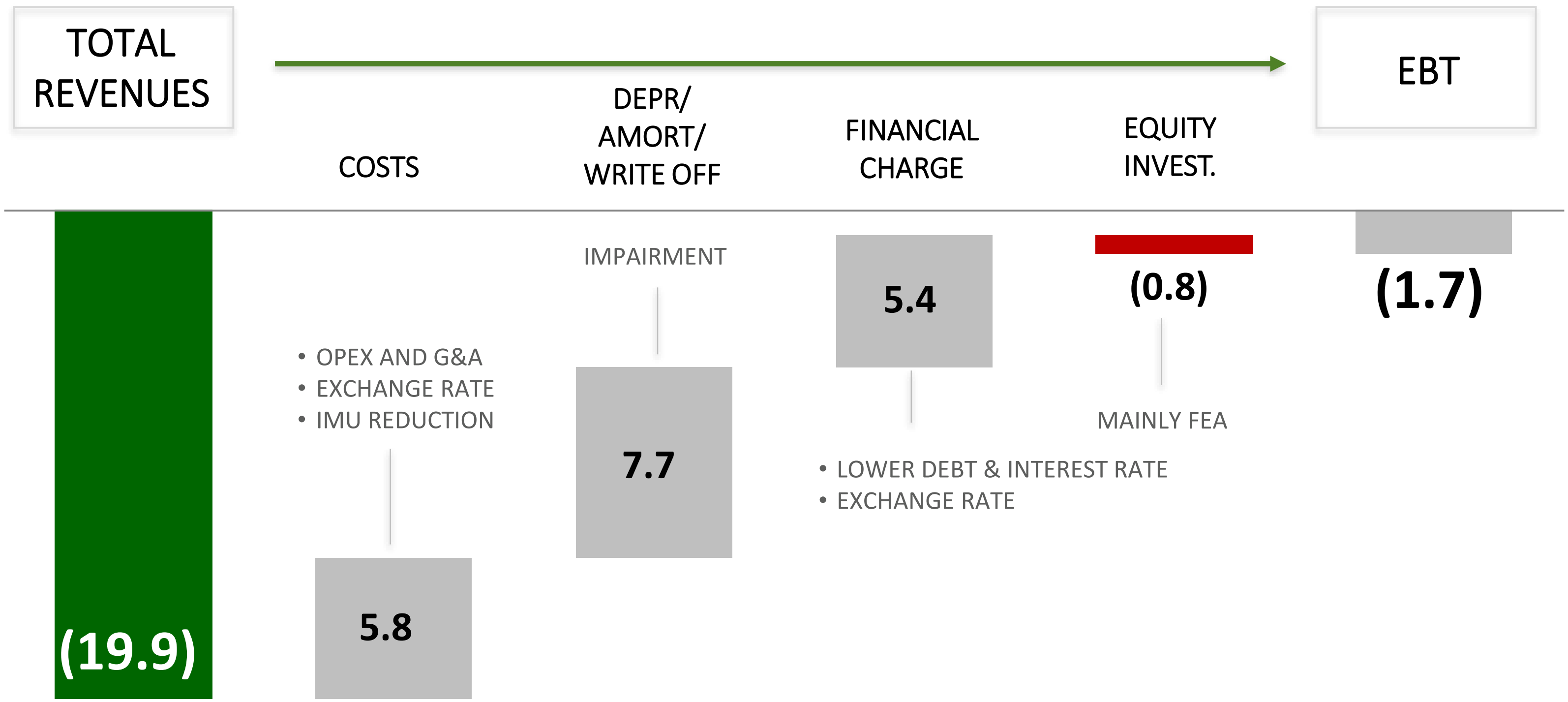
9M 2016 Financial highlights

millions of euro	9M2016	9M2015	
Revenues	**179.9**	**199.8**	**(10.0%)**
Other income	2.9	4.4	
Operating costs	(86.9)	(94.2)	
Ebitda	**95.9**	**110.0**	**(12.9%)**
% on Revenues	*53.3%*	*55.1%*	
Depreciation - Amortization - Write Off	(51.5)	(59.2)	
Operating Result	**44.4**	**50.8**	**(12.6%)**
% on Revenues	*24.7%*	*25.4%*	
Financial income and charges	(29.4)	(34.8)	
Equity investments	2.0	2.8	
Earnings Before Taxes	**17.0**	**18.7**	**(9.4%)**

Millions of euro	9M2016	9M2015
Impairment		(4.0)
Write - off		(1.0)
Provisions	(3.3)	(4.8)

millions of euro	9M2016	FY2015
Net Invested Capital	**1,069.5**	**1,148.8**
Net Financial Position	**(591.5)**	**(629.9)**
of which: Proj. Fin. and MLT no recourse	*(712.1)*	*(634.7)*
NFP excluding Derivatives Instruments	***(519.1)***	***(566.6)***

9M 2016 P&L variation analysis



Year-over-year **EBT increase** driven by cost improvements and lower one-off and financial charges

Confirming 2016 EBITDA Guidance Despite FX Headwinds

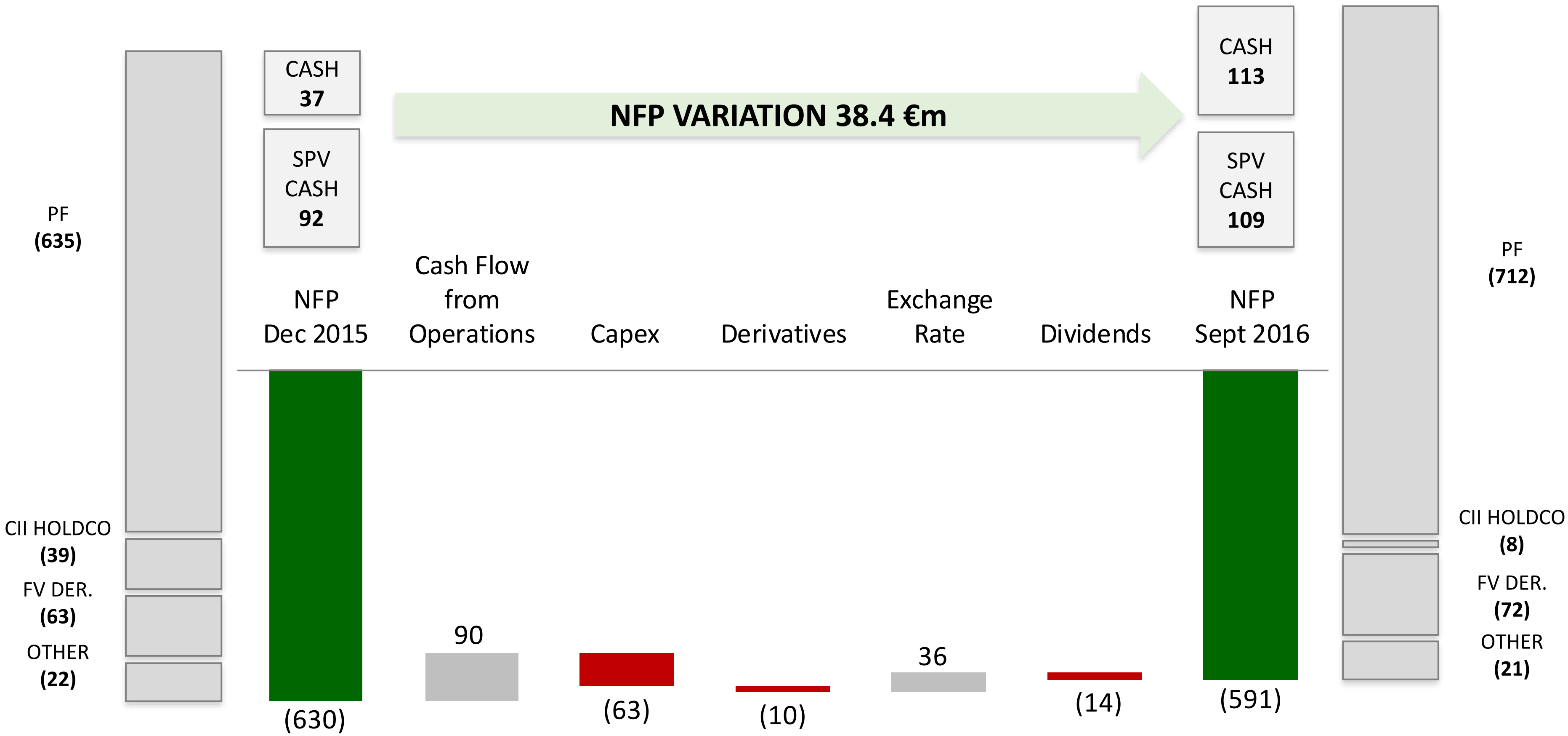
GUIDANCE	SENSITIVITY			
€ 130m* TOLERANCE OF -3% +2%	*€ 0m*	~ -2.3	~ -2.5	~ -2.7
GBP/€ (Avg. 2016)	*0.78*	0.825	0.827	0.830
GBP/€ (Avg. Q4 2016)	*0.78*	0.89	0.90	0.91

GUIDANCE CONFIRMED

* BASED ON PRODUCTION IN LINE WITH EXPECTATIONS

Cash Flow

Millions of euro



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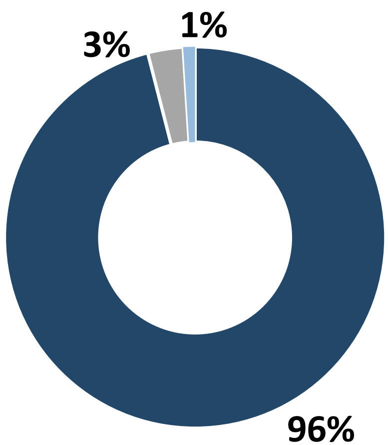
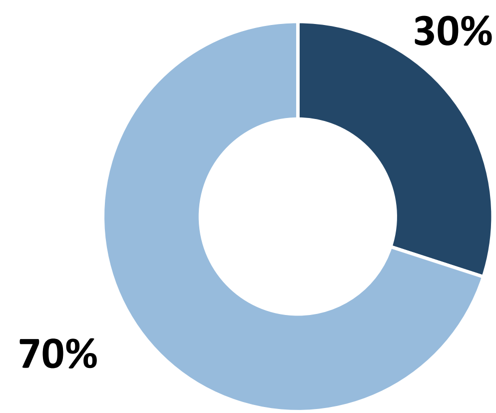
Debt Breakdown

Gross Debt Nature without derivatives



€742.1m

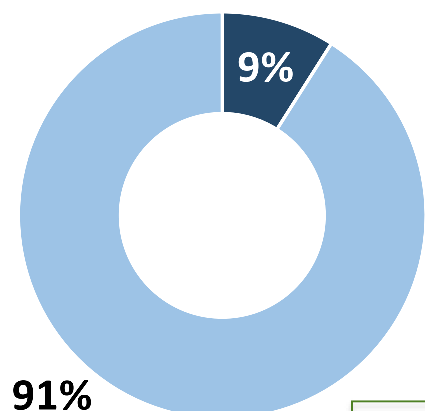
% Gross debt without derivatives hedged



€742.1m

NFP Plant under construction*/in operation

Average interest rate **4.4%** (including interest rate swap)

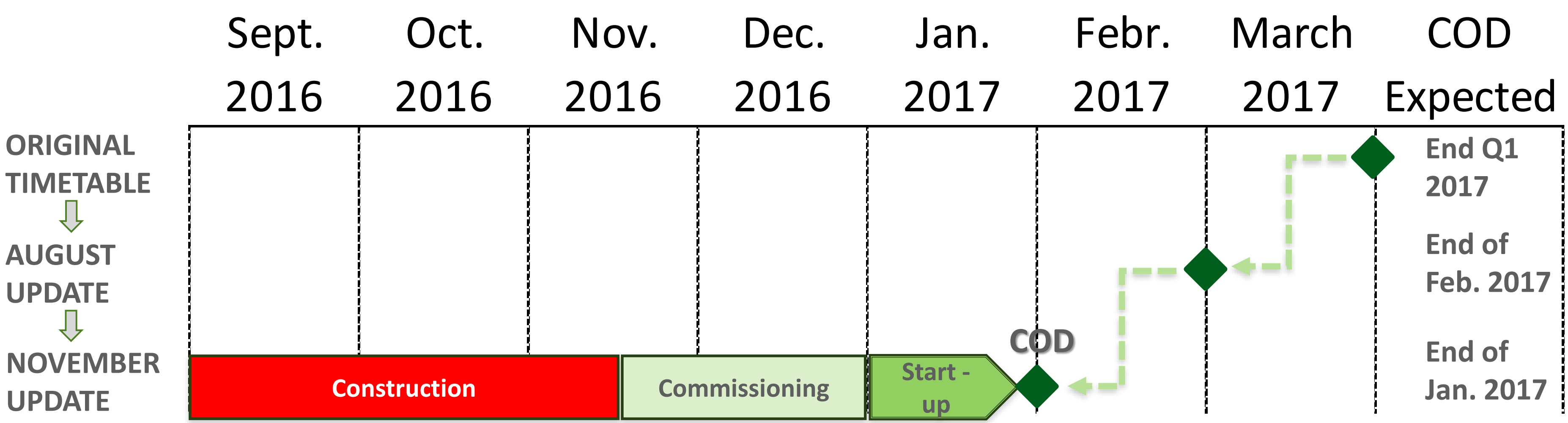


€591.5m

*It excludes the amount of 62.9m related to the construction of Spaldington and Kingsburn. These wind farms reached the COD on May 2016

- 9M 2016 Results
- **Conclusions**
- Annex

Auchrobert: update of the construction phase



Management effort to beat the expected COD

2016 EXPECTED PRODUCTION

EXPECTED 2015 = 100%

+3%

New capacity as per initial plan

+1.3%

Acceleration program

AUCHROBERT 36MW

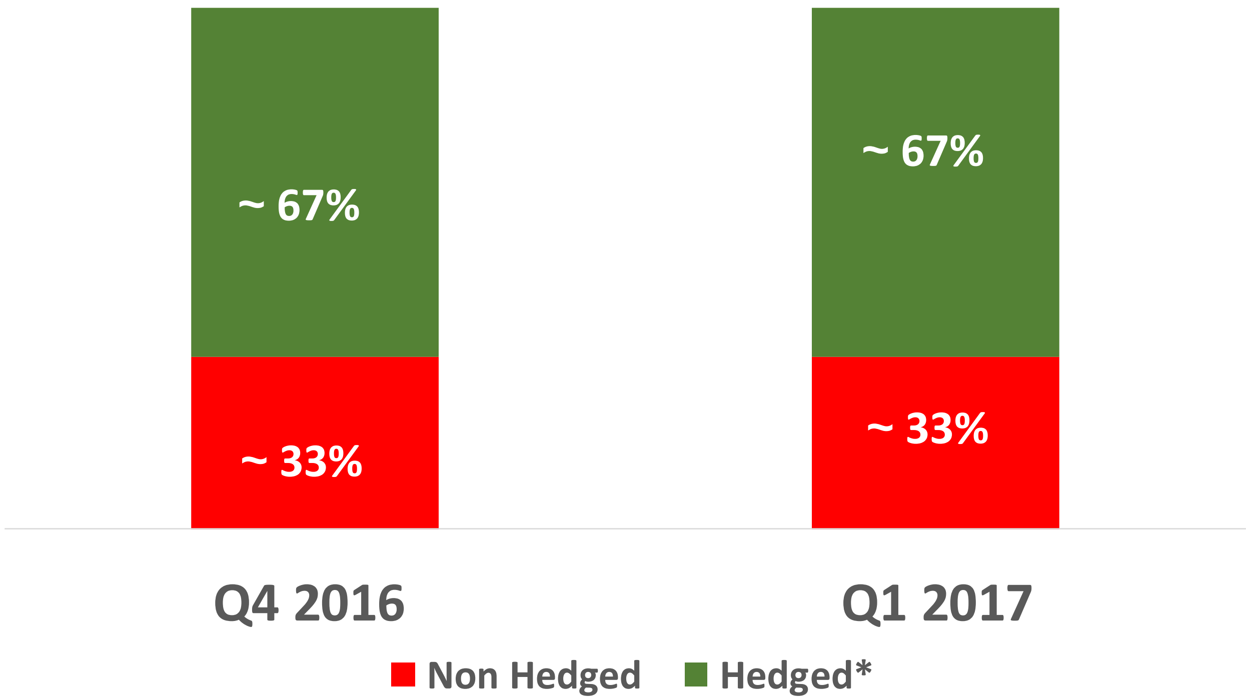
W. hours: ~ 2,900

Turbine M.: GE

Status: Commissioning from mid of November

Exp. COD: End of Jan. 2017

Hedged component of revenues by quarter



Q4+Q1 REVENUES: PARTIAL PRICE EXPOSURE and FULL VOLUME EXPOSURE

*__Incentive__ (Green C., ROCs, Conto Energia, Feed in Tariff) **+ fixed component of PPA**

2016: final remarks

STRATEGY

- **Analyst Day** 29 November 2016 (Strategy and Industrial plan presentation)

OPERATIONS

- **PPA closed** with Vattenfall (105MW) and additional 95MW
- O&M full contract signed with GE at San Sostene wind farm (28 turbines)
- O&M and structural **cost reduction** ongoing

FINANCE

- Closed Financing:
  - **West Browncastle** for 40.3m GBP
  - **Kingsburn and Spaldington** for 45.6m GBP
  - **FRUK** for 38.6m GBP
- Benefits from **Law 488** for **Minervino**

CONSTRUCTION

- **Kingsburn and Spaldington** expedited 1 month vs original date
- **Assel Valley, COD in October 2016** expedited 2 months vs original date
- Expediting at **Auchrobert** (2 months ahead vs original date)

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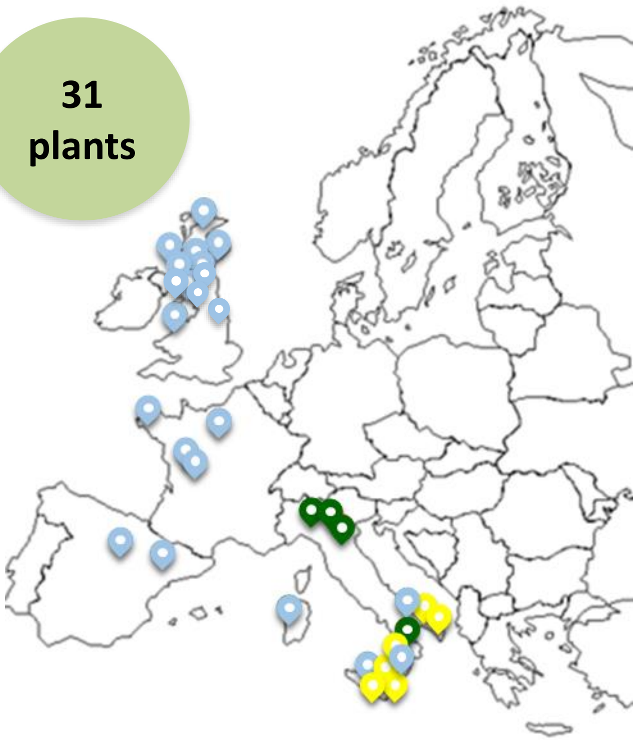
Falck Renewables Overview

822* MW ACROSS EUROPE

31 plants

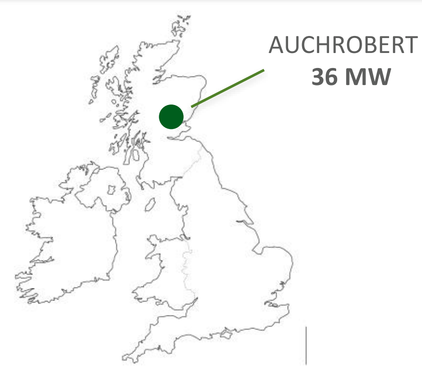


WIND SOLAR WTE/BIO

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

1,300 MW THIRD PARTY MANAGED BY vectorcuatro

WIND PLANTS UNDER COSTRUCTION

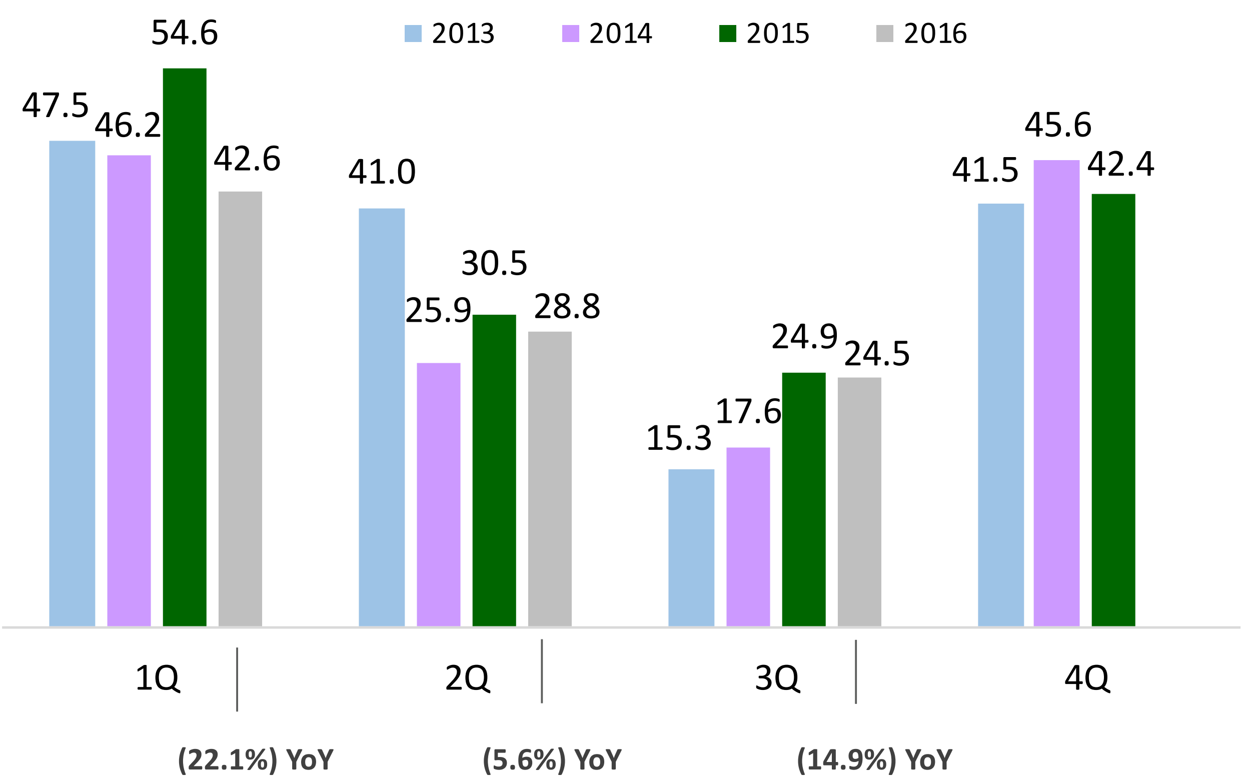


Impact of change in regulations – updates

	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 1H** **100 €/GC 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*	(€0.5m) cumulated	X

EBITDA breakdown by quarter

Millions of euro



3Q Ebitda lowered by electricity price evolution and weak wind performance across Europe, partially compensated by opex and G&A under control.

Installed capacity and Production by Plants 9M 2016

WIND

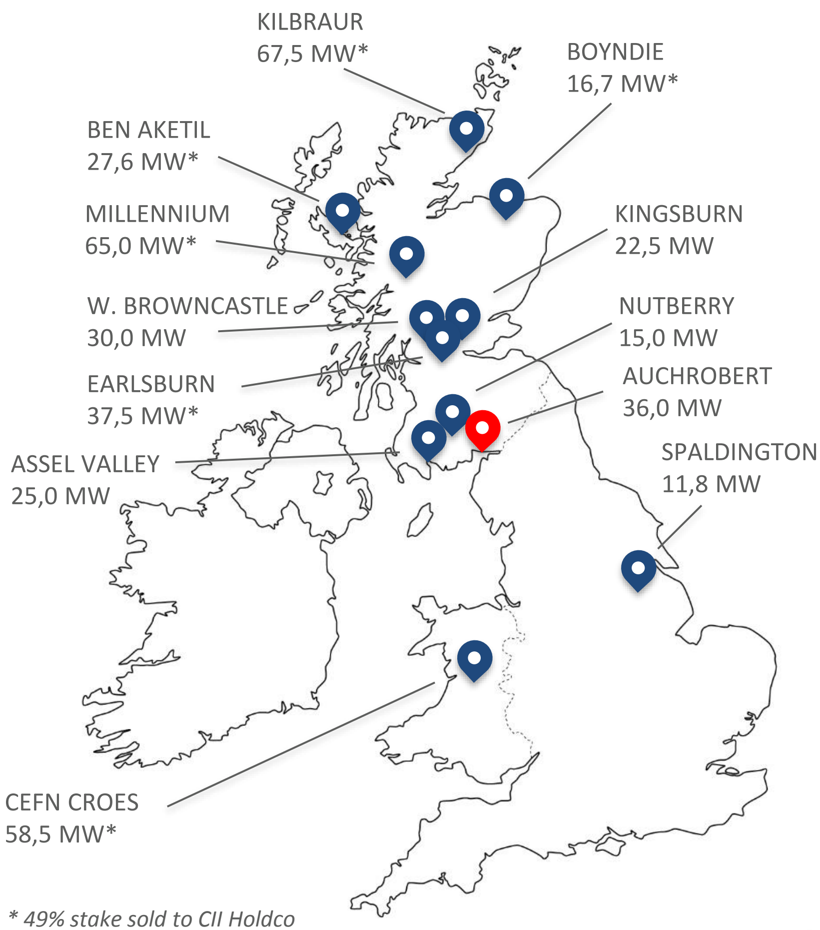
SOLAR

WTE/BIO

Plants	MW	Energy produced 9M 2016 (GWh)
Cefn Croes (Wales)	58.5	106
Boyndie (Scotland)	16.7	27
Earlsburn (Scotland)	37.5	67
Ben Aketil (Scotland)	27.6	61
Millennium (Scotland)	65.0	104
Kilbraur (Scotland)	67.5	105
Nutberry (Scotland)	15.0	34
West Browncastle (Scotland)	30.0	50
Spaldington (England)	11.8	9
Kingsburn (Scotland)	22.5	21
San Sostene (Italy)	79.5	131
Minervino Murge (Italy)	52.0	66
Buddusò – Alà dei Sardi (Italy)*	138.0	267
Petralia Sottana (Italy)	22.1	31
Ty Ru (France)	10.0	15
Fouy (France)	10.0	12
Cretes (France)	10.0	12
Esquennois (France)	12.0	17
Cabezo San Roque (Spain)	23.3	45
Rende (Italy)	1.0	1
Sicily (Italy)	13.1	15
Mesagne (Italy)	2.0	2
WTE Trezzo (Italy)	20.0	86
BIO Rende (Italy)	15.0	72
TOTAL	**760.0**	**1,356**

** The installed capacity is 159 MW, production limit is 138 MW*

Brexit: overview on Falck Renewables business in the Uk

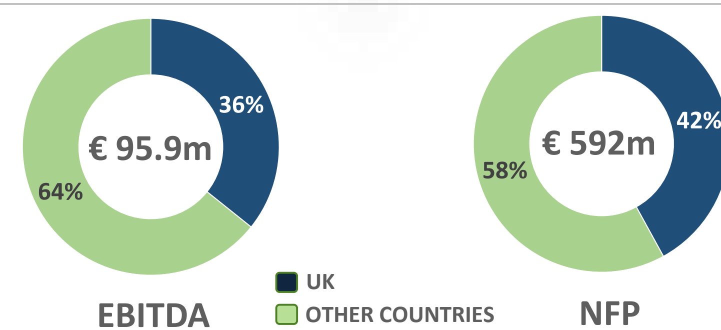


** 49% stake sold to CII Holdco*

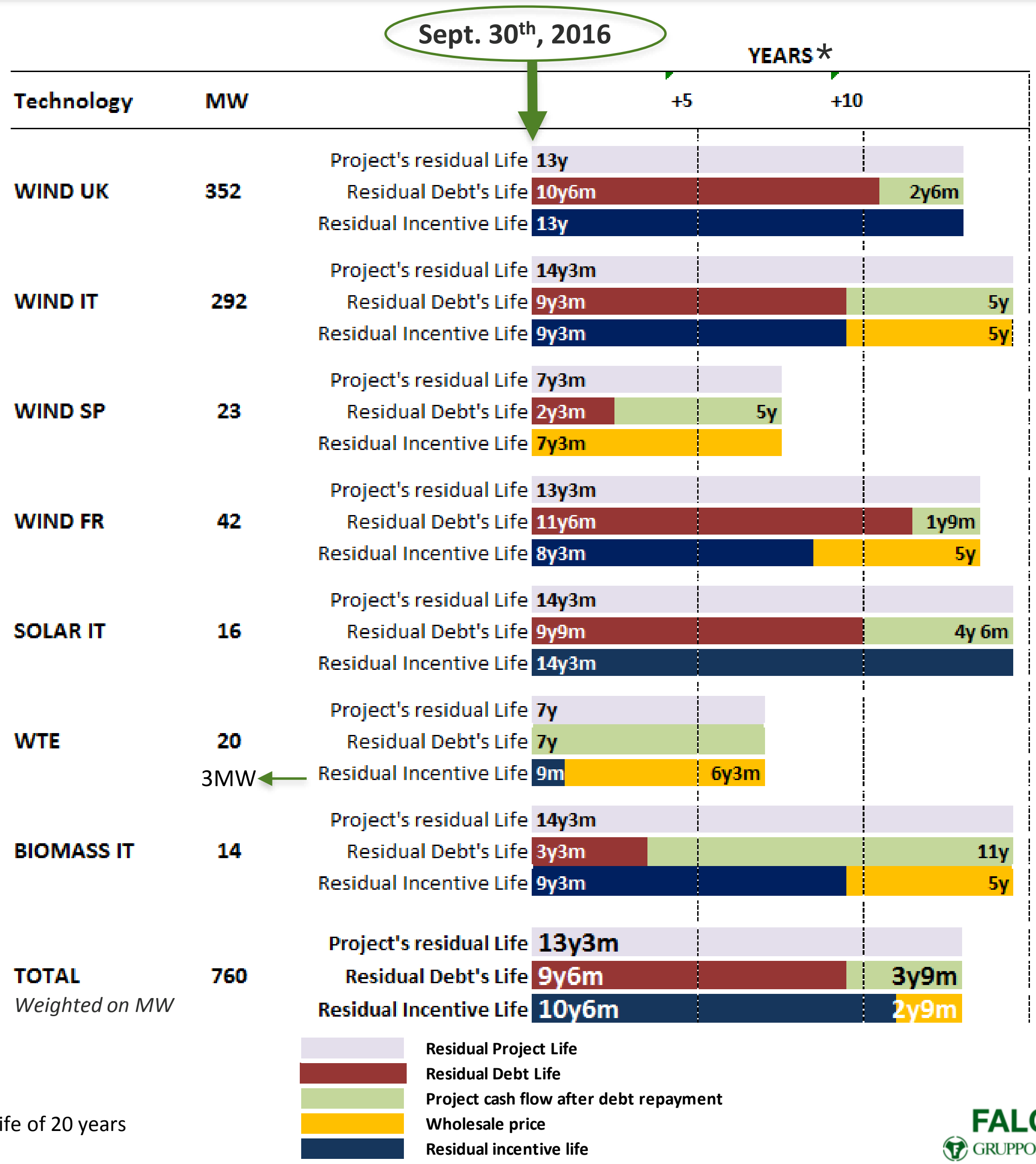
Under construction: **36 MW** In operation: **377 MW**

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 9M EBITDA 2016 vs 2015	→ Negative impact of **~ € 3.6m**
GBP/€ on NFP 30/9/2016	→ Positive impact of **~ € 35.6m** *vs* end of 2015

EBITDA and NFP in GBP as of 30/9/2016



Young asset base



* Based on an useful life of 20 years

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Next Events

November 29th, 2016
Industrial Plan 2016-2021

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