

**FALCK**  
Interim Financial  
Half-year Report  
at 30 June 2009

Board of Directors' Meeting

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Milan, 29 September 2009

FALCK SpA  
Share capital Euro 72,793,163 fully paid  
Registered and fiscal address  
20121 Milan – Corso Venezia, 16  
REA Milan no. 683  
Milan Companies Register no. 00917490153  
VAT and tax code no. 00917490153

## Interim Financial Half-year Report at 30 June 2009

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## 1. Company officers

### **Board of directors**

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Federico Falck	Chairman
Ferruccio Marchi	Deputy chairman and director
Guido Corbetta	Director
Enrico Falck	Director
Bruno Isabella	Director
Carlo Marchi	Director
Filippo Marchi	Director
Guido Rosa	Director

### **Board of statutory auditors**

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Filippo Tamborini	Chairman
Gerolamo Gavazzi	Statutory auditor
Massimo Scarpelli	Statutory auditor
Roberto Moro Visconti	Substitute statutory auditor
Luigi Emilio Garavaglia	Substitute statutory auditor

### **Independent auditors**

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PricewaterhouseCoopers SpA

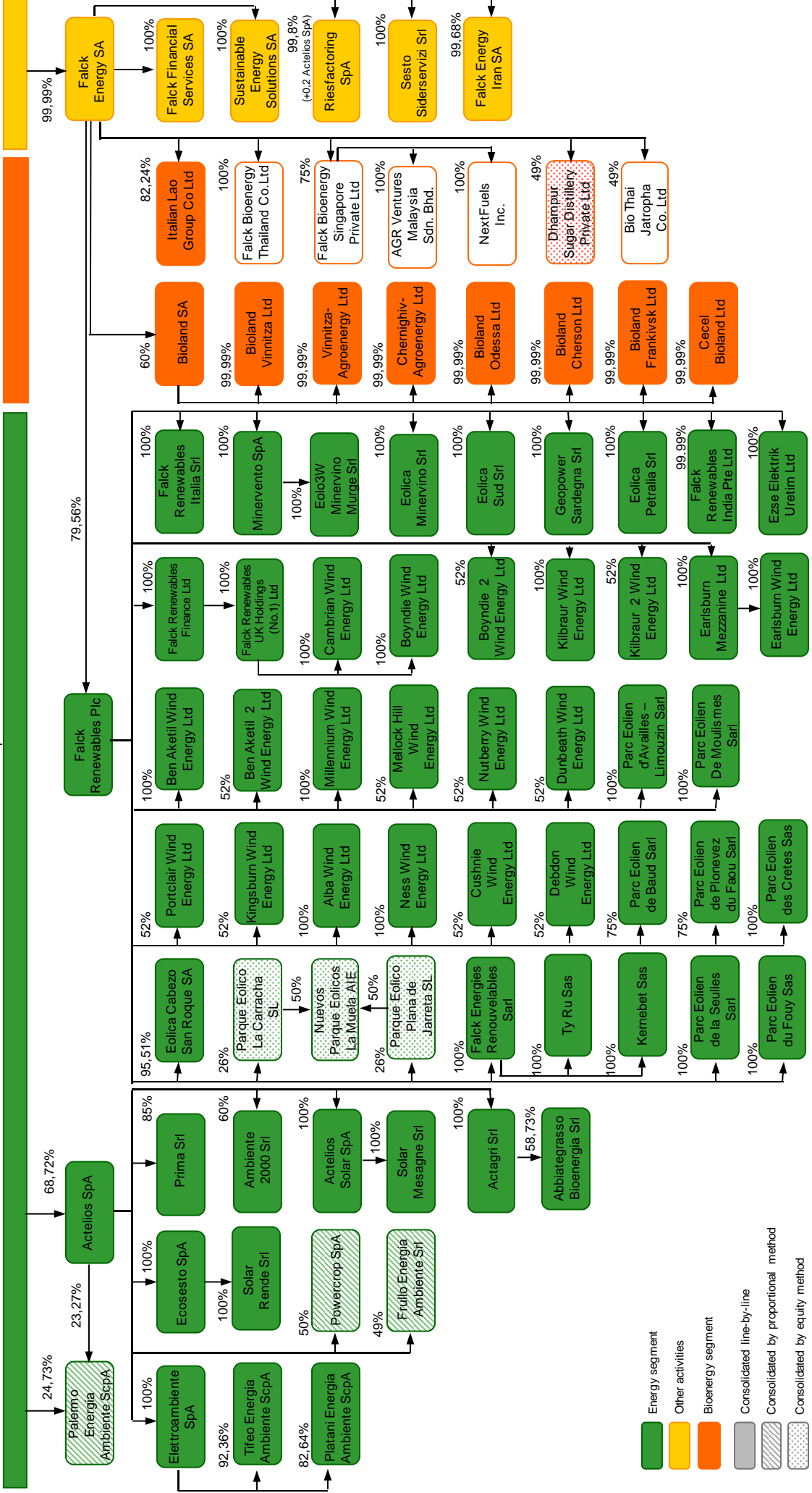
Achille Colombo resigned as managing director of Falck SpA on 15 September 2009.

Company powers conferred on the directors are set out on page 23.

## 2. Falck group structure at 30 June 2009

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# FALCK SpA



- Energy segment
- Other activities
- Bioenergy segment
- Consolidated line-by-line
- Consolidated by proportional method
- Consolidated by equity method
- Companies in liquidation

3. Financial highlights

	(Euro millions)			
	30.6.2009	30.6.2008	2008	2007
Revenue	98	76	159	125
Gross profit	44	33	59	52
Operating profit	22	12	11	8
(Loss)/profit for the period	(4)	25	(16)	6
(Loss)/profit for the period attributable to equity shareholders	(5)	22	(8)	1
Earnings per share (Euro)	(0.07)	0.30	(0.11)	0.01
- Net financial (assets)/liabilities	190	43	89	40
- Non-recourse financing	402	331	363	259
Total net financial position (indebtedness)	592	374	452	299
Total equity	328	416	330	439
Equity attributable to Falck SpA equity holders	231	310	231	332
Equity attributable to Falck SpA equity holders per share (Euro)	3.173	4.259	3.173	4.564
Capital expenditure	74	113	217	144
Gross profit/revenue	44.9%	43.4%	37.1%	41.6%
Operating profit/revenue	22.4%	15.8%	6.9%	6.4%
(Loss)/profit for the period/total equity	-1.2%	6.0%	-4.8%	1.4%
Net financial position/total equity	1.80	0.90	1.37	0.68
Total number of group employees (no.)	564	429	404	404

## 4. Interim directors' report

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## 4. Interim directors' report

These interim consolidated financial statements at 30 June 2009 have been prepared in accordance with International Financial Reporting Standards adopted by the European Union under regulation 1606/2002/EC of the European Parliament and Council dated 19 July 2002, in particular IAS 34 – Interim Financial Reporting.

The Falck group, having prepared the interim financial half-year report in accordance with IAS 34 has opted to present condensed explanatory notes to the interim financial half-year report at 30 June 2009.

The group results for the six months ended 30 June 2009 were not affected by seasonality.

### 4.2 *Group operating and financial review*

#### 4.1.1 **Falck group profile**

The Falck group was incorporated on 26 January 1906 with the name Acciaierie e Ferriere Lombarde Falck: for more than 100 years the company has been a major player in the industrial development of Italy, through initiatives that demonstrate the company's commitment to the local territory and its interest in safeguarding the environment.

The group has embraced the principles of **sustainable development** and has focused its mission principally on the production of energy from renewable resources and today, as a result of the continuous development and investment in innovative technology, it is now one of the leading players in this sector.

The energy market represents the natural evolution of the strategies of the Falck group that as early as the beginning of the 20th century implemented a wide electrical energy production programme in order to guarantee the operations of its steel plants.

The Falck group operates in the production of energy from renewable sources such as solar, wind, biomass and waste to energy, and it recently deployed new resources in the bioenergy segment that will provide a significant contribution in satisfying the increased consumption arising from the growth of emerging countries without altering or disturbing the environment. This is a concrete method of contributing to the reduction of CO<sub>2</sub> emissions and meeting the objectives set by the Kyoto Protocol.

The group holds investments in banks and enterprises and it provides financial services to plant suppliers within the group through the subsidiary Riesfactoring SpA.

The group's mission is followed applying the fundamental values defined in the Code of Conduct: integrity, constant innovation, total safety and open dialogue with all collaborators.

#### 4.1.2 **Regulatory framework**

The relevant regulatory framework for the renewable energy from biomass and WTE segment is that of the Italian market for renewable energy and essentially covers the areas detailed below.

**CIP6:** based on a national law issued in 1991 and subsequent directives, this law introduced incentives for the generation of electrical energy from renewable sources with guarantees regarding its collection and pricing.

The CIP6 regime is differentiated according to the different energy sources, applies to an extensive period (8-20 years) and has a clear and calculable inflationary mechanism, is essential for the negotiation of project financing loan contracts and was also used to provide incentives to other projects and technology not directly linked to renewable energy;

**Green certificates:** these are attributed to the production of electrical energy from renewable sources generated after 1 April 1999. The Electricity System Operator (Terna) collects the green certificates at the average price for the previous year as communicated by the electrical energy market operator (Italian "GME"). These 15 year certificates are a controlled market mechanism in determining the price of electrical energy sales and their number is dependent on the production of energy from renewable sources. These certificates may be traded on the Italian energy market.

## 4. Interim directors' report

**Energy account:** the electrical energy generated by photovoltaic plants is awarded tariffs that are incentivised and differentiated according to whether they are produced by non-integrated, partially or fully integrated plants. The tariffs are set for a 20 year period starting from the date operations commence and are not adjusted for inflation over this entire period. With regard to plants that will commence operations in 2009 and 2010 a progressive 2% reduction is applied to the tariff. New decrees will be issued in order to determine the new tariffs applicable to the periods after 2010.

With regard to the wind segment the regulatory framework in respect of companies working in Italy is also that of the renewable energy from biomass and WTE segment, while the UK, Spanish and French companies are governed by the frameworks set out below.

The **UK** operates an incentive system called ROCs (Renewable Obligation Certificates), the price of which is determined by the government. This premium is increased for inflation every year. Renewable energy producers also receive an LEC (Levy Exemption Certificate) incentive. Other incentives known as ROC Recycle are in place that are calculated as follows: the government fixes each year the percentage of renewable energy on the total produced and collects funds from consumers for this objective.

At the end of the year the energy actually produced from renewable sources is calculated and if production is lower than the target amount, the excess funds collected are attributed to those companies that produced renewable energy in the year in question.

A premium is awarded in **Spain** for renewable energy that amounts to 40% of a base price.

A comprehensive fixed tariff is in operation in **France** that is adjusted for inflation.

### 4.1.3 Performance

The group consolidated income statement shows a loss for the period of Euro 3,501 thousand compared to a profit of Euro 24,880 thousand for the same period last year.

The results of the renewable energy from biomass and WTE and the other activities segments are down compared to the 2008 half-year, while the wind energy segment recorded a significant improvement. The bioenergy segment recorded a loss in the first six months that reflects the costs to be incurred to liquidate the companies in Singapore, Thailand, Malaysia and the USA.

The parent company did not perform as well as in the first half of 2008 as last year's results comprised the gain on disposal of the steel segment.

### 4.1.4 Review of business in the first half of 2009

#### **Renewable energy segment – biomass and waste to energy**

Solar Mesagne Srl was incorporated on 28 January 2009.

The Sicily project companies and their shareholders signed an agreement with the Regional Department for Waste and Water (ARRA) on 28 April 2009. This agreement defines the principal terms and conditions that allow ARRA to call a new bid for tenders, without compromising the activities and construction work carried out under the Convention. The agreement provides for payment to the project companies and the respective shareholders of the total amount of costs incurred and still to be incurred to develop the project. These amounts have already been verified by an advisor appointed jointly by the Sicily Region, the project companies and the shareholders. In the event that the bid is awarded to a third party, the project companies and their shareholders will also be paid damages equal to the average annual EBITDA calculated over the twenty year period of the concession (2005/2024) and allocated to the project companies and the shareholders on the basis of criteria defined in the agreement.

#### 4. Interim directors' report

Actelios SpA has noted that the advisor appointed jointly by the Sicily Region, ARRA, the project companies and Actelios itself, has already verified the existence of all of the costs reported in the financial statements of the project companies and Actelios SpA.

Moreover, the agreement with ARRA provides that the Regional Administration has the right to assess separately the actual costs incurred by the project companies and the respective shareholders in the event that the Region is required to takeover the projects.

Consequently, the board of directors of Actelios SpA has decided to make available immediately details of the costs incurred from commencement of the projects in 2002, which have all been presented in the reports prepared for the bid and the subsequent phases and verified as noted above.

The bid for tenders issued by ARRA for the construction of three waste to energy plants in Sicily was published in the Supplement to the Official Gazette of the European Union on 29 April 2009. The final submission date for bids was 30 June 2009.

No industrial operators presented bids by the final submission date. ARRA published a market survey in the Official Gazette of the European Union on 23 July 2009 to identify parties that may be interested in taking part in the negotiated procedures following the unsuccessful outcome of the bid as a result of no offers being submitted. The parties did not submit their interests to ARRA by the due date of 3 August.

Consequently the private negotiation procedures commenced and were concluded without reaching agreement on 3 September 2009. In the meantime the project companies informed ARRA that the projects were not financially viable and that the economic conditions were not adequate under the terms of the new conditions defined in the tender of 29 April 2009.

The three project companies received notification on 14 September 2009, in which ARRA (Regional Department for Waste and Water) communicates that it intends to resolve unilaterally the matter of the Conventions and the ensuing acts relating to the three systems in Palermo, Agrigento and Augusta.

This decision is considered to be without justification given that the project companies while collaborating in full in order to resolve the emergency situation, have always complied with the conditions set by the Conventions and have performed all of the activities defined in the Agreement entered into on 28 April this year. This order was issued after the unsuccessful outcome of ARRA's invitation for tenders. Moreover, the project companies had expressed their willingness, in accordance with the terms of the Agreement of 28 April, to meet with ARRA in order to evaluate the situation that had arisen. No such meetings took place.

The project companies consider the position adopted by ARRA to be without foundation and will take all of the appropriate actions necessary in order to recover the costs incurred and all related damages.

#### **Renewable energy segment – wind energy**

In January Falck Renewables Plc signed an agreement with Nordex for the acquisition of three French companies, each owning wind farms with a total installed capacity of 32 MW. The transfer of ownership of two companies took place on 8 April 2009 following completion of the 10 MW plants that were already operational, while the third company Esquennois Energie Sas, owner of a 12 MW wind farm, was acquired on 20 July and commenced operations in the same month.

The Italian company Eolica Minervino Srl was set up by Falck Renewables Plc on 27 February 2009 with a share capital of Euro 10 thousand. The aim of this company is to increase the capacity of the existing wind farm in the same location by a further 16 MW.

With regard to Italy, construction work on the south crest of the San Sostene wind farm is complete. Operational trials are currently underway on the 28 turbines that have a total installed capacity of 42 MW, while work on the north crest to install 15 turbines with a total capacity of 37.5 MW is still in course. The civil work on the Buddusò e Alà dei Sardi 138 MW wind farm in Sardegna are in full swing.

## 4. Interim directors' report

In the UK the authorisation to expand the Millennium Wind Energy Ltd wind farm by 15 MW was obtained bringing it to a total installed capacity of 65 MW. Installation work continues on the eighth turbine at the Boyndie Wind Energy Ltd wind farm.

With regard to Turkey the decision was made to sell the two projects relating to the wind farms owned by the subsidiary Esze Elektrik Uretim Ltd.

### Bioenergy segment

As the companies located in South East Asia, namely Falck Bioenergy Singapore Pte Ltd, Falck Bioenergy (Thailand) Co Ltd and Agr Venture Malaysia During, are no longer considered to be financially viable, they were put into liquidation during the half-year. The US company Next Fuels Inc, has also been put into liquidation.

### Other activities segment

No significant events took place.

### Falck SpA

The Italian Excise Police commenced a corporation tax and trade tax inspection on 29 May 2008 covering the periods from 2003 to 2007 and a VAT inspection for the 2003 and 2004 tax years. This was subsequently extended to further periods. This inspection was concluded on 28 January 2009 and resulted in the issue of an assessment that highlighted a number of matters. Consequently, tax acceptance assessment procedures have been initiated with the Italian Tax Authorities that should be finalised by the year-end and should allow the company to justify its motives. Falck SpA has provided an amount in the sundry risk provision sufficient to cover the matters noted in the assessment.

## 4.1.5 Consolidated financial highlights

### . Performance

	(Euro thousands)			
	30.6.2009	30.6.2008	Change	31.12.2008
Revenue	97,857	75,664	22,193	158,570
Cost of sales	(53,649)	(42,384)	(11,265)	(99,237)
<b>Gross profit</b>	<b>44,208</b>	<b>33,280</b>	<b>10,928</b>	<b>59,333</b>
<b>Operating profit</b>	<b>22,014</b>	<b>12,456</b>	<b>9,558</b>	<b>11,234</b>
<b>Adjusted EBIT</b>	<b>38,145</b>	<b>24,523</b>	<b>13,622</b>	<b>39,345</b>
<b>(Loss)/profit for the period</b>	<b>(3,501)</b>	<b>24,880</b>	<b>(28,381)</b>	<b>(15,772)</b>
<b>(Loss)/profit for the period attributable to equity holders</b>	<b>(4,980)</b>	<b>21,677</b>	<b>(26,657)</b>	<b>(7,570)</b>
Invested capital net of provisions	919,475	790,214	129,261	781,847
Total equity	327,531	416,047	(88,516)	329,888
<b>Net financial position (asset)/indebtedness</b>	<b>591,944</b>	<b>374,167</b>	<b>217,777</b>	<b>451,959</b>
of which non-recourse financing	401,739	331,367	70,372	362,996
<b>Capital expenditure</b>	<b>74,379</b>	<b>113,121</b>	<b>(38,742)</b>	<b>216,716</b>
Employees at end of period	(no.) 564	429	135	553
Ordinary shares	(no.) 72,793,163	72,793,163		72,793,163

## 4. Interim directors' report

### . Revenue

Revenue increased by Euro 22,193 thousand. This increase is almost entirely attributable to the wind energy segment, while the other segments are largely in line with the 2008 half-year figures.

Revenue by segment may be analysed as follows.

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Falck SpA	964	1,514	(550)
Renewable energy - biomass and waste to energy	48,297	47,335	962
Renewable energy - wind energy	45,381	23,466	21,915
Bioenergy	3,904	4,806	(902)
Other activities	836	692	144
	99,382	77,813	21,569
Elimination of intercompany revenue	(1,525)	(2,149)	624
<b>Total</b>	<b>97,857</b>	<b>75,664</b>	<b>22,193</b>

### 4.1.6 Change in the consolidated net financial position

	(Euro thousands)		
	30.6.2009	31.12.2008	Change
Short-term third party financial liabilities	(131,337)	(85,713)	(45,624)
Short-term group financial liabilities			
Short-term third party financial receivables	22,958	32,921	(9,963)
Short-term group financial receivables	1,906	24	1,882
Other securities			
Cash and cash equivalents	56,104	109,495	(53,391)
<b>Short-term net financial position</b>	<b>(50,369)</b>	<b>56,727</b>	<b>(107,096)</b>
Medium/long-term third party financial liabilities	(543,138)	(512,039)	(31,099)
Medium/long-term group financial liabilities			
Medium/long-term third party financial receivables	600	2,170	(1,570)
Medium/long-term group financial receivables	928	1,148	(220)
Other securities	35	35	
<b>Medium/long-term net financial position</b>	<b>(541,575)</b>	<b>(508,686)</b>	<b>(32,889)</b>
<b>Total net financial position</b>	<b>(591,944)</b>	<b>(451,959)</b>	<b>(139,985)</b>
<b>- of which non-recourse financing</b>	<b>(401,739)</b>	<b>(362,996)</b>	<b>(38,743)</b>

The net financial position shows an increased indebtedness of Euro 139,985 thousand compared to 31 December 2008. This is due in particular to capital expenditure on the new plants in the wind energy segment (Euro 72,199 thousand) and in the biomass and waste to energy segment (Euro 5,540 thousand), which required significant cash resources. The net financial position comprises non-recourse financing that increased by Euro 38,743 thousand compared to the balance at 31 December 2008.

### 4.1.7 Employees

The total number of group employees at 30 June 2009 was 564, representing an increase of 11 on the total at 31 December 2008.

#### 4. Interim directors' report

An analysis by category is as follows:

	30.6.2009	31.12.2008	(Number) Change
Managers	41	42	(1)
White-collar staff	222	210	12
Blue-collar staff	301	301	0
<b>Total employees</b>	<b>564</b>	<b>553</b>	<b>11</b>

#### 4.1.8 Performance of business segments

##### ❖ Renewable energy segment – biomass and waste to energy

The principal financial information for this segment may be summarised as follows:

	30.6.2009	30.6.2008	Change	(Euro thousands) 31.12.2008
Revenue	48,297	47,335	962	97,699
Cost of sales	(29,262)	(28,141)	(1,121)	(56,721)
<b>Gross profit</b>	<b>19,035</b>	<b>19,194</b>	<b>(159)</b>	<b>40,978</b>
<b>Operating profit</b>	<b>13,339</b>	<b>13,995</b>	<b>(656)</b>	<b>32,746</b>
<b>Adjusted EBIT</b>	<b>18,420</b>	<b>21,417</b>	<b>(2,997)</b>	<b>47,296</b>
<b>Profit for the period</b>	<b>6,561</b>	<b>9,591</b>	<b>(3,030)</b>	<b>19,056</b>
<b>Profit for the period attributable to equity holders</b>	<b>5,781</b>	<b>8,787</b>	<b>(3,006)</b>	<b>17,521</b>
Invested capital net of provisions	267,926	266,986	940	262,360
Total equity	350,631	344,850	5,781	354,781
<b>Net financial position (asset)/indebtedness</b>	<b>(82,705)</b>	<b>(77,864)</b>	<b>(4,841)</b>	<b>(92,421)</b>
of which non-recourse financing	72,620	86,388	(13,768)	79,841
<b>Capital expenditure</b>	<b>4,372</b>	<b>6,423</b>	<b>(2,051)</b>	<b>17,132</b>
Employees at end of period	(no.) 143	140	3	140

Falck operates in the renewable energy from biomass and WTE segment through the segment holding company Actelios SpA and its subsidiaries and a direct holding of 24.728% in Palermo Energia Ambiente ScpA.

At 30 June 2009 this segment recorded a net profit of Euro 6,561 thousand, representing a decrease of Euro 3,030 thousand compared to the first half of 2008 that was principally due to net finance costs of Euro 1,531 thousand against net finance income of Euro 1,656 thousand recorded in the first half of 2008. This turnaround is due to the fall in interest rates and the fair value measurement of derivatives (Interest Rate Swaps) entered into to convert the interest rates on non-recourse loans from variable to fixed, which resulted in a negative adjustment of Euro 410 thousand compared to a positive impact of Euro 576 thousand in the first half of 2008. Revenue increased by Euro 962 thousand compared to the first half of 2008. The results for the first six months of 2009 reflect the decreased revenue of the Rende biomass plant as the incentives relating to the CIP6/92 tariffs for 9MW expired at the beginning of February. The strong performance of the WTE plants in Trezzo sull'Adda and Granarolo dell'Emilia contributed to the increase in revenue. Revenue also comprises the adjustment of Euro 1,068 thousand relating to 2008 sales of electrical energy covered by the CIP6/92 regime, and Euro 1,364 thousand for the invoicing of a long-term contract (Vieste landfill) that is reflected as a corresponding reduction in inventories. Gross profit fell slightly (Euro 159 thousand) and represents 39.4% of revenue (2008 - 40.5%).

Operating profit decreased by Euro 656 thousand compared to 2008 and is equal to 27.6% of revenue (2008 – 29.7%).

#### 4. Interim directors' report

The net financial position, an asset of Euro 82,705 thousand, shows a decrease of Euro 9,716 thousand compared to the balance at 31 December 2008, which is essentially due to the dividends distributed by the parent company (Euro 10,152 thousand). The net financial position comprises non-recourse loans that amounted to Euro 72,620 thousand at 30 June 2009.

Capital expenditure during the period amounted to Euro 4,372 thousand and relates to the group's investment in the waste to energy projects in Sicily (Euro 2,874 thousand), the biomass plant in Rende (Euro 819 thousand) and the work carried out on the operating plant in Granarolo dell'Emilia for a total of Euro 590 thousand. Finally, capital expenditure on intangible assets comprised Euro 637 thousand incurred by Frullo Energia Ambiente Srl for the development of the third line of the WTE plant in Granarolo dell'Emilia and Euro 478 thousand relating to the development of the plants owned by Powercrop SpA.

#### Outlook for 2009

It is expected that the remainder of the year will be profitable despite a fall in revenue due to the fact that the CIP 6/92 tariff incentives for 9MW granted to the biomass plant in Rende expired at the beginning of February 2009.

The net financial position will benefit in the current year from the significant cash generated by the operating plants and will be affected by the investments on projects that are in the construction and development phases that relate to the photovoltaic and biomass plants.

Given the uncertainties surrounding the projects in Sicily, the company will continue the activities aimed at achieving a balanced financial structure able to support the company's development projects through the use of structured debt and project financing.

#### ❖ Renewable energy segment – wind energy

The principal financial information for this segment may be summarised as follows:

	30.6.2009	30.6.2008	Change	(Euro thousands) 31.12.2008
Revenue	45,381	23,466	21,915	54,446
Cost of sales	(16,856)	(8,198)	(8,658)	(18,806)
<b>Gross profit</b>	<b>28,525</b>	<b>15,268</b>	<b>13,257</b>	<b>35,640</b>
<b>Operating profit</b>	<b>20,138</b>	<b>3,199</b>	<b>16,939</b>	<b>14,813</b>
<b>Adjusted EBIT</b>	<b>30,285</b>	<b>7,632</b>	<b>22,653</b>	<b>24,952</b>
<b>Profit for the period</b>	<b>6,093</b>	<b>3,346</b>	<b>2,747</b>	<b>1,692</b>
<b>Profit for the period attributable to equity holders</b>	<b>6,065</b>	<b>3,309</b>	<b>2,756</b>	<b>1,618</b>
Invested capital net of provisions	607,573	427,542	180,031	472,505
Total equity	16,896	25,386	(8,490)	6,231
<b>Net financial position (asset)/indebtedness</b>	<b>590,677</b>	<b>402,156</b>	<b>188,521</b>	<b>466,274</b>
of which non-recourse financing	329,119	244,979	84,140	283,155
<b>Capital expenditure</b>	<b>68,545</b>	<b>98,855</b>	<b>(30,310)</b>	<b>192,060</b>
Employees at end of period (no.)	52	29	23	35

Falck operates in the renewable energy from wind energy segment through Falck Renewables Plc and its subsidiaries. The segment focuses on the construction and management of plants that generate electricity using wind energy.

#### 4. Interim directors' report

This results for this segment recorded a marked improvement compared to the first half of 2008. Net profit totalled Euro 6,093 thousand (2008 - Euro 3,346 thousand), revenue amounted to Euro 45,381 thousand representing an increase of Euro 21,915 thousand and an operating profit of Euro 20,126 thousand corresponding to a significant increase of Euro 16,927 thousand.

The increase in revenue compared to the first half of 2008 is essentially due to the Eolo 3W Minervino Murge Srl (52 MW), Kilbraur Wind Energy Ltd (47,5 MW) and Millennium Wind Energy Ltd (50 MW) wind farms being fully operational.

The valuation at net equity of the Spanish investments that operate two wind farms, in which a 26% interest is held, contributed Euro 435 thousand to the segment's result.

The net financial position was affected by the significant capital expenditure incurred and the net indebtedness increased by Euro 124,403 thousand compared to the balance at 31 December 2008, of which Euro 45,965 thousand relates to project financing that amounted to Euro 329,119 thousand at 30 June 2009.

#### Outlook for 2009

With regard to the second half of 2009, it is expected that the strong performance of the first six months will continue, with a slight improvement both in profit and cash flows that is largely attributable to the south crest of the San Sostene wind farm becoming operational.

Development work will continue on the project portfolio amounting to approximately 1,800 MW in the segment's core markets in the United Kingdom, Italy, France and Spain.

#### ❖ Bioenergy segment

The principal financial information of the bioenergy segment may be summarised as follows:

	30.6.2009	30.6.2008	Change	(Euro thousands) 31.12.2008
Revenue	3,904	4,806	(902)	6,171
Cost of sales	(7,484)	(5,688)	(1,796)	(15,669)
<b>Gross profit</b>	<b>(3,580)</b>	<b>(882)</b>	<b>(2,698)</b>	<b>(9,498)</b>
<b>Operating profit</b>	<b>(4,753)</b>	<b>(3,773)</b>	<b>(980)</b>	<b>(18,559)</b>
<b>Adjusted EBIT</b>	<b>(3,683)</b>	<b>(3,413)</b>	<b>(270)</b>	<b>(17,019)</b>
<b>Profit for the period</b>	<b>(10,705)</b>	<b>(4,214)</b>	<b>(6,491)</b>	<b>(43,349)</b>
<b>Profit for the period attributable to equity holders</b>	<b>(10,705)</b>	<b>(4,214)</b>	<b>(6,491)</b>	<b>(43,349)</b>
Invested capital net of provisions	22,716	26,593	(3,877)	23,303
Total equity	(33,484)	4,410	(37,894)	(23,780)
<b>Net financial position (asset)/indebtedness</b>	<b>56,200</b>	<b>22,183</b>	<b>34,017</b>	<b>47,083</b>
of which non-recourse financing	0	0	0	0
<b>Capital expenditure</b>	<b>1,441</b>	<b>7,734</b>	<b>(6,293)</b>	<b>7,312</b>
Employees at end of period	(no.) 325	221	104	338

The Falck group operates through this segment in the development of agricultural activities solely overseas, in particular in the Ukraine, through the Luxembourg based company Bioland Sa and its Ukrainian subsidiaries, and in Laos through Italian Lao Group Co Ltd. This segment will also be involved in the distillation of ethanol through the associated company Dhampur Sugar Distillery Pte Ltd that is registered in India.

As mentioned above, the company has decided not to proceed with the development of the agricultural activities in Singapore, Thailand and Malaysia. Consequently these businesses were put into voluntary liquidation and this has been reflected in the condensed financial statements at 30 June 2009.



#### 4. Interim directors' report

Revenue essentially comprises the fair value, less costs to sell, at 30 June 2009 of the cereal, sunflower and high-protein peas relating to the winter and spring sowing in the Ukraine. The loss incurred by these agricultural activities has been affected by the still limited number of cultivated hectares compared to the total available in respect of which the segment owns the land rights and incurs the related costs. Moreover, the excess land in respect of potential production capacity is part of a disposal plan that is already under way and is expected to be finalised by the end of the current year.

The segment loss also reflects the estimated liquidation expenses for Falck Bioenergy Singapore Pte Ltd and its subsidiaries, Agr Venture Malaysia Sdn Bnd and Falck Bioenergy (Thailand) Co. Ltd

The net financial position was a net indebtedness of Euro 56,200 thousand that has been affected by the loss recorded and the capital expenditure on machinery in the Ukraine.

#### Outlook for 2009

Despite the significant reorganisation work carried out in this segment that should flow through in 2010, it is expected that the second half of 2009 will once again close with a loss.

#### ❖ Other activities segment

The key financial information of the other activities segment may be summarised as follows:

	30.6.2009	30.6.2008	Change	(Euro thousands) 31.12.2008
Revenue	836	692	144	1,426
Cost of sales	(843)	(1,309)	466	(9,976)
<b>Gross profit</b>	<b>(7)</b>	<b>(617)</b>	<b>610</b>	<b>(8,550)</b>
<b>Operating profit</b>	<b>(768)</b>	<b>(1,197)</b>	<b>429</b>	<b>(9,228)</b>
<b>Profit for the period</b>	<b>(1,142)</b>	<b>3,474</b>	<b>(4,616)</b>	<b>(3,610)</b>
<b>Profit for the period attributable to equity holders</b>	<b>(1,142)</b>	<b>3,474</b>	<b>(4,616)</b>	<b>(3,610)</b>
Invested capital net of provisions	106,126	133,742	(27,616)	102,428
Total equity	103,990	132,722	(28,732)	100,555
<b>Net financial position (asset)</b>	<b>2,136</b>	<b>1,020</b>	<b>1,116</b>	<b>1,873</b>
of which project financing	0	0	0	
<b>Capital expenditure</b>	<b>5</b>	<b>83</b>	<b>(78)</b>	<b>114</b>
Employees (no.)	11	11	0	11

This segment comprises the following activities:

- Management of international investments, support for the study of new projects overseas and raising finance on the international markets through the companies Falck Energy Sa, Falck Financial Services Sa, Sustainable Energy Solutions Ltd and Falck Energy Iran Sa;
- Factoring activities both for group companies and a limited number of third parties through Riesfactoring SpA;
- Activities linked to the provision of a number of services through Sesto Siderservizi Srl.

The net loss for the period amounted to Euro 1,142 thousand representing a significant fall compared to the first half of 2008. This is largely due to the fact that Unicredito SpA did not pay dividends but awarded its own shares in the ratio of 29 new shares for each 159 owned. Consequently, Falck Energy Sa was given 2,690,257 shares of Unicredito SpA. In accordance with accounting standards this award has not had an impact on the income statement.

#### Outlook for 2009

The second six-months are expected to close with a loss substantially in line with the first half-year.

## 4. Interim directors' report

### 4.1.9 Research and development activities

Work continued to identify new technology in the production of electrical energy from renewable sources and with regard to Powercrop SpA experimental activities were carried out in the agro-energy field in order to determine the best crops that both preserve the organoleptic qualities of the land while at the same time provide the most effective heat-producing energy.

### 4.1.10 Risk factors and uncertainties

#### a) Financial

##### 1. *Credit risk*

Credit risk represents both potential losses from non-settlement of receivables and the counterparty risk connected to the negotiation of other financial operations. The credit risk exposure of the Falck group is very limited. Commercial customers are not significant in value at present. Customer concentration is fairly high but the exposure is mitigated by the nature of these customers that largely consist of the Italian Electricity System operator (GSE), or similar entities, public authorities or customers who are also group suppliers. Financial receivables are significant in value but largely consist of cash and cash equivalents that are held with primary banks and financial institutions. The same applies to credit risk attributable to the counterparties with which the derivative financial instruments are negotiated. A summary quantitative indication of the maximum exposure to credit risk is the carrying amount of the financial assets, expressed gross of derivatives with a positive fair value and net of any guarantees.

##### 2. *Liquidity risk*

A significant portion of financial liabilities is due within twelve months (Euro 131,337 thousand) and mainly consists of bank borrowings and trade payables. It should be noted that the Falck group has significant liquidity reserves that amount to Euro 56,104 thousand. The remaining balance of financial liabilities has longer maturity dates and principally relates to project financing. The Falck group has a centralised group treasury department that does not use a cash pooling system but carries out netting of opposing balances through the use of specific intercompany correspondence accounts. Finally, the Falck group prepares an update of the cash flow statement and the cash budget on a monthly basis, in which the actual data for the period are supported by a summary evaluation and commentary.

##### 3. *Market risk*

The Falck group manages interest rate risk centrally. Although it does not define in advance the maximum variable rate debt exposure, it does follow well-established procedures aimed at monitoring risk and that avoid undertaking transactions of a speculative nature. The type and suitability of hedging instruments is evaluated for each specific case in consideration of the amount of exposure and current financial market conditions.

The Falck group uses derivative financial instruments to hedge interest rates and in particular enters into interest rate swaps (IRS) with the exclusive aim of hedging variable rate loans. Although these operations are entered into to hedge interest rates, hedge accounting is not yet applied to these derivative financial instruments. Consequently, changes in fair value of the derivatives follow the general rule applied to trading derivatives and are charged directly to the income statement with a direct effect on the profit for the year.

## 4. Interim directors' report

### b) Legal

The principal legal risks arising from current litigation are as follows.

#### • **Falck SpA**

The work of the experts in relation to the arbitration proceedings between Falck SpA and Edison SpA continued during the period. Advanced negotiations to reach a settlement to this arbitration and those connected to it are underway (Sesto Siderservizi /Edison and Falck /Edison /Termica Lucchese).

With regard to the arbitration proceedings between Falck SpA and Sviluppo Nord Milano Srl (Pasini group), on 19 November 2007 the Arbitration Board issued the arbitration award granting Falck the sum of Euro 1,290,577.00 plus VAT and legal interest from the date of the arbitration agreement up to the settlement date.

The award has not yet been executed. Final negotiations are taking place and in the event that no settlement is reached an appeal will be filed requesting that bankruptcy be declared.

With regard to the final outstanding legal dispute, legal action continued between Falck SpA and the Belleli group aimed at establishing the responsibilities of the directors and previous directors of the companies in Calabria and to contest the accuracy of the financial statements of Crossenergy Srl for 2003 to 2006. Moreover, actions were recently taken in relation to the sale of the majority shareholding in Crossenergy Srl, with regard to which the precautionary motions were rejected and consequently the actions on merit will commence.

Finally, criminal proceedings continued in respect of which Falck SpA has presented precautionary motions and sought various seizure orders including those of an accounting nature.

#### • **Ecosesto SpA**

With regard to the litigation in progress with Syntea SpA, the Milan court issued a sentence in favour of Ecosesto SpA on 22 June 2007. The counterparty filed an appeal against this sentence. In the hearing that took place on 17 April 2008 the outcome was postponed to the final hearing scheduled for 29 April 2010.

#### • **Prima Srl**

With regard to the arbitration proceedings in course with Protecma, the final award was made on 22 December 2008, which if applied to the letter will result in the payment of approximately Euro 5.4 million of the Euro 17.9 million already received/withheld as settlement for damages.

Prima Srl paid Euro 3.4 million in February 2009 and at the same time filed an amendment request against the award based on presumed errors in calculating certain amounts. The petition, which is not without foundation, was rejected and Prima decided not to appeal.

In July 2009 the parties reached an agreement whereby Prima concurred to pay Euro 2 million as full and final settlement.

#### • **Elettroambiente SpA**

Enel Produzione commenced arbitration proceedings against Elettroambiente SpA in 2008 in order to ascertain the legitimate exercise by Enel Produzione of the right to sell its holdings in Tifeo and Platani, at the same time claiming that Elettroambiente had breached its obligation to acquire these shares. Subsequent to acceptance of these claims, Enel Produzione requested that Elettroambiente pay damages of Euro 3,551 thousand.

#### 4. Interim directors' report

Elettroambiente in turn responded to the claim by Enel Produzione, notifying the appointment of an arbitrator through whom it requested that the opponent's claims be rejected. At the same time it submitted a counterclaim requesting that Enel Produzione be obliged to transfer the industrial area in Augusta that was identified as the location for construction of one of the WTE plants of the project, following drainage work on the area to be carried out at the expense of Enel Produzione.

In the meantime Enel Produzione continued drainage work on the site and this work has resulted in a significant delay in its handover.

Elettroambiente immediately informed the Department for Waste and Water Protection, requesting their intervention to expedite work.

Elettroambiente did not exercise the right to acquire the business of Enel Produzione relating to the thermoelectric plant that also comprises the land to be transferred to Tifeo Energia Ambiente for the construction of the WTE plant. Arbitration proceedings are in progress to define the financial conditions relating to the transfer of the land to Tifeo Energia Ambiente.

##### **c) Internal and external risks**

The Falck group is largely exposed to risks relating to the authorisation process involved with the development of its projects and the authorisations held that are necessary to continue production activities.

In order to minimise these risks the group is diversifying both the types of investment and the location of the operating plants in order to distribute the risks across different businesses.

With regard to the operating plants, the risks principally relate to the activities performed by the workforce and the operation and maintenance work carried out on the owned plants or those managed by group companies, in order to ensure that they respect the requirements of the Integrated Environmental Authorisation (AIA) and authorisations issued under law.

Moreover, the renewable energy market in which the group operates is heavily regulated. As a consequence particular care must be paid in order to keep abreast of regulatory developments so that, where possible, the best implementation solutions may be adopted.

##### **4.1.11 Significant events after the balance sheet date**

On 13 July 2009 the extraordinary shareholders' meeting of Platani Energia Ambiente ScpA approved a share capital increase of Euro 2,000 thousand plus a share premium of Euro 700 thousand in order to cover the losses recorded to date and to provide the financial support required to continue operations.

Also on 13 July 2009 the extraordinary shareholders' meeting of Tifeo Energia Ambiente ScpA approved a share capital increase of Euro 600 thousand plus a share premium of Euro 600 thousand in order to cover the losses recorded to date and to provide the financial support required to continue operations.

With regard to Palermo Energia Ambiente ScpA the shareholders Falck SpA, Actelios SpA and Amia SpA attended an extraordinary shareholders' meeting on 21 July 2009 in which they waived part of the financial receivable owed to them by the company for a total of Euro 1,000 thousand. Consequently, Actelios SpA waived Euro 242 thousand, Falck SpA Euro 258 thousand and Amia SpA Euro 500 thousand. This operation placed the company outside the scope of application of article 2447 of the Italian Civil Code and provided it with sufficient net equity to support the positive results that are foreseen in the near future.

## 4. Interim directors' report

### ❖ **Renewable energy segment – wind energy**

As mentioned above, the third French company that owns a 12 MW wind farm was acquired on 20 July. Again in July a loan for more than Euro 35,000 thousand was secured with a German bank in order to finance the investment required for the three French companies that own operating wind farms.

### ❖ **Bioenergy segment**

In July the harvest of the cereals resulting from the winter sowing took place and resulted in lower than expected yields. The harvest of the product of the spring sowing (sunflowers and high-protein peas) is underway, while sowing activities for next year's harvest have commenced.

### ❖ **Other activities segment**

No significant events took place.

#### 4.1.12 **Future developments and going concern**

It is reasonable to assume that the performance achieved to date by the businesses in which the Group operates will continue and that an improvement will be recorded in the wind energy segment due to new wind farms becoming operational. As third party dividends have already been received and recorded in the first half of the year, the results of the parent company Falck SpA will not be repeated in the second half of the year.

## 4. Interim directors' report

### 4.2 Operating and financial review of Falck SpA

#### 4.2.1 Financial highlights

	(Euro thousands)		
	30.6.2009	30.6.2008	31.12.2008
<b>Total value of production</b>	<b>3,902</b>	<b>6,398</b>	<b>8,689</b>
Cost of production:			
- employee costs	(2,038)	(1,824)	(3,384)
- other costs	(7,760)	(4,163)	(9,917)
<b>Total cost of production</b>	<b>(9,798)</b>	<b>(5,987)</b>	<b>(13,301)</b>
<b>Difference between value and cost of production</b>	<b>(5,896)</b>	<b>411</b>	<b>(4,612)</b>
Financial income and charges:			
- income from equity investments	7,150	9,725	9,876
- other financial income	6,898	7,908	19,278
- interest and other financial charges	(3,852)	(6,414)	(14,511)
- exchange gains and losses	(1,946)	189	762
<b>Total financial income and charges</b>	<b>8,250</b>	<b>11,408</b>	<b>15,405</b>
<b>Profit from ordinary activities</b>	<b>2,354</b>	<b>11,819</b>	<b>10,793</b>
- Write-downs of financial assets - net of extraordinary items	2	8,365	4,286
- Income tax	874	(543)	(685)
<b>Profit for the period</b>	<b>3,230</b>	<b>19,641</b>	<b>14,394</b>
<i>Capital expenditure</i>	16	26	98
<i>Cash flow after financial charges and taxation</i>	4,554	10,847	457
<i>Net invested capital</i>	308,420	312,135	309,905
<i>Net financial position - asset/(indebtedness)</i>	(25,670)	(27,453)	29,839
<i>Employees (no.)</i>	33	28	29

#### 4.2.2 Performance and review of business

The first six months of the year closed with a net profit of Euro 3,230 thousand (compared to a profit of Euro 19,641 thousand recorded in the first half of 2008).

The first half of 2008 comprised the gain of Euro 8,251 thousand that arose on disposal of the two companies that operated in the steel segment (Itla Rtl SpA and Falck Acciai CNS SpA).

The result for the period comprises income from equity investments amounting to Euro 7,150 thousand (2008 – Euro 9,725 thousand). These principally relate to Actelios SpA (Euro 6,976 thousand), and Assicurazioni Generali SpA (Euro 27 thousand). The lower amount is largely due to the fact that Banca Intesa San Paolo did not pay a dividend, while for the same period in 2008 a dividend of Euro 2,432 thousand was received.

Compared to the same period last year, the income statement shows a higher total cost of production than 2008 (+Euro 3,811 thousand). Similarly the value of production decreased (-Euro 2,496 thousand) principally due to a fall in income relating to other accounting periods (-Euro 2,069 thousand) and other operating income (-Euro 568 thousand).

The net financial position, a total indebtedness of Euro 25,670 thousand, decreased by Euro 4,169 thousand compared to the balance at 31 December 2008, which is largely due to the dividends received.

## 4. Interim directors' report

### 4.2.3 Employees

At the end of the half-year the number of employees of Falck SpA was 33, representing a decrease of 4 compared to the total at 31 December 2008. The total comprises:

	30.6.2009	31.12.2008	(Number) Change
Managers	11	9	2
White-collar staff	22	20	2
Blue-collar staff			
<b>Total employees</b>	<b>33</b>	<b>29</b>	<b>4</b>

Employee costs in the first half of 2009 amounted to Euro 2,038 thousand, an increase of Euro 214 thousand compared to the total for the six months ended 30 June 2008.

### 4.2.4 Capital expenditure

Capital expenditure on tangible fixed assets in the first half-year amounted to Euro 16 thousand, while the total for intangible assets was Euro 10 thousand.

### 4.2.5 Corporate governance

Legal representation of the company is vested in the chairman, deputy chairman and managing director in accordance with article 18 of the company's articles of association.

The chairman and managing director are vested with powers relating to ordinary and extraordinary management.

A number of company directors have been assigned, either by the chairman or managing director, joint signatory powers relating to the ordinary management activities relevant to the roles performed by them.

The board of directors is updated on a regular basis, immediately where necessary, regarding significant matters relating to the performance and the economic and financial position of the company and its subsidiaries.

The chairman, or the managing director of the parent company, holds the office of chairman or deputy chairman in the principal subsidiaries.

### 4.2.6 Related party transactions

Falck SpA carries out arm's length transactions of both a trade and financial nature with its subsidiaries and associates. These allow for group synergies to be achieved through use of common services and know-how and the application of common financial policies. In particular, these transactions relate to specific activities, details of which are included in the notes to the financial statements, and include:

- . treasury management
- . administrative services
- . management of common services
- . raising finance and issuing guarantees.

## 4. Interim directors' report

### 4.2.7 Holding of own shares

In accordance with article 2428, paragraph 2, point 3 of the Italian Civil Code, the company declares that at 30 June 2009, it held 6,907,770 own shares, of which 3,561 are saving shares, for a total nominal value of Euro 6,907,770, representing 9.49% of the entire share capital of the company. The book value of Euro 12,193,083.72 corresponds to an average share price of Euro 1.77. At 30 June 2009 none of its subsidiaries, either directly or through trust companies or intermediaries, held shares in Falck SpA.

### 4.2.8 Purchase or sale of own shares

In accordance with article 2428, paragraph 2, point 4 of the Italian Civil Code, the company declares that 1,512 shares corresponding to Euro 6,060 were purchased in the first half-year. No disposals were made during the period.

### 4.2.9 Significant events after the balance sheet date

On 8 August 2009 notice was given of the writ of summons, in which a number of minority shareholders requested the declaratory judgement of nullity and/or cancellation of the shareholders' resolution of 14 May 2009 in which the financial statements of Falck SpA for the year ended 31 December 2008 were approved by majority. The company, which confirmed its full compliance with law in all areas, as supported by the independent auditors' report, has taken all actions necessary to protect its interests.

On behalf of the board of directors  
The Chairman  
Federico Falck

Milan, 29 September 2009



5. Condensed consolidated financial statements  
at 30 June 2009

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5.1 Consolidated balance sheet

		(Euro thousands)		
		Note	30.6.2009	31.12.2008
<b>Assets</b>				
<b>A Non-current assets</b>				
1	Intangible assets	(1)	175,490	164,333
2	Property, plant and equipment	(2)	729,430	646,963
3	Financial assets	(3)	63,913	59,185
4	Medium/long-term financial receivables	(4)	1,528	3,318
5	Deferred income tax assets	(7)	14,863	13,783
6	Other receivables	(6)	5,199	4,757
<b>Total</b>			<b>990,423</b>	<b>892,339</b>
<b>B Current assets</b>				
1	Inventories	(8)	10,582	10,133
2	Trade receivables	(5)	66,373	74,210
3	Other receivables	(6)	96,437	84,643
4	Financial assets	(4)	24,864	32,945
5	Investments	(9)	2,838	3,569
6	Cash and cash equivalents	(10)	56,104	109,495
<b>Total</b>			<b>257,198</b>	<b>314,995</b>
<b>C Non-current assets held for sale</b>				
<b>Total assets</b>			<b>1,247,621</b>	<b>1,207,334</b>
<b>Liabilities</b>				
<b>D Equity</b>				
1	Share capital		72,793	72,793
2	Reserves		41,445	64,084
3	Retained earnings		122,089	102,136
4	Profit for the period		(4,980)	(7,570)
<b>Capital and reserves attributable to equity holders</b>		(11)	<b>231,347</b>	<b>231,443</b>
5	Minority interest in equity		96,184	98,445
<b>Total equity</b>		(11)	<b>327,531</b>	<b>329,888</b>
<b>E Non-current liabilities</b>				
1	Medium/long-term financial liabilities	(14)	543,138	512,039
2	Other non-current liabilities	(16)	16,358	13,011
3	Deferred income tax liabilities	(7)	7,870	2,777
4	Provisions for other liabilities and charges	(12)	68,707	62,574
5	Staff leaving indemnity (TFR)	(13)	2,961	3,212
<b>Total</b>			<b>639,034</b>	<b>593,613</b>
<b>F Current liabilities</b>				
1	Trade payables	(15)	85,286	126,573
2	Other payables	(16)	64,433	71,547
3	Short-term financial liabilities	(14)	131,337	85,713
4	Provisions for other liabilities and charges			
<b>Total</b>			<b>281,056</b>	<b>283,833</b>
<b>G Liabilities attributable to non-current assets held for sale</b>				
<b>Total liabilities</b>			<b>1,247,621</b>	<b>1,207,334</b>

5.2 Consolidated income statement

(Euro thousands)			
	Note	30.6.2009	30.6.2008
<b>A</b>	Revenue	97,857	75,664
	Direct labour costs	(4,782)	(4,207)
	Direct costs	(48,867)	(38,177)
<b>B</b>	Cost of sales	(53,649)	(42,384)
<b>C</b>	<b>Gross profit</b>	<b>44,208</b>	<b>33,280</b>
	Other income	1,757	4,225
	Other employee costs	(7,706)	(12,610)
	Administrative expenses	(16,245)	(12,439)
<b>D</b>	<b>Operating profit</b>	<b>22,014</b>	<b>12,456</b>
	Finance income - net	(11,403)	5,848
	Investment income	(5,145)	14,699
<b>E</b>	<b>Profit before income tax</b>	<b>5,466</b>	<b>33,003</b>
	Income tax expense	(8,967)	(8,123)
	Net profit/(loss) on non-current assets held for sale		
<b>F</b>	<b>Profit for the period</b>	<b>(3,501)</b>	<b>24,880</b>
<b>G</b>	Profit attributable to minority interest	1,479	3,203
<b>H</b>	<b>Profit attributable to group equity holders</b>	<b>(4,980)</b>	<b>21,677</b>

5.3 Statement of comprehensive income

		(Euro thousands)					
		30.6.2009			30.6.2008		
		Gross	Tax	Net	Gross	Tax	Net
<b>A</b>	<b>Profit for the period</b>	<b>5,466</b>	<b>8,967</b>	<b>(3,501)</b>	<b>33,003</b>	<b>8,123</b>	<b>24,880</b>
	<b>Other elements recognised in equity:</b>						
	(Gains)/losses reversed to income statement in respect of available-for-sale financial assets, previously recorded in net equity						
<b>B</b>	<b>(Gains)/losses reversed to income statement previously recognised in equity</b>						
	Foreign exchange differences on translation of overseas financial statements	(1,292)		(1,292)	(998)		(998)
	Fair value adjustment of available-for-sale financial assets	3,961		3,961	(39,949)		(39,949)
	Balance of actuarial gains/(losses) on employee benefits						
	Fair value adjustments of derivatives designated as cash flow hedges	3,296	(920)	2,376			
	Portion of other elements recorded in net equity relating to associates and joint ventures						
<b>C</b>	<b>Gains/(losses) recognised directly in equity in the period</b>	<b>5,965</b>	<b>(920)</b>	<b>5,045</b>	<b>(40,947)</b>		<b>(40,947)</b>
<b>B+C</b>	<b>Total other elements recognised in equity</b>	<b>5,965</b>	<b>(920)</b>	<b>5,045</b>	<b>(40,947)</b>		<b>(40,947)</b>
<b>A+B+C</b>	<b>Total recognised gains/(losses)</b>			<b>1,544</b>		<b>8,123</b>	<b>(16,067)</b>
	Attributable to:						
	- Equity holders of the parent company			(183)			(19,100)
	- Minority interest			1,727			3,033

5.4 Consolidated cash flow statement

	Note	30.6.2009	30.6.2008
(Euro thousands)			
<b>Cash flows from operating activities</b>			
Loss/(profit) for the period		(3,501)	24,880
<i>Adjusted for:</i>			
Amortisation and impairment of intangible assets		1,013	316
Depreciation and impairment of property, plant and equipment		15,118	11,688
Impairment of intangible assets			
Impairment of property, plant and equipment			53
Impairment/(revaluation) of equity investments			
Staff leaving indemnity provision		349	346
Fair value adjustment of investments and other securities		416	
Finance income		(55,729)	(43,826)
Finance costs		67,132	37,978
Dividends received		(174)	(5,914)
Share of profit of investments carried at equity		(435)	(562)
Gain on sale of intangible assets			
Profit on disposal of property, plant and equipment			
Profit on sale of investments			(8,223)
Other movements			16
Income tax expense (income statement)		8,967	8,123
<b>Operating profit before changes in net working capital and provisions</b>		<b>33,156</b>	<b>24,875</b>
Change in inventories		(449)	(7,107)
Change in trade receivables		8,330	(6,798)
Change in trade payables		(46,504)	(6,508)
Change in other receivables/payables		(19,457)	15,400
Net change in provisions		5,202	(1,467)
Change in employee payables - staff leaving indemnity paid during year		(600)	(252)
<b>Cash (used in)/generated from operating activities</b>		<b>(20,322)</b>	<b>18,143</b>
Interest paid		(79,747)	(37,978)
Tax paid		(76)	1,532
<b>Net cash (used in)/generated from operating activities (1)</b>		<b>(100,145)</b>	<b>(18,303)</b>
<b>Cash flows from investing activities</b>			
Dividends received		174	6,467
Proceeds from sale of property, plant and equipment		859	1,516
Proceeds from sale of intangible assets		1,642	
Disposal of investment property			
Acquisition of intangible assets		(4,833)	(24,175)
Purchase of property, plant and equipment		(74,380)	(113,121)
Acquisition of investments		(17)	(488)
Sale of investments			1,441
Sale of assets/liabilities held for sale			19,381
Change in scope of consolidation		(877)	
Interest received		69,237	43,490
<b>Net cash used in investing activities (2)</b>		<b>(8,195)</b>	<b>(65,489)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(4,126)	(7,043)
Proceeds from issue of ordinary share capital increase and capital contribution			305
Proceeds from borrowings		12,269	787
Loans granted		(30)	(1,784)
New borrowings		132,743	219,223
Borrowing repayments		(84,947)	(119,031)
<b>Net cash from financing activities (3)</b>		<b>55,909</b>	<b>92,457</b>
<b>Net increase/(decrease) in cash and cash equivalents and bank overdrafts (1+2+3)</b>		<b>(52,431)</b>	<b>8,665</b>
Cash and cash equivalents and bank overdrafts at 1 January		109,495	248,952
Exchange differences on cash and cash equivalents		(960)	(2,924)
<b>Cash and cash equivalents and bank overdrafts at 30 June</b>	(10)	<b>56,104</b>	<b>254,693</b>

5.5 Consolidated statement of changes in equity

(Euro thousands)

	Share capital	Translation reserve	Reserve for FV adjustment on available for sale assets	Cash flow hedge reserve	Reserve for actuarial gains/(losses)	Stock option reserve	Other reserves/retained earnings	Profit for the period	Capital and reserves attributable to group equity holders	Minority interest in equity	Total
<b>At 31.12.2007</b>	<b>72,742</b>	<b>1,376</b>	<b>75,020</b>				<b>181,309</b>	<b>1,232</b>	<b>331,679</b>	<b>107,184</b>	<b>438,863</b>
Amounts recorded against net equity		(828)	(39,949)						(40,777)	(170)	(40,947)
Profit for the period								21,677	21,677	3,203	24,880
Appropriation of profit							1,232	(1,232)			
Share capital increase	51						254		305		305
Dividends paid							(2,767)		(2,767)	(4,276)	(7,043)
Own shares purchased											
Repurchase agreement							(453)		(453)	453	
Other		(1,156)					1,153		(3)	(8)	(11)
<b>At 30.6.2008</b>	<b>72,793</b>	<b>(608)</b>	<b>35,071</b>				<b>180,728</b>	<b>21,677</b>	<b>309,661</b>	<b>106,386</b>	<b>416,047</b>
Amounts recorded against net equity		5,367	(39,836)	(14,846)					(49,315)	2,815	(46,500)
Profit for the period								(29,247)	(29,247)	(11,405)	(40,652)
Dividends paid										(5)	(5)
Repurchase agreement							(161)		(161)	161	
Third party capital contribution							277		277	498	775
Other		5,423					(5,195)		228	(5)	223
<b>At 31.12.2008</b>	<b>72,793</b>	<b>10,182</b>	<b>(4,765)</b>	<b>(14,846)</b>			<b>175,649</b>	<b>(7,570)</b>	<b>231,443</b>	<b>98,445</b>	<b>329,888</b>
Amounts recorded against net equity		(1,334)	(656)	2,170					4,797	248	5,045
Profit for the period								(4,980)	(4,980)	1,479	(3,501)
Appropriation of profit							(7,570)	7,570			
Dividends paid to third parties										(4,126)	(4,126)
Own shares purchased											
Repurchase agreement							(106)		(106)	106	
Purchase of minority interest											
Other		(7,056)		(1,660)			8,909		193	32	225
<b>At 30.6.2009</b>	<b>72,793</b>	<b>1,792</b>	<b>(5,421)</b>	<b>(14,336)</b>			<b>176,882</b>	<b>(4,980)</b>	<b>231,347</b>	<b>96,184</b>	<b>327,531</b>

## 5.6 Notes to the consolidated financial statements

### 5.6.1 Basis of preparation of the consolidated financial statements

The interim consolidated financial statements for the period 1 January 2009 - 30 June 2009 have been prepared in accordance with International Financial Reporting Standards (International Accounting Standards - IAS and International Financial Reporting Standards - IFRS), and the relevant interpretations (Standing Interpretations Committee – SIC and International Financial Reporting Interpretations Committee – IFRIC).

The financial statements used for consolidation purposes are those presented by the boards of directors of the individual entities, reclassified and adjusted to bring them in line with International Financial Reporting Standards and group accounting policies.

In accordance with IAS 34 “Interim financial reporting” and in order to allow full comprehension of the interim financial statements at 30 June 2009 this report includes consolidated statements consistent with those presented at 31 December 2008 as follows:

- ***Consolidated balance sheet***

The consolidated balance sheet is presented in sections with separate disclosure of assets and liabilities and equity. Assets and liabilities are classified in the consolidated financial statements as either current or non-current.

- ***Consolidated income statement***

The consolidated income statement presents costs by function, using also the variable element of cost as a distinguishing factor.

For a better understanding of the normal results of ordinary operating, financial and tax management activities, the income statement presents the following intermediate consolidated results:

- gross profit;
- operating profit;
- profit before income tax;
- profit for the period;
- profit attributable to minority interest;
- profit attributable to equity holders of the company.

- ***Statement of comprehensive income***

The group has opted to present two separate statements, consequently this statement discloses profit for the period including income and expenses recognised directly in equity.

- ***Consolidated cash flow statement***

The consolidated cash flow statement presents an analysis by areas that generate cash flows as required by International Financial Reporting Standards.

- ***Consolidated statement of changes in equity***

The statement of changes in equity is presented as required by International Financial Reporting Standards with separate disclosure of the profit for the period and each item of revenue, income, cost and expense not recorded in the income statement but charged directly to consolidated equity based on specific IAS/IFRS requirements.

The interim report for the six months to 30 June 2009 should be read in conjunction with the consolidated financial statements for the year ended 31 December 2008.

## 5.6 Notes to the consolidated financial statements

### 5.6.2 Consolidated entities

At 30 June 2009 the Falck group consisted of 83 companies, of which 70 are consolidated on a line-by-line basis, 3 are consolidated applying the proportional method, 4 are valued using equity accounting and 6 are valued at cost.

Details of the companies included in the scope of consolidation are provided in the supplementary information (paragraph 6.1).

The consolidated financial statements include the financial statements of Falck SpA, the holding company, and all of the Italian and overseas companies in which it holds either directly or indirectly, majority voting rights.

### 5.6.3 Changes in the scope of consolidation

The changes in the scope of consolidation compared to 31 December 2008 relate to the following companies, which were acquired or newly incorporated and are consolidated applying the line-by-line method:

- Solar Mesagne Srl	100% owned by Actelios Solar Srl
- Eolica Minervino Srl	100% owned by Falck Renewables Plc
- Parc Eolien du Fouy Sas	100% owned by Falck Renewables Plc
- Parc Eolien des Cretes Sas	100% owned by Falck Renewables Plc
- Parc Eolien d'Availles Limouzin Sar	100% owned by Falck Renewables Plc
- Parc Eolien de Moulismes Sarl	100% owned by Falck Renewables Plc
- Ben Aketil 2 Wind Energy Ltd	52% owned by Falck Renewables Plc
- Boyndie 2 Wind Energy Ltd	52% owned by Falck Renewables Plc
- Kilbraur 2 Wind EnergyLtd	52% owned by Falck Renewables Plc.

The following companies have no longer been consolidated on a line-by-line basis but are valued at cost as they have been put into liquidation:

- Falck Bioenergy Singapore Private Ltd	75% owned by Falck Energy Sa
- Agr Venture Malaysia Sdn Bhd	100% owned by Falck Bioenergy Singapore Private Ltd
- Next Fuels Inc	100% owned by Falck Bioenergy Singapore Private Ltd
- Falck Bioenergy Thailand Co. Ltd	100% owned by Falck Energy Sa.

An amount has been charged to the investments provision in order to reflect the group's commitment to cover the negative net equity of the above companies.

Investments valued at cost this period include Bio Thai Jatropa Co. Ltd, which is 49% owned by Falck Energy Sa and has also been put into liquidation.

### 5.6.4 Principles of consolidation

The principles of consolidation and the accounting policies used in the preparation of the interim financial report for the six months to 30 June 2009 are consistent with those applied in the consolidated financial statements for the year ended 31 December 2008 which should be referred to for further detail with the exception of the accounting policies that came into force from 1 January 2009 and are applicable to the group:

- IAS 1 Revised
- IAS 23 Revised
- IAS 27 Amendment
- IAS 32 Amendment
- IFRS 8 Operating segments



5.6 Notes to the consolidated financial statements

5.6.5 Segmental reporting

Set out below are details of the results of operations and financial position by business segment, representing the primary reporting segment, in accordance with IAS/IFRS. The segments identified represent the organisation and production structure that the Falck group has decided to adopt.

Comments on these segments have been provided in the directors' report, consequently only the financial information that better presents the performance of the group as a whole analysed by business segment is given below.

(Euro thousands)

	Biomass and WTE		Wind energy		Bioenergy		Other activities		Falck SpA		Elimination		Group	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008
<b>Operations</b>														
Revenue	48,297	47,335	45,381	23,466	3,904	4,806	836	692	964	1,514	(1,525)	(2,149)	97,857	75,664
Cost of sales	(29,262)	(28,141)	(16,856)	(8,198)	(7,484)	(5,688)	(843)	(1,309)			796	952	(53,649)	(42,384)
<b>Gross profit</b>	<b>19,035</b>	<b>19,194</b>	<b>28,525</b>	<b>15,268</b>	<b>(3,580)</b>	<b>(882)</b>	<b>(7)</b>	<b>(617)</b>	<b>964</b>	<b>1,514</b>	<b>(729)</b>	<b>(1,197)</b>	<b>44,208</b>	<b>33,280</b>
Other income	984	1,534	168	1			6	26	2,940	4,901	(2,353)	(2,237)	1,745	4,225
Administrative expenses	(6,680)	(6,733)	(8,567)	(12,070)	(1,173)	(2,891)	(767)	(606)	(9,797)	(5,987)	3,033	3,238	(23,951)	(25,049)
<b>Operating profit</b>	<b>13,339</b>	<b>13,995</b>	<b>20,138</b>	<b>3,199</b>	<b>(4,753)</b>	<b>(3,773)</b>	<b>(768)</b>	<b>(1,197)</b>	<b>(5,893)</b>	<b>428</b>	<b>(49)</b>	<b>(196)</b>	<b>22,014</b>	<b>12,456</b>
Finance income/(costs) net	(1,531)	1,655	(9,957)	949	(1,473)	(338)	171	1,465	1,002	1,586	385	531	(11,403)	5,848
Investment income/(expenses)			447	562	(4,510)		(416)	3,260	7,150	18,073	(7,804)	(7,804)	(5,133)	14,091
<b>Profit before income tax</b>	<b>11,808</b>	<b>15,650</b>	<b>10,628</b>	<b>4,710</b>	<b>(10,736)</b>	<b>(4,111)</b>	<b>(1,013)</b>	<b>3,528</b>	<b>2,259</b>	<b>20,087</b>	<b>(7,468)</b>	<b>(7,469)</b>	<b>5,478</b>	<b>32,395</b>
Income tax expense	(5,247)	(6,059)	(4,523)	(1,364)	31	(103)	(129)	(54)	901	(543)			(8,967)	(8,123)
<b>Profit for the period</b>	<b>6,561</b>	<b>9,591</b>	<b>6,105</b>	<b>3,346</b>	<b>(10,705)</b>	<b>(4,214)</b>	<b>(1,142)</b>	<b>3,474</b>	<b>3,160</b>	<b>19,544</b>	<b>(7,468)</b>	<b>(7,469)</b>	<b>(3,489)</b>	<b>24,272</b>
Profit attributable to minority interest	780	804	28	37							671	2,362	1,479	3,203
<b>Profit attributable to group equity holders</b>	<b>5,781</b>	<b>8,787</b>	<b>6,077</b>	<b>3,309</b>	<b>(10,705)</b>	<b>(4,214)</b>	<b>(1,142)</b>	<b>3,474</b>	<b>3,160</b>	<b>19,544</b>	<b>(8,139)</b>	<b>(9,831)</b>	<b>(4,968)</b>	<b>21,069</b>

(Euro thousands)

	Biomass and WTE		Wind energy		Bioenergy		Other activities		Falck SpA		Elimination		Group	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008
<b>Financial</b>														
Non-current assets	313,654	314,320	594,851	463,368	20,191	17,722	118,822	139,129	310,505	319,901	(367,600)	(362,695)	990,423	891,745
Current assets	223,264	235,365	106,911	87,912	11,516	18,958	389,742	321,677	364,057	296,349	(838,292)	(519,171)	257,198	441,090
Assets held for sale														
<b>Total assets</b>	<b>536,918</b>	<b>549,685</b>	<b>701,762</b>	<b>551,280</b>	<b>31,707</b>	<b>36,680</b>	<b>508,564</b>	<b>460,806</b>	<b>674,562</b>	<b>616,250</b>	<b>(1,205,892)</b>	<b>(881,866)</b>	<b>1,247,621</b>	<b>1,332,835</b>
Equity attributable to group equity holders	345,775	341,092	16,651	25,135	(33,484)	5,921	103,990	131,211	257,929	270,774	(459,514)	(464,472)	231,347	309,661
Minority interest in equity	4,856	3,758	245	251							91,083	102,377	96,184	106,386
<b>Total equity</b>	<b>350,631</b>	<b>344,850</b>	<b>16,896</b>	<b>25,386</b>	<b>(33,484)</b>	<b>5,921</b>	<b>103,990</b>	<b>131,211</b>	<b>257,929</b>	<b>270,774</b>	<b>(368,431)</b>	<b>(362,095)</b>	<b>327,531</b>	<b>416,047</b>
Non-current liabilities	68,722	87,969	343,984	253,708	7,698	172	21,671	17,066	197,733	196,071	(774)	(600)	639,034	554,386
Current liabilities	117,565	116,866	340,882	272,186	57,493	30,587	382,903	312,529	218,900	149,405	(836,687)	(519,171)	281,056	362,402
Liabilities attributable to assets held for sale														
<b>Total liabilities</b>	<b>536,918</b>	<b>549,685</b>	<b>701,762</b>	<b>551,280</b>	<b>31,707</b>	<b>36,680</b>	<b>508,564</b>	<b>460,806</b>	<b>674,562</b>	<b>616,250</b>	<b>(1,205,892)</b>	<b>(881,866)</b>	<b>1,247,621</b>	<b>1,332,835</b>

5.6 Notes to the consolidated financial statements

(Euro thousands)

	Biomass and WTE		Wind energy		Bioenergy		Other activities		Falck SpA		Elimination		Group	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008	30.6.2009	30.6.2008
Capital expenditure	5,540	7,226	72,200	116,071	1,441	13,583	5	169	26	247			79,212	137,296
Depreciation/amortisation	(5,081)	(7,422)	(9,734)	(4,430)	(1,070)	(360)	(13)	(9)	(156)	(128)	336	335	(15,718)	(12,014)
Impairment			(413)	(3)						(50)			(413)	(53)

5.6.6 Balance sheet content and movements

Assets

A Non-current assets

1 Intangible assets

Movements during the period were as follows:

(Euro thousands)

	At 31.12.2008	Acquisitions	Capital.n and reclass.n	Change in scope of consol.n	Disposals	Other move-ments	Exchange differences	Amorti-sation	At 30.6.2009
1.1 Industrial patent rights	579	51					39	(73)	596
1.2 Concession, licenses, trademarks and similar	6,964			(1)				(548)	6,415
1.3 Goodwill	135,655	3,564					6,930		146,149
1.4 Other intangibles	18,870	91			(392)	(1,642)	2,091		19,018
1.5 Assets under construction and advances	2,265	1,127				(80)			3,312
<b>Total</b>	<b>164,333</b>	<b>4,833</b>		<b>(1)</b>	<b>(392)</b>	<b>(1,722)</b>	<b>9,060</b>	<b>(621)</b>	<b>175,490</b>

Acquisitions largely comprise the goodwill resulting from the acquisition of Geopower Sardegna Srl by Falck Renewables Plc (Euro 3,546 thousand).

This heading also includes the costs incurred on the study to develop the third line at the waste to energy plant in Granarolo dell'Emilia (Euro 637 thousand) and the development costs for Powercrop SpA's biomass plants (Euro 478 thousand).

Exchange differences relate to the translation of the balances in UK Sterling relating to Falck Renewables Plc. Commencing 1 January 2005, goodwill has no longer been amortised but is subjected to an annual impairment test.

The goodwill resulting from business combinations has been allocated to separate cash generating units (CGU) in order to identify any impairment loss.

The cash generating units identified are:

- Actelios SpA
- Bioland Sa (bioenergy in the Ukraine)
- Boyndie Wind Energy Ltd (wind farm in the UK)
- Cambrian Wind Energy Ltd (wind farm in the UK)
- Earlsburn Wind Energy Ltd (wind farm in the UK)

## 5.6 Notes to the consolidated financial statements

- Millennium Wind Energy Ltd (wind farm in the UK)
- Ben AketilWind Energy Ltd (wind farm in the UK)
- Kilbraur Wind Energy Ltd (wind farm in the UK)
- Eolica Cabezo San Roque Sa (wind farm in Spain)
- Eolica Sud Srl (wind farm in San Sostene)
- Eolica Petralia Srl (wind farm in Petralia)
- Eolo 3W Minervino Murge Srl (wind farm in Minervino Murge)
- Esze Elektrik Uretim Ltd (wind farms in Turkey)
- Geopower Sardegna Srl (wind farm in Buddusò e Alà dei Sardi)
- Falck Renewables Plc
- Frullo Energia Ambiente Srl (WTE plant in Granarolo dell'Emilia)
- Kernebet Sas (wind farms in France)
- Palermo Energia Ambiente ScpA (WTE plant in Bellolampo)
- Platani Energia Ambiente ScpA (WTE plant in Casteltermini)
- Prima Srl (WTE plant in Trezzo sull'Adda)
- Tifeo Energia Ambiente ScpA (WTE plant in Augusta)
- Ty Ru Sas (wind farm in France).

An impairment test on goodwill was performed at 31 December 2008 following the procedures required by IAS 36. In particular, the recoverable amount of individual cash generating units was determined based on value in use, which is calculated using the projection of cash flows over a period of time corresponding to the estimated useful life of each individual project and a weighted average cost of capital (WACC) of 7.2% for the projects in Sicily and 7.5% for all other projects.

Given that during the half-year, with the exception of the projects in Sicily as further detailed below, no indicators of impairment arose that would affect the assumptions underlying the calculations performed at 31 December 2008, goodwill was not subjected to an impairment test, which under IFRS must be carried out at least once a year.

The carrying amount of goodwill in the financial statements is considered to be appropriate and as a result no impairment loss has been recognised.

With regard to the projects in Sicily, in the light of recent events, as mentioned in the directors' report, the impact on the amounts included in the financial statements has been calculated, in particular goodwill that is classified in non-current assets.

As the position taken by ARRA is considered to be without foundation, the project companies intend to undertake all actions necessary in order to protect their interests and recover all costs incurred and any damages due.

Consequently, the analyses performed, that take into account all aspects relating to the above matter, support the book values including goodwill.

5.6 Notes to the consolidated financial statements

Goodwill at 30 June 2009 comprised:

	(Euro thousands)
	Carrying value at 30.6.2009
Actelios SpA	10,783
Bioland Sa	1,635
Boyndie Wind Energy Ltd	4,268
Cambrian Wind Energy Ltd	12,959
Earlsburn Wind Energy Ltd	10,079
Millennium Wind Energy Ltd	9,746
Ben Aketil Wind Energy Ltd	10,210
Kilbraur Wind Energy Ltd	3,880
Kernebet Sas	211
Eolica Cabezo San Roque Sa	741
Eolica Sud Srl	1,927
Eolo 3W Minervino Murge Srl	1,795
Esze Elektrik Uretim Ltd	574
Geopower Sardegna Srl	14,715
Falck Renewables Plc	8,393
Eolica Petralia Srl	1,094
Fruzzo Energia Ambiente Srl	1,517
Palermo Energia Ambiente ScpA	1,795
Platani Energia Ambiente ScpA	16,095
Parc Eolien de Fouy	18
Tifeo Energia Ambiente ScpA	33,202
Ty Ru Sas	270
Other minor amounts	242
<b>Total</b>	<b>146,149</b>

5.6 Notes to the consolidated financial statements

**2 Property, plant and equipment**

Movements during the period were as follows:

		(Euro thousands)								
		At 31.12.2008	Additions	Capital.n and reclass.n	Other move- ments	Disposals	Impair- ment losses	Exchange differences	Deprec- iation	At 30.6.2009
		(A)								
<b>Gross value</b>										
2.1	Land	18,780	229	(19)				(1)		18,989
2.2	Buildings	6,478	19	2,730	(143)					9,084
2.3	Plant and machinery	369,237	44,105	88,216	(5,413)			26,589		522,734
2.4	Industrial and office equipment	1,574	121		(23)			48		1,720
2.5	Other assets	5,672	140		(215)	(29)		(4)		5,564
2.6	Assets operated under concession	80,634		341						80,975
2.7	Agricultural assets	131			(131)					
2.8	Assets under construction and advances	265,869	29,766	(91,268)	80	(855)	(32)	64		203,624
<b>Total gross value</b>		<b>748,375</b>	<b>74,380</b>		<b>(5,845)</b>	<b>(884)</b>	<b>(32)</b>	<b>26,696</b>		<b>842,690</b>
<b>Accumulated depreciation</b>										
2.1	Land									
2.2	Buildings	(3,955)			144				(75)	(3,886)
2.3	Plant and machinery	(64,025)			5,414			(2,354)	(12,552)	(73,517)
2.4	Industrial and office equipment	(558)			1			(12)	(104)	(673)
2.5	Other assets	(3,337)			7	25		13	(300)	(3,592)
2.6	Assets operated under concession	(29,537)							(2,055)	(31,592)
2.7	Agricultural assets									
<b>Total depreciation</b>		<b>(101,412)</b>			<b>5,566</b>	<b>25</b>		<b>(2,353)</b>	<b>(15,086)</b>	<b>(113,260)</b>
<b>Net book amounts</b>										
2.1	Land	18,780	229	(19)				(1)		18,989
2.2	Buildings	2,523	19	2,730	1				(75)	5,198
2.3	Plant and machinery	305,212	44,105	88,216	1			24,235	(12,552)	449,217
2.4	Industrial and office equipment	1,016	121		(22)			36	(104)	1,047
2.5	Other assets	2,335	140		(208)	(4)		9	(300)	1,972
2.6	Assets operated under concession	51,097		341					(2,055)	49,383
2.7	Agricultural assets	131			(131)					
2.8	Assets under construction and advances	265,869	29,766	(91,268)	80	(855)	(32)	64		203,624
<b>Total net book amounts</b>		<b>646,963</b>	<b>74,380</b>		<b>(279)</b>	<b>(859)</b>	<b>(32)</b>	<b>24,343</b>	<b>(15,086)</b>	<b>729,430</b>

5.6 Notes to the consolidated financial statements

A) *Additions* - comprise:

	(Euro thousands)
Wind farm of Eolica Sud Srl	23,267
Wind farm of Parc Eolien de Cretes	12,910
Wind farm of Parc Eolien du Fouy	12,136
Wind farm of Millenium Wind Energy Ltd	6,776
Wind farm of Kilbraur Wind Energy Ltd	6,440
Wind farm of Eolo 3W Minervino Murge Srl	4,222
Expenditure on machinery for Bioland (the Ukraine)	1,284
Expenditure on Waste to Energy project in Augusta	1,135
Improvements to Cabezo wind farm	936
Expenditure on Waste to Energy project in Palermo	901
Wind farm of Eolica Petralia Srl	851
Expenditure on Waste to Energy project in Casteltermini	838
Improvements to biomass plant in Rende	819
Wind farm of Geopower Sardegna Srl	665
Improvements to Waste to Energy plant of Granarolo dell'Emilia	590
Wind farm of Esze Elektrik Uretim	176
Building of Italian Lao Group (Laos)	140
Powercrop projects	68
Other minor amounts	226
<b>Total</b>	<b>74,380</b>

**3 Investments**

Investments at 30 June 2009 compared to the total at 31 December 2008 may be analysed as follows:

	(Euro thousands)		
	30.6.2009	31.12.2008	Change
Subsidiaries			
Associates	6,649	6,204	445
Other entities	57,264	52,981	4,283
<b>Total</b>	<b>63,913</b>	<b>59,185</b>	<b>4,728</b>

**Equity investments**

. *Subsidiaries valued at cost*

Subsidiaries valued at cost comprise:

- Falck Bioenergy Singapore Private Ltd
- Agr Ventures Malaysia Sdn Bhd
- Next Fuels Inc.
- Falck Bioenergy Thailand Co. Ltd

The above investments have been valued at cost and fully written off. They are no longer consolidated on a line-by-line basis as they have been put into liquidation and liquidation statements that include the related costs have already been prepared.

5.6 Notes to the consolidated financial statements

. Associated companies included applying equity accounting

	(Euro thousands)		
	30.6.2009	31.12.2008	Change
Damphur Sugar Distillery Private Ltd	3,838	3,838	0
Parque Eolico La Carracha SI	1,401	1,157	244
Parque Eolico Plana de Jarreta SI	1,400	1,209	191
<b>Total</b>	<b>6,639</b>	<b>6,204</b>	<b>435</b>

The valuation at net equity of associated companies, which recorded profits in the first half-year, generated the changes detailed in the table above.

. Associated companies valued at cost

	(Euro thousands)		
	30.6.2009	31.12.2008	Change
Bio Thai Jatropa Co. Ltd	10		10
<b>Total</b>	<b>10</b>		<b>10</b>

. Other entities valued at cost

	(Euro thousands)		
	30.6.2009	31.12.2008	Change
Agenzia Nord Milano SpA	52	52	
Atmos Bio Energy SpA	4	4	
Bell Sa		416	(416)
Compagnia Fiduciaria Nazionale SpA	33	33	
Crossenergy Srl	3,934	3,934	
Eolica Lucana Srl	55	48	7
Hera SpA	1,110	979	131
Hopa SpA	3,626	3,626	
Intesa San Paolo SpA	14,694	16,255	(1,561)
Nettuno Power SpA	239	239	
PCF Project Financing Consulting SpA	375	375	
Solar Energy Italia SpA	54	54	
Terra Venture Partners Sca	1,471	1,471	
Unicredito Italiano SpA	31,610	25,488	6,122
Other minor investments	7	6	1
<b>Total</b>	<b>57,264</b>	<b>52,980</b>	<b>4,284</b>

The changes resulting from the fair value measurement of the listed investments that are recorded against net equity, relate to the following companies: Unicredito Italiano SpA, Intesa San Paolo SpA and Hera SpA.

The decrease in the Bell Sa investment represents the impairment loss recorded during the half-year as this company has been put into liquidation.

5.6 Notes to the consolidated financial statements

**4 Financial receivables**

Financial receivables at 30 June 2009 compared to 31 December were as follows:

	30.6.2009			31.12.2008			(Euro thousands) Change		
	Total	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current
Amounts owed by third parties	23,558	600	22,958	35,091	2,170	32,921	(11,533)	(1,570)	(9,963)
Amounts owed by subsidiaries	1,906		1,906				1,906		1,906
Amounts owed by associates	928	928		1,090	1,066	24	(162)	(138)	(24)
Amounts owed by parent company									
Amounts owed by other group companies									
Derivative financial instruments				82	82		(82)	(82)	
Guarantee deposits									
<b>Total</b>	<b>26,392</b>	<b>1,528</b>	<b>24,864</b>	<b>36,263</b>	<b>3,318</b>	<b>32,945</b>	<b>(9,871)</b>	<b>(1,790)</b>	<b>(8,081)</b>

Amounts owed by subsidiaries comprise Falck Bioenergy Singapore Private Ltd for Euro 1,365 thousand and Falck Bioenergy Thailand Co. Ltd for Euro 541 thousand, while amounts owed by associates relate to the Spanish investments Parque Eolico La Carracha (Euro 317 thousand) and Parque Eolico Plana de Jarreta (Euro 611 thousand).

**5 Trade receivables**

Trade receivables at 30 June 2009 compared to 31 December 2008 consisted of the following:

	30.6.2009			31.12.2008			(Euro thousands) Change		
	Total	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current
Trade receivables	66,373		66,373	74,210		74,210	(7,837)		(7,837)
Amounts owed by subsidiaries									
Amounts owed by associates									
Amounts owed by parent company									
Amounts owed by other group companies									
<b>Total</b>	<b>66,373</b>		<b>66,373</b>	<b>74,210</b>		<b>74,210</b>	<b>(7,837)</b>		<b>(7,837)</b>

Trade receivables are disclosed net of a provision for doubtful accounts in order to adjust them to fair value. The provision for doubtful accounts increased by Euro 300 thousand compared to the balance at 31 December 2008 bringing it to Euro 6,249 thousand.



5.6 Notes to the consolidated financial statements

**6 Other receivables**

Other receivables at 30 June 2009 compared to 31 December 2008 consisted of the following:

	30.6.2009			31.12.2008			(Euro thousands) Change		
	Total	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current
Amounts owed by third parties	24,539		24,539	25,222	213	25,009	(683)	(213)	(470)
Amounts owed by subsidiaries									
Amounts owed by associates									
Amounts owed by parent company companies									
Advances	9,828		9,828	8,550		8,550	1,278		1,278
Tax credits	37,967	3,705	34,262	31,573	3,160	28,413	6,394	545	5,849
Guarantee deposits	1,146	1,106	40	1,097	1,066	31	49	40	9
Accrued income and prepayments	28,156	388	27,768	22,958	318	22,640	5,198	70	5,128
<b>Total</b>	<b>101,636</b>	<b>5,199</b>	<b>96,437</b>	<b>89,400</b>	<b>4,757</b>	<b>84,643</b>	<b>12,236</b>	<b>442</b>	<b>11,794</b>

Amounts owed by third parties principally relate to the first instalment paid by Falck SpA (Euro 15,000 thousand) for the purchase of Tecnimont SpA and to other advances made to Falck Energy Sa (Euro 6,593 thousand) for managers and employees of the Falck Renewables group in respect of the share capital increase reserved to them.

**7 Deferred income taxes**

Deferred income tax assets amounted to Euro 14,863 thousand, representing an increase of Euro 1,080 thousand compared to the total at 31 December 2008, and principally relate to the biomass and waste to energy and wind energy segments.

Deferred income taxes are calculated based on the temporary differences between income for tax purposes and profit before tax as reported in the statutory financial statements. These differences relate to amounts not deductible for tax purposes and essentially comprise: depreciation/amortisation, risk provisions, differences arising from application of the fair value method to interest rate swaps (IRS), the effect of applying the amortised cost approach to expenses on loan finance, and tax losses.

Deferred income tax assets are only recognised when it is considered that sufficient profits will be available in future to utilise them.

Movements in deferred income tax assets were as follows:

	(Euro thousands)
<b>At 31 December 2008</b>	<b>13,783</b>
Movements through the income statement	455
Recorded against total equity	625
<b>At 30 June 2009</b>	<b>14,863</b>

Deferred income tax liabilities, which amounted to Euro 7,870 thousand, have increased by Euro 5,093 thousand compared to the total at 31 December 2008.

Movements in deferred tax liabilities are illustrated in the table below:

	(Euro thousands)
<b>At 31 December 2008</b>	<b>2,777</b>
Movements through the income statement	3,398
Recorded against total equity	1,695
<b>At 30 June 2009</b>	<b>7,870</b>

5.6 Notes to the consolidated financial statements

**B Current assets**

**8 Inventories**

Inventories at 30 June 2009 compared to 31 December 2008 may be analysed as follows:

	(Euro thousands)		
	30.6.2009	31.12.2008	Change
Raw materials and consumables	2,906	2,213	693
Semi-finished goods			
Work in progress	716	2,071	(1,355)
Finished goods	1,342	3,021	(1,679)
Agricultural assets	5,511	2,828	2,683
Advances	107		107
<b>Total</b>	<b>10,582</b>	<b>10,133</b>	<b>449</b>

Agricultural assets relate to the crops of wheat and soy located in the Ukraine, which are measured at fair value in accordance with IAS 41.

Movements in agricultural assets are detailed in the table below.

	(Euro thousands)				
	At 31.12.2008	Fair value measurement	Decrease	Foreign exchange	At 30.6.2009
Agricultural assets	2,828	3,031	(242)	(106)	5,511

**9 Investments**

*Investments in other companies*

	(Euro thousands)		
	30.6.2009	31.12.2008	Change
Assicurazioni Generali SpA	2,786	3,518	(732)
Camfin SpA	17	16	1
<b>Total</b>	<b>2,803</b>	<b>3,534</b>	<b>(731)</b>

Movements relate to the measurement at fair value, which corresponds to the year end market value, and have been recorded in equity as they relate to available-for-sale financial assets.

The total also includes securities amounting to Euro 35 thousand that relate to a debenture loan granted to the investee Solar Energy Italia SpA.

**10 Cash and cash equivalents**

	(Euro thousands)		
	30.6.2009	31.12.2008	Change
Short-term bank and post office deposits	56,057	108,901	(52,844)
Cash in hand	47	594	(547)
<b>Total</b>	<b>56,104</b>	<b>109,495</b>	<b>(53,391)</b>

5.6 Notes to the consolidated financial statements

Cash and cash equivalents may be detailed as follows:

	(Euro thousands)		
	30.6.2009	31.12.2009	Change
Cash at bank and in hand	56,104	109,495	(53,391)
Bank overdrafts			
Invoice advances			
Group current accounts			
<b>Total cash and cash equivalents</b>	<b>56,104</b>	<b>109,495</b>	<b>(53,391)</b>

Cash at bank and in hand largely consists of the current accounts of Prima Srl (Euro 8,596 thousand) and Frullo Energia Ambiente Srl (Euro 1,652 thousand). The latter two balances represent the amounts that must be maintained in order to meet the obligations of the project financing contracts entered into with the financing banks. The wind energy segment also holds cash totalling Euro 42,429 thousand.

**Liabilities**

**D Equity**

**11 Share capital**

The share capital of Falck SpA amounts to Euro 72,793,163 and consists of 72,782,021 ordinary shares and 11,142 savings shares, issued and fully paid with a nominal value of Euro 1.00 each.

Falck SpA purchased 1,512 of its own shares during the six month period, consequently at the end of the period own shares held amounted to 6,907,770 shares, of which 3,561 are savings shares, for a total nominal value of Euro 6,907,770. No own shares were sold during the period.

Movements in equity of the Falck group are set out in paragraph 5.5 above.

**12 Provisions for other liabilities and charges**

	(Euro thousands)						
	At 31.12.2008	Change in scope of consol.n	Charge	Utilised	Reclass.n	Exchange differences	At 30.6.2009
<i>Provisions for pensions and similar obligations</i>							
<i>Provisions for taxation</i>							
- Current							
- Deferred taxes							
<i>Total tax provisions</i>							
<i>Other provisions</i>							
- litigation	2,831		19				2,850
- investments	6,677		6,118			(3)	12,792
- environmental	1,219			(28)			1,191
- sundry provisions	51,847			(6)		33	51,874
<i>Total other provisions</i>	<i>62,574</i>		<i>6,137</i>	<i>(34)</i>		<i>30</i>	<i>68,707</i>
<b>Total</b>	<b>62,574</b>		<b>6,137</b>	<b>(34)</b>		<b>30</b>	<b>68,707</b>

The charge to the investments provision principally relates to the companies in the bioenergy segment that have been put into voluntary liquidation.

5.6 Notes to the consolidated financial statements

**13 Staff leaving indemnity**

	(Euro thousands)				
	At 31.12.2008	Charges	Transfers/ new consol.n	Utilised/ paid	At 30.6.2009
Managers	904	151	20	(365)	710
White-collar staff and special categories	1,641	129	170	(158)	1,782
Blue-collar staff	667	69	(190)	(77)	469
<b>Total</b>	<b>3,212</b>	<b>349</b>		<b>(600)</b>	<b>2,961</b>

The Trattamento di Fine Rapporto, “TFR” (staff leaving indemnity provision), was subjected to an actuarial valuation by an independent expert as at 31 December 2008. The resulting calculation did not differ significantly from the amount provided under Italian GAAP, consequently the company did not record any adjustments.

No indicators emerged during the interim period that would modify the assumptions used in performing the calculations at 31 December 2008; as a consequence the group has maintained the values determined for TFR applying Italian GAAP.

**14 Financial liabilities**

Financial liabilities at 30 June 2009 compared to 31 December 2008 consisted of the following:

	(Euro thousands)								
	30.6.2009			31.12.2008			Change		
	Total	Non- current	Current	Total	Non- current	Current	Total	Non- current	Current
Amounts owed by third parties	220,608	123,692	96,916	181,786	126,102	55,684	38,822	(2,410)	41,232
Amounts owed by subsidiaries									
Amounts owed by associates									
Amounts owed by parent company									
Amounts owed by other group companies									
Project financing	401,739	367,318	34,421	362,996	333,049	29,947	38,743	34,269	4,474
IRS	18,854	18,854		19,696	19,614	82	(842)	(760)	(82)
Convertible debenture loans	33,274	33,274		33,274	33,274				
Non-convertible debenture loans									
<b>Total</b>	<b>674,475</b>	<b>543,138</b>	<b>131,337</b>	<b>597,752</b>	<b>512,039</b>	<b>85,713</b>	<b>76,723</b>	<b>31,099</b>	<b>45,624</b>

Non-currents amounts owed by third parties comprise the Euro 110,000 loan received in June 2008 from a pool of banks through the agent bank Monte dei Paschi di Siena. This loan matures in June 2013 and bears interest at Euribor plus a spread and is repayable as follows:

- 10% of the loan capital in the 48th month
- 10% of the loan capital in the 54th month
- 80% of the loan capital in the 60th month.

Convertible debenture loans amounted to Euro 33,274 thousand and relate to two debenture loans. The first is a subordinated, variable rate 2006-2011 convertible debenture loan issued in October 2006 for Euro 26,944,420. The offer to subscribe to rights holders took place in the ratio of two debentures for every five shares. The debentures (nominal value of Euro 1.00 each) may be converted into Falck SpA ordinary shares in the ratio of one share for every eight debentures.

The second is also a subordinated 4.16% fixed rate convertible debenture loan that consists of 6,329,905 shares with a nominal unit value of Euro 1.00 each, which matures on 30 June 2011. The conversion of 1 share for every 6 debentures may be carried out in January 2009, 2010 and 2011.

5.6 Notes to the consolidated financial statements

With regard to the convertible debenture loans, the analysis performed to separate the equity and loan components resulted in identification of an immaterial equity component; consequently the book value of these loans has not been adjusted.

Project financing loans comprise:

	(Euro thousands)		
	At 30.6.2009	Current portion	Non-current portion
Project financing Prima Srl	33,368	11,062	22,306
Project financing Frullo Energia Ambiente Srl	39,253	5,439	33,814
Project financing Millenium Wind Energy Ltd	55,535	3,869	51,666
Project financing Kilbraur Wind Energy Ltd	46,923	3,371	43,552
Project financing Ben Aketil Wind Energy Ltd	31,717	1,794	29,923
Project financing Earlsburn Wind Energy Ltd	30,341	1,794	28,547
Project financing Boyndie Wind Energy Ltd	5,692	712	4,980
Project financing Cambrian Wind Energy Ltd	40,107	3,362	36,745
Project financing Falck Renewables Finance Ltd	5,410		5,410
Project financing Eolica Cabezo San Roque Sa	12,538	1,069	11,469
Project financing Eolo 3W Minervino Murge Srl	100,855	1,949	98,906
<b>Total</b>	<b>401,739</b>	<b>34,421</b>	<b>367,318</b>

At 30 June 2009 the Falck group held the following IRS contracts:

	(Euro thousands)				
	At 31.12.2008	Change I/S	Change TE	Exchange differences	At 30.6.2009
IRS Prima Srl	720	220			940
IRS Frullo Energia Ambiente Srl	892	190			1,082
IRS 4835 Millenium Wind Energy Ltd	4,835		(931)	540	4,444
IRS Kilbraur Wind Energy Ltd	3,154	(9)	(624)	352	2,873
IRS Ben Aketil Wind Energy Ltd	3,413		(1,591)	382	2,204
IRS Earlsburn Wind Energy Ltd	1,827		(333)	204	1,698
IRS Boyndie Wind Energy Ltd	313		(98)	35	250
IRS Cambrian Wind Energy Ltd	2,930		(1,026)	328	2,232
IRS Falck SpA			558		558
IRS Eolica Cabezo San Roque Sa	694		144	(2)	836
IRS Eolo 3W Minervino Murge Srl	919	(260)	1,079	(1)	1,737
<b>Total</b>	<b>19,697</b>	<b>141</b>	<b>(2,822)</b>	<b>1,838</b>	<b>18,854</b>

15 Trade payables

Trade payables at 30 June 2009 compared to the previous reporting year end may be analysed as follows:

	(Euro thousands)								
	30.6.2009			31.12.2008			Change		
	Total	Non- current	Current	Total	Non- current	Current	Total	Non- current	Current
Trade payables	85,286		85,286	126,573		126,573	(41,287)		(41,287)
Amounts owed to subsidiaries									
Amounts owed to associates									
Amounts owed to parent company									
Amounts owed to other group companies									
<b>Total</b>	<b>85,286</b>		<b>85,286</b>	<b>126,573</b>		<b>126,573</b>	<b>(41,287)</b>		<b>(41,287)</b>

5.6 Notes to the consolidated financial statements

**16 Other payables**

Other payables at 30 June 2009 and 31 December 2008 consisted of the following:

	(Euro thousands)								
	30.6.2009			31.12.2008			Change		
	Total	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current
Other creditors	56,002	15,530	40,472	71,298	12,616	58,682	(15,296)	2,914	(18,210)
Amounts owed to subsidiaries									
Amounts owed to associates									
Amounts owed to parent company									
Amounts owed to other group companies									
Advances	7,646		7,646	3,115		3,115	4,531		4,531
Tax payable	10,971		10,971	6,668		6,668	4,303		4,303
Accruals and deferred income	6,172	828	5,344	3,477	395	3,082	2,695	433	2,262
<b>Total</b>	<b>80,791</b>	<b>16,358</b>	<b>64,433</b>	<b>84,558</b>	<b>13,011</b>	<b>71,547</b>	<b>(3,767)</b>	<b>3,347</b>	<b>(7,114)</b>

The principal amounts included in other creditors may be detailed as follows:

	(Euro thousands)	
	30.6.2009	31.12.2008
Amounts due for acquisition of Elettroambiente SpA	20,000	20,000
Amounts due to Falck Renewables group employees for share repurchase	15,500	12,603
Amounts due to Ministry of Industry by Eolo 3W Minervino Murge Srl	5,310	5,194
Litigation	3,304	
Insurance payable	2,967	
Amounts due to Protecma under arbitration	1,989	5,407
Dividends	1,545	450
Environmental contribution	1,041	1,040
Holiday pay	891	817
Social security payables	770	959
Other amounts due to employees	760	1,625
Amounts due to Immobiliare Bolzano	349	349
Amounts due to shareholders of parent company for distributable reserves	206	206
Amounts due by Falck Renewables Plc for investment acquisitions		16,613
Amounts due to Hera by Frullo Energia Ambiente under group taxation regime		653
<b>Total</b>	<b>54,632</b>	<b>65,916</b>

**Commitments and contingencies**

Personal guarantees issued at 30 June 2009 amounted to Euro 300,444 thousand and consisted of the following:

	(Euro thousands)
Bank guarantees	77,902
Guarantees given to public entities and ministries	61,542
Guarantees given to VAT authorities	16,213
Other personal guarantees	144,787
<b>Total</b>	<b>300,444</b>

5.6 Notes to the consolidated financial statements

**Related party transactions**

	(Euro thousands)					
	Financial receivables			Financial payables		
	30.6.2009	31.12.2008	Change	30.6.2009	31.12.2008	Change
<b>Parent company</b>						
Finmeria Srl					160	(160)
<b>Total</b>					<b>160</b>	<b>(160)</b>
<b>Subsidiaries</b>						
Falck Bioenergy Singapore P.te Ltd	1,365		1,365			
Falck Bioenergy Thailand Co. Ltd	541		541			
<b>Total</b>	<b>1,906</b>		<b>1,906</b>			
<b>Associates</b>						
Parque Eolico La Carracha SI	317	372	(55)			
Parque Eolico Plana de Jarreta SI	611	718	(107)			
<b>Total</b>	<b>928</b>	<b>1,090</b>	<b>(162)</b>			

5.6 Notes to the consolidated financial statements

5.6.7 Income statement content and movements

17 Revenue

Revenue consisted of the following:

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Revenue from sales of goods	77,033	55,074	21,959
Revenue from provision of services	20,824	20,590	234
<b>Total</b>	<b>97,857</b>	<b>75,664</b>	<b>22,193</b>

Revenue generated from the sale of goods, compared to the previous year, may be attributed to the following business segments:

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Sale of electrical energy	76,486	54,223	22,263
Sale of thermal energy	547	723	(176)
Sale of agricultural products		128	(128)
<b>Total</b>	<b>77,033</b>	<b>55,074</b>	<b>21,959</b>

Revenue relating to the provision of services, compared to the same period in 2008, is attributable to the following business segments:

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Sale of electrical energy	13,033	13,225	(192)
Sale of thermal energy	1,797	1,740	57
Fair value of agricultural activities	3,031	4,374	(1,343)
Government agricultural subsidies		69	(69)
Rent	39	235	(196)
Other services	2,924	947	1,977
<b>Total</b>	<b>20,824</b>	<b>20,590</b>	<b>234</b>

Other services include Euro 1,364 thousand of revenue from the invoicing of a long-term contract (Vieste landfill), which has resulted in a corresponding reduction in inventories.

18 Employee costs

Employee costs may be analysed as follows:

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Cost of production employees	4,782	4,207	575
Cost of administrative staff	7,706	12,610	(4,904)
<b>Total</b>	<b>12,488</b>	<b>16,817</b>	<b>(4,329)</b>



5.6 Notes to the consolidated financial statements

Total employee costs analysed by nature of expense are as follows:

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Wages and salaries	8,418	7,491	927
Social security costs	2,182	1,951	231
Staff leaving indemnity (TFR)	319	344	(25)
Other costs	1,569	7,031	(5,462)
<b>Total</b>	<b>12,488</b>	<b>16,817</b>	<b>(4,329)</b>

Other costs include Euro 1,569 thousand in employee costs relating to the shares of Falck Renewables Plc that were awarded to the directors and employees of the Falck Renewables group as part of the share capital increase, at a price below the share value. Accounting for this transaction took place in accordance with IFRS 2. This amount has decreased as the cost was diluted over 2007-2008 and only the residual cost has been accounted for in 2009 as established in the Share plan agreement.

The average number of employees was as follows.

	(Number)	
	30.6.2009	30.6.2008
Managers	41	40
White-collar staff	193	164
Blue-collar staff	257	213
<b>Total average number of employees</b>	<b>491</b>	<b>417</b>

**19 Direct costs**

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Materials	10,280	7,873	2,407
Services	14,490	12,648	1,842
Other costs	8,793	9,670	(877)
Change in inventories	1,354	(1,325)	2,679
Charges to/(utilisation of) operating provisions	(28)	(6)	(22)
Amortisation and impairment of intangibles	458	239	219
Depreciation and impairment of property, plant and	14,893	11,554	3,339
Employee costs capitalised on assets under construction	(1,373)	(2,476)	1,103
<b>Total</b>	<b>48,867</b>	<b>38,177</b>	<b>10,690</b>

The increase in direct costs of Euro 10,690 thousand compared to the first half of 2008 is principally attributable to materials, services and higher amortisation/depreciation. The significant decrease in inventories is due to the invoicing of the above-mentioned long-term contract.

5.6 Notes to the consolidated financial statements

**20 Other income**

Other income consisted of the following:

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Income from operating activities	1,209	1,086	123
Income from non-operating activities	548	3,139	(2,591)
<b>Total</b>	<b>1,757</b>	<b>4,225</b>	<b>(2,468)</b>

Income from operating activities is largely in line with the same period 2008 and comprises revenue for services (Euro 771 thousand), revenue grants (Euro 375 thousand) and commission (Euro 63 thousand). Income from non-operating activities includes income relating to other accounting periods (Euro 357 thousand), insurance repayments (Euro 97 thousand) and extraordinary income (Euro 94 thousand).

The latter income has fallen significantly as the 2008 figure included non-recurring income of Euro 2,230 thousand in respect of Falck SpA and Euro 857 thousand for Actelios SpA.

**21 Administrative expenses**

Administrative expenses may be detailed as follows:

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Consumables	254	707	(453)
Services	10,850	6,659	4,191
Other costs	2,829	4,293	(1,464)
Non-operating expenses	1,520	961	559
Amortisation and impairment of intangibles	555	77	478
Depreciation and impairment of property, plant and	225	197	28
Charges to/(utilisation) of provisions	12	(455)	467
<b>Total</b>	<b>16,245</b>	<b>12,439</b>	<b>3,806</b>

The increase of Euro 3,806 thousand in administrative expenses is largely attributable to the cost of services.

**22 Finance costs - net**

Finance income and costs may be analysed as follows:

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Finance costs	(13,543)	(20,424)	6,881
Finance income	1,807	12,018	(10,211)
Net foreign exchange differences	(1,908)	7,691	(9,599)
Finance costs capitalised on assets under construction	2,241	6,563	(4,322)
<b>Total</b>	<b>(11,403)</b>	<b>5,848</b>	<b>(17,251)</b>

5.6 Notes to the consolidated financial statements

**23 Investment income**

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Dividends	174	5,914	(5,740)
Revaluations	435	562	(127)
Impairment losses	(416)		(416)
Charge to investments provision	(5,338)		(5,338)
Gains on disposals		8,223	(8,223)
Losses on disposals			0
<b>Total</b>	<b>(5,145)</b>	<b>14,699</b>	<b>(19,844)</b>

Dividends principally relate to:

- Assicurazioni Generali SpA Euro 27 thousand, paid to Falck SpA
- Hera SpA Euro 51 thousand, paid to Falck SpA
- Compagnia Fiduciaria Nazionale SpA Euro 96 thousand, paid to Falck SpA

The Unicredito Italiano SpA dividend of part of the Assicurazioni Generali SpA dividend were paid as shares in these companies and have not been reflected in the income statement.

Revaluations arising from investments in associates valued applying the equity method relate to the following companies:

- Parque Eolico La Carracha Sl Euro 246 thousand
- Parque Eolico Plana de Jarreta Sl Euro 189 thousand

Impairment losses relate to the write-down of Falck Energy Sa's investment in Bell Sa.

The charge to the investments provision comprises:

- Falck Bioenergy Singapore Private Ltd Euro 5,185 thousand
- Falck Bioenergy Thailand Co. Ltd Euro 153 thousand.

**24 Income tax expense**

	(Euro thousands)		
	30.6.2009	30.6.2008	Change
Current tax	(6,024)	(7,591)	1,567
Deferred income tax	(2,943)	(532)	(2,411)
<b>Total</b>	<b>(8,967)</b>	<b>(8,123)</b>	<b>(844)</b>

Current taxes are based on the estimated taxable income for the period ended 30 June 2009. The high effective tax rate is due to costs that are not deductible for tax purposes.

**Related party transactions**

	(Euro thousands)									
	Revenue from sales and services	Other operating income	Recharged expenses	Other income	Income relating to other periods	Services	Other costs	Investment income	Other finance income	Interest and other finance costs
<b>Subsidiaries</b>										
Falck Bioenergy Singapore P.te Ltd									25	
Falck Bioenergy Thailand Co. Ltd									10	
<b>Total subsidiaries</b>									<b>35</b>	

## 6. Supplementary information to consolidated financial statements

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6. Supplementary information to consolidated financial statements

6.1 List of investments in subsidiaries and associates

	Registered office	Currency	Share capital	% Direct holding	Indirect holding % Through subsidiary
<b>. Companies consolidated on a line-by-line basis</b>					
Falck SpA	Milan	Euro	72,793,163		
Actelios SpA	Milan	Euro	67,680,000	68.717	
Abbiategrosso Bioenergia Srl	Sesto S. Giovanni (Mi)	Euro	54,000	58.735	Actagri Srl
Actagri Srl	Sesto S. Giovanni (Mi)	Euro	50,000	100.000	Actelios SpA
Actelios Solar SpA	Sesto S. Giovanni (Mi)	Euro	120,000	100.000	Actelios SpA
Alba Wind Energy Ltd	London (UK)	GBP	100	100.000	Falck Renewables Plc
Ambiente 2000 Srl	Milan	Euro	103,000	60.000	Actelios SpA
Ben Aketil Wind Energy Ltd	Edinburgh (UK)	GBP	100	100.000	Falck Renewables Plc
Ben Aketil 2 Wind Energy Ltd	Edinburgh (UK)	GBP	100	52.000	Falck Renewables Plc
Bioland Cherson Ltd	Kiev (Ukraine)	UAH	51,500	99.990	Bioland Sa
Bioland Frankivsk Ltd	Kiev (Ukraine)	UAH	51,500	99.990	Bioland Sa
Bioland Odessa Ltd	Kiev (Ukraine)	UAH	51,500	99.990	Bioland Sa
Bioland Sa	Luxembourg	Euro	77,500	60.000	Falck Energy Sa
Bioland Vinnytza Ltd	Kiev (Ukraine)	UAH	3,560,400	99.990	Bioland Sa
Boyndie Wind Energy Ltd	Edinburgh (UK)	GBP	100	100.000	Falck Renewables UK Holding(no.1) Ltd
Boyndie 2 Wind Energy Ltd	Edinburgh (UK)	GBP	100	52.000	Falck Renewables Plc
Cambrian Wind Energy Ltd	London (UK)	GBP	100	100.000	Falck Renewables UK Holding(no.1) Ltd
Cecel Bioland Ltd	Kiev (Ukraine)	UAH	51,500	99.990	Bioland Sa
Chernighiv-Agroenergy Ltd	Kiev (Ukraine)	UAH	42,000	99.990	Bioland Sa
Cushnie Wind Energy Ltd	Edinburgh (UK)	GBP	100	52.000	Falck Renewables Plc
Debdon Wind Energy Ltd	Mold (UK)	GBP	100	52.000	Falck Renewables Plc
Dunbeath Wind Energy Ltd	Edinburgh (UK)	GBP	100	52.000	Falck Renewables Plc
Earlsburn Mezzanine Ltd	London (UK)	GBP	100	100.000	Falck Renewables Plc
Earlsburn Wind Energy Ltd	Inverness (UK)	GBP	100	100.000	Earlsburn Mezzanine Ltd
Ecosesto SpA	Milan	Euro	5,120,000	100.000	Actelios SpA
Elettroambiente SpA	Sesto S. Giovanni (Mi)	Euro	245,350	100.000	Actelios SpA
Eolica Cabezo San Roque Sa	Saragozza (Spain)	Euro	1,500,000	95.511	Falck Renewables Plc
Eolica Minervino Srl	Sesto S. Giovanni (Mi)	Euro	10,000	100.000	Falck Renewables Plc
Eolica Petralia Srl	Sesto S. Giovanni (Mi)	Euro	10,000	100.000	Falck Renewables Plc
Eolica Sud Srl	Davoli Marina (Cz)	Euro	10,000	100.000	Falck Renewables Plc
Eolo 3W Minervino Murge Srl	Sesto S. Giovanni (Mi)	Euro	10,000	100.000	Minervento SpA
Ezse Elektrik Uretim Ltd	Izmir (Turkey)	YTL	11,772,152	100.000	Falck Renewables Plc
Falck Energies Renouvelables Sarl	Rennes (France)	Euro	60,000	100.000	Falck Renewables Plc
Falck Energy Iran Sa	Luxembourg	Euro	31,000	99.677	
Falck Energy Sa	Luxembourg	Euro	43,038,013	99.990	
Falck Financial Services Sa	Lugano (Switzerland)	CHF	250,000	100.000	Falck Energy Sa
Falck Renewables Finance Ltd	London (UK)	GBP	100	100.000	Falck Renewables Plc
Falck Renewables India Pte Ltd	Mumbai (India)	INR	1,605,000	99.990	Falck Renewables Plc
Falck Renewables Italia Srl	Sesto S. Giovanni (Mi)	Euro	100,000	100.000	Falck Renewables Plc
Falck Renewables Plc	London (UK)	GBP	18,161,000	79.560	Falck Energy Sa
Falck Renewables UK Holdings (No.1) Ltd	London (UK)	GBP	1	100.000	Falck Renewables Finance Ltd
Geopower Sardegna Srl	Sesto S. Giovanni (Mi)	Euro	10,000	100.000	Falck Renewables Plc
Italian Lao Group Co Ltd	Lao PDR	USD	3,000,000	82.240	Falck Energy Sa
Kernebet Sas	Rennes (France)	Euro	37,005	100.000	Falck Renouvelables Sarl
Kilbraur Wind Energy Ltd	Edinburgh (UK)	GBP	100	100.000	Falck Renewables Plc
Kilbraur 2 Wind Energy Ltd	Edinburgh (UK)	GBP	100	52.000	Falck Renewables Plc

6. Supplementary information to consolidated financial statements

	Registered office	Currency	Share capital	% Direct holding	Indirect holding
					% Through subsidiary
<b>. Companies consolidated on a line-by-line basis (continued)</b>					
Kingsburn Wind Energy Ltd	Edinburgh (UK)	GBP	100		52.000 Falck Renewables Plc
Mellock Hill Wind Energy Ltd	Edinburgh (UK)	GBP	1,000		52.000 Falck Renewables Plc
Millennium Wind Energy Ltd	Edinburgh (UK)	GBP	100		100.000 Falck Renewables Plc
Minervento SpA	Sesto S. Giovanni (Mi)	Euro	120,000		100.000 Falck Renewables Plc
Ness Wind Energy Ltd	London (UK)	GBP	100		100.000 Falck Renewables Plc
Nutberry Wind Energy Ltd	Edinburgh (UK)	GBP	100		52.000 Falck Renewables Plc
Parc Eolien d'Availles - Limouzin Sarl	Paris	Euro	1,000		100.000 Falck Renewables Plc
Parc Eolien de Baud Sarl	Rennes (France)	Euro	1,000		75.000 Falck Renewables Plc
Parc Eolien de la Seuelles Sarl	Rennes (France)	Euro	10,000		100.000 Falck Renewables Plc
Parc Eolien de Moulismes Sarl	Paris	Euro	1,000		100.000 Falck Renewables Plc
Parc Eolien de Plovenez du Faou Sarl	Rennes (France)	Euro	1,000		75.000 Falck Renewables Plc
Parc Eolien des Cretes Sas	Paris	Euro	37,000		100.000 Falck Renewables Plc
Parc Eolien du Fouy Sas	Paris	Euro	37,000		100.000 Falck Renewables Plc
Platani Energia Ambiente ScpA	Palermo	Euro	2,764,264		82.636 Elettroambiente SpA
Portclair Wind Energy Ltd	Edinburgh (UK)	GBP	100		52.000 Falck Renewables Plc
Prima Srl	Sesto S. Giovanni (Mi)	Euro	5,430,000		85.000 Actelios SpA
Riesfactoring SpA	Milan	Euro	2,000,000	99.800	0.200 Actelios SpA
Sesto Siderservizi Srl	Sesto S. Giovanni (Mi)	Euro	260,000	100.000	
Solar Mesagne Srl	Brindisi	Euro	50,000		100.000 Acrelios Solar SpA
Solar Rende Srl	Rende (Cs)	Euro	10,000		100.000 Ecostesto SpA
Sustainable Energy Solutions Sa	Luxembourg	GBP	10,000		100.000 Falck Energy Sa
Tifeo Energia Ambiente ScpA	Palermo	Euro	2,679,829		92.363 Elettroambiente SpA
Ty Ru Sas	Rennes (France)	Euro	37,005		100.000 Falck Renouvelables Sarl
Vinnitza-Agroenergy Ltd	Kiev (Ukraine)	UAH	42,000		99.990 Bioland Sa

**. Companies included using proportional method**

Fruzzo Energia Ambiente Srl	Bologna	Euro	17,139,100		49.000 Actelios SpA
Palermo Energia Ambiente ScpA	Palermo	Euro	120,000	24.728	23.272 Actelios SpA
Powercrop SpA	Sesto San Giovanni (Mi)	Euro	4,000,000		50.000 Actelios SpA

**. Companies valued applying equity method**

Nuevos Parque Eolicos La Muela AIE	Saragozza (Spain)	Euro	10,000		50.000 Parque Eolico La Carracha SL 50.000 Parque Eolico Plana de Jarreta SL
Parque Eolico La Carracha SI	Saragozza (Spain)	Euro	100,000		26.000 Falck Renewables Plc
Parque Eolico Plana de Jarreta SI	Saragozza (Spain)	Euro	100,000		26.000 Falck Renewables Plc
Dhampur Sugar Distillery Private Ltd	Asmoli - Utar Pradesh (India)	INR	92,665,000		49.000 Falck Energy Sa

**. Other investments in subsidiaries and associates valued at cost**

Agr Venture Malaysia Sdn Bnd	Kuala Lumpur (Malaysia)	MYR	100,000		100.000 Falck Bioenergy Singapore Private Ltd
Bio Thai Jatropa Co. Ltd	Bangkok (Thailand)	Bath	1,000,000		49.000 Falck Energy Sa
Eolica Lucana Srl	Potenza	Euro	10,000	20.000	
Falck Bioenergy (Thailand) Co. Ltd	Bangkok (Thailand)	BAHT	3,000,000		100.000 Falck Energy Sa
Falck Bioenergy Singapore Private Ltd	Singapore	USD	10,400,000		75.000 Falck Energy Sa
NextFuels Inc.	Delaware (USA)	USD	1		100.000 Falck Bioenergy Singapore Private Ltd

## 7. Independent auditors' limited review report

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7. Independent auditors' report



PricewaterhouseCoopers SpA

**AUDITORS' REPORT ON THE REVIEW OF THE CONSOLIDATED  
CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS  
ENDED 30 JUNE 2009**

To the shareholders of  
FALCK SpA

- 1 We have reviewed the consolidated condensed interim financial statements of FALCK SpA and its subsidiaries (FALCK GROUP) as of 30 June 2009 and for the six months then ended, comprising the consolidated balance sheet, the consolidated income statement and statement of comprehensive income, the consolidated statements of changes in shareholders' equity and cash flows and the related explanatory notes. The directors of FALCK SpA are responsible for the preparation of the consolidated condensed interim financial statements in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.
- 2 Our work was conducted in accordance with the criteria for a review recommended by the National Commission for Companies and the Stock Exchange (CONSOB) with Resolution no. 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the consolidated condensed interim financial statements and about the consistency of the accounting principles used therein as well as the application of analytical review procedures on the amounts contained in the above mentioned consolidated condensed interim financial statements. The review excluded certain auditing procedures such as compliance testing and verification and validation tests of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike an audit on the annual consolidated financial statements, we do not express an audit opinion on the consolidated condensed interim financial statements

Regarding the amounts of the consolidated financial statements of the prior year and the consolidated condensed interim financial statements of the prior year presented for comparative purposes, modified to reflect the changes in financial statements introduced by IAS 1 (2007), reference should be made to our reports dated 15 April 2009 and 20 October 2008.

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7. Independent auditors' report



- 3 Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements of FALCK GROUP as of 30 June 2009 have not been prepared, in all material respects, in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union.
  
- 4 Without qualifying our opinion, we draw your attention to the information disclosed by the directors in the report on operations and in the notes to the consolidated condensed interim financial statements about the criteria and assumptions used in the preparation of the consolidated condensed financial statements with reference to the Sicilian projects, i.e. that on 14 September 2009 notifications were received from the ARRA (Regional Waste and Water Agency) relating to the unilateral termination of the Conventions and subsequent additional deeds made with the three project companies. In connection with the aforementioned circumstances, the directors, considering all relevant aspects, assessed the impact on financial statements items, specifically on goodwill, and confirmed that the book values, including goodwill, would be fully recovered.

Milan, 30 September 2009

PriceWaterhouseCoopers SpA

A handwritten signature in black ink, appearing to read 'Marco Sala'.

Marco Sala  
(Partner)

***This report has been translated into the English language solely for the convenience of international readers.***