2009
Social and Environmental Report

GRUPPOFALCK

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Contents

Letter to the Stakeholders

In 2009 the Falck Group generated over 1,200,000 MWh of energy from renewable sources, thus avoiding atmospheric emissions of around 550,000 tons of CO_2. The commitment to produce clean energy is part of the Group's mission but it is also expression of its active social responsibility which is achieved by taking important decisions, such as continuing to invest in areas where the process has been marked by difficult and troubled moments.

In 2009 the Falck Group generated over 1,200,000 MWh of energy from renewable sources, thus avoiding atmospheric emissions of around 550,000 tons of CO2. The commitment to produce clean energy is part of the Group's mission but it is also expression of its active social responsibility which is achieved by taking important decisions, such as continuing to invest in areas where the process has been marked by difficult and troubled moments. Sicily may serve as an example: the activities on the island to build three waste disposal systems – as envisaged by the tender contracts that were awarded to us in 2003 – were slowed down and came to a standstill. Yet we did not abandon the project, in fact our photovoltaic development programme mainly focuses on plants that will come to light exactly in this region.

> “ Today we are able to provide better environmental services to the local communities in which we operate... ”

In the wind power sector, through its subsidiary Falck Renewables, the Group owns wind farms producing over 400 MW not only in Italy but also in Great Britain, France and Spain, which demonstrates the ability of an Italian company to export its know-how and expertise abroad.

The challenge of developing WTE systems and, more generally, the waste disposal chain is still running. Today we are able to provide better environmental services to the local communities in which we operate, by integrating upstream WTE to storage, treatment and recovery activities. The point driven home is that WTE and recycling are not incompatible, rather they are different moments of the same virtuous circle of waste recycling that turns waste from a problem into a resource.

Building on our tradition, whereby the Falck Group, together with other enterprises, has acted as both the author and the protagonist of the relentless development of Sesto San Giovanni, we fully support the candidature of Sesto as World Heritage of Humanity. This initiative will cast a new perspective on the testimonies of the past and show the ability of an active and hard-working city to open out to the different production activities that have developed over the past decades.

Our social and environmental report is now in its seventh edition and once again this year we pursue the above results, decisions and programmes with tenacity and determination. We are aware that our ideas are part of an orientation that supports renewable energy sources and the sustainability of development, and that is changing into a new widespread and commonly-shared awareness for our planet’s well-being.

Federico Falck
Chairman Falck SpA

Piero Manzoni
Chief Executive Officer

Group Profile

1.1 The Falck Group

The Falck Group is an important driver of industrial development in Italy.
It celebrated its first 100 years of industrial history in 2006 and has long chosen to commit to the principles of sustainable development by focusing its activities on the production of energy from renewable sources.

The energy sector was developed at the start of the century alongside the Group's steel activities and became so deeply rooted in the company's identity that during 1990's the Group shifted its focus from steel to energy.

In 2009 the Group generated electrical energy amounting to 1,200,000 MWh resulting in savings of around 55,000 tons of CO_2.

1.2 Key events

The key events over the past three years are reported below.

2007

Falck Group – At the end of 2007 Falck ceased its historic steel production business with the aim of focusing the Group's activities on the production of renewable energy.

Solar energy – The first integrated centre in Italy for the production of energy from renewable sources was inaugurated in Rende; biomass and solar energy are used together for the first time in Italy. The photovoltaic plant in Trezzo sull'Adda commenced operations.

Wind energy – the single authorisation was received from the Puglia Region for the construction and running of the Minervino Murge (BAT) wind farm and in April construction work commenced. In May, Falck Renewables signed an agreement with EDF Energy in relation to the sale of energy generated by the wind farms of Millennium and Kilbraur. In December, a contract was signed with

KEY INDICATORS			
Business indicators	**2009**	**2008**	**Change**
Total Electrical Energy generated (MWh)	1,223,309	917,009	+33.4%
No. Group employees	196	180	+8.9%
CO_2 emissions avoided (ton)[1]	549,442	403,234	+36.3%
Revenue (Euro mln)	189	159	+18.9%

General Electric for the supply of the wind turbines for the San Sostene plant. The wind farms of Earlsburn and Ben Aketil commenced commercial operations.

Energy from biomass – The project for the conversion of the Fermo sugar refinery commenced officially in July; in the course of the year, agreements were signed in relation to the supply of the conversion projects for the sugar refineries in Russi, Castiglion Fiorentino, Villasor and Celano.

Waste to energy –The WTE plant in Trezzo sull'Adda obtained the EMAS certification.

Bioenergy – In August, the Bioenergy unit in the Ukraine started activities and sowed around 10-15,000 hectares of wheat, for the future production of oil and of the resulting biodiesel.

2008

Falck Group – The manifesto of Catholic businessmen and managers, dedicated to Alberto Falck, was presented to the International UCID (Christian Union of Businessmen and Managers) Conference.
The active role of the Falck Group in diffusing PACI (Partnering Against Corruption Initiative) continued.

Solar energy – Actelios Solar, the solar energy company, was incorporated.
Construction work continued on the plants in Mesagne. The works meetings for the photovoltaic projects in Sicily commenced.

Wind energy – The Indian branch office of Falck Renewables (first Falck office in India) was established on 25 February in Mumbai, India's financial capital. Falck Renewables inaugurated the two wind farms of Earlsburn (35.7 MW) and Ben Aketil (23 MW) in Scotland. The Scottish offices of Falck Renewables became the operations centre for all the company's wind farms. Installation of the turbines at the San Sostene site commenced. The wind farm in Minervino Murge commenced operations.

[1] The conversion factor used for the United Kingdom to calculate avoided CO_2 is 0.43 tCO2/MWh; this factor is determined by DEFRA (Department for Environment, Food and Rural Affairs) as officially recognised by the British Government. For Spain and Italy, the factors corresponding to the energy mix are, respectively, 0.37 tCO_2/MWh and 0.531 tCO_2/MWh. The conversion factor of 0.085 TCO_2/MWh indicated by the Greenhouse Protocol Interactive is adopted for France. With regard to the plants in which the Group holds a minority interest (Granarolo dell'Emilia, 49% and La Carracha e Plana de Jarreta, 26%), CO_2 calculation was made on a proportional basis.



Energy from biomass - Powercrop filed the request for the Single Authorisation (which also includes the Environmental Impact Valuation and the Integrated Environmental Authorisation) for the Renewable Energy hub of Russi. Powercrop took part in EIMA International, the most important event relating to agricultural mechanisation.

Waste to Energy - In May, a Mexican and Canadian delegation comprising technicians and representatives from various municipalities visited the plant in Trezzo. In September, Falck employees visited the WTE plant in Trezzo.

Biogas energy – Actagri, a company wholly owned by Actelios, was founded to act as head of a group of agricultural corporations specifically set up over the territory to develop electrical power production plants using biogas generated by agricultural resources.

Bioenergy - Together with a local partner, Falck Energy set up a plant to produce bioethanol from molasses, a waste product from the production of sugarcane.
Activities in the "field" began with agricultural products cultivated in the Ukraine and jatropha in Laos.

2009

Falck Group – On 11 November 2009, Piero Manzoni was appointed Managing Director of Falck SpA.

Solar energy – The 1 MWp photovoltaic farm at La Calce (Mesagne – Brindisi) entered into production. Authorisation was received for the plants in Spinasanta (6 MW) and Cardonita (5 MW) in Sicily.

Wind energy – The Millennium wind farm (50 MW) in the area of Fort Augustus (Scotland) and the Kilbraur wind farm (47.5) were completed. These farms



commenced commercial operations at the start of 2009. The first Italian wind farm, consisting of 26 turbines and generating 52 MW installed capacity, was inaugurated in Minervino Murge.
The southern crest of the San Sostene wind farm (28 turbines and total capacity of 42 MW) commenced commercial operations in October. The Group's first two wind farms in France, Le Fouy & Les Crêtes, were inaugurated in November with a total capacity of 20 MW. The wind farm of Esquennoy (12 MW) commenced commercial operations in July 2009.

Energy from biomass – The project for the revamping of the biomass power plant in Rende began. On 18 February 2010, it received IAFR qualification no. 4689 (Plant Fuelled by Renewable Sources) from the GSE and so may benefit from the Green Certificate regime at restart (expected for January 2011). Powercrop SpA continued its activities to develop the projects for the conversion of the former sugar refineries.

Biogas energy – Actagri, through the agricultural company, Abbiategrasso Bioenergia, obtained the authorisation to construct a 1 MW biogas plant in the Municipality of Abbiategrasso.

Bioenergy – Agricultural activities continued, with special focus on the Ukraine.

1.3 Mission and values

Falck Group's mission in its second century of history is to:

> "Create value through the design, development, financing, building and management of innovative and competitive power plants, destined for electricity generation mainly from renewable sources, in compliance with the principles of sustainable development."

The principles defined in the Group's mission statement are complemented by the **values defined** in the Code of Conduct, and in respect of which the Falck Group has committed the means and resources necessary for their implementation:

- integrity, honesty, correctness, transparency, with the aim of consolidating its "reputation" as a serious, reliable and professional partner, with the stakeholders;
- commitment to ensuring the highest market competitiveness, while complying with competition rules;
- development of the skills, abilities and talent of each employee, following a policy of merit and equal opportunity, in an environment that favours, as much as possible, communication and cooperation at all levels;
- absolute safety, through company certification, certainty and maintenance of environmental parameters, and reliability of performance over time;
- open dialogue, with all players (stakeholders) and representatives of the local community: citizens, institutions and public bodies.

PACI – Partnership Against Corruption Initiative

The Falck Group is one of the 62 multinational companies that first signed the Anti-corruption Pact (PACI – Partnership Against Corruption Initiative), which was established during the World Economic Forum in Davos that took place in January 2005. The Pact takes a zero tolerance stance against this social problem and requires full cooperation in order to ensure that this agreement is endorsed by as many parties as possible. Currently 350 leading worldwide enterprises have adhered to the Pact.

PLANTS IN OPERATION AND UNDER DEVELOPMENT (Energy from biomass)					
LOCATION	**TYPE**	**CAPACITY**	**COMPANY**	**HOLDING**	**STATUS**
Rende (Cosenza)	Electric power plant vegetable biomass	15 MWe	Ecosesto SpA	100%	Operating
Russi (Ravenna)	Electric power plant vegetable biomass + biogas plant	30 MWe + 1 MWe	Powercrop SpA	50%	Under development
Fermo	Vegetable oil power plant + biomass boiler	11.3 MWe + 8.1 MWe	Powercrop SpA	50%	Under development
Castiglion Fiorentino (Arezzo)	Vegetable oil power plant + biomass boiler	11.3 MWe + 8.1 MWe	Powercrop SpA	50%	Under development
Avezzano (L'Aquila)	Electric power plant vegetable biomass	30 MWe	Powercrop SpA	50%	Under development
Assemini Macchiareddu (Cagliari)	Electric power plant biomass + vegetable oil + biogas plant	25 MWe + 22 MWe + 2 MWe	Powercrop SpA	50%	Under development

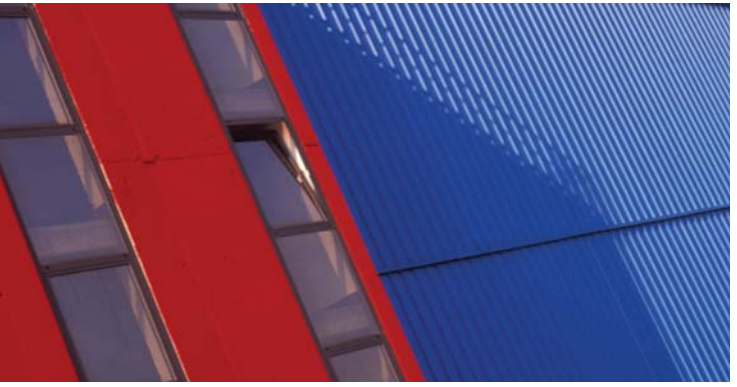
1.4 Activities and plants[2]

Energy from biomass

Biomass is organic material – farming or forest waste, plants specifically grown for energy use, and wood and similar waste – which may be used for producing energy.

The Falck Group carries out activities for the production of energy from biomass through the group company Actelios SpA and its subsidiaries. (Details on segment activities are reported at page 38).

[2] The list of plants relating to each activity sector is updated to 31/03/2010



PLANTS IN OPERATION (Waste to energy)					
LOCATION	**TYPE**	**CAPACITY**	**COMPANY**	**HOLDING**	**STATUS**
Trezzo sull'Adda (Milan)	Waste to energy from solid urban waste and special non-hazardous waste	20 MWe	Prima Srl	85%	Operating
Granarolo dell'Emilia (Bologna)	Waste to energy from solid urban waste, special non-hazardous waste and sanitary waste and cogeneration power plant	22 MWe	Frullo Energia Ambiente Srl	49%	Operating

Waste to energy

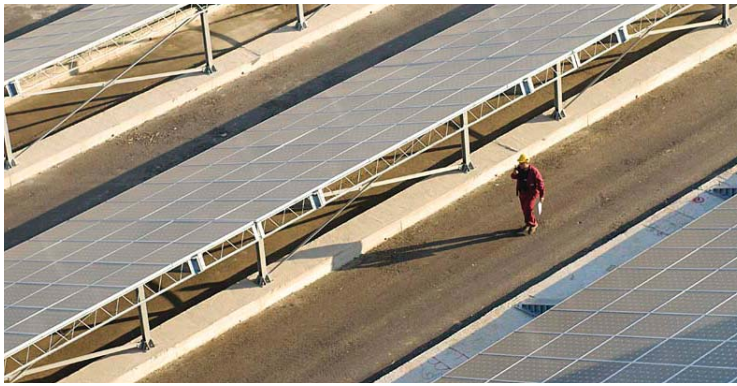
The Falck Group supports waste to energy as an effective response to the waste issue and meets the objective of safeguarding the environment. The use of innovative technology allows waste to be recovered, after recycling, and gives new life to this fraction of waste that would otherwise be destined to landfills, at the same time producing energy.

Actelios SpA and its subsidiaries carry out this activity for the Falck Group. (Details on segment activities are reported at page 45).

OTHER MANAGED PLANTS			
LOCATION	**TYPE**	**COMPANY**	**STATUS**
Fusina (Venice)	Waste to energy from solid urban waste	Managed	Operating
Vieste (Foggia)	Landfill up to 30/04/09	Managed	End of management

PLANTS IN OPERATION AND UNDER DEVELOPMENT (Solar energy)

LOCATION	CAPACITY	COMPANY	HOLDING	STATUS
Rende (Cosenza)	1 MWp	Ecosesto SpA	100%	Operating
Trezzo sull'Adda (Milan)	70 kWp	Actelios Solar SpA	100%	Operating
Milan (Assolombarda offices)	19 kWp	Assolombarda/ Actelios Solar SpA		Operating
La Calce/Mesagne (Brindisi)	1 MWp	Solar Mesagne Srl	100%	Operating
Notarpanaro/Mesagne (Brindisi)	1 MWp	Solar Mesagne Srl	100%	Grid connection under way
Sugherotorto (Ragusa)	3.3 MWp	Actelios Solar SpA	100%	Authorised
Naso (Messina)	1.6 MWp	Actelios Solar SpA	100%	Authorisation procedures under way
Sant'Agata di Militello (Messina)	1.9 MWp	Actelios Solar SpA	100%	Authorisation procedures under way
Cardonita (Enna)	4.9 MWp	Actelios Solar SpA	100%	Authorised
San Salvatore (Siracusa)	2.6 MWp	Actelios Solar SpA	100%	Authorisation procedures under way
Spinasanta (Catania)	6 MWp	Actelios Solar SpA	100%	Authorised



Solar energy

The production of electrical energy by plants installed with photovoltaic plants does not: emit pollutants; use fossil fuels; and create noise pollution.

The generation of photovoltaic energy is performed by Actelios SpA and its subsidiaries (Details on this sector are reported at page 52).

Wind energy

Wind energy is an energy source with a zero impact on the atmosphere. The Falck Group has chosen to play a primary role in this specific energy sector through Falck Renewables Plc and its subsidiaries. (Details on this sector are reported at page 55).

Biogas

The anaerobic digestion of vegetable products and animal manure produces biogas which fuels an engine coupled to an electric power generator. When small sizes are involved, this is the most efficient and environmentally sustainable system for transforming agricultural products into electrical energy.
Compared to traditional solutions, Actagri adopts a system that completely uses the heat cogenerated from the plant and maximises energy transformation with minimum impact on the land. (Details on this sector are reported at page 61).

Bioenergy

The Falck Group is developing an agro-industrial project through the cultivation of agricultural foods or products to be transformed into bioenergy, which will play an increasingly leading role in the fight against

PLANTS IN OPERATION AND UNDER DEVELOPMENT (Wind energy)

LOCATION	CAPACITY	COMPANY	HOLDING	STATUS
Cefn Croes (UK-Wales)	58.5 MWe	Cambrian Wind Energy	100%	Operating
Boyndie (UK-Scotland)	16.7 MWe	Boyndie Wind Energy Ltd	100%	Operating
Cabezo San Roque (Spain)	23.2 MWe	Eolica Cabezo San Roque SA	95.51%	Operating
La Carracha and Plana de Jarreta (Spain)	2x45.9 MWe	Parque Eolico La Carracha SL and Parque Eolico Plana de J. SL	26%	Operating
Earlsburn (UK-Scotland)	37.5 MWe	Earlsburn Wind Energy Ltd	100%	Operating
Ben Aketil (UK-Scotland)	23 MWe	Ben Aketil Wind Energy Ltd	100%	Operating
Millennium (UK-Scotland)	50 MWe	Millennium Wind Energy Ltd	100%	Operating
Kilbraur (UK-Scotland)	47.5 MWe	Kilbraur Wind Energy Ltd	100%	Operating
Dunbeath (UK-Scotland)	51 MWe	Dunbeath Wind Energy Ltd	52%	Authorised
Kingsburn (UK-Scotland)	20 MWe	Kingsburn Wind Energy Ltd	52%	Authorised
Nutberry (UK-Scotland)	15 MWe	Nutberry Wind Energy Ltd	52%	Under development
Cushnie (UK-Scotland)	10 MWe	Cushnie Wind Energy Ltd	52%	Under development
Ben Aketil extension (UK-Scotland)	4.6 MWe	Ben Aketil Wind Energy Ltd	100%	Under construction

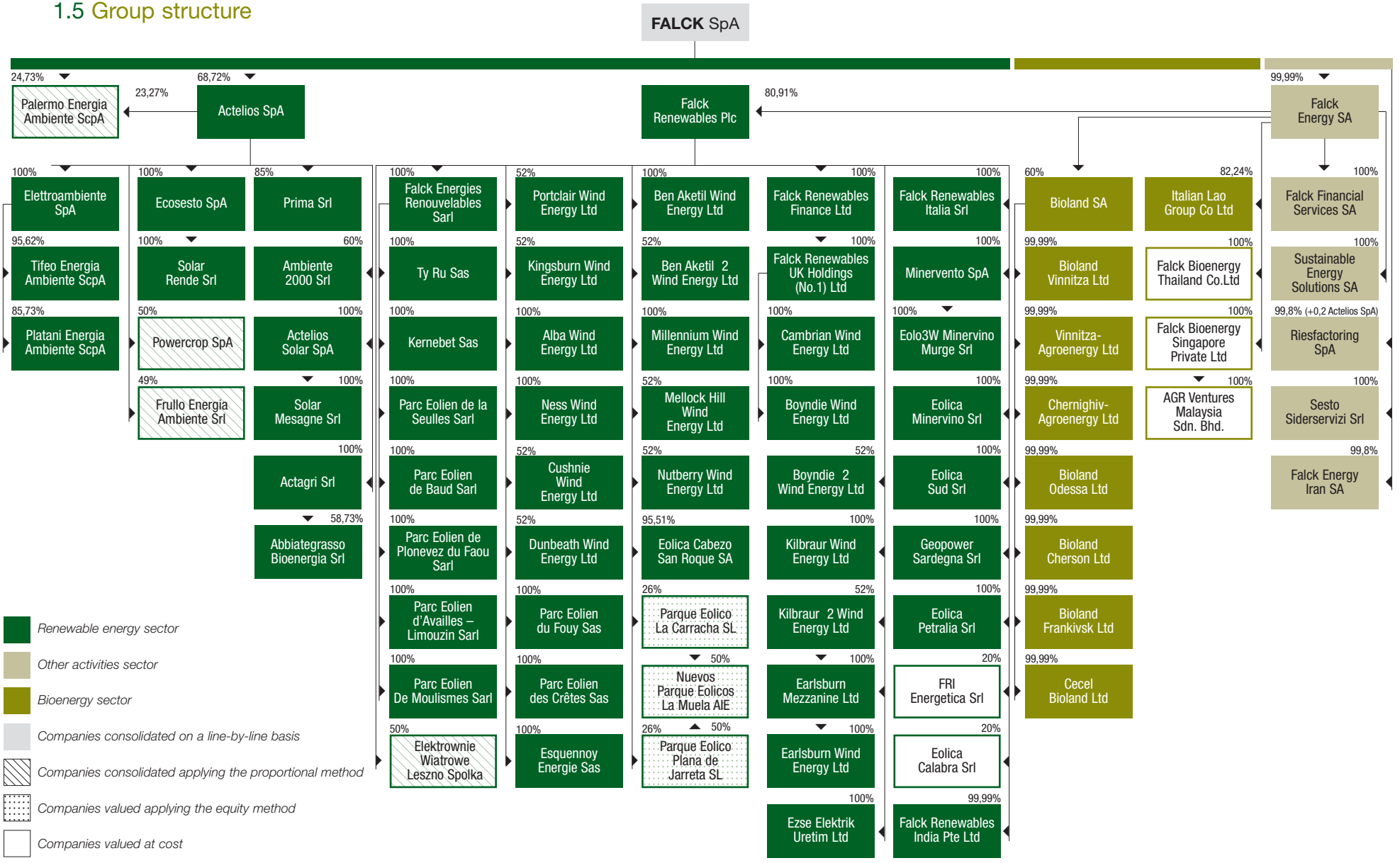
PLANTS IN OPERATION AND UNDER DEVELOPMENT (Wind energy)				
LOCATION	**CAPACITY**	**COMPANY**	**HOLDING**	**STATUS**
Millennium extension (UK-Scotland)	15 MWe	Millennium Wind Energy Ltd	100%	Authorised
Kilbraur extension (UK-Scotland)	20 MWe	Kilbraur Wind Energy Ltd	100%	Authorised
Minervino Murge (Bari)	52 MWe	Eolo 3W Minervino Murge Srl	100%	Operating
San Sostene (Catanzaro)	79.5 MWe	Eolica Sud Srl	100%	
South crest	42 MWe			Operating
North crest	37.5 MWe			Under construction
Buddusò e Alà dei Sardi (Olbia-Tempio)	138 MWe	Geopower Sardegna Srl	100%	Under construction
Petralia Sottana (Palermo)	27 MWe	Eolo 3 W Sicilia Srl	100%	Under construction
Le Fouy (France)	10 MWe	Le Fouy Sas	100%	Operating
Les Crêtes (France)	0 MWe	Les Crêtes Sas	100%	Operating
Esquennoy (France)	12 MWe	Esquennoy Sas	100%	Operating
Plouigneau (France)	20 MWe	Kernebet Sas e Ty Ru Sas	100%	Authorised

pollution. The current initiatives principally regard the Ukraine. (Details on this sector are reported at page 62).

Services and other activities

The Falck Group holds investments in important companies and banking groups. It performs factoring services for Group companies and a limited number of third parties through Riesfactoring SpA.. Besides supplying Treasury and Finance services on an exclusive basis to the Falck Group, Riesfactoring's core business relates to integrated factoring services. Falck Energy SA and Falck Financial Services SA manage the overseas subsidiaries, provide support for the study of new projects overseas and raise finance on the international markets.

1.5 Group structure



1.6 Associations

Falck SpA and the other Group Companies are members of many associations including:

- AIDAF – ITALIAN ASSOCIATION OF FAMILY BUSINESSES
- APER – ITALIAN ASSOCIATION OF RENEWABLE ENERGY PRODUCERS
- ASPEN INSTITUTE ITALIA
- ASSOELETTRICA
- ASSOLOMBARDA
- ASSONIME
- FONDAZIONE COLLEGIO DELLE UNIVERSITÀ MILANESI
- ISES – INTERNATIONAL SOLAR ENERGY SOCIETY
- LES HÉNOKIENS
- SODALITAS
- UCID – CHRISTIAN UNION OF BUSINESSMEN AND MANAGERS

1.7 The Falck Foundation

In 2009 the Falck Foundation renewed the financing of a number of projects aimed at supporting education, training, scientific research and social activities, which reflect its mission. In particular it provided support to:

- VIDAS (Palliative Care Service) Association - Milan
- FAI - Fondo per l'Ambiente Italiano (Italian Environmental Fund)
- the "Amici Oncologia Medica Falck-Niguarda" Foundation
- the Artistica Poldi Pezzoli Foundation
- the Milan Foundation for la Scala
- the Giuseppe Verdi Symphonic Orchestra and Symphonic Choir
- the Evening Musical Association of Milan
- the Università Cattolica del Sacro Cuore of Milan
- Bocconi University of Milan

1.8 Actelios SpA, the Group's listed company

Actelios is one of the main players in the market for energy from renewable sources. Its mission, which is fully in line with the development strategies of the Falck Group, is "to create value through the development of ground-breaking and competitive projects that provide the answer to the environmental problems facing the territory as well as specific industrial sectors, in compliance with the principles of sustainable development". Since 20 September 2004, Actelios has been quoted on the STAR segment of the companies listed on the Italian Stock Exchange. This share segment has very stringent requirements that meet special criteria such as: a market capitalisation of up to Euro 1,000 million, compliance with specific requisites of corporate governance (presence of independent directors, of an internal control committee and of a remuneration committee) – see details at page 24 – and published information (interim reporting, quick provision of information to the public).

Organisation structure

A new organisation structure was implemented for Actelios SpA during the course of 2009, in order to achieve the expected objectives, in line with its industrial plan.

The new organisation is divided into three Business Units (BUs):

- Waste to Energy;
- Biomass and Biogas;
- Solar;

and into the following staff functions: Purchasing, Engineering, Plant Development, Operation & Maintenance, Environmental Sustainability, Investor Relations, Financial, Management Services, Communication.

The Business Units, in collaboration with staff functions, are entirely responsible for the achievement of the objectives provided for in the five-year industrial plan and in the budget, and ensure they are implemented in the relevant area. The BUs and staff functions operate according to a matrix organisational model.

Investor Relations

The Investor Relations function follows a policy that is in line with the best practices of the listed companies, with the aim of ensuring the exchange of information between management and the financial market.

The structure adopted for the publication of statements to shareholders and potential Actelios

	31-12-2007	31-12-2008	31-12-2009
No. of shares of which:	67,680,000	67,680,000	67,680,000
Falck SpA	46,507,533	46,507,533	46,507,533
Market	21,172,467	21,172,467	21,172,467
Share price (Euro)	6.47	3.05	3.60
Market capitalisation (Euro)	437,889,600	206,424,000	243,648,000

shareholders, focuses on a continuous approach, not necessarily in the format of company presentations or road-shows. In fact the relationship with investors is mainly based on one-to-one meetings and the issue of information and explanations also through e-mails and by telephone.

Moreover, the company takes part in conferences and discussions on financial topics organised by the Italian Stock Exchange and also by other bodies and banking institutions. In 2009, Actelios took part in four days of meetings with the financial community market in order to illustrate the key aspects of its business models, focusing upon the management and strategic development of new initiatives.

Particular attention was given to communication timeliness and transparency, also through the constant updating of the company website www.actelios.it.

Research activities

The buildings of the future – Ecological and energy efficient

Actelios took part in a four-year, $15 million study conducted by the World Business Council for Sustainable Development (WBCSD) which showed how the energy used in buildings can be cut down by up to 60% by 2050 – essential to meeting global climate change targets – through actions capable of transforming the building sector.

Energy use by building type was analysed for millions of existing and new buildings, and projected out to 2050, accounting for differences such as climate and building design. The final project report suggests which principles should be followed:

- strengthen and diffuse building codes and energy labels for increased transparency,
- use subsidies and contain prices to encourage energy-efficient investments,
- encourage innovation and integrated design approaches,
- develop and use advanced technology to enable energy-saving behaviour.

A new resource for concrete from WTE residue

Actelios signed a license agreement with Petracem at the end of 2008 for the study, validation and possible exploitation of a process enhancing the residue material deriving from waste combustion (technically defined with the term “slag”).

The valuation was carried out on material from the plant in Trezzo sull’Adda and gave positive results: the recovery technology identified by the partner company consisted in transforming the slag into a high-performing pozzolanic material, to be used as raw material instead of cement, for the production of concrete or concrete items with greater durability (3 times greater than ordinary concrete).

Besides avoiding the disposal of waste-to-energy residue at other plants with related transport and environmental costs, the recovery of slag has a significant environmental impact, especially if we consider that cement production is one of the main emitters of CO2 and one of the most energy-consuming activities. Using these materials will also lead to raw material saving because there will be no need for extraction, thus avoiding land erosion, related manufacturing and emissions.



1.9 Corporate Governance

The Falck Group is composed of companies with different nationalities and operating characteristics, whose governance systems, although governed by the same principles and guidelines, also comply with local and international regulations and may differ in order to meet operating requirements.

The Governance system is basically structured on the basis of the following documents:

- Code of Conduct
- Code of Self-Discipline implemented by the group subsidiary Actelios SpA as it is a listed company
- Internal Dealing Code
- Organisational and Management Model in compliance with former Italian Legislative Decree 231/01
- Internal organisation procedures.

Falck Group's "Corporate Governance Rules" were drawn up on 24 December 2009 with the aim of defining and governing relations, on the one hand, between the Parent Company Falck SpA and the other Falck Group companies and, on the other hand, between the Falck Group companies. The Corporate Governance rules will be implemented by each single Group company by gradually reviewing the articles of association and the composition of the company Board of Directors, of the powers of attorney and of the powers conferred, as well as by adopting specific procedures, also in relation to the business sector of each company. The Group adopts an internal control system that verifies compliance with operating and administrative procedures, in order to ensure correct and efficient company management and to identify and implement measures that contribute to the prevention of financial and operational risks and fraud, which could damage the company. Moreover, the independent auditors control the operations carried out on a continuative

basis, both substantial and formal, and carry out their work at the various Group locations.

1.9.1 Group management and coordination

Pursuant to article 2497 of the Italian Civil Code, Falck SpA exercises management and coordination of a number of Group companies including: Actelios SpA in Italy, a sub-holding company that operates in the fields of waste to energy, biomass, biogas and solar energy; Falck Renewables Plc, a sub-holding company operating in the wind sector; and Falck Energy SA, a bioenergy sub-holding company. The parent company, Falck SpA, carries out coordination activities and/or issues global strategic directives, without affecting the autonomy and independence of each company and its statutory bodies.

1.9.2 Code of conduct

The rules laid down in the Code of Conduct define the principles and guidelines to be followed in carrying out business, in the interpersonal relations among employees and in all relations established between employees and third parties.

The Code is designed to defend and ensure compliance with the principles of integrity, honesty, correctness and transparency, and is aimed at all parties who, directly or indirectly, act in the name and on behalf of the company, in any capacity whether it be as agents, consultants, suppliers or other parties with whom the company frequently enters into business dealings. All company policies and procedures originate from, and if necessary, shall be supplemented and modified in order to reflect the principles of the Code, which also represents part of Falck's Corporate Governance system. The Board of Directors and the Board of Statutory Auditors of Group companies are bound to comply with the principles and aspire to them in carrying out their duties.

1.9.3 Compliance with PACI principles

The Falck Group supports the "Partnering Against Corruption Initiative for countering bribery" ("PACI principles"): it embraces the international anti-corruption principles by promoting the mission pursued by PACI and by implementing policies and procedures based on honesty, integrity, transparency, loyalty, equality and justice which are valid for all companies that firmly believe that corruption cannot be overcome without a guide and common commitment.

In 2008, the Board of Directors of the Group's foreign companies independently approved the adoption and commitment to apply the PACI anti-corruption principles through the authorisation and implementation of a specific policy: "PACI principles, guidelines and values". This formal commitment to these principles undertaken by the companies that operate in international markets that are governed by different regulatory environments and the functional and substantial connection between these principles and those of the Organisational Model prepared in accordance with Italian Legislative Decree 231/01 and adopted by Falck SpA and all of the Italian Group companies, is of great importance.

1.9.4 Organisational and Management Model in accordance to former Italian Legislative Decree 231/01

Falck SpA has voluntarily implemented the recommendations set out in Italian Legislative Decree 231/2001, regarding the administrative liability of a company for offences committed in its interest by persons who exercise personally, or through their subordinates, company managerial and/or control activities. The parent company Falck SpA and its

subsidiaries have adopted the Organisational Model in accordance with former Italian Legislative Decree 231/01 that consists of a General Section and a number of Special Sections – which specifically relate to offences that are likely to occur given the nature of activities by the various Group companies – and an appendix providing reference to the regulatory framework. The original version of Italian Legislative Decree 231/01 was limited to identifying, as offences resulting in the application of fines also payable by the company, certain violations against Public Authorities (articles 24 and 25). Subsequent legislation, the latest of which extended application of the rules to areas relating to safety and money laundering, widened the range of offences for which the company is considered responsible.

Supervisory Bodies

Italian Legislative Decree 231/01 (article 6, letter b) sets as a condition to qualify for exemption from administrative responsibility, that the implementation of the Organisational Model is supervised by an independent control body. Falck SpA decided to entrust the supervisory, control and planning functions to a single member Supervisory Body represented by the Falck Group Internal Audit department. The group subsidiary, Actelios Spa, has set up and appointed a multi-member Supervisory Body consisting of two independent directors and

The Board of Directors of Actelios SpA approved the adoption of the Organisational and Management Model during the meeting of 7 May 2009, following the legislative amendments to Italian Legislative Decree 231/01. In detail, the Model was integrated with the following guiding principles:

Relations with Public Authorities

Review of the introduction and of the existing part of the model where it refers to crimes committed against the Public Authorities, after the following evaluations:

- *more structured and detailed risk map, also from a functional viewpoint, with specific reference to the structure of Actelios and its subsidiaries,*
- *addition of concepts identified by case-law and of items arising from the management of the Model. By way of example, the addition of the concept of public officer and public service officer which, within the scope of our activity, are of subjective importance, both actively and passively.*

Market abuse

An integration was implemented in line with case-law and regulatory development.

Safety

Further update following the certifications obtained and the greater, if not complete, presumption of conformity, until proved otherwise, to safety and environmental laws.

Cyber crime

Addition of the new sixth special section.

Anti-money laundering

Integration of the anti-money laundering part (already existing in a preliminary version pending regulatory and enforcement clarifications subsequently issued).

Falck SpA's Chief Internal Auditor. In the course of 2009, 4 meetings were held.

The majority of Group companies have adopted a single Supervisory Body, with the exception of a number of companies that have established a multi-member Supervisory Body given the complexity of their industrial activities. The specific operating activities of the Supervisory Bodies and those of the company departments that are involved to a greater extent, consist of defined checking and control activities, compiling Evidence Forms3 and the execution and planning of work aimed at updating the available instruments – more precisely, the Organisational and Management Model – subsequent to amendments introduced by the related regulations and changes in the company's organisational and operational structure. All employees are bound to comply with the requirements of Italian Legislative Decree 231/2001 and the instruments provided – the Organisational and Management Model – which are available on the intranet network. In addition, relevant Models are available to third parties on the Falck SpA and Actelios SpA websites. This documentation is updated on a continuous basis.

Training on the Organisational and Management Model

The Falck Group pays special attention to training and to raising awareness on the importance of Italian Legislative Decree 231/01. It organises updates for its employees attended by influential external professionals. The activities carried out throughout 2009 involved not only personnel in key positions, as envisaged by regulations and the Organisational Model, but also by managers, supervisors and specific categories of employees working for the Group's Italian companies. The documentation presented and shared during the meetings was published on the company intranet site and made accessible to all employees. The training and update activities aim at improving awareness of the tools adopted by the Group in order to prevent the commission of offences, provide suitable and continuous information to the recipients of the Model and to increase risk sensitivity and awareness. (Greater details on the training activities carried out during 2009 are provided at page 35).

Details on the main companies

Falck SpA

The parent company Falck SpA is a subsidiary of the Falck family through Finmeria Srl. Its board of directors consists of nine directors of which two are executive, including the Chairman.

Board of Directors

Federico Falck – *Chairman*
Ferruccio Marchi – *Deputy Chairman*
Piero Manzoni – *Managing Director*
Guido Corbetta – *Director*
Enrico Falck – *Director*
Bruno Isabella – *Director*
Carlo Marchi – *Director*
Filippo Marchi – *Director*
Guido Rosa – *Director*

In 2009 the following meetings took place:

> 1 Annual General Meeting
> 8 Board of Directors' meetings
> 4 Board of Statutory Auditors' meetings

[3] Evidence form: the document used by the Compliance Officers to keep track of significant actions taken in relation to activities that may be at risk due to the commission of offences in relation to Public Authorities.

Actelios SpA

As a company listed on the stock exchange, Actelios SpA has defined its organisational structure on the basis of a Corporate Governance system aimed at ensuring transparency and compliance with the recommendations issued by the stock exchange commission and regulatory bodies. Actelios SpA has adhered to and has complied with the Self-Discipline Code of Italian listed companies issued by the Italian Stock Exchange in 2002, implementing the recommendations contained therein, except for the failure to establish the Committee for the appointments.

Board of Directors

Following the request put forth pursuant to article 2367 of the Italian Civil Code by the shareholder, Falck SpA, as part of the process reviewing the Group's organisational and governance structure, on 16 December 2009, a Shareholders' Meeting was held which resolved to increase the number of members of the Board of Directors from 10 to 15, and appointed five new Board members. The Board of Directors met nine times in 2009.

The Board consists of the following members (updated on 31/03/2010):

Federico Falck – *Chairman and Legal representative*
Bruno Isabella – *Deputy Chairman*
Roberto Tellarini – *Managing Director (executive)*
Marco Agostini - *Director*
Augusto Clerici Bagozzi – *Director (independent)*
Elisabetta Falck – *Director*
Enrico Falck – Director
Giovanni Maria Garegnani – *Director (independent)*
Piero Manzoni – *Director*
Ferruccio Marchi – *Director*
Guido Rosa – Director
Umberto Rosa – *Director (independent)*
Bernardo Rucellai – *Director (independent)*
Claudio Tatozzi – *Director (independent)*
Fabrizio Zenone – *Director*

Board of Statutory Auditors

No variation was made to the composition of the Board of Statutory Auditors appointed during the Shareholders' Meeting of 29 April 2008 and consisting of three permanent auditors and two substitute auditors, all of whom are members of the Italian Institute of Chartered Auditors. The Board Members are:

Roberto Bracchetti – *Chairman*
Aldo Bisioli – *permanent auditor*
Nicola Vito Notarnicola – *permanent auditor*
Massimo Foschi – *substitute auditor*
Fabio Artoni – *substitute auditor*

Internal Control Committee

The Board of Directors, in compliance with the provisions laid down in article 8.P.4. of the Self-Discipline Code adopted by Actelios SpA, with the aim of guaranteeing that the evaluations and decisions taken regarding the internal control system, the approval of the annual report and the half-yearly report, and the relations between the company and the external auditor are supported by adequate investigations, set up an Internal Control Committee, at first on 25 February 2002 and renewed on 22 December 2009 by resolution of the Board. The Internal Control Committee (five meetings in 2009) reports to the Board, at least every six months, on the activities carried out and the effectiveness of the internal control system, upon approval of the annual report and the half yearly report. The Committee's current members are:

Augusto Clerici Bagozzi – *Chairman (Independent director)*

Umberto Rosa – *member (Independent director)*
Bernardo Rucellai – *member (Independent director).*

Remuneration Committee
The Committee was originally established on 25 February 2002 and renewed by resolution of the Board on 22 December 2009. Its duties are to prepare proposals for the remuneration and for any stock option plans to be assigned to Directors holding special positions, as well as (in agreement with the Managing Director) any stock option plans assigned to Group managers.
The Committee met twice during 2009. Its current members are:
Claudio Tatozzi – *Chairman (Independent director)*
Umberto Rosa – *member (Independent director)*
Piero Manzoni – *member*

Internal Dealing Code
Actelios SpA also has an Internal Dealing Code, which along with the Code of Self Discipline represents an instrument that guarantees the maximum transparency and provision of uniform information to the market on the financial operations regarding the ordinary shares of Actelios SpA, undertaken by so-called "Relevant Parties", being those parties who have a profound knowledge of the strategies adopted, due to their access to important information regarding the company and its subsidiaries. The rules laid down in the Code and applied to Actelios SpA and all its subsidiaries, are binding and mandatory. As a result, if they are not applied sanctions shall be imposed.

Falck Renewables Plc

Board of Directors:
Lord Ernest Ronald Oxburgh - *Chairman*
Mr. William Jacob Heller
Mr. Federico Falck
Mr. Piero Manzoni
Mr. Paolo Rundeddu
Sir Robert John Margetts
Mr. Timothy John Redburn

Remuneration Committee
Sir Robert John Margetts - *Chairman*
Lord Ernest Ronald Oxburgh
Mr. Timothy John Redburn

Audit Committee
Mr. Timothy John Redburn - *Chairman*
Sir Robert John Margetts
Lord Ernest Ronald Oxburgh

Nominations Committee
Lord Ernest Ronald Oxburgh - *Chairman*
Sir Robert John Margetts
Mr. Timothy John Redburn

Bioenergy Sector

In 2008, all the companies independently resolved to adopt and formally comply with the PACI anti-corruption principles by authorising and adopting a specific document entitled "PACI Principles, Guidelines and Values", and undertaking to apply Group policies, which should be adapted to suit specific business.

1.10 Quality, Environmental and Safety Management Systems

The Quality, Environmental and Safety Management Systems are a matter of particular importance within the Falck Group, which recognises the importance of the systems for company organisation and also for the management of relationships with the various parties concerned (shareholders, company employees, customers, suppliers, public authorities and the financial world). The aim of the Falck Group is to obtain ISO 14001 and OHSAS 18001 for the various Group operating facilities, and to be awarded EMAS registrations for those owned by the group. In the biomass and waste to energy segment, in many cases the environmental policy is integrated with the quality and safety policies, through the adoption of a Management System that establishes a solid base and reference point from which to ensure the implementation and maintenance of correct conduct that complies with sustainable development.

Actelios SpA and all of its subsidiaries that have adopted an Environmental Management System have nominated a “Management Representative” who is responsible for ensuring the set-up, development, implementation and maintenance of the System. Actelios SpA has set up an Environmental Sustainability department, which reports directly to the Managing Director.

The department’s role is to ensure full operation, and guarantee the future development, of the Environmental Management System and company safety through:

- compliance with local, national and European regulations;
- definition of the data flows relating to the processes in order to determine the environmental indicators;

- authorisations management, with the aim of guaranteeing the company's going concern and risk minimisation.

1.10.1 Certifications held by the Group

Falck SpA - UNI EN ISO 9001:2008 relating to the Quality Management System for services for human resources, legal, insurance, company, administration and finance management.

Actelios SpA - UNI EN ISO 14001:2004, relating to the Environmental Management System for the development and construction of projects relating to the production of energy from renewable sources and the environment – for services of the companies in the Actelios Group that operate in the field of energy from renewable sources and the environment. UNI EN ISO 9001:2008 relating to the Quality Management System of the headquarters in Sesto San Giovanni (Milan), relating to services of Human Resources, Finance and Administration, Purchasing and QES (Quality, Environment and Safety) management. OHASAS 18001:2007, relating to the Safety Management System of facility activities and relating to services.

Ecosesto SpA - UNI EN ISO 9001:2008, relating to the Quality Management System, for planning and construction activities for waste disposal plants and the management of power plants, for the production facilities in Rende (Cosenza). UNI EN ISO 14001:2004, relating to the Environmental Management System for the production of electrical energy from biomass, in respect of the plant in Rende (Cs). OHASAS 18001, relating to the safety aspects of the plant in Rende, obtained during 2009.

Prima Srl - UNI EN ISO 14001:2004, relating to Environmental Management Systems, for waste treatment and the production of electrical energy, for the site in Trezzo sull'Adda (Milan). Prima Srl was awarded the EMAS registration number IT-000672 by the Ecoaudit Ecolabel Committee in May 2007.

Ambiente 2000 Srl - The activities of the site in Trezzo sull'Adda (Milan) obtained an integrated certification for Quality, Safety and the Environment: UNI EN ISO 9000:2000 for Quality, UNI EN ISO 14001:2004 for the Environment and OHSAS 18001 for Safety.

Falck Renewables Plc and its British subsidiaries UNI EN ISO 14001:2004 relating to the Environmental Management System, in respect of the development, installation and management of the wind farms.

Eolo 3 W Minervino Murge Srl - UNI EN ISO 14001:2004 relating to the Environmental Management System, for the production of electrical energy from wind for the Iambrenghi, Rinaldi and Passeggeri production facilities at the Minervino

Murge wind park. EMAS registration of the three Iambrenghi, Rinaldi and Passeggeri production facilities composing the Wind Park of Minervino Murge.

1.11 Sustainability and strategies

The policies and strategies of the Falck Group are aimed at seeking and creating conditions that favour the sustainability of its own development and that of the communities in which it operates, the principal driver being financial growth, eco-efficiency and social progress.

1.11.1 Economic sustainability

The Group's economic sustainability stems from the ability to respond, by using its own business model, to the scenarios and trends of the markets related to the production of energy from renewable sources.
In 2009, the Group defined the new guidelines for the 2009-2013 Strategic Plan in order to develop an industrial strategy based upon the improvement of its economic and financial position and to face future challenges with greater strength. The Group's main guidelines are:

- global financial sustainability at Group level;
- financial capacity based on non recourse financing;
- development of single business areas and initiatives in line with the Plan's objectives;
- cost control;
- organisational simplification.

1.11.2 Environmental sustainability

The Falk Group's activities contribute to increasing the share of renewables in the energy mix of the countries in which it operates and reducing CO2 emissions compared to traditional energy producers.
The general environmental policy guidelines established by the Falck Group include the following actions:

- the construction and management of technologically advanced processes and plants that are environmentally compatible – during the development, construction, operations and decommissioning phases;
- the constant update of knowledge in the areas of technical and scientific progress;
- the avoidance of environmental damage caused by Group activities, reducing resources employed, emissions to the air, water effluents and waste production;
- establishing close relations with all customers and suppliers that directly carry out activities in the plants managed by the company, in order to ensure they comply with environmental policy;
- putting plans into action in order to disseminate environmental policy, increasing awareness and involving employees, consultants, suppliers and customers in its implementation

1.11.3 Social sustainability

For the Falck Group, social sustainability means understanding and taking into account stakeholders' needs and expectations while carrying out activities. According to the definition by A.B. Carroll – Professor at the Terry College of Business and CSR expert – stakeholders are "those groups or individuals with whom the organization interacts or has interdependencies and any individual or group who can affect or is affected by the actions, decisions, policies, practices or goals of the organisation". The Falck Group believes that it is essential to build relationships on dialogue, correctness and transparency of conduct in order to develop social alliances and economic partnerships.

1. Relations with financial partners

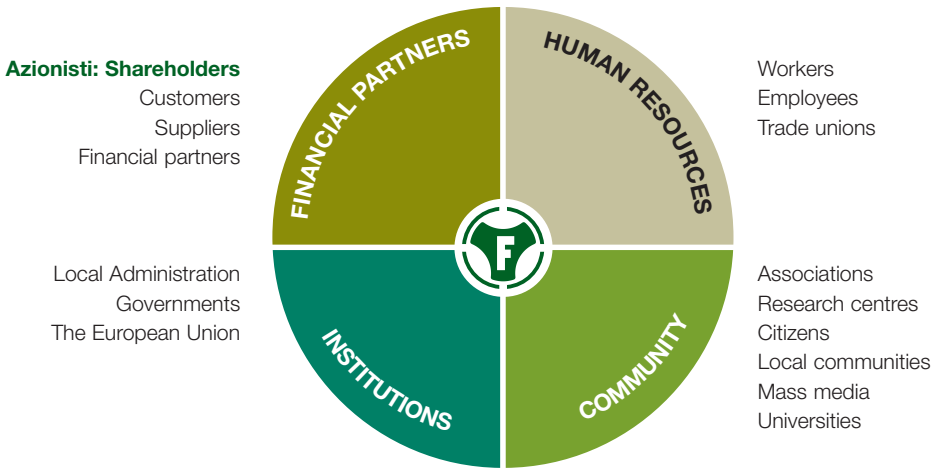
Shareholders and Customers

The demonstrated ability to plan, construct and manage innovative plants that are developed in compliance with European regulations and the principles of sustainable development, allows the Falck Group to enjoy a consolidated leadership position in the business of the production of energy from renewable resources. The development strategy foresees continuous expansion in all business sectors: photovoltaic, wind, waste to energy, biomass and bioenergy.

Suppliers

The Falck Group collaborates with its suppliers applying the principles and rules of correctness, impartiality and fair business, which are defined in its Corporate Governance tools.

The process used for selecting new suppliers summarises supplier information (economic and financial information, ISO 9001 and ISO 14001 certifications obtained) with the firm's valuation indices. The procedure is designed to favour collaboration with the suppliers themselves in order to reduce the time spent on evaluation and selection. Suppliers are requested to ensure that workers' rights are respected and that work safety and environmental protection regulations are observed. Following selection, supplier performance (reliability, punctuality, quality of supplies) is checked, which takes place at least once a year through planned meetings with the plant managers. The company links the routine incoming product/service quality checks with the supplier evaluation, increasing the control levels for suppliers whose quality has worsened.



Suppliers are managed through an IT order and invoicing system that has reduced delays in the average payment days to 15 (29 in 2008) thanks to an integrated management of the payment processes.

The strong connection with the surrounding areas leads to an increased focus on local suppliers, encouraging growth and favouring development of the territorial social and environmental systems. The percentage of local suppliers in 2009 was approximately 60%.

Financial partners

Financial markets hit a record-low level in 2009. The recessionary trend, which started in September 2008, was confirmed and characterized financial year 2009. The shock of the Lehman Brothers' collapse caused a serious loss in confidence in the Interbank market and led to a generalised increase in deposit costs for banks. New investments were slowed down or even blocked by the inevitable cash tightening ensuing from this situation. The project financing market, which is the financial instrument mainly used by the Falck Group to develop its projects, resisted the financial crisis much better than other segments; indeed, the shock recorded by the markets was an actual test for project financing which proved to be an excellent instrument for counteracting the unfavourable economic situation. Although the project financing sector reported no significant downturns, several foreign operators that had played a leading role during the previous years, disappeared from the Italian scene. As the financial markets slightly lost their international appeal, the Italian companies learned to deal with a drastically lower number of possible financial partners. The Group's financial sector had to face up to the new trend of financial markets: the former approach based upon the firm underwriting of the entire financing commitment by one or two banks with subsequent syndication gave way to the era of club deals. In this case, the financing commitment is the result of a concerted negotiation between a certain number of banks having the capacity to undertake the financing commitment solely in relation to the share respectively due, which is much lower than in the past. The Falck Group has always benefited from the support of Italian banks especially in relation to the so-called 'corporate' financing activities. 2009 confirmed this tradition with the signing of a Euro 45 million financing agreement, underwritten at the end of July between Falck SpA and a pool of five banks headed by Cariparma – French property, but Italian soul - (Banca Popolare di Sondrio, Mediocreval, Banca Popolare di Milano and Centrobanca). The connection established by the Group with the Italian banking system has come out of the crisis stronger, also on the project financing front. This is especially due to the type of projects developed by the Group, whose income performance is regulated within the scope of the wide-ranging Italian legislative framework.

2. Relations with human resources

The Code of Conduct states that: "the Falck Group is committed to developing the skills, abilities and talent of each employee based on merit and applying the principle of equal opportunity. Selection, placement and career progress are based exclusively, without discrimination, on objective factors linked to both the professional and personal qualities required to perform the role and the abilities demonstrated in fulfilling the role".

3. Relations with the community

The Falck Group focuses on accomplishing complete integration between its projects and the needs of the communities involved. This is achieved through the presence of Group representatives in the operating areas, in order to understand how the company

activity is perceived and to seize suggestions that are useful for its improvement. Dialogue with the community is achieved by setting up meetings and creating occasions to collaborate with the representative parties of each individual entity: public authorities, schools and universities, associations, the media and local suppliers.
The Group sets up specific communication initiatives to provide transparent and responsible information on each single project and on the importance of producing energy from renewable sources, thus raising awareness in the general public on sustainable development.

4. Relations with institutions

In 2009, the activities of Falck Group with Public Institutions were based on the dialogue and collaboration required, carried out in the utmost transparency, in order to consolidate and act on the relationships with the public representatives who have an interest in the company's development projects. A prior assessment of the legislative process of the Government, Parliament and Regions was carried out alongside the continuous dialogue with Institution representatives.

In 2009, the Falck Group focused its activities on strengthening relations with the Public Authorities continuous dialogue and contacts with representatives of the institutions, the aim being to evaluate in advance the impact that legislation issued by the Government, Houses and Local Public Authorities could have on the Group's operating projects and new initiatives. This activity was always carried out according to principles of transparency and reliability which have always distinguished the company brand. Collaborations with a number of Corporate Associations (ASSOELETTRICA, APER) were strengthened and the participation in meetings or workshops organised by Public Enterprises (GSE, TERNA, GME) and related to the energy sector continued. At EU level, relationships with EU Institutions were strengthened in 2009: the Group reinforced communication activities and the network of contacts with the European Parliament, the Commission and Sector Associations operating at EU level. The activities carried out may be summarised as follows: focused meetings with the institutional decision makers, with the purpose of illustrating the Group's mission and value culture; participation in conferences organised by EU Institutions and Associations of interest, in order to favour representation of the company in these areas; monitoring of Community legislation on the subject of renewable energy and environmental protection, with the aim of offering the community legislator, also through the relevant Associations, its expertise and to anticipate the Community's orientation in the sector of interest.
For the second year running, the Falck Group is part of the European Business Test Panel that the DG Internal Market of the European Commission periodically consults for its legislative developments.

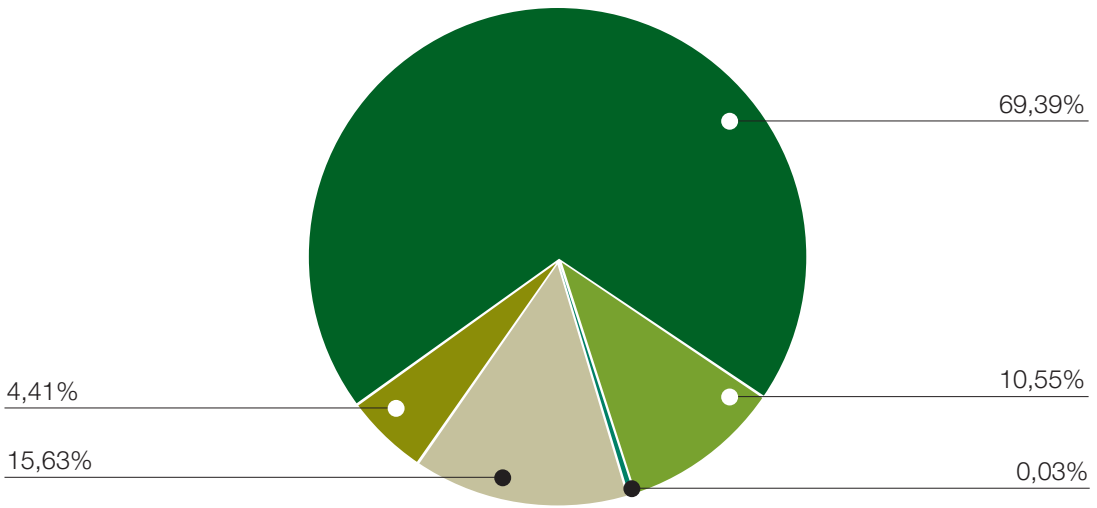
1.12 Creation and distribution of Added Value

The calculation and distribution of Added Value expresses in economic terms the relationship between the company and the socioeconomic environment, with particular reference to a number of principal categories of stakeholder. This process illustrates the ability of the company to generate net worth for the various stakeholders, in conformance with best operating practice and third party expectations.

FALCK GROUP – TOTAL ADDED VALUE (Euro thousands)	**2007**	**2008**	**2009**
A) Revenue	125,122	158,570	188,775
Other income	13,796	12,169	7,738
B) Intermediate costs of production	(75,588)	(98,138)	(103,685)
GROSS ADDED VALUE FROM OPERATIONS	**63,330**	**72,601**	**92,828**
C) finance income	50,276	146,809	111,680
D) income and charges from investments	11,666	16,240	(6,459)
GROSS TOTAL ADDED VALUE	**125,272**	**235,650**	**198,049**

FALCK GROUP – DISTRIBUTION OF ADDED VALUE (Euro thousands)	**2007**	**2008**	**2009**
A) Employee costs	**28,633**	**32,401**	**30,951**
Consultants	3,100	3,229	6,616
Employees			
a) direct pay	22,013	24,957	19,560
b) indirect pay	3,520	4,215	4,775
B) Remuneration of Public Authorities	**6,015**	**17,091**	**8,728**
Direct taxes	5,315	16,407	7,540
Indirect taxes	700	684	1,188
C) Remuneration of loan capital	**60,573**	**173,648**	**137,425**
D) Remuneration of risk capital	**2,767**	**0**	**0**
Dividends (earnings distributed to shareholders)	2,767	0	0
E) Remuneration of the company (retained earnings)	27,134	12,339	20,890
Change in reserves	3,137	(15,772)	(22,049)
Amortisation/depreciation	23,997	28,111	42,939
F) Donations and gifts	**150**	**171**	**55**
GROSS TOTAL ADDED VALUE	**125,272**	**235,650**	**198,049**

Distribution of gross total value added



The Gross Total Added Value produced by the Falck Group in 2009 was equal to Euro 198,049 thousand, divided as follows:

- 69.39% to Lenders as remuneration of loan capital;
- 15.63% to Personnel as direct and indirect pay;
- 10.55% to the company as amortisation/depreciation and provisions to reserves;
- 4.41% to Public Authorities for direct and indirect taxes;
- 0.03% to the Community as donations and gifts.

- Personnel
- Public Authorities
- Loan capital
- Remuneration of the company
- Donations and gifts

1.13 Personnel

The workforce of the Falck Group at 31 December 2009 included in the scope of this report, which comprises the parent company Falck SpA, the subsidiaries of Actelios SpA working in the waste to energy, biomass, photovoltaic and biogas sectors, and the subsidiaries of Falck Renewables Plc working in the wind sector, amounted to 1984 (180 in 2008). The tables below illustrate employee details.

Employees	Falck			Actelios			Falck Renewables			Total		
	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
Managers	10	9	11	16	15	14	4	8	9	**30**	**32**	**34**
Supervisors	7	5	7	11	9	9	4	4	4	**22**	**18**	**20**
White-collar staff	14	15	15	46	46	43	15	23	33	**75**	**84**	**91**
Blue-collar staff	0	0	0	45	46	45	0	0	8	**45**	**46**	**53**
Total	31	29	33	118	116	111	23	35	54	**172**	**180**	**198**

1.13.1 Policies adopted

The Falck Group is committed to increasing and enhancing its employees' professional expertise and to creating the conditions for the development of abilities and skills bearing in mind the needs of the company and of each single employee. The search for mutual satisfaction allows the maximum potential of each employee and of the team involved in the development of increasingly more complex projects to be achieved.

1.13.2 Training and development

Personnel training activities ensure that focused and effective training meets the skills required by every business segment.

Development of managerial skills. All Falck Group managers, in addition to attending courses providing know-how on specific expertise, are given the opportunity to attend periodic seminars using the services of important figures in the business community, in order to form comparisons with both the Italian and international markets.

Professional update. This is carried out through the participation in specialised courses organised by external experts, in particular in the areas of environment, health and safety.

Maintaining language skills. This is achieved through English language courses taught by native English speakers.

[4] If the employees of Riesfactoring SpA, Falck Financial Services SA and the bioenergy sector were included within the scope of this report, as well as contractual forms other than open-ended labour contracts, total Falck Group staff would be 498.

Professional training. This relates to individual employees and is carried out directly at the plants following promotions or job changes, particularly in the area of safety.

Training activities in 2009 amounted to 1,870 hours with average training of approximately 10 hours/per annum per head.

1.13.3 Fair pay and incentive schemes

The results of the evaluation of the correct level of remuneration, which is annually commissioned by the Falck Group, confirm that pay levels are above the central market level, also in respect of the variable salary element included within fixed pay. The incentive schemes adopted are mainly based upon evaluation by objectives or specific performance indicators.

Production area - In all of the production areas, Production Bonuses are defined and regularly managed, based on managerial/production parameters adapted to each specific area. These bonuses are aimed at reaching clear and shared objectives that are applicable to all workers at each location. The performance achievement level has resulted in the payment of bonuses in line with the previous year.

Managerial area – All Group managers and supervisors are involved in an objectives incentive scheme. The system results in the payment of a variable incentive upon meeting an entry level based on the company's EBIT. The entry level will only influence 70% of the overall assigned objectives, while the remaining 30% will be linked to one or more individual objectives of particular value to the company and no entry limits will be applicable. At the end of the financial year, based on the percentage of achievement of the individual objectives, compared to the weighting attributed to them at the beginning of the year, a global level of achievement is defined in relation to the objectives. This results in one of the best methods of linking employees to the company's and the individual or management objectives.

1.13.4 Programmes and initiatives for employees

The Falck Group offers programmes and initiatives to all its employees aimed at improving the overall conditions prescribed by both law and national labour contracts:

> additional professional accident cover provided by

Training: Italian Legislative Decree 231/01

Training and awareness-raising activities on the importance of Italian Legislative Decree 231/01 continued in 2009. A meeting was held with well-known experts: Walter Mapelli (Chief Prosecutor of the Republic in Monza) and lawyer Domenico Aiello (Partner and Head of the Commercial Criminal Law Department of the Law Firm DLA Piper). The experts were asked to examine the following issues: control body duties, composition of Supervisory Bodies and reasons for the incompatibility of Body members, relations with Public Authorities regarding evidence, anti-money laundering and cyber crime, corporate liability and liability of employees, manslaughter and involuntary physical injury due to violation of accident prevention regulations, and the point of view of the Public Prosecutor on the procedures and limitations for the verification of corporate liability.

INAIL (National Institute of Insurance against Accidents at Work);

- canteen provided in some locations; where these services are not possible due to organisational or technical difficulties, the workers are provided with luncheon vouchers that may be used in restaurants or external canteen facilities;
- agreement with a leading private health clinic for the provision of diagnostic services for Group top management, using specific health schemes currently in force;
- agreement with a leading private health clinic for the provision of free diagnostic services, on a two year basis, for all Group supervisors;
- for all supervisors, health insurance is paid for in full by the company in respect of surgery, specialist consultations and other medical costs.

Moreover, benefits have been provided for top management in addition to those stipulated contractually: supplementary life, accident and severe illness cover, supplementary pension funds with contributions paid either by the company or both the company and the employee, additional health cover.

The gym available for exclusive use by employees that is open every working day and is fitted with the best available equipment and a sauna completes the concept of "wellbeing in the company".

Thanks to Falck Foundations's contribution to the Giuseppe Verdi Symphonic Orchestra and Symphonic Choir Foundation, the Group provides employees with a number of tickets for each concert held by the Giuseppe Verdi Orchestra.

1.13.5 Health and safety at work

The health and safety policy of the Falck Group is based on the requirements laid down by standard OHSAS 18001 and on the full compliance of current health and safety laws. The Group's policy goes beyond the traditional concept of accident prevention and occupational illness, taking as its aim the continuous improvement of its employees' health.

Particular attention is paid to employees working at the plants: training activities are organised with the purpose of increasing risk awareness and responsible behaviour in each employee. The values relating to accidents through the three year period 2007-2009 are reported in the following table.

	General accident frequency index[5]			Serious injury absences index[6]		
	2007	**2008**	**2009**	**2007**	**2008**	**2009**
Falck	0.00	0.00	27.55	0.00	0.00	0.083
Actelios	33.00	27.80	10.05	2.07	0.69	0.092

[5] General accident frequency index: ratio between the general number of accidents that have taken place and the total hours worked, multiplied by one million.

[6] Serious injury absences index: ratio between the total days of absence and total hours worked, multiplied by one thousand.

1.13.6 Industrial relations

The company's relations with trade-union representatives were good, in compliance with mutual agreements and respective roles. A cooperative atmosphere was maintained, combining employees' interests to the needs arising from the strategies and objectives established by the company. With regard to the single plants, the supplementary agreements reached for the operating plants of Trezzo and Rende, continued for the 2008-2011 period. These agreements relate to setting objectives for the Performance Bonus for the four year period as prescribed the by the CCNL (National Labour Collective Agreement), and their evaluation.

1.13.7 Internal communication

The company intranet site is an effective communication tool through which employees may consult, on a daily basis, press releases relating to the Group, receive updates on new organisational instructions or consult internal procedures. Meetings were also organised to provide information on the company's economic performance and outlook: in June 2009, Piero Manzoni, the Group's General Manager – today Managing Director – illustrated, in an exclusive location, the main contents of the corporate strategic plan to both supervisors and managers.
To strengthen employees' sense of belonging to the Group, the e-mail was changed and just one domain was created: falckgroup.eu.

Energy from biomass

2.1 Rende – biomass power plant

The power plant in Rende is IAFR (Plants Fuelled by Renewable Sources) qualified under the name "333-Rende2", as it only uses biomass, a source of renewable energy, as fuel for the production of electrical energy for the Italian National Grid.
As a result, electricity generation may give rise to the issue of Green Certificates, in accordance with Italian Legislative Decree 387 of 29 December 2003, which defines the rules for the production from renewable sources and with Decree MAP 18/12/2008.
The plant is owned and managed by the Group, and has a nominal installed capacity of 15MWe, of which 12 MWe is provided to the Italian National Grid (GSE).
The technology chosen for the biomass combustion is a vibrating grill with a water cooling system: this type of grill allows long working periods with a high energy return. Besides maintaining UNI EN ISO 14001:2004 environmental certification and UNI EN ISO 9001:2008 quality certification, in 2009, the plant achieved safety management certification in compliance with OHSAS 18001:2007 standard.

2.1.1 Operating and environmental performance

The power plant operated normally for 8,179 hours, generating 107,838 MWh of electrical energy with a gross electrical energy return of approximately 26.6% in line with previous years. The resulting estimated fossil fuel saving was approximately 20,277 tep with corresponding CO_2 emissions avoided of 50,000 tons. The production of electrical energy fell by 3% compared to the previous year, for the same number of operating hours, due to the adverse weather conditions during the months of January and February, which influenced the availability and quality of the local biomass used as fuel.
Looking at the operating performance of the power plant, in the course of 2009 a further marked decrease in the consumption of natural gas (fossil fuels) was recorded following the reduction in the fuel used for the flare system of the furnace. This decision led to a sharp fall in CO_2 emissions from fossil fuel which were 70% less than the previous year.
The quantity of biomass that was used increased due to the higher moisture content of the fuel itself, as a result of the winter weather conditions, whereas the ash produced was practically stable compared to the previous year. With regard to CO_2 atmospheric

emissions, only emissions relating to the use of natural gas – equal to 135t for overall 69,444 Sm^3 of natural gas – were considered.

The amount of CO_2 produced from biomass combustion was considered nil, since biomass emits amounts of CO_2 in the atmosphere that are equal to the same amounts absorbed during its life; consequently this makes the balance of carbon dioxide production zero.

The emission of nitrous oxide fell by 25% alongside an 84% drop in the consumption of urea which is used to extract the oxides: this considerable improve

PRODUCTION	UM	2007	2008	2009
Gross electrical energy generated	MWh	114,875	111,430	107,838
Electrical energy sold to the National Grid	MWh	101,862	99,102	95,492
Power plant energy consumption (internal)	MWh	13,012	12,328	12,346
Power plant energy consumption (ENEL)	MWh	42	126	98

EMISSIONS	UM	2007	2008	2009
CO_2	t	176,715	176,049	173,613
$kgCO_2$/kg of biomass treated	kg/kg	1.05	1.04	0.90
$kgCO_2$/kWh of gross EE generated	kg/kWh	1.54	1.58	1.61
NOx	t	134	153	114
gNOx/kg of biomass treated	g/kg	0.79	0.90	0.59
gNOx/kWh of gross EE generated	g/kWh	1.17	1.37	1.06
HCl	t	0.6	0.9	0.6
mgHCl/kg of biomass treated	mg/kg	3.5	5.5	3.3
mgHCl/kWh of gross EE generated	mg/kWh	5.1	8.4	5.9

FUELS	UM	2007	2008	2009
Total biomass treated	t	168,660	169,390	193,032
Auxiliary fuels (Natural gas)	Sm^3	737,597	260,273	69,444
	Nm^3	699,180	246,717	65,827

WASTE PRODUCED	UM	2007	2008	2009
Ash and waste	t	10,544	12,166	11,900
Ash and waste/biomass treated	%	6.25	7.18	6.16

WATER RESOURCES	UM	2007	2008	2009
Water from surface/underground sources	m^3	642,467	580,839	566,218

CHEMICALS	UM	2007	2008	2009
Chemicals to treat fumes	t	425.8	148.3	46.5
Demineralised water produced	t	5.8	12.6	2.5
Cooling towers	t	49.6	52.0	64.4

EFFLUENTS	UM	2007	2008	2009
In drains/canals/flows of surface water	m^3	295,871	260,941	242,458

PRIMARY FOSSIL FUEL SAVINGS	UM	2007	2008	2009
Net EE Generated	MWh	101,862	99,102	95,492
Performance of conventional CTE 50% gas+ 50%oil	%	40.5	40.5	40.5
Estimated incoming energy	MWh	251,511	244,697	235,783
Primary fossil fuel savings	tep	21,630	21,044	20,277

CO_2 EMISSIONS AVOIDED	UM	2007	2008	2009
Estimated CO_2 emissions for trad. CTE	tCO2/MWhe	0.53	0.53	0.53
CO_2 emissions avoided	t	53,987	52,524	50,611

ELECTRICAL ENERGY USED BY:	UM	2007	2008	2009
Annual consumption per family (estimate)	kWh	3,000	3,000	3,000
Number of families	no	33,954	33,034	31,831
Persons (no. 4/family)	no	135,816	132,137	127,323

ment was due to the optimisation of the extraction system. Hydrochloric acid registered a slight drop with average concentration lower than 1 mg/Nm3, whereas sulphur oxides remained practically stable. Finally, the emission of total particles increased during the first half of the year and then fell, compared to the previous year, after conducting annual maintenance operations which sharply improved the extraction system efficiency. Water resources were in line with the prior years (a slight fall against 2008 of 2%) and substantially depended on climatic conditions throughout the year, as the main use is in the plant water cooling system that functions depending on air temperature and humidity levels.

2.1.2 Biomass plant suppliers

The biomass plant has 156 suppliers, 51% of which are local. The supplies may be analysed as follows:

		Value Euro	No. of orders	% on value	% of orders
Biomass plant in Rende	Biomass	5,885,483	49	66%	9%
	Services	2,677,854	202	30%	35%
	Products	360,986	317	4%	56%
	TOTAL	8,924,324	568	100%	100%

2.2 Powercrop SpA projects

The closing of the majority of Italian sugar refineries, due to the restrictive European Community reform of the sugar industry, led to the need to convert the areas previously dedicated to beet-growing for use in other production activities. For this reason, in 2006, Actelios SpA (Falck Group) and SECI (Maccaferri Group) set up Powercrop Srl, a company whose aim is to develop, promote and implement projects relating to the production of energy from renewable sources, through no food cultivations from arboreous sources (poplars, locust trees and other local products) and oleaginous sources (sunflower, rape and brassica).

The projects will contribute to: safeguarding jobs through redirection of a part of the workforce currently employed in the sugar refineries; boosting the local farming sector; and producing electrical energy from renewable sources.

The project consists of five conversion interventions in five Italian regions where sugar refineries were closed, pursuant to EU directives implemented under Italian Law 81/06:

- Emilia Romagna (former sugar refinery of Russi - Ravenna)
- Tuscany (former sugar refinery of Castiglion Fiorentino - Arezzo)
- Marche (former sugar refinery of Fermo)
- Abruzzo (former sugar refinery of Celano - Aquila)
- Sardinia (former sugar refinery of Villasor - Cagliari).

The activities carried out consist in developing the agro-industrial sector, defining agreements with the farming sector and with local bodies and institutions, and completing the design and drawing up of all documents required for the authorisation procedures. In 2007, the conversion projects of the five sugar refineries were defined and the agreements with the farming sector and with relevant institutions were signed. In 2008, four of the five authorisation requests for implementing and making the plants operational were presented. The project for the conversion of the sugar refinery in Castel Fiorentino (Arezzo) was not presented since the plant location was still being defined.

2.2.1 New developments in 2009

Activities relating to the authorisation request were continued during 2009:

- Russi project: the authorisation procedures were in the completion stage, the technical integrations required in works meetings were filed and a number of substantial modifications were made to the project (variation of the route of the power line and



modification to the water and air cooling condenser), and an agreement was signed with the Municipality of Russi regarding environmental and urban compensation;

- Villasor Project: the authorisation procedures continued according to the expected time schedule; the environmental characterisation plan of the site was completed and the technical integrations requested during the works meetings were filed; the favourable opinion to the V.I.A. (Environmental Impact Valuation) was issued on 12.02.2010;
- Celano Project: the documentary integrations requested were presented; the first works meeting is envisaged for the first quarter of 2010;
- Fermo Project: the documentary review of the project was carried out in order to comply with the requests made during the authorisation procedure, relating to the downsizing (from 24 MWe to 18 MWe) and modification of the site (from Valdete to Campiglione);
- Castiglion Fiorentino Project: evaluations with local Administration were carried out regarding identification of a new location and plant size (18 MWe) which better responds to the surrounding cultivation areas.

In agronomic terms, the commercial campaigns regarding the collection of Short Rotation Forestry cultivation agreements and the offer for the supply of wood from forest areas (especially the areas of Russi and Macchiareddu) continued.

2.2.2 The plants in detail

Avezzano

The plant relating to the conversion of the Celano sugar refinery will be developed in the Avezzano industrial area.

It will consist of a 30MWe power plant using boilers with suspended combustion on vibrating grates, with

a high efficiency thermal regeneration cycle.
It will be fuelled exclusively by dedicated farm crops and wood from forest cleaning and the maintenance of parks, river and streams in the surrounding areas and green private and farm pruning waste.

Castiglion Fiorentino

The power plant will be constructed on the site of the previous sugar refinery. It will consist of one line with an installed capacity of 11.3 MWe fuelled by vegetable oil produced by directly pressing the sunflower seeds in the plant, and of a biomass line which will burn the oilseed cake and woody biomass. The plant will be capable of directly generating 8.1 MWe.
An oil press is to be built to extract oil from locally grown seeds and the resulting oils will be produced from renewable energy as the energy and heat for the press will be provided by the plant.
The fuels used will comprise:

- dedicated agroenergy oil and wood crops;
- the oilseed cake that derives from pressing seeds and wood from the forest and streams maintenance.

Finally, photovoltaic roofs are to be erected on all of the buildings and surfaces of the plant.

		Russi	Avezzano	Fermo	Macchiareddu	Castiglion Fiorentino
Net electricity generation	MWh/y	223,200	216,000	138,960	354,240	138,960
Families served[7]	No.	74,400	72,000	46,320	118,080	46,320
CO_2 avoided[8]	ton/y	128,340	124,200	79,902	203,688	79,902
Equivalent fuel fossil saving[9]	Tep/y	\51,336	49,680	31,960	81,485	31,960

Fermo

The power plant is to be constructed in the Municipality of Fermo in the area where the former sugar refinery was located. It will be provided with an 11.3MWe line fuelled by vegetable oil produced by directly pressing the sunflower seeds in the plant, and of a biomass line which will burn the oilseed cake and woody biomass. The plant will be capable of directly generating 8.1 MWe. An oil press is to be built to extract oil from locally grown seeds and the resulting oils will be produced from renewable energy as the energy and heat for the press will be provided by the plant. The fuels used will comprise:

- dedicated agroenergy oil and wood crops;
- the oilseed cake that derives from pressing seeds and wood from the forest and streams maintenance.

[7] Calculated taking into account an average consumption of 3,000 kWh/y

[8] Referred to national average segment 0.575t/MWhe

[9] 1 MWh=0.23 Tep

Villasor

This plant relates to the conversion of the Villasor sugar refinery that will be constructed in the industrial area of Cacip in Macchiareddu, in the municipality of Assemini. The fuels will consist of:

- dedicated agroenergy oil and wood crops;
- the oilseed cake that derives from pressing seeds and wood from the forest and streams maintenance.

The power plant will have a woodchip line of around 25 MWe capacity and a vegetable oil line of 22 MWe capacity. More specifically: with regard to the woodchip line the plant will use the suspension over a vibrating grate technology with high efficiency thermal cycle conversion
of the regenerative energy; for the oil line, high efficiency marine engines will be used.

Moreover an oil extraction press that will use local oil seed crops is to be constructed. This will be associated with a biogas plant with an installed capacity of approximately 2 MWe that will provide the energy and thermal requirements of the press.

Russi

An innovative energy hub is to be constructed in the Russi area that will consist of:

- an electrical power plant that is to be constructed on the site of the old sugar refinery that will have approximately 30 MWe capacity; it will be provided with a suspended boiler over a vibrating grate with a high efficiency regenerative thermal cycle. The plant will be fuelled exclusively by farmed wood cellulose that will be produced from dedicated crops and integrated with resources arising from the maintenance of green areas;
- a biogas plant that will generate approximately 1 MW of electrical energy through an anaerobic digester that is able to treat sewage from local zootechnical farms integrated by cereal fodder.

Finally, photovoltaic roofs will be installed on all of the buildings and surfaces of the plant.

2.2.3 Communication with the community

Since the development phase of the projects is particularly delicate and important, Powercrop SpA firmly believes that communication activities are able to bring the local community closer to the conversion projects and to raise awareness in farmers on its cultivation proposals.

In order to create and strengthen the relationship with the local community, company management is always present within the local area and, where possible, takes part in the meetings it is invited to in order to explain its projects. Powercrop has also chosen to take part in specifically local initiatives: it supports and sponsors the local festivals and small farm shows held in the towns interested by the projects. The local press is also constantly monitored in order to organise focused interventions.

With regard to the management of relations with farmers, alongside one-to-one marketing activities that are soundly implemented throughout the local areas, Powercrop takes part in main national fairs, with an enthusiastic response from the public. At the start of 2010, Powercrop attended Fieragricola in Verona, distributing around 500 contractual proposals.

The website www.powercrop.it is live: during the year it has been visited by over 4,000 people and 21,000 pages have been viewed.

Waste to energy

3.1 Trezzo sull'Adda – WTE plant

The waste to energy plant for urban and special non-hazardous waste consists of two combustion lines with an authorised capacity of around 600 t/day and an electrical installed capacity of 20 MWe. The site in Trezzo sull'Adda, which serves the North-East side of the Province of Milan, is certified under EMAS IT000672 and annually publishes the Environmental Declaration that illustrates the operating data of the WTE plant.

3.1.1 Operating and environmental performance

Around 174,000 tons of waste were treated in 2009 (+1% compared to the previous year), producing 140,634 MWh of electrical energy, 2% up on 2008, which guarantees the annual electricity requirements of around 44,000 families.

The electrical energy recovered amounted to approximately 0.8 kWh/kg of treated waste. This means that to obtain one kWh of electrical energy it was sufficient to burn 1.2 kg of waste. Moreover, the WTE plant only uses waste resulting from attentive recycling.

The electrical energy transferred to the National Grid allowed a double saving: in the purchase of fossil fuels amounting to approximately 28,000 tons of oil equivalent, and in the resulting environmental impact as an estimated 70,000 tons of CO2 emissions were avoided.

The Emissions Monitoring System (EMS) installed on the flue is able to continuously monitor the following

PRODUCTION	UM	2007	2008	2009
Gross electrical energy generated	MWh	129,201	137,424	140,634
Electrical energy sold to the National Grid	MWh	121,885	129,690	132,783
Power plant energy consumption (EE purchased + internal)	MWh	20,673	21,605	22,708

EMISSIONS	UM	2007	2008	2009
CO_2	t	224,222	234,769	248,638
$kgCO_2$/kg of waste disposed	kg/kg	1.44	1.36	1.43
$kgCO_2$/kWh of gross EE generated	kg/kWh	1.74	1.71	1.77
NOx	t	122.3	130.3	135.9
gNOx/t of waste disposed	g/kg	0.79	0.75	0.78
gNOx/kWh of gross EE generated	g/kWh	0.95	0.95	0.97
HCl	t	4.6	3.9	4.2
mgHCl/t of waste disposed	mg/kg	29.3	22.7	24.3
mgHCl/kWh of gross EE generated	mg/kWh	35.3	28.6	30.1

FUELS/WASTE	UM	2007	2008	2009
Total waste treated	t	155,679	173,099	174,069
Electrical energy / waste treated	kWh/kg	0.83	0.79	0.81
Waste treated / electrical energy	kg/kWh	1.20	1.26	1.24
Auxiliary furnace fuels (Diesel)	t	390	335	328

WASTE	UM	2007	2008	2009
Ash and slag	t	35,073	39,077	38,309
Ash and slag/waste treated	%	22.53	22.57	22.01

WATER RESOURCES	UM	2007	2008	2009
Water from mains/other	m^3	79,278	81,066	80,267

CHEMICALS	UM	2007	2008	2009
Compounds for fumes purification	t	6,125	5,356	5,504

INDUSTRIAL LIQUID EFFLUENTS	UM	2007	2008	2009
In drains/other	m^3	85.0	0.0	0.0

PRIMARY FOSSIL FUEL SAVINGS	UM	2007	2008	2009
Net EE generated	MWh	121,885	129,690	132,783
Convent. CTE performance 50% gas+ 50% oil	%	40.5	40.5	40.5
Estimated incoming energy	MWh	300,950	320,221	327,860
Primary fossil fuel savings	tep	25,882	27,539	28,196

CO_2 EMISSIONS AVOIDED	UM	2007	2008	2009
CO_2 emissions avoided for tradit. CTE	tCO2/Mwhe	0.531	0.531	0.531
CO_2 emissions avoided	t	64,721	68,865	70,508

ELECTRICAL ENERGY USED BY:	UM	2007	2008	2009
Annual consumption per family (estimate)	kWh	3,000	3,000	3,000
Number of families	no.	40,628	43,230	44,261
Persons (no.4/family)	no	162,513	172,920	177,044

pollutants and technical parameters: Nitrous oxide, Hydrochloric acid, Carbonic oxide, Carbon dioxide, Sulphur oxides, Ammonia, Hydrofluoric acid, Total organic carbon, Particles, Mercury, Dioxins, Oxygen, Water, Temperature, Pressure and fumes flow rate.
Considering the performance of the principal pollutants compared to the prior year, the concentration of Nitrous oxide (per kg of waste treated) remained constant at 0.8. Hydrochloric acid slightly increased (24.3 mg/kg USW compared to 22.7 mg/kg USW of the prior year) in relation to the type of waste treated, despite the increase in chemicals used for fumes purification (+3%). Particle emissions were in line with the previous year, with average concentrations of 0.4 mg/Nm3, 20 times lower than the authorised limits. The data relating to the principal micropollutants, represented by Policyclical Aromatic Hydrocarbons (PAH) and dioxins/furins (PCCD/PCDF), showed a constant trend in the volumes emitted, which were very low in the order of a few tens of grams per year for the PAHs and tens of milligrams for the dioxins.

3.1.2 WTE suppliers

Ambiente 2000

The plant has 154 suppliers, 75% of which are local. The suppliers may be analysed as follows:

		Value Euro	No. of orders	% of value	% of orders
WTE plant in Trezzo sull'Adda	Services	2,877,514	255	59%	48%
	Products	2,040,723	277	41%	52%
	Total	4,918,237	532	100%	100%

Prima

The Plant has 56 suppliers, 73% of which are local. Supplies largely relate to services for which there are 80 orders for a total value of Euro 7,871,965

3.1.3 The community in Trezzo

Communication activities in the local area aimed at maximum transparency continued: data on plant emissions are transferred in real time to an electronic board in the centre of Trezzo sull'Adda so that local citizens are informed on the plant's performance at all times. Both operating and monitoring data of all the pollutants that are emitted in the combustion fumes are available on the website www.termotrezzo.it.

Visits to the WTE plant by all levels and types of educational institutions continued with a total of approximately 300 visitors.

3.2 Granarolo dell'Emilia - Impianto WTE

The WTE plant, which commenced industrial operations at the end of 2005, is owned by FEA srl, whose shareholders are Herambiente srl, a Hera Group company, (51%) and Actelios (49%).

The plant consists of two independent waste to energy lines with an energy recovery system that generates both electrical and thermal energy. The latter is provided to the district heating system managed by Hera SpA is able to cover the thermal energy needs of around 2500 families.

3.2.1 Operating and environmental performance

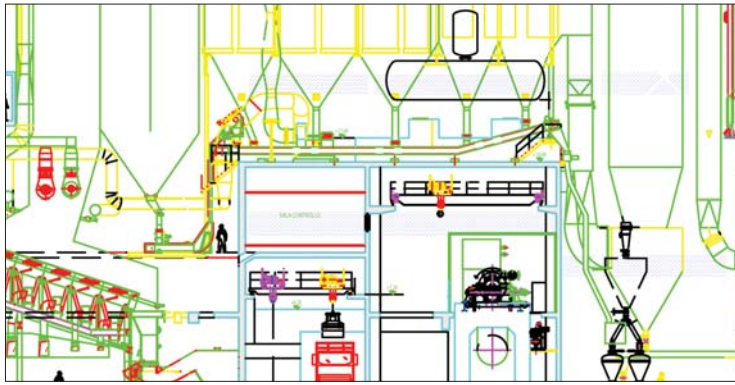
2009 was the fourth year of the new plant's management during which the good performance recorded in previous years was maintained. In the course of the year, each line required two stoppages during which scheduled maintenance was carried out as well as preventive checks and inspections aimed at monitoring plant conditions. The turbogenerator also required a scheduled stoppage. The plant disposed of 198,384 tons of waste, generated 155 GWh of electrical energy, and sold over 143 GWh of electrical energy under the CIP6 regime and 37,545 Gcal of thermal energy. Regarding the certifications obtained from third party Bodies, FEA confirmed certification of the environmental management system in compliance with UNI EN ISO standard 14001:2004 and updated its quality management system to the new UNI EN ISO 9001:2008 standard.

PRODUCTION	UM	2007	2008	2009
Gross EE generated	MWh	147,533	142,196	155,336
EE sold to the National Grid	MWh	138,616	131,404	143,585
Thermal energy sold to the district heating network	MWh	34,672	35,458	43,657
Plant energy consumption (ENEL+internal)	MWh	27,913	27,752	27,767
Fuel savings per EE generated (1MWh=0.23 tep)	Tep	31,882	30,223	33,025
Fuel savings per TE generated (1MWh=0.086 tep)	Tep	2,982	3,049	3,755
Total	Tep	34,863	33,272	36,779

EMISSIONS	UM	2007	2008	2009
CO_2	t	225,506.7	242,314.4	258,680.8
$kgCO_2$/kg of waste disposed	kg/kg	1.09	1.19	1.3
$kgCO_2$/kWh of gross EE generated	kg/kWh	1.53	1.70	1.67
NOx	t	130.9	123.4	134.9
gNOx/kg of waste disposed	g/kg	0.63	0.60	0.68
gNOx/kWh of gross EE generated	g/kWh	0.89	0.87	0.87
HCl	t	0.56	0.3	0.2
mgHCl/kg of waste disposed	mg/kg	2.7	1.48	1.17
mgHCl/kWh of gross EE generated	mg/kWh	3.8	2.12	1.50

FUELS/WASTE TREATED	UM	2007	2008	2009
Total waste treated	t	206,685	204,154	198,384
Auxiliary fuels (natural gas) per DeNOx and CPC	Sm^3	3,282,247	3,627,823	3,138,518
	Nm^3	3,111,297	3,438,874	2,975,054

WASTE PRODUCED	UM	2007	2008	2009
Ash, slag and mud	t	58,851	57,090	53,236
Ash and slag/waste treated	%	28	28	27



Furthermore, on 24 July 2009, the Ecolabel and Ecouadit Committee, EMAS section of Italy, resolved to award EMAS registration to FEA Srl for the site where the waste to energy plant is situated, assigning registration no. IT-001143. Specific environmental communication sections were included on the website www.feafrullo.it. The website, with updated graphics, contains online data of the atmospheric emissions and allows visitors to download the EMAS environmental declaration. For energetic saving purposes, electrical energy consumption was rationalised as regards plant lighting and the lights of the various levels may be switched on selectively. A test started in October regarding operation of the DeNOx system at a lower temperature and in just a few months the consumption of methane fell. The WTE plant of Frullo was part of the Moniter project, promoted by the Region and by Arpa (Regional agency for environmental protection), which monitors the WTE plants in the Emilia Romagna area. The aim of the project is to organise an environmental surveillance and epidemiological valuation system in the areas surrounding the plants. The first data are already available and have been published on the website www.moniter.it. The technical and

WATER RESOURCES	UM	2007	2008	2009
Water from mains/wells	m^3	615,048	644,171	624,138

CHEMICALS	UM	2007	2008	2009
Compounds for fumes purification	t	2,881	2,798	2,931
For demineralised water and water of boilers	t	124	134	108
Treatment of effluents	t	518	470	358
Treatment of cooling towers	t	219	198	175
Total	t	3,742	3,600	3,572

PRIMARY FOSSIL FUEL SAVINGS AND CO_2 EMISSIONS AVOIDED	UM	2007	2008	2009
Net EE generated	MWh	138,616	131,404	143,585
Performance of convent. CTE. 50% gas+ 50%oil	%	40.5	41.5	41.5
Estimated incoming energy	MWh	342,262	316,635	345,988
Thermal E production	MWh	34,672	35,458	43,657
Performance of convent. CTE.	%	86	87	87
Estimated incoming energy	MWh	40,317	40,757	50,181
Primary fossil fuel savings	tep	32,901	30,735	34,070
Ownership share of primary fossil fuel (49%)	tep	16,122	15,060	16,694
Estimated CO_2 emissions for tradit. CTE.	tCO2/MWh	0.7	0.7	0.7
% owned	%	49	49	49
CO_2 emissions avoided per total EE generated	t	97,031	91,982	100,510
Ownership share of CO_2 emissions avoided	t	47,545	45,071	49,250

ELECTRICAL ENERGY USED BY:	UdM	2007	2008	2009
Annual consumption per family (estimate)	kWh	3,000	3,000	3,000
Number of families	no.	46,205	43,801	47,862
Persons (no. 4/family)	no.	184,821	175,205	191,447

administrative procedures required for the permanent environmental monitoring of the surrounding area commenced. Two air quality monitoring units will be installed that will monitor the following parameters: PM10, PM2,5, IPA and metals. The transfer of the maintenance workshop from the abandoned plant to the ground floor of the new services building, which began at the start of 2009, is in the completion stage.

3.3 Special projects

Actelios SpA will take part in the event "Italy of innovators" at the Expo Shanghai 2010 and present "E.A.R.T.H. - Ecological Activity for Refuse Treatment at High-altitude", the innovation that was positively evaluated among 454 innovations by the Technical Committee appointed by Minister Renato Brunetta and by Beniamino Quintieri, the Commissar General of Italy for Expo Shanghai.
EARTH is a prototype equipment for the thermal treatment of waste from mountain and trekking expeditions, local communities and high-altitude mountain parks, suitable for operating in severe weather conditions, featuring rarefied oxygen and total absence of electrical power. The project was developed by Actelios along with the Ev-K2-CNR (National Research Council) Committee, the reference organisation for scientific and technological research activities in mountainous areas.

3.4 The Sicily project

With regard to the projects related to the three integrated waste treatment systems in Sicily, the company has taken legal initiatives to safeguard its interests. Relevant details may be found in the consolidated financial statements.

Solar energy

4.1 Photovoltaic plant in Rende

The photovoltaic plant in Rende has an installed capacity of 1 MWp and was constructed positioning the photovoltaic modules on special metallic supports (located in the area adjacent to the biomass plant).

The photovoltaic plant consists of a single field divided into 211 strings, made up of 26 modules each. The photovoltaic modules consist of 48 photovoltaic cells in monocrystalline silicon as these have a high return and stable performance over time. The modules face south at a tilt angle of 20° in order to maximise the annual yield.

PRODUCTION	UM	2007	2008	2009
Gross EE generated	MWh	512.2	1,069	1,387
EE sold to the National Grid	MWh	503.3	1,051	1,364
Power plant energy consumption (internal)	MWh	8.9	18.5	23.5
EE acquired from the grid (ENEL)	MWh	2.8	8	4.08

PRIMARY FOSSIL FUEL SAVING	UM	2007	2008	2009
Net EE generated	MWh	503	1,051	1,364
Performance of convent. CTE. 50% gas+ 50%oil	%	40.5	40.5	40.5
Estimated incoming energy	MWh	1,243	2,595	3,368
Primary fossil fuel saving	tep	107	223	290
Estimated CO_2 emissions for tradit. CTE	tCO2/MWhe	0.531	0.531	0.531
CO_2 emissions avoided	t	267	558	724

ELECTRICAL ENERGY USED BY:	UM	2007	2008	2009
Annual consumption per family (estimate)	kWh	3000	3000	3000
Number of families	no.	168	350	455
Persons (no.4/family)	no.	671	1,401	1,819

4.2 Photovoltaic plant in Trezzo

The photovoltaic plant in Trezzo consists of three fields, two on the facade and one on the cover of the waste to energy plant, giving a total of 432 photovoltaic panels which convert solar energy to electrical energy.
The photovoltaic modules are constructed from 48 photovoltaic cells in polycrystalline silicon as they have a high return and stable performance over time.

4.3 Financial partnerships

The photovoltaic sector took an important step forwards in financial year 2009 as regards the development of new initiatives. In this sector also, the projects are financed without recourse to the sponsor. Alongside project financing, which is more compatible for large investments, quick leasing instruments are also used for smaller transactions. These tools are very efficient in less-complex transactions compared to those required for large production plants.

PRODUCTION	UM	2007	2008	2009
Gross EE generated	kWh	13,290	56,117	57,826
EE sold to the National Grid	kWh	11,944	50,176	51,224
Power plant energy consumption (internal)	kWh	1,346	5,941	6,697
EE acquired from the grid (ENEL)	kWh	94	2,902	3,857

PRIMARY FOSSIL FUEL SAVING	UM	2007	2008	2009
Net EE generated	kWh	11,944	50,176	51,224
Performance of convent. CTE 50% gas+ 50%oil	%	40.5	40.5	40.5
Estimated incoming energy	kWh	29,491	123,891	126,479
Primary fossil fuel saving	tep	3	11	11
Estimated CO_2 emissions for tradit. CTE	tCO2/MWhe	0.531	0.531	0.531
CO_2 emissions avoided	t	6	27	27

ELECTRICAL ENERGY USED BY:	UM	2007	2008	2009
Annual consumption per family (estimate)	kWh	3,000	3,000	3,000
Number of families	no.	4	17	17
Persons (no.4/family)	no.	16	67	68

4.4 Projects under development

The company took considerable steps forwards in 2009: the 1MW plant of La Calce became operational, two Single Authorisations for the plants of Spinasanta (6 MW) and Cardonita (5 MW) were obtained, and the authorisation procedures for the Sugherotorto project (3.3 MW – obtained in March 2010) were substantially completed. At the same time, the development activities of other projects were further implemented. Considering that at the end of 2010 the current incentive scheme will end, the company looks forward to receiving details on the new system that will come into force in 2011 so that it may guide and plan additional plant development activities. A new project for overall 5 MW was started in the Province of Ragusa. The project should receive the first

authorisations during the first half year of 2010.

Puglia – The Solon Group partially completed the programme that envisaged overall 6 MW: the plant in La Calce (1 MW) commenced operations and the plant in Notarpanaro (1 MW), which shall commence operations during the first quarter of 2010, was substantially completed. In light of the expected review of the incentives and of the implementation times, evaluations will be carried out during 2010 on whether and how the further 4MW included in the initial agreement should be developed.

Sicily – The issuing of the PEARS (Regional Energy and Environmental Plan) strongly influenced the development of the projects in Sicily during 2009. Several changes and integrations were needed to make the projects comply with the provisions laid down in the Plan and to continue the authorisation procedures. Thanks to the prompt reaction to bring the plants into line with the PEARS requests, in December 2009, two Single Authorisations were obtained for the plants in Spinasanta (6 MW) and Cardonita (5 MW), and the authorisation procedures for the Sugherotorto project (3.3 MW) were substantially completed. At the same time, the development activities of the other projects were further implemented. Instead, great difficulties were encountered to make the Pace del Mela project compliant with the PEARS, consequently, the company decided to abandon the project. The Board of Directors of Actelios SpA approved the investments relating to the Sicilian projects and, during 2009, the preparatory actions necessary for structuring the financing and for seeking the EPC contractor for implementation of the Spinasanta, Cardonita and Sugherotorto plants commenced.
The photovoltaic plants will generate clean energy and satisfy the electricity requirements of over 15,000 families, with saving of CO2 emissions equal to around 20,000 tons/year.

Greece – The application to obtain the Production Licence for the construction of a photovoltaic plant with an installed capacity of 1.24 MWp to be named “Kalochori Sun” in Peloponnesus was still pending. Since the new government took office in autumn 2009, the company believes that measures will be taken to streamline and speed up the authorisation procedures.

Concentrated Solar Power – Given the small interest held (17.5%) in the consortium participating in the BOT (Build Operate and Transfer) tender for a thermodynamic solar plant with an installed capacity between 80 and 125 MW in Israel, the company decided to withdraw from the initiative. Interest towards this technology continues and contacts have been made with possible technological partners for the development of projects in Italy and abroad.

Scouting continued to develop further projects, both in Italy and abroad, with approximately 50 MW of projects currently in the pipeline.

Wind energy

5.1 Wind farms in operation

Falck Renewables worked intensely during 2009 to expand its portfolio of projects. The Millennium wind farm in the area of Fort Augustus in Scotland was enlarged with additional turbines that were brought into operation at the start of 2009.
The 52 MW wind farm of Minervino Murge in Puglia was completed in 2008. It is Falck Renewables' second largest in terms of installed capacity and became fully operational in the first quarter of 2009. The South crest of the San Sostene wind farm commenced commercial operations in October 2009 (28 turbines totalling 42 MW). Completion of the farm and the North crest are expected in the first half of 2010. The Minervino Murge plant generated 86,500 MWh of wind energy during 2009 whereas San Sostene generated less energy (since brought into

ANNUAL PRODUCTION (MWh)	2006	2007	2008	2009
Ben Aketil	na	1,850	69,788	76,000
Boyndie	22,059	39,976	42,952	37,300
Cefn Croes	151,263	158,301	185,353	144,900
Earlsburn	na	51,792	90,878	107,000
Cabezo San Roque	45,950	55,948	50,893	51,800
La Carracha e Plana de Jarreta*	184,440	224,999	199,689	199,144
Kilbraur	na	na	45,177	125,800
Millennium	na	na	49,104	147,700
Minervino Murge	na	na	11,673	86,500
Les Cretes	na	na	na	12,700
Le Fouy	na	na	na	12,700
Esquennoy	na	na	na	12,600
San Sostene (south crest)	na	na	na	30,500
Total	**403,712**	**532,866**	**745,507**	**1,044,644**

*26% holding

operation during the final months of 2009) yet still significant: 30,500 MWh. The first wind farms of the Group were inaugurated in France: Le Fouy and Les Crêtes, which generated approximately 12,000 MWh of energy. Revenue from wind farms derives exclusively from the sale of electrical energy to the national grid of the countries in which Falck Renewables Plc currently owns wind power plants: the United Kingdom, Spain, Italy and France.

5.1.1 Environmental aspects

During the plant construction phase, Falck Renewables Plc adopts the necessary measures to protect the flora, fauna and hydro-geological structure of the site. The positioning of the wind turbines takes place according to studies aimed at reducing visual landscape changes due to the farm and at avoiding the "turbine forest" effect. Three dimensional computer models of the plant are often created in order to familiarise the residents with how the final wind farm will look. Moreover, constructive solutions have been identified to reduce visual impact, such as the use of tubular towers that are less invasive and the choice of neutral colours.

Falck Renewables has always shown a particular interest in technology that minimises and mitigates the noise created by the wind blades when in operation; specific simulation models are used to measure the sound pressure level in "sensitive areas", in order to verify that the limits prescribed by law are not exceeded. Furthermore, during the project planning phase, the financial resources required to decommission the wind farm at the end of its useful life are set aside in order to restore the sites back to their original state prior to installation of the wind farm.

CO_2 emissions avoided

Wind energy is a clean source that produces electrical energy without emitting CO_2.

The conversion factor used to calculate specific CO_2 avoided for wind farms in the UK is 0.43 tCO_2/MWh. This value is calculated based on statistical evidence and is determined by DEFRA (Department for Environment, Food and Rural Affairs) as the value officially recognised by the British Government. With regard to the wind farms in Spain, the factor used corresponds to the specific energy mix of the country

Inauguration of the first Italian wind farm in Minervino Murge

The Minervino Murge wind farm was inaugurated in June 2009. It consists of 26 turbines, which are supplied by Nordex, with an overall installed capacity of 52 MW. The wind farm results in savings of 52,000 tons/year of CO2 and satisfies the electricity requirements of around 40,000 families. Constant dialogue with the local community and respect for the environment were key considerations throughout the project: to confirm the close cooperation with the local area, the opening ceremony of the farm was attended by the Mayor of Minervino Murge and by the General Manager of the National Park of Alta Murgia, who shared their experience on the creation of the plant. In environmental terms, the plant has already obtained ISO 14001 environmental management certification and – among the first in Italy – EMAS registration.

The wind farm required an investment of Euro 114.4 million, funded through project financing without recourse thanks to an agreement with a group of primary banks including Banca Infrastrutture Innovazione e Sviluppo, Société Générale and Cassa Depositi e Prestiti.

(0.37 tCO_2/MWh), as is the case for the Italian plants that apply a specific factor of 0.531 tCO2/MWh. France applies a specific factor of 0.085 tCO2/MWh.

5.1.2 Suppliers

Where possible, Falck Renewables awards the tender for the wind farm construction including all civil and electrical work, on a turnkey basis to the turbine supplier. When a turnkey solution is not applicable, a single entity is assigned responsibility for the plant civil construction and electrical work. Once construction has been finalised, the supplier of the wind turbines also carries out the operation and maintenance of the wind farm on behalf of Falck Renewables, guaranteeing not only plant performance but also compliance with labour laws and environmental legislation. In Spain plant construction contracts were awarded to the Danish company Vestas, a worldwide leader in the wind energy sector. In Wales, the company chosen to construct the Cefn Croes plant was General Electric Wind Energy. In Scotland the suppliers comprise: Enercon for the Boyndie and Ben Aketil wind farms, and Nordex for the Earlsburn, Millennium and Kilbraur wind farms. In Italy, Nordex supplied the turbines for the Minervino Murge wind farm and those for the north crest of the San Sostene farm; General Electric supplied the turbines installed on the south crest of San Sostene, while Enercon will supply 69 turbines for the Buddusò e Alà dei Sardi wind farm. Falck Renewables also uses the services of specialist companies for the certification of the wind potential of wind farms, for micro-siting and for the supervision of the contractors during the construction and commercial operations stages.

Some companies request the support of local developers for the development activities. This support includes dealing with the environmental impact of the project and carrying out authorisation procedures.

TONS OF CO_2 AVOIDED	2006	2007	2008	2009
Ben Aketil	na	795	30,009	32,680
Boyndie	9,485	17,190	18,470	16,039
Cefn Croes	65,043	68,070	79,702	62,307
Earlsburn	na	22,271	35,308	46,010
Cabezo San Roque	19,758	24,058	18,830	19,166
La Carracha e Plana de Jarreta*	79,309	96,750	73,885	73,683
Kilbraur	na	na	19,426	54,094
Millennium	na	na	21,115	63,511
Minervino Murge	na	na	6,198	45,932
Les Cretes	na	na	na	1,080
Le Fouy	na	na	na	1,080
Esquennoy	na	na	na	1,071
San Sostene (South crest)	na	na	na	16,196
Total	**173,595**	**229,134**	**302,943**	**432,847**

*26% holding

5.1.3 The local community

Falck Renewables has adopted an operations management policy whereby it involves the local community as privileged interlocutor not only during the initial development process but also during the plant construction and operations phases. This aim is achieved through close consultation with local representatives during the planning and authorisation stages, and through initiatives such as the organisation of school visits and meetings, during the management phase.

The municipalities in which the Group's wind farms are located receive royalties based on the plant's turnover, including both the electrical energy tariff and the green certificates. In this way the local communities participate in the economic benefits arising from operational wind farms. In addition to these royalties, the company has set up other initiatives that benefit the areas where the plants are constructed, such as loans to local benefit associations or trusts involved in local educational, school, cultural and community development initiatives.

The company continued to finance environmental improvement work in the areas surrounding the wind farms: at Cefn Croes, the company annually supports a rural redevelopment plan that includes the safeguarding of a number of animal species and the protection of moorland and ponds. Native birds are monitored at Ben Aketil, in Millennium improvements are carried out to the habitat of the grouse and in Kibraur a preservation plan is to be prepared for the existing habitat.

A suitable habitat has been created at Earlsburn for local bird species. A monitoring project involving the rare native bird (the Lesser Kestrel) is under way at the Minervino Murge site in collaboration with the University of Florence.

For the particularly innovative project of San Sostene, an agreement has been set up with the local authorities to finance a local cooperative that carries out support activities for the wind farm, thus fostering employment in an area with limited job opportunities. As a result, the plant is favourably regarded by the local community, as confirmed by the book "Renewable energies. All the incentives and how to obtain them", written by lawyer and Mayor of San Sostene, Luigi Aloisio, in which the wind farm is mentioned as an example of successful integration both as regards the landscape and the relations with local citizens.

Wind cooperatives in the United Kingdom

A model to be followed

Following the successful experience of Falck Renewables' wind farms, wind cooperatives are being set up everywhere in the UK, especially in Scotland. Through them, the local communities can participate in the benefits of the wind farms built on their land.

Falck Renewables has adopted this integration model with local citizens on more than one occasion: Boyndie, Ben Aketil, Kilbraur and Millennium are an example, yet the model has been used in other entrepreneurial contexts that have recognised the benefits of this new approach adopted for generating renewable energy.

The project scheme is simple: the entrepreneur usually receives a loan from the cooperative of local residents with a fixed interest rate for the useful life of the wind farm and undertakes to pay an amount of money to the cooperative, on a yearly basis, in relation to the revenue made by the wind farms, net of a percentage relating to the operating costs. A variation of this model was used for Earlsburn: in this case Falck Renewables undertook to build a fifteenth turbine and obtained the commitment by the cooperative to cover the investment over the following 15 years. In exchange for this, Falck Renewables, will pay the cooperative of local residents a fifteenth of the revenue resulting from plant operations. The results are quite surprising – around £ 750,000 invested in the cooperative of the Boyndie wind farm, over 800,000 in Ben Aketil, and one million in Kilbraur – to such an extent that Scotland is thinking of setting up a sort of "national" cooperative which may also be shared by people who do not live close to a wind farm.

5.2 Financial partnerships

Throughout these years, Falck Renewables has strengthened its collaboration with leading banks that have accompanied the company's growth from 2002 up to today. At least one transaction per year has been secured, mainly using project financing without recourse.

In 2009, Falck Renewables significantly developed in France, where three new production plants totalling 32 MW were purchased and funded through project financing. The Euro 36 million financial requirement for the three projects was covered by a single financing agreement underwritten with LBBW. At the same time, financing solutions were studied for the development of two important Italian projects in Calabria (San Sostene) – 79.5 MW – and in Sardinia (Buddusò and Alà dei Sardi) – 138 MW.

The financing transaction of the San Sostene farm was secured at the start of 2010: the overall financing amount, based on project financing without recourse, was Euro 150.5 million and was finalised with a pool of six banks coordinated by Efibanca Spa (Gruppo Banco Popolare) and also including Banca Infrastrutture Innovazione e Sviluppo Spa, as Agent

Bank, MPS Capital Services Banca per le Imprese Spa, Centrobanca Spa, Agrileasing Spa and Barclays Bank Plc. With specific reference to the wind sector, the Italian project financing sector, alongside Italian banks, involves a number of foreign banks. Some of these have a long-lasting collaboration with the Group, especially in relation to projects developed in the UK, and both believe in the increasing support by the Italian Government to the Green Certificates market.

5.3 Projects under development

United Kingdom

In partnership with RDC Scotland Limited, one of the most important wind energy project developers in the United Kingdom, Falck Renewables is constructing the Dunbeath, Kingsburn, Nutberry and Cushnie wind farms, corresponding to approximately 100 MW. More generally, the company is working on further 800 MW of projects.

France

Falck Renewables is developing projects for approximately 400 MW in France

Italy

Buddusò e Alà dei Sardi

Construction of the wind farm of Buddusò-Alà dei Sardi in Sardinia is under way in a particularly windy area in the Centre-East of the Island, in the Province of Olbia/Tempio Pausania. The area is highly suitable for the project because it features low vegetation and was chosen for the absence of cork plantations.

Construction is under way and the first turbines, supplied by the German company Enercon, will already be installed during the first half of 2010.

It is expected that 41 out of the 69 turbines will commence operations by the end of 2010, while the remaining 28 will become operative in 2011. In environmental terms, the wind farm will avoid CO2 atmospheric emissions of around 200,000 tons/years, making Sardinia one of the first Italian regions to have met the objectives of the Kyoto Protocol. With an average wind potential of 2400 equivalent hours per year, the plant will be one of the most powerful wind farms in Italy.

Petralia Sottana

Preliminary work commenced on the construction of the Petralia Sottana wind farm in Sicily, located in the Madonie area in the province of Palermo, one of the most suited areas on the island in anemological terms.

The wind farm will have an installed capacity of approximately 27 MW and will result in around Euro 50 million of capital expenditure.

The wind farm at Petralia Sottana will be able to produce clean energy and satisfy the electric needs of 23,000 families, with CO2 emission savings of around 29,000 tons/years,

In addition to the wind parks under construction, the Group is working on a pipeline of projects that are being developed in a number of regions, more precisely: Calabria, Basilicata, Sardinia and Abruzzo for a total of 400 MW. The following activities are under way for these projects: monitoring of wind resource, definition of agreements with Municipalities and technical architecture. Completion of the authorisation procedures is expected for 2011.

Biogas

6.1 Activities and projects

Abbiategrasso Bioenergia Srl obtained the Single Authorisation in 2009 for the construction of a biogas plant with 1 MW capacity, fuelled exclusively by farm products. The company was set up in 2008. It is 58.7% owned by Actagri with the remaining 41.3% owned by farmers involved in the project, and can count upon 160 hectares of land fit for sowing, leased from local farms.

Cereal fodder will be grown on the land and then siloed in trenches at the plant. Once it has been placed inside the digester, the fodder will ferment in the absence of oxygen, for around 60 days, producing methane and a digested material which is rich in organic substance and can be used as fertiliser for crops.
Construction works will start in 2010.

Bioenergie

7.1 Activities and projects

The Falck Group commenced development of the bioenergy sector at the end of 2006, by setting up upstream production phases, i.e. the production of farming raw materials, upon which investments were focused. In 2009 the Group continued the experimentation and development of agri-industrial projects commenced in previous years in Eastern Europe and the Far East, progressively focusing on the Ukraine project.

Ukraine Project

The first harvest on 17,000 hectares took place in 2008. The farming products (wheat, barley, rye, rape, soy and sunflower seeds) were chosen for their seasonality and the need for crop rotation.

In 2009, the sowing was carried out on 22,000 hectares which over the next years will reach around 26,000 hectares of cultivated land when operating full stream. Harvests may be used in the food sector or alternatively in the energy production field.

Capital investment amounted to around Euro 60 million of the total allocated (Euro 70 million), and the machinery and specific tools were purchased locally.

Social and environmental impact

The social and environmental aspect of the operations in the Ukraine is considered positive both in relation to the creation of new jobs and requalification of the land.

Around 250 people, mainly local labourers have been employed, supporting the reduction or containment of the current high unemployment levels in rural areas.

Time was dedicated to staff technical training: the workforce includes a high number of specialised agronomists.

Furthermore, marginal land that was abandoned following division of the USSR due to small landowners lacking in funds to meet the cost of the initial investment required to start cultivation have been requalified.

The company leased the land, through 10-15 year contracts and with returns stipulated by Ukrainian law.

Methodology

The 2009 Social and Environmental Report, which is issued annually, has been prepared based on the Sustainability Reporting Guidelines GRI (Global Reporting Initiative) version G3 application level C and the "Social Reporting Standards" – GBS (Social Reports Study Group) – in relation to the calculation and distribution of Value Added.

As in previous years, the content of the Social and Environmental Report collates the quantitative and qualitative data prepared by management of the key corporate functions and business segments.

The principles of materiality, stakeholder relevance, sustainability and completeness have been applied in accurately defining the content of the report. For the purpose of guaranteeing

the quality of the information provided the principles of balance, clarity, accuracy, timeliness, comparability and reliability have been adopted.

Scope of reporting

The scope of this report comprises Falck SpA, Actelios SpA and Falck Renewables Plc and their subsidiaries[10] that operate in the renewable energy segment (biomass, wind and solar) and waste to energy[11]. Biogas and bioenergy production is in the development stages, consequently principally qualitative information relating to the initiatives that took place up to the end of 2009 has been presented. The scope of reporting does not include the services and other activities segments (please refer to Group structure), as they are not considered significant in terms of their social and environmental impact. The economic, financial and environmental data generally cover the 2007-2009 three year period. The economic and financial information is based on the Group consolidated financial statements. Details of outstanding litigation are disclosed in the statutory financial statements.

Layout of the report

The 2009 social and environmental report follow the layout adopted in the 2008 report. The Falck Group profile comprises: significant events, corporate mission and values, the activities carried out and the plants, the Group structure, a section dedicated to Actelios SpA, corporate governance, quality, environmental and safety management systems, sustainability and strategies, the creation and distribution of Value Added and a section relating to employees.

[10] Calculation of the Group's Human Resources also includes the subsidiaries of Actelios SpA for the development of initiatives regarding the production of biogas.

[11] The scope of reporting comprises the plants controlled by the Group and, in certain cases, investments in plants which are significant in environmental terms (Granarolo dell'Emilia).

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