



# **A2A**

## 2009 Results Conference Call

Milan, March 24th 2010



# Agenda

- 2009 Main financial highlights
- EBITDA Segment Analysis
- From EBITDA to Net Income
- Net debt and Cash Flow
- Scope of consolidation

# 2009 - Main financial highlights

€M data	2008	2009	Change	Change %
<b>NET SALES</b>	6,094	5,910	-184	-3.0%
<b>EBITDA</b>	1,068	1,032	-36	-3.4%
<b>EBIT</b>	699	609	-90	-12.9%
<b>NET INCOME</b>	316	80	-236	-74.7%
<b>NET INCOME ADJUSTED*</b>	316	324*	+8	+2.5%

\* Adjusted for "Fiscal Moratorium"

The variation includes:

- the **expiry of Cip6** incentive for Brescia WTE plant (-61 €M);
- Previous years **specific company equalization** (-45 €M);

	2008	2009	Change
<b>NET CAPITAL EMPLOYED</b>	8,206	9,245	+1,039
<b>NFP</b>	(3,484)	(4,650)	+1,166
<b>EQUITY</b>	4,722	4,595	-127
<b>NFP/EQUITY</b>	0.74x	1.01x	

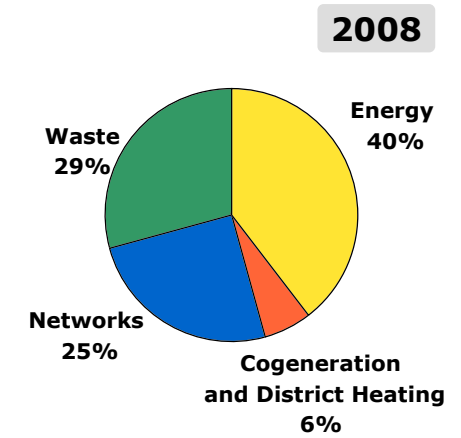
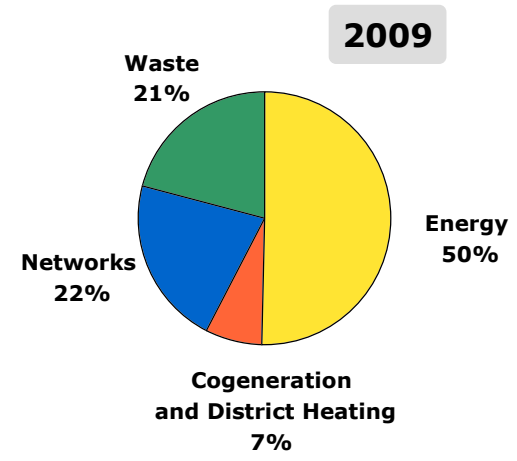
Includes:

- **EPCG, others** (460 €M)
- **E.ON Italia asset swap and other items related** (249 €M)
- **Dividends** (301 €M)
- **Fiscal Moratorium** (284 €M)

# 2009 EBITDA breakdown

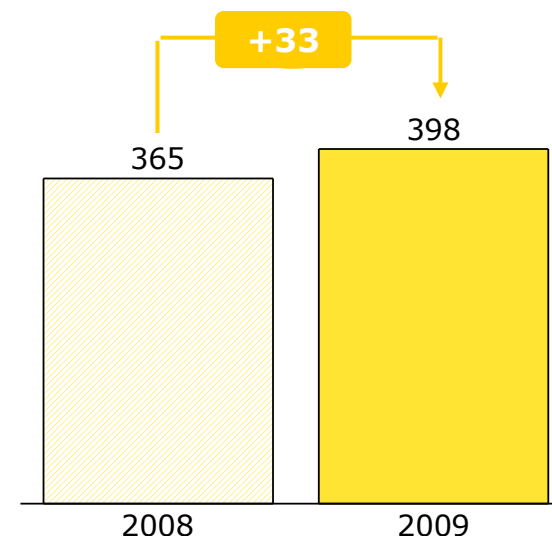
€M data	EBITDA 2008	EBITDA 2009	Δ Vs 2008
<b>ENERGY</b>	433	532	+99
<b>COGENERATION AND DISTRICT HEATING</b>	67	76	+9
<b>WASTE</b>	320	221	-99
<b>NETWORKS</b>	275	227	-48
<b>OTHER (*) SERVICES &amp; CORPORATE</b>	-27	-24	+3
<b>TOTAL</b>	<b>1,068</b>	<b>1,032</b>	<b>-36</b>

## EBITDA BREAKDOWN



# 2009 Results - Energy/Electricity (1/2)

SCENARIO		EBITDA (€M)		
Average data		2008	2009	Var %
<b>Brent</b>	\$/bbl	98.41	62.56	-36%
<b>CO2 System average cost</b>	€/Tonn	22.31	13.33	-40%
<b>Green Certificates System average cost</b>	€/MWh	85.36	85.09	0%
<b>€/€</b>	€/€	1.47	1.39	-5%
<b>Brent €</b>	€/bbl	66.02	44.59	-32%
<b>PUN BL</b>	€/MWh	86.96	63.77	-27%
<b>PUN Peak</b>	€/MWh	112.75	82.36	-27%
<b>PUN Off-Peak</b>	€/MWh	72.48	53.41	-26%
<b>CCGT</b>	€/MWh	67.34	51.90	-23%
<b>Spark Spread CCGT</b>	€/MWh	19.62	11.87	-39%
<b>Spark Spread CCGT vs Peakload</b>	€/MWh	45.40	30.46	-33%
<b>Spark Spread CCGT vs Off-Peak</b>	€/MWh	5.13	1.52	-70%
<b>Spark Spread CCGT- Environmental Costs</b>	€/MWh	16.14	8.64	-46%
<b>Italian electricity demand</b>	GWh	339,481	316,852	-7%
<b>Net Import</b>	GWh	40,034	44,449	11%



## POSITIVE KEY FACTS

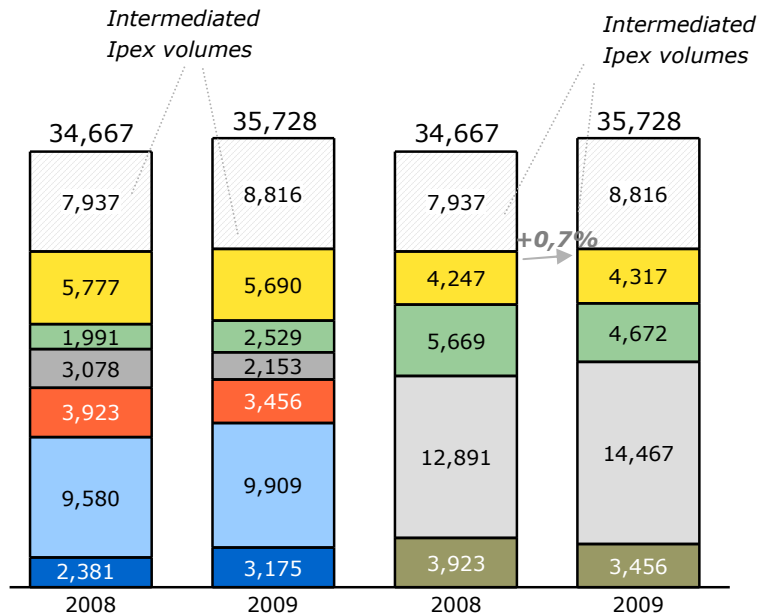
- Increase in hydroelectric production
- Increase in thermoelectric production (Gissi and Monfalcone plants)
- Good performance of CO2 and Green Certificates markets

## NEGATIVE KEY FACTS

- Strong contraction of demand and prices
- Overcapacity and higher import

# 2009 Results - Energy/Electricity (2/2)

## VOLUMES (GWh)



### Sources

- Foreign markets
- Ipex
- Domestic purchases
- Single Buyer
- Thermal
- Hydro

### Uses

- Captive customers
- Eligibles,Wholesales
- Ipex
- Foreign markets

Note: 2008 data reclassified

## GREEN CERTIFICATES POSITION

MWh	2009
A2A Group Production	859,068
A2A Group needs	-366,446
<b>A2A Net position</b>	<b>492,622</b>

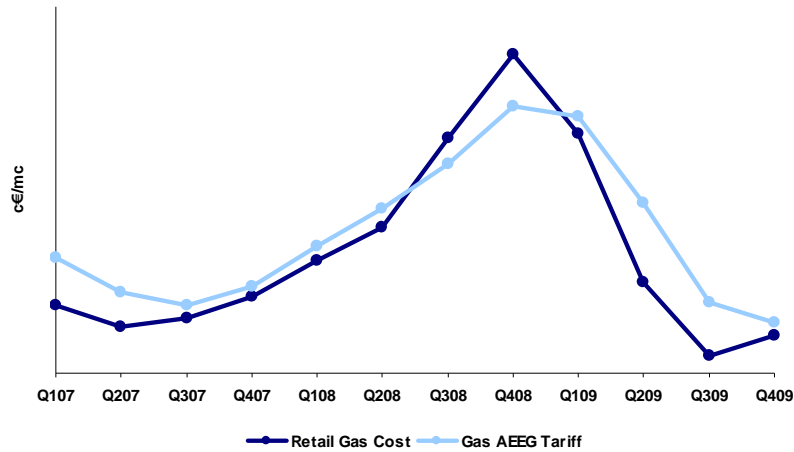
## CO2 POSITION

Kton	2009
A2A Total NAP	7,318
Energy	6,452
Cogeneration and District Heating	734
Waste	132
<b>CO2 Emissions</b>	<b>5,749</b>
Energy	5,101
Cogeneration and District Heating	522
Waste	126
<b>A2A Net position</b>	<b>1,569</b>

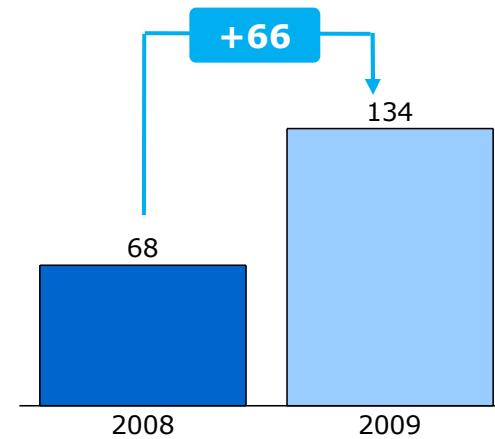


# 2009 Results - Energy/Gas

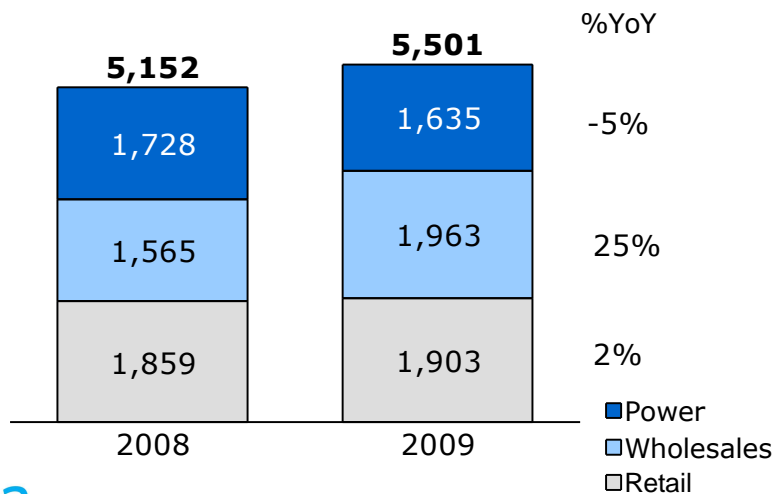
## SCENARIO



## EBITDA (€M)



## VOLUMES (Mcm)

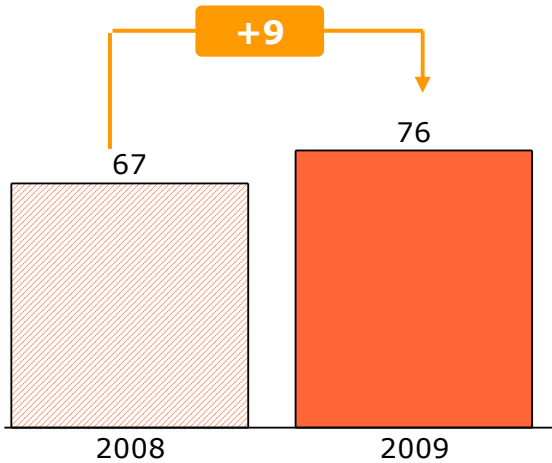


## KEY FACTS

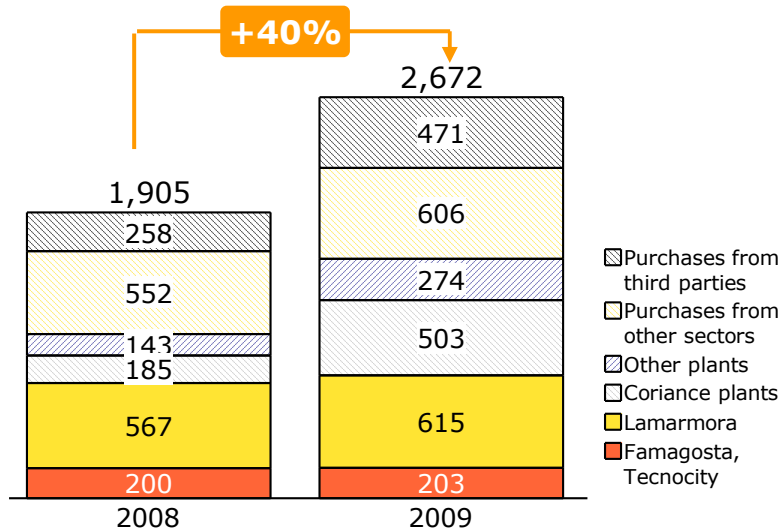
**Increasing profitability due to the impact of scenario on indexation formulas**

# 2009 Results - Cogeneration and District heating

## EBITDA (€M)



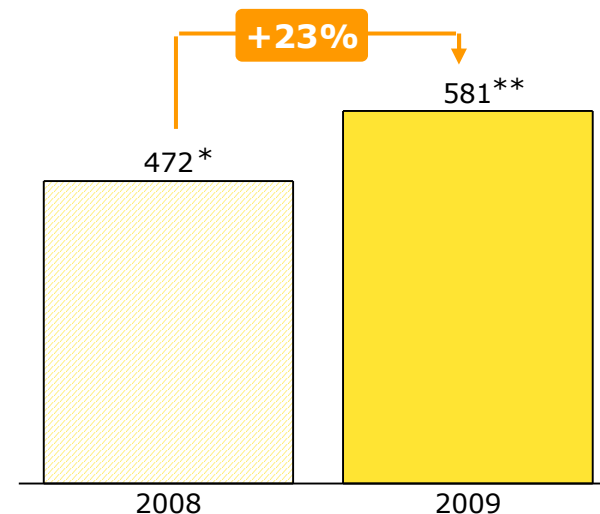
## HEAT VOLUMES (GWht)



## KEY FACTS

- Coriance and Aspem consolidation

## ELECTRICITY (GWh)



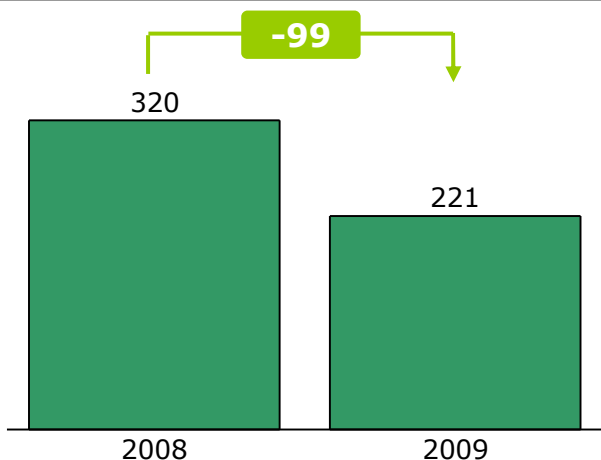
\* of which 105 GWh related to Coriance

\*\* of which 278 GWh related to Coriance and 11 GWh related to Aspem



# 2009 Results - Waste

## EBITDA (€M)

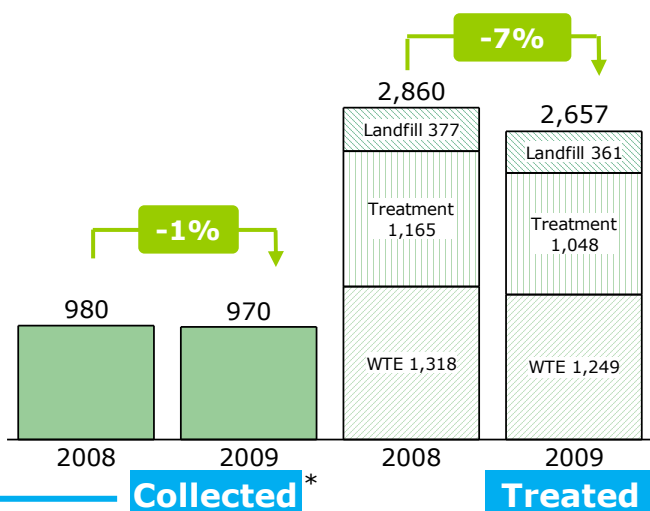


## KEY FACTS

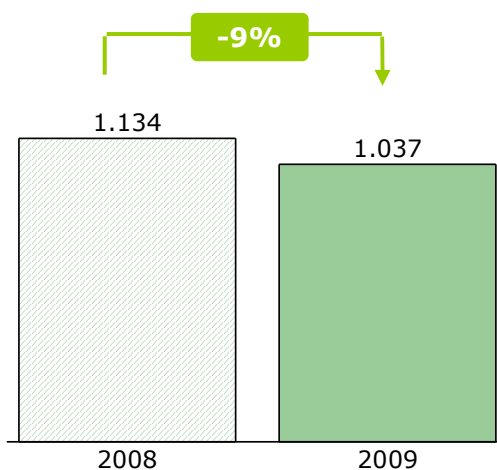
Impact on EBITDA due to:

- expiry of Cip6 incentive for Brescia WTE plant;
- Brescia WTE stop for extraordinary maintenance;
- reduction of industrial waste disposal, partially offset by:
- margin increase of Silla plant, stopped during the same period of 2008 for Denox system installation;
- Aspem consolidation.

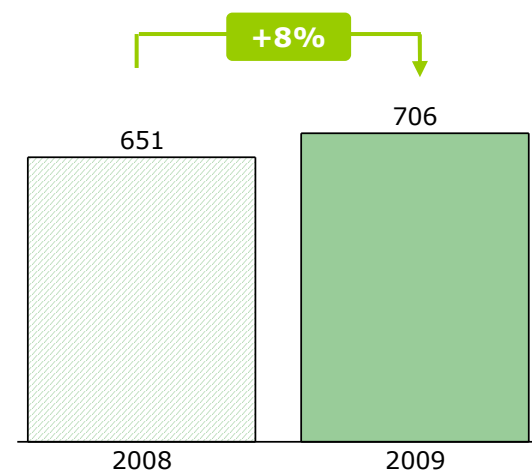
## WASTE VOLUMES (Kton)



## ELECTRICITY (GWh)

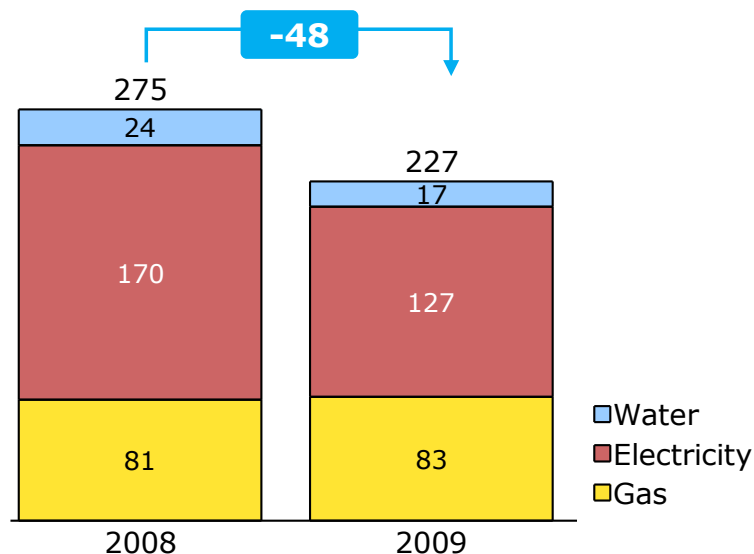


## HEAT PRODUCTION (GWht)



# 2009 Results - Networks

## EBITDA (€M)



## KEY FACTS

### Electricity: -43 €M

One off:

- specific company equalisation related to the distribution network recorded in 2008, covering the 2004-2007 period

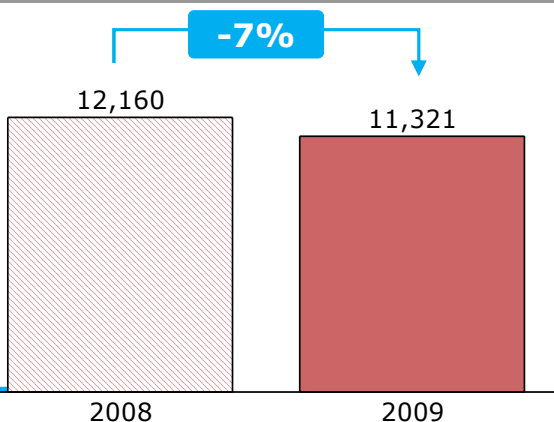
### Gas: +2 €M

Positive impact on EBITDA due to a different method of revenues determination and Aspem contribution, partially offset by non current items

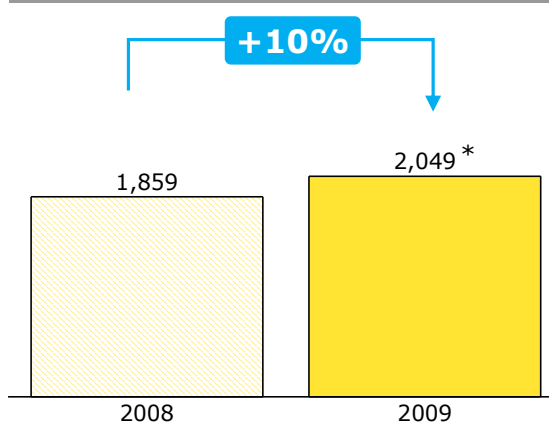
### Water: -7 €M

Impact on EBITDA due to connection fees decrease (ATO decisions) and non current items recorded in 2008

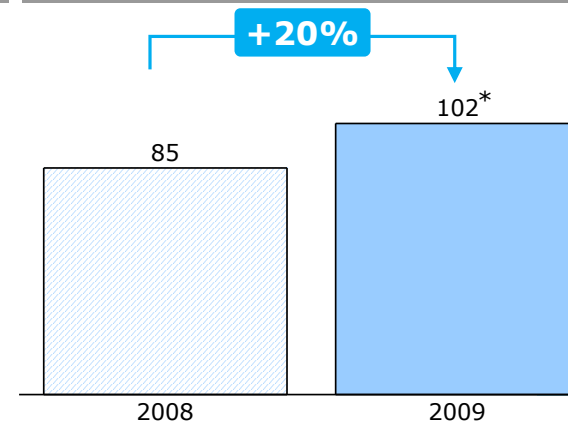
## ELECTRICITY (GWh)



## GAS DISTRIBUTED (Mmc)



## WATER (Mmc)



## 2009 - From EBITDA to Net Income (1/2)

€M data	2008	2009	Change	Key point
<b>EBITDA</b>	<b>1,068</b>	<b>1,032</b>	<b>-36</b>	
<b>D&amp;A, Write Downs and Provisions</b>	<b>-369</b>	<b>-423</b>	<b>-54</b>	<i>Gissi, E.ON acquisition, Change in perimeter</i>
<b>Financial charges</b>	<b>-181</b>	<b>-243</b>	<b>-62</b>	<i>Debt increase, interest rate reduction, 118 M€ Fiscal Moratorium 96-99</i>
<b>Derivatives/others</b>	<b>-19</b>	<b>-35</b>	<b>-16</b>	
<b>Associates and JV and others</b>	<b>+60</b>	<b>+68</b>	<b>+8</b>	<i>TdE, Edipower and others</i>
<b>Others</b>	<b>+13</b>	<b>-166</b>	<b>-179</b>	<i>Fiscal Moratorium (AEM and ASM 96-99)</i>
<b>EBT</b>	<b>572</b>	<b>233</b>	<b>-339</b>	

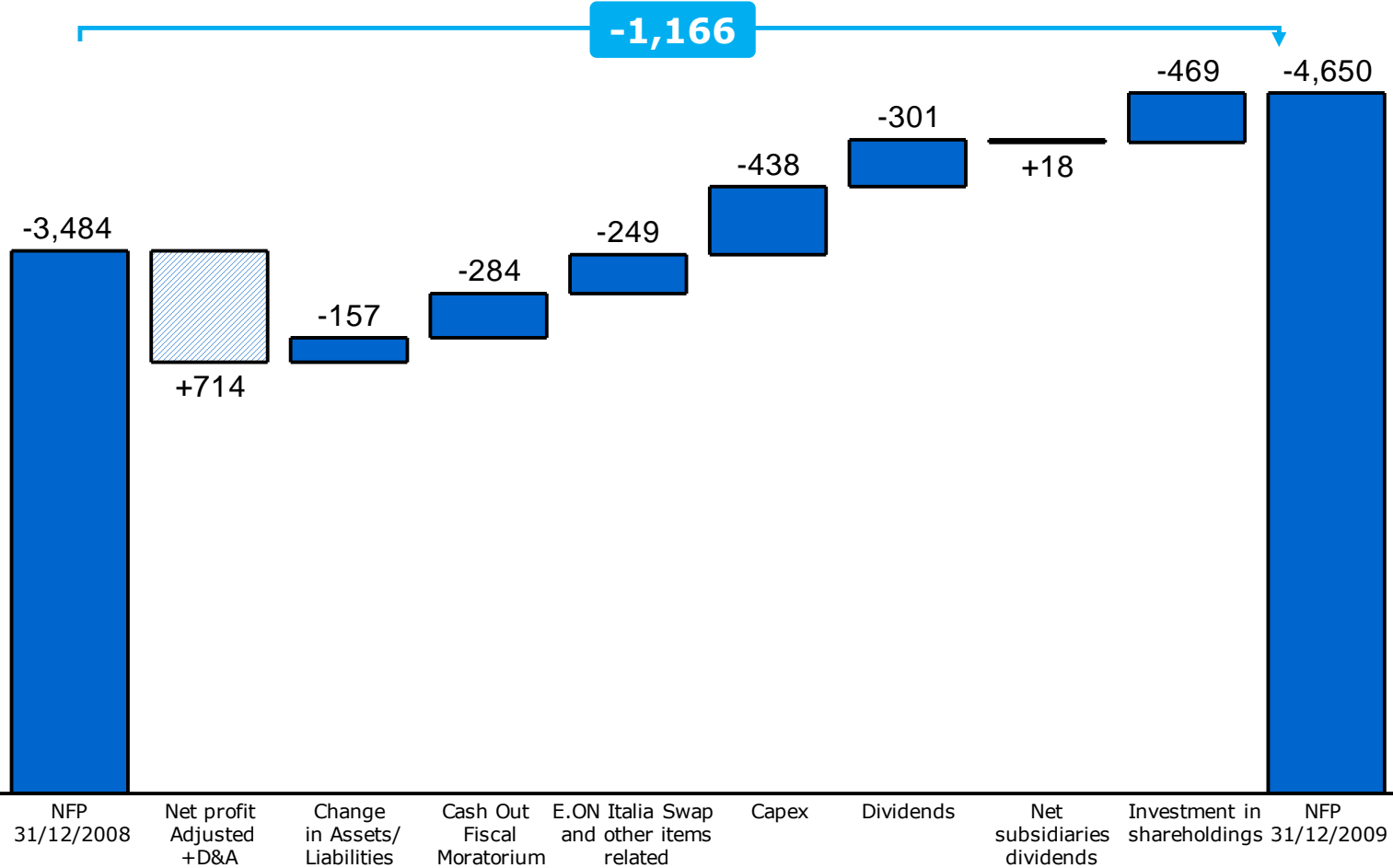
## 2009 – From EBITDA to Net Income (2/2)

€M data	2008	2009	Change	Key point
<b>EBT</b>	<b>572</b>	<b>233</b>	<b>-339</b>	
<b>TAXES</b>	<b>-227</b>	<b>-145</b>	<b>+82</b>	
<b>IFRS 5</b>	<b>2</b>	<b>19</b>	<b>+17</b>	<i>Alpiq dividend and E.ON Italia asset swap capital gain</i>
<b>MINORITIES</b>	<b>-31</b>	<b>-27</b>	<b>+4</b>	<i>TdE and Plurigas</i>
<b>NET INCOME</b>	<b>316</b>	<b>80</b>	<b>-236</b>	
<b>NET INCOME ADJUSTED*</b>	<b>316</b>	<b>324*</b>	<b>+8</b>	

\* Adjusted for "Fiscal Moratorium"

# 2009 – Net Debt and Cash Flow

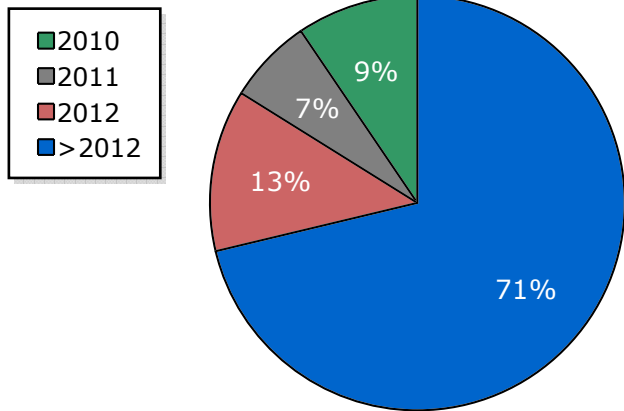
€M data



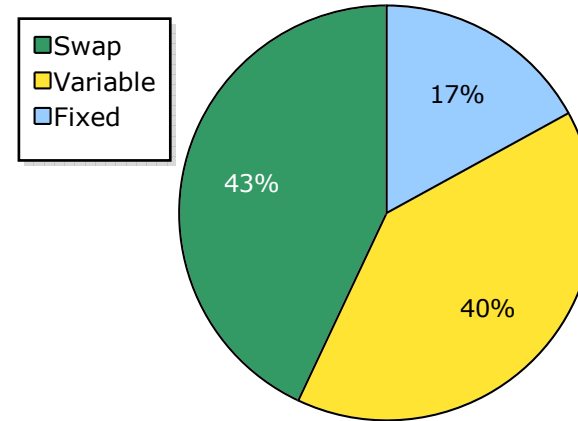
# Group Financial structure

## Total debt - Maturity

DEBT MATURITY (Dec 2009)

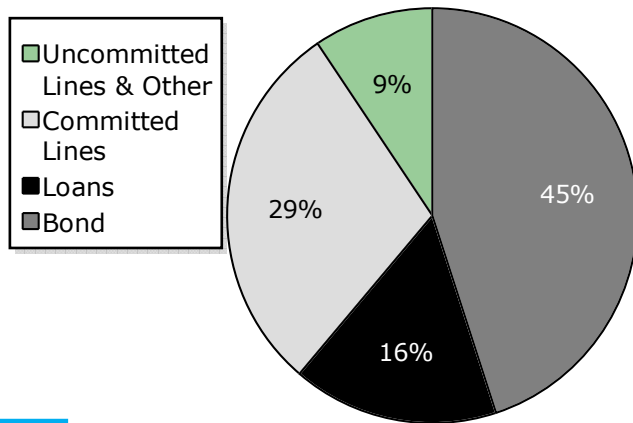


DEBT BREAKDOWN BY INTEREST

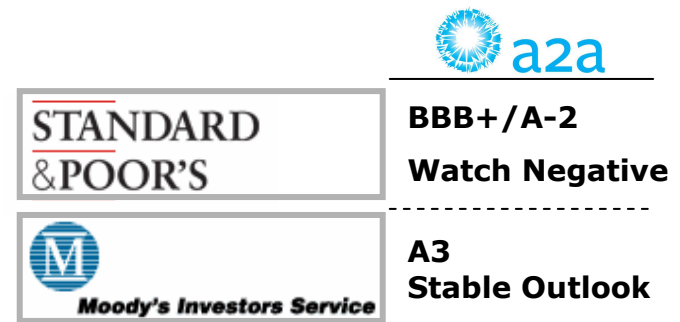


**TOTAL DEBT: 4.7 €B - AVG. MATURITY: 4.6 YEARS – UNDRAWN LINES: 1.8 €B – 2009 AVG. RATE 2.84%**

DEBT BREAKDOWN



COMPANY'S CREDIT RATING



# 2009 - Scope of consolidation

	<u>2009</u>			<u>2008</u>		
	<b>CONSOLIDATED ON .. BASIS</b>	<b>INCOME STATEMENT</b>	<b>NET RESULT</b>	<b>CONSOLIDATED ON .. BASIS</b>	<b>INCOME STATEMENT</b>	<b>NET RESULT</b>
<b>A2A subsidiaries</b>	<i>Line by line</i>	<i>100%</i>	<i>100%</i>	<i>Line by line</i>	<i>100%</i>	<i>100%</i>
<b>A2A Coriance <sup>(1)</sup></b>	<i>Line by Line</i>	<i>100%</i>	<i>98.8%</i>	<i>Line by line</i>	<i>100%</i>	<i>98.8%</i>
<b>ASPEM <sup>(2)</sup></b>	<i>Line by Line</i>	<i>100%</i>	<i>90.0%</i>	-	-	-
<b>Alpiq <sup>(3)</sup></b>		<i>IFRS 5</i>			<i>Available for sale</i>	

(1) acquired on 1° August 2008

(2) acquired on 15° January 2009

(3) Shareholding equal to 5.16%