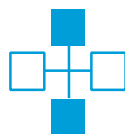




9M 2016 RESULTS

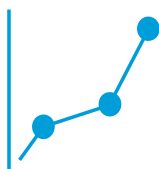


Milan, November 10th, 2016



RESTRUCTURE

- **A2A Gencogas: First part of Chivasso plant flexibility program completed**
- Integration of Edipower Hydro plants and A2A Trading into A2A, **to be completed by December 31**
- Consultation by the Italian TSO on **capacity market** (1st implementation) 1st auction is foreseen in 2017 and delivery in 2018; **flexible plants are privileged** in the merit order in case of oversupply



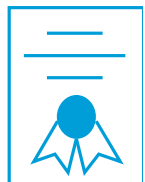
RELAUNCH

- Integrated Water Cycle tariff +8.5% YoY (instead of +6.5%) for period 2012-15 and 2016-19
- A2A acquired **Rieco-Resmal Group** to consolidate its leading position in the environmental sector and "circular economy"
- **On August 4th signing of business partnership between the shareholders of LGH and A2A** (51% stake acquisition)



RESHAPE

- 75% stake acquisition in **Consul System S.p.A.**, the **largest independent Italian ESCo**
- Partnership with Magaldi Group for **development of thermodynamics solar system (STEM®) in Italy**



DISCIPLINE, DIALOGUE & DIGITAL

ADDITIONAL PROJECTS

Discipline:

- **Lean Project ongoing** in several functional units, many **operational efficiencies** already achieved; full roll-out across the Group starting in 2017 is being considered
- **LGH synergies** will be supported by the introduction of the **EN&A** methodology already applied to A2A
- **15-year 95 €M loan agreement** signed with the European Investment Bank (EIB) to finance the **investment program in the integrated water cycle**

Dialogue:

- 2 new multistakeholder forums and 3 Territorial Sustainability reports (Brescia, Bergamo, Valtellina-Valchiavenna)
- **Smart Working:** Pilot Phase 1 ongoing, **adherence rate 80%**
- **Digital transformation of customer services:** partnership with **Qurami app developer to reduce front office queuing**; new online customer area compatible with smartphones and tablets devices

-
- **Business Unit "Estero": technological MOUs** with strong partners were signed as main drivers for Business Development

9M 2016 CONSOLIDATED RESULTS

HIGHLIGHTS OF THE PERIOD



+

-

Vs
9M 2015

CCGT Ebitda Positive

Regulated Components Retail

Hydroelectric production

2007-2011 IWC balance

San Filippo del Mela «Merchant»

Fixed Costs

Energy Scenario
(despite positive hedging)

San Filippo del Mela «Must Run»

Trading portfolio

Gas and Electricity
allowed revenues

9M 2016 vs 9M 2015 Consolidated Results

9M 2016 VS 9M 2015 RESULTS

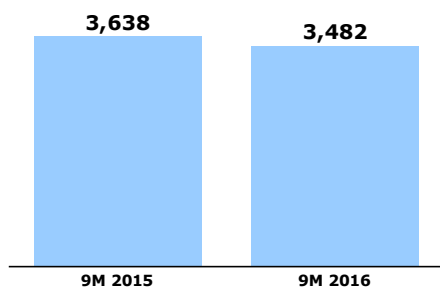
CONSOLIDATED RESULTS



€M

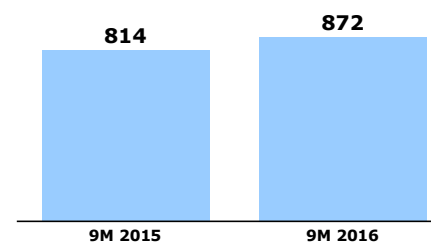
REVENUES

-4%



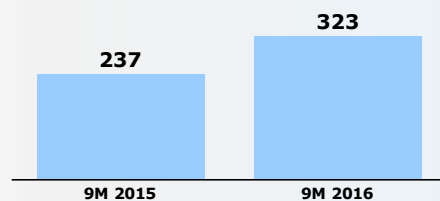
EBITDA

+7%



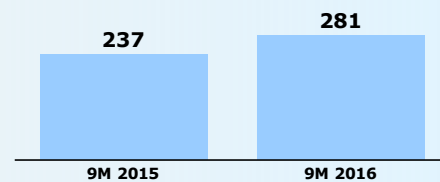
GROUP NET INCOME

+36%



GROUP ORDINARY NET INCOME*

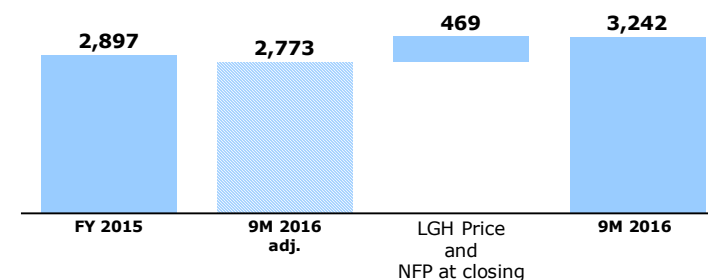
+44€M



NET FINANCIAL POSITION

+345€M

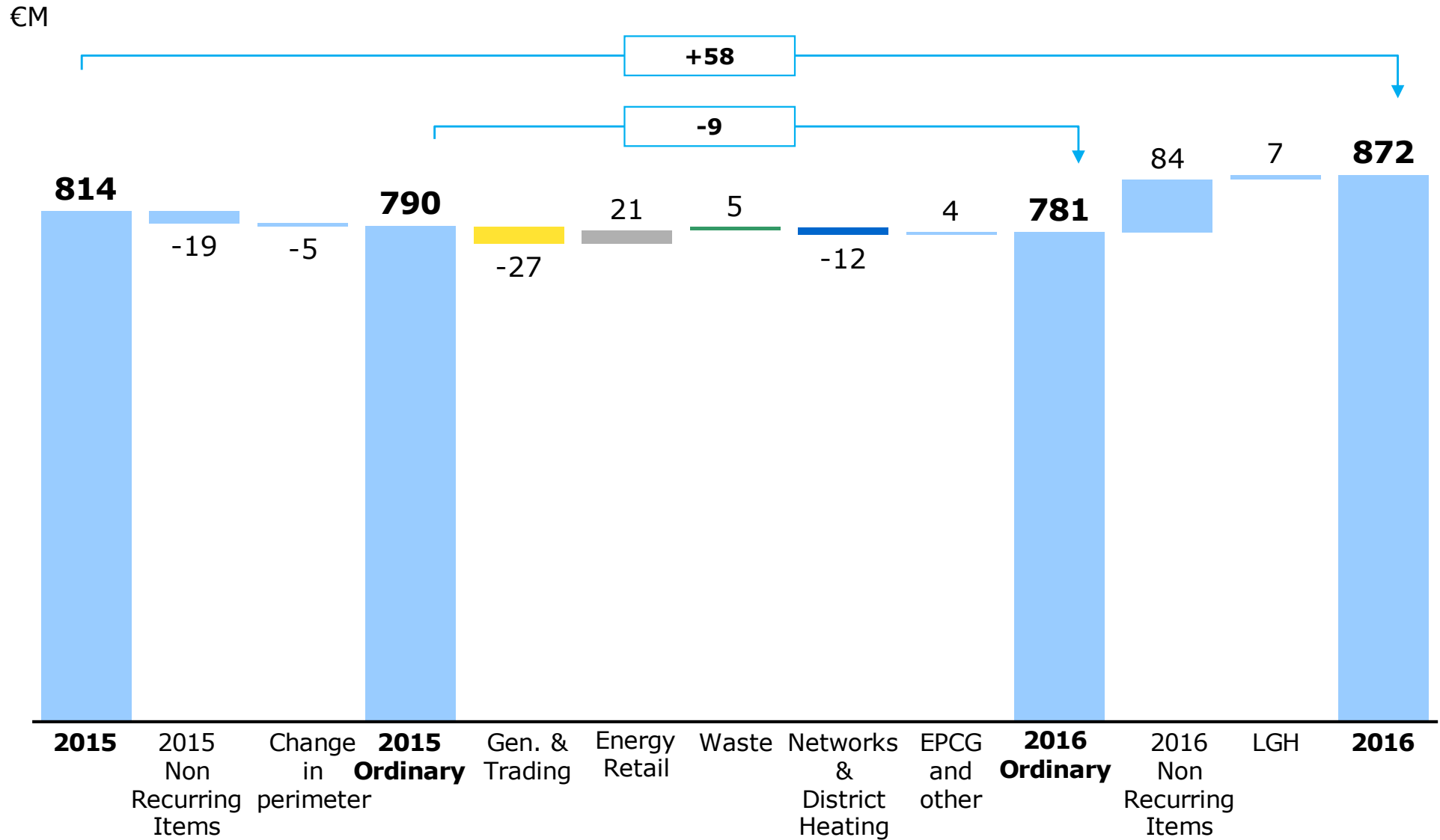
-124€M



* Excluding extraordinary items related to Edipower Non Proportional Demerger

9M 2016 VS 9M 2015 RESULTS

GROUP EBITDA

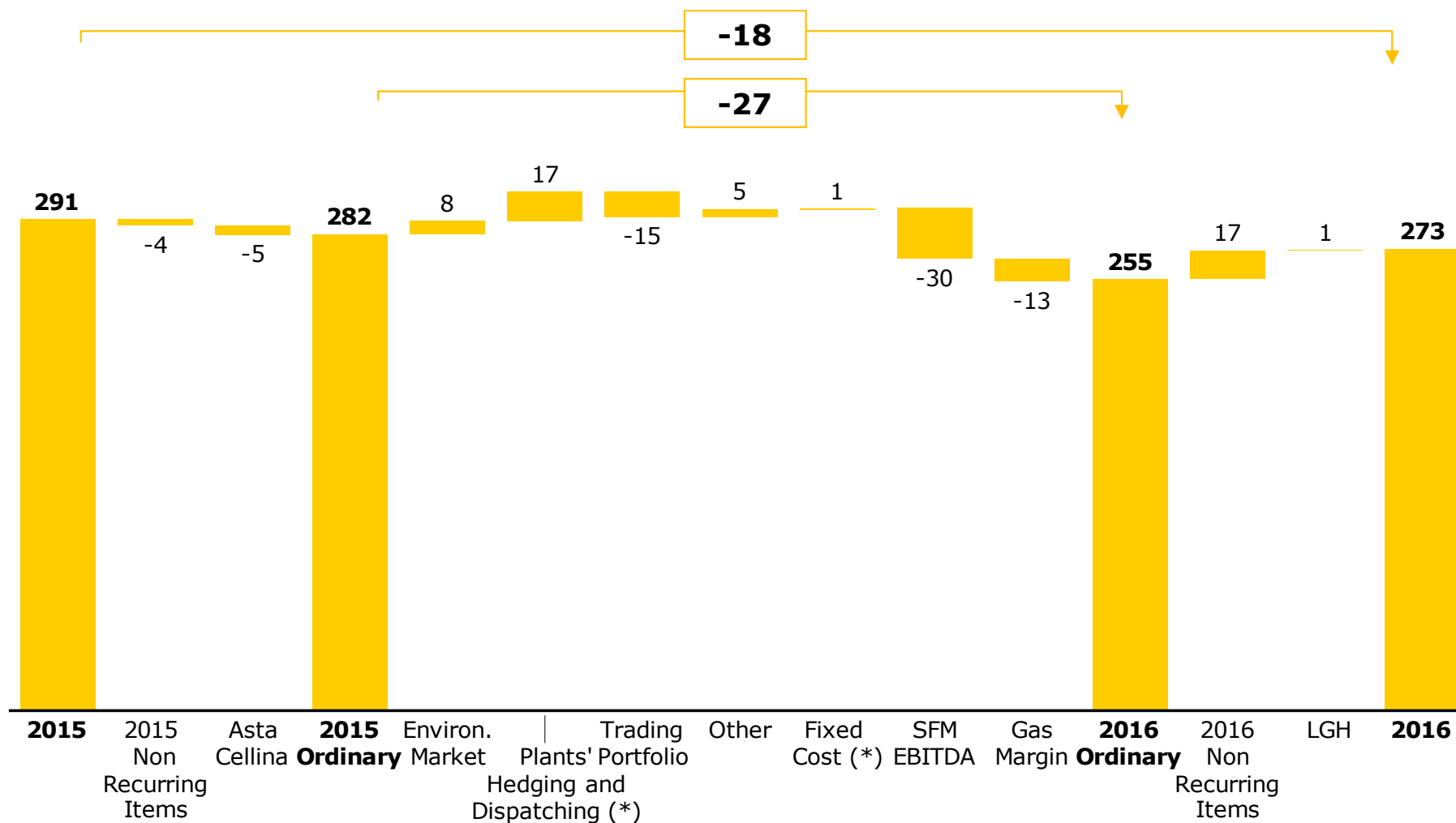


9M 2016 vs 9M 2015 RESULTS

FOCUS ON GENERATION & TRADING EBITDA



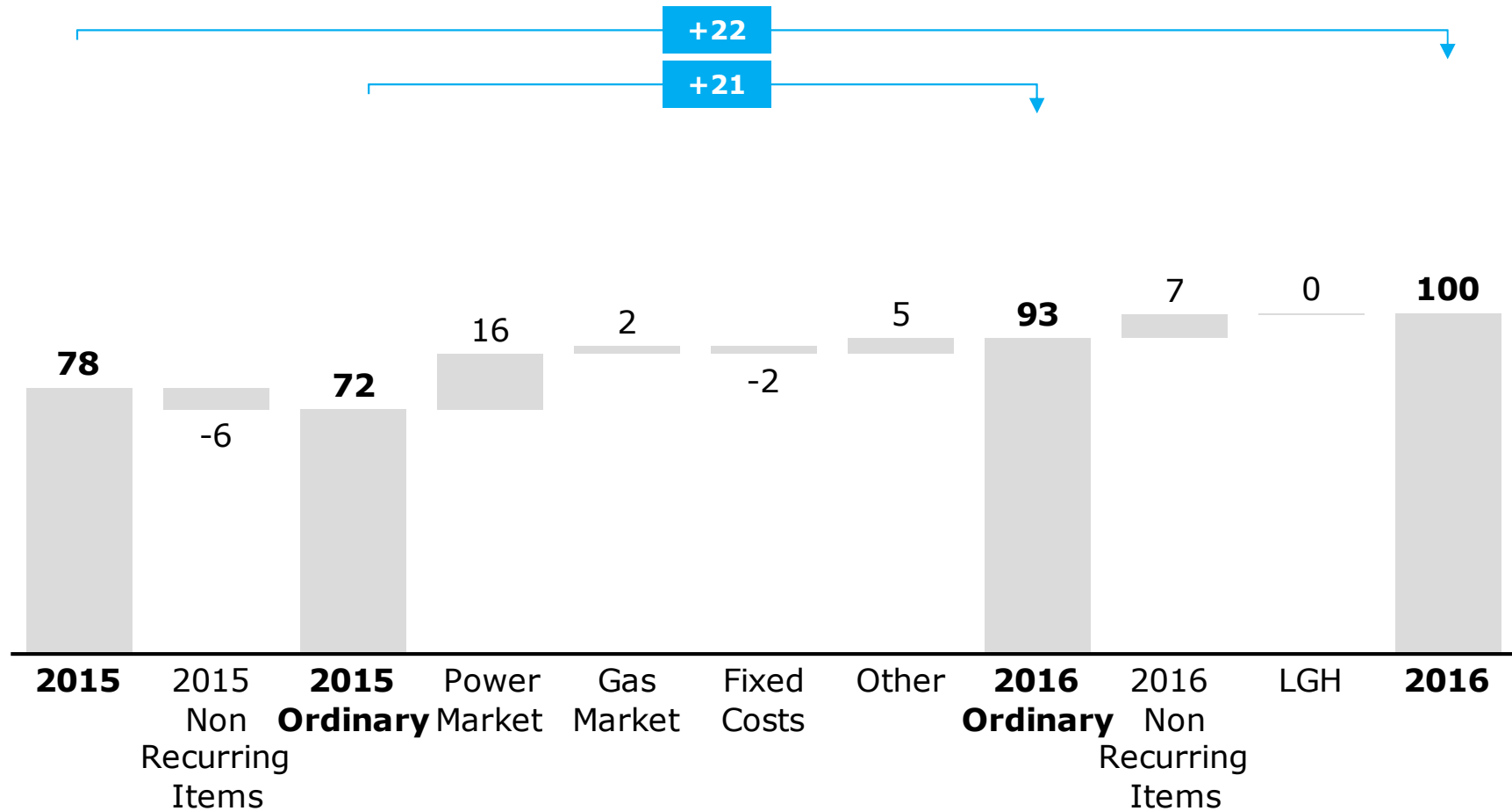
€M



(*) Includes San Filippo del Mela merchant

9M 2016 vs 9M 2015 RESULTS

FOCUS ON ENERGY RETAIL EBITDA

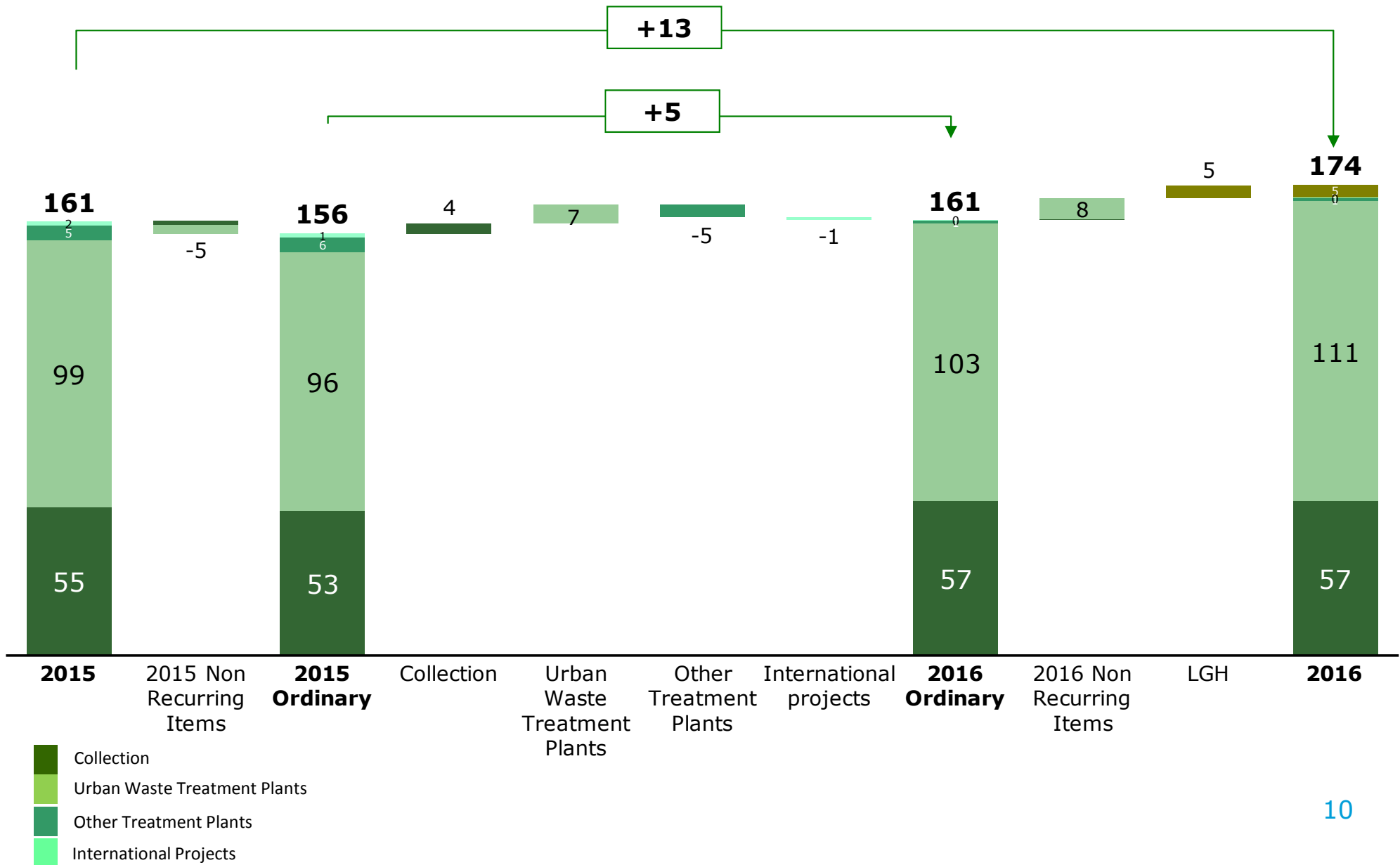


9M 2016 VS 9M 2015 RESULTS

FOCUS ON WASTE EBITDA



€M

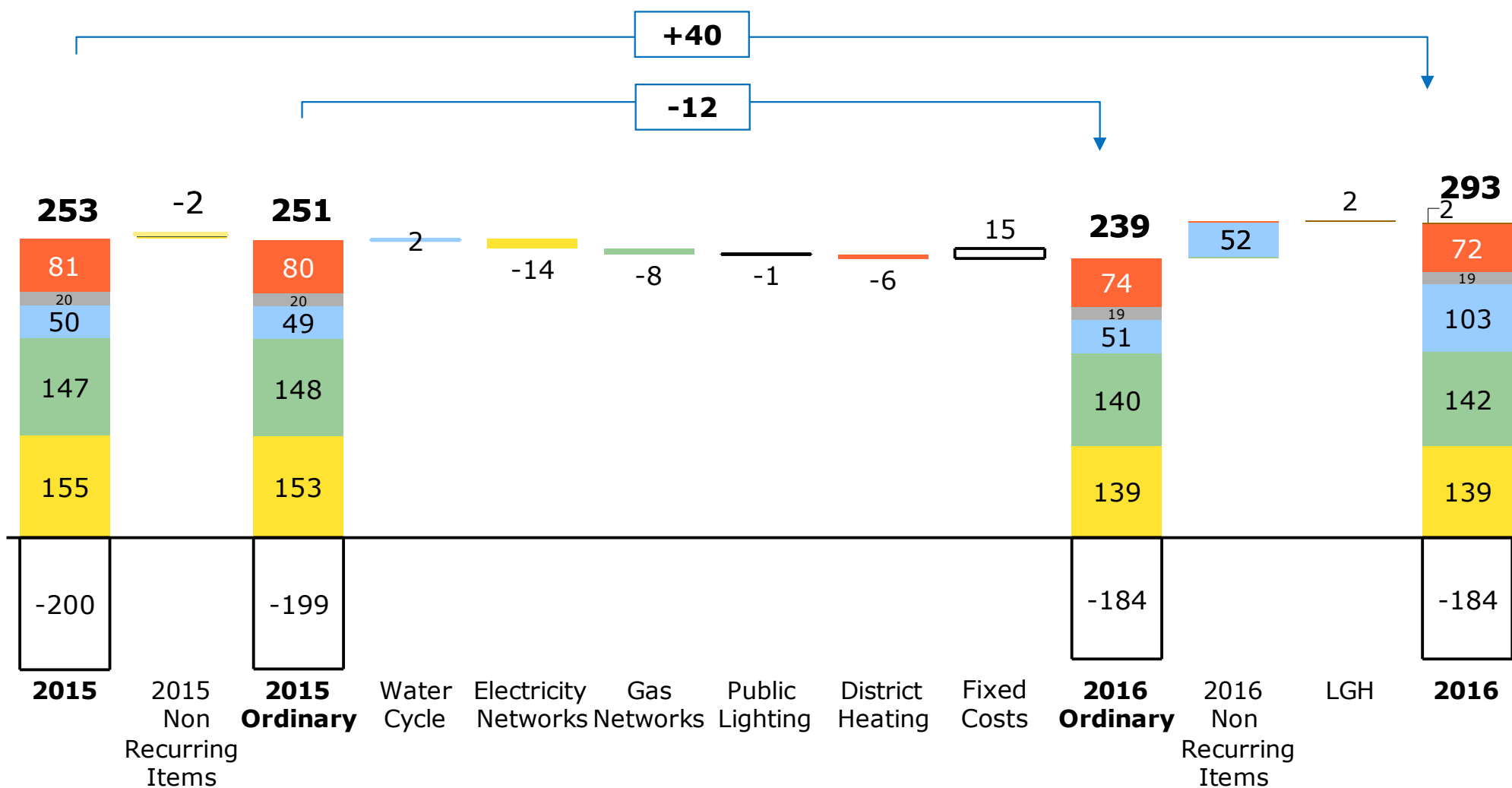


9M 2016 VS 9M 2015 RESULTS

FOCUS ON NETWORKS AND DISTRICT HEATING EBITDA



€M

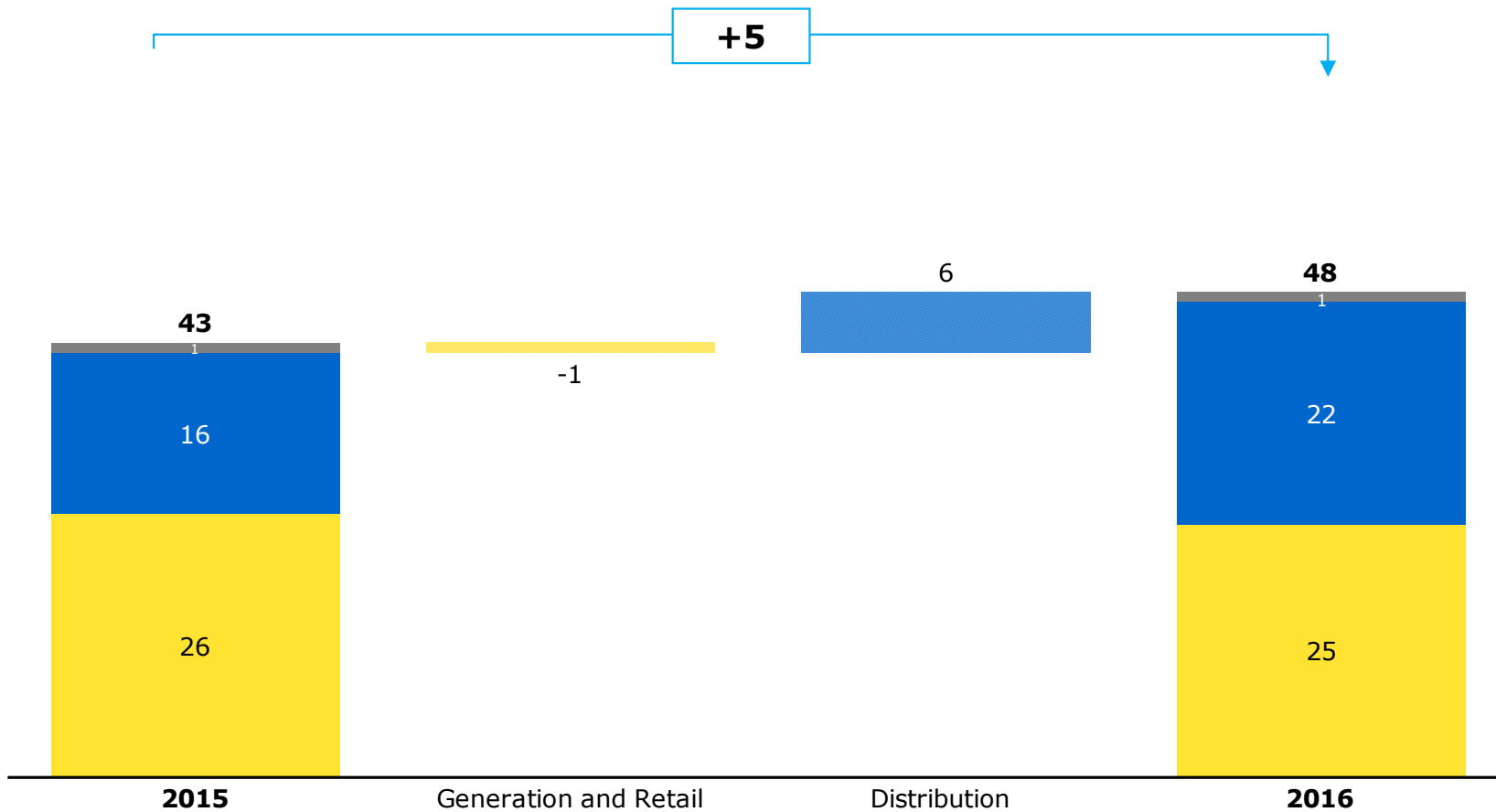


9M 2016 VS 9M 2015 RESULTS

FOCUS ON EPCG EBITDA



€M



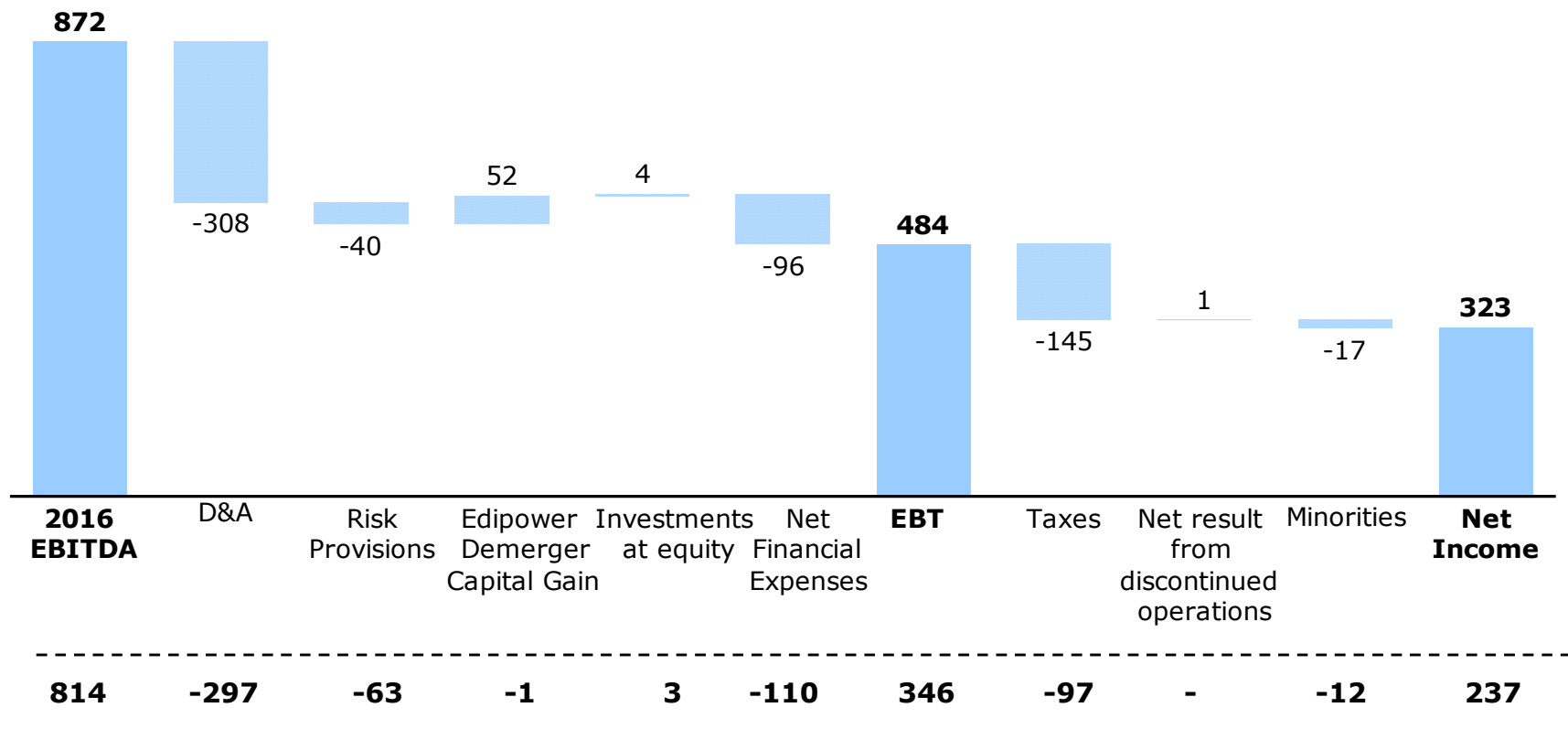
- Energy
- Distribution
- Other

9M 2016 VS 9M 2015 RESULTS

FROM EBITDA TO GROUP NET INCOME



€M

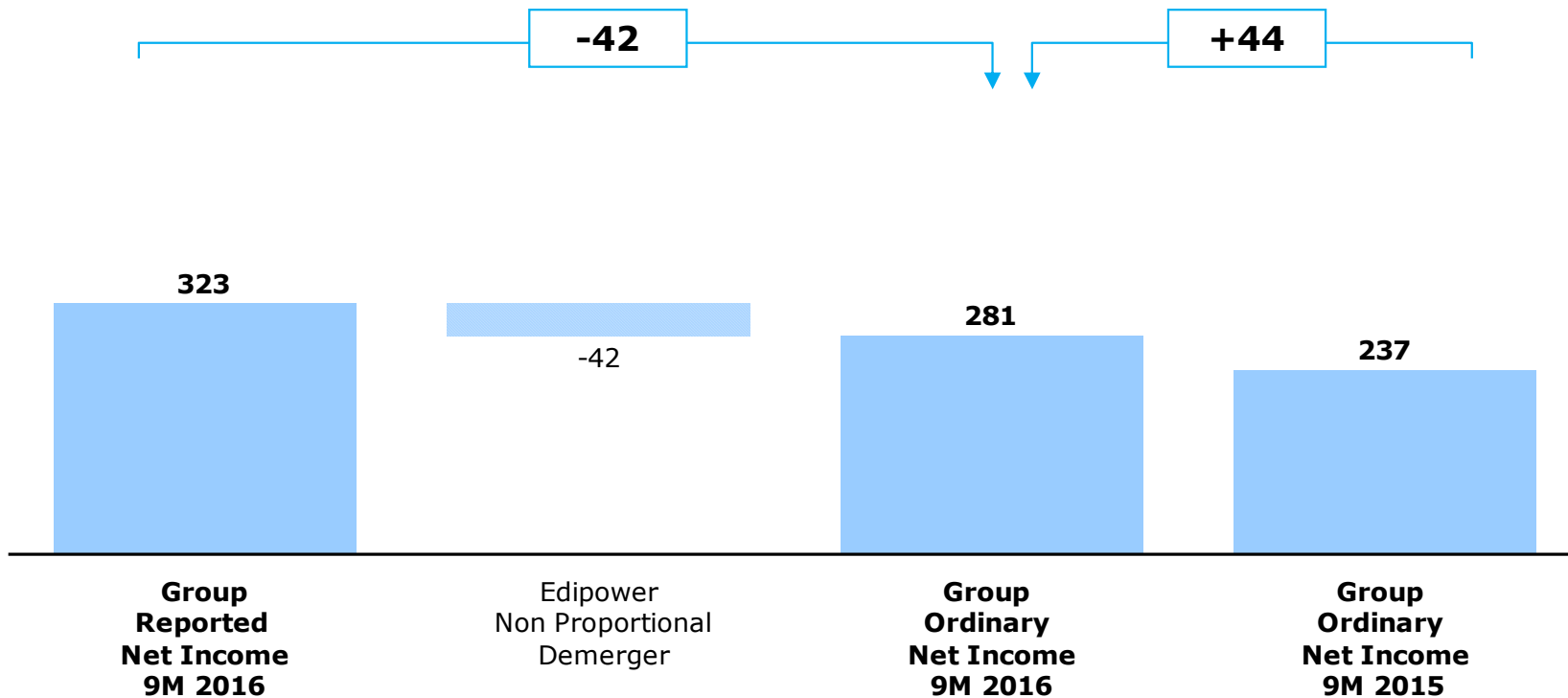


9M 2016 VS 9M 2015 RESULTS

FROM GROUP NET INCOME TO GROUP ORDINARY NET INCOME



€M



9M 2016 VS 9M 2015 RESULTS

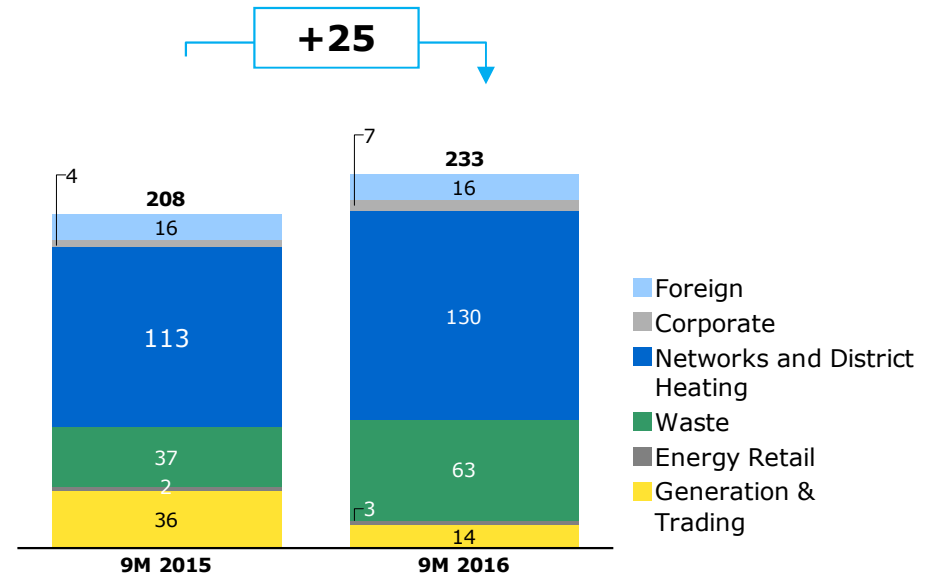
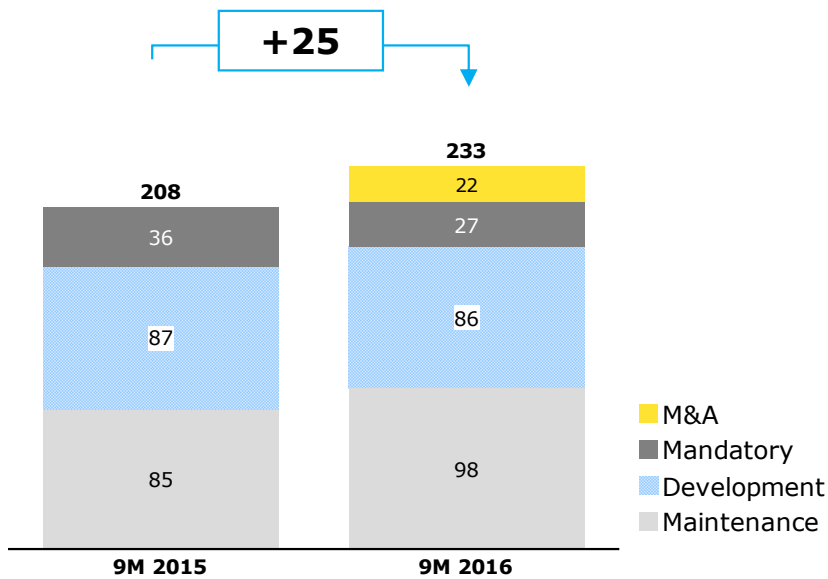
CAPEX



€M

BREAKDOWN BY ACTIVITY

BREAKDOWN BY BUSINESS

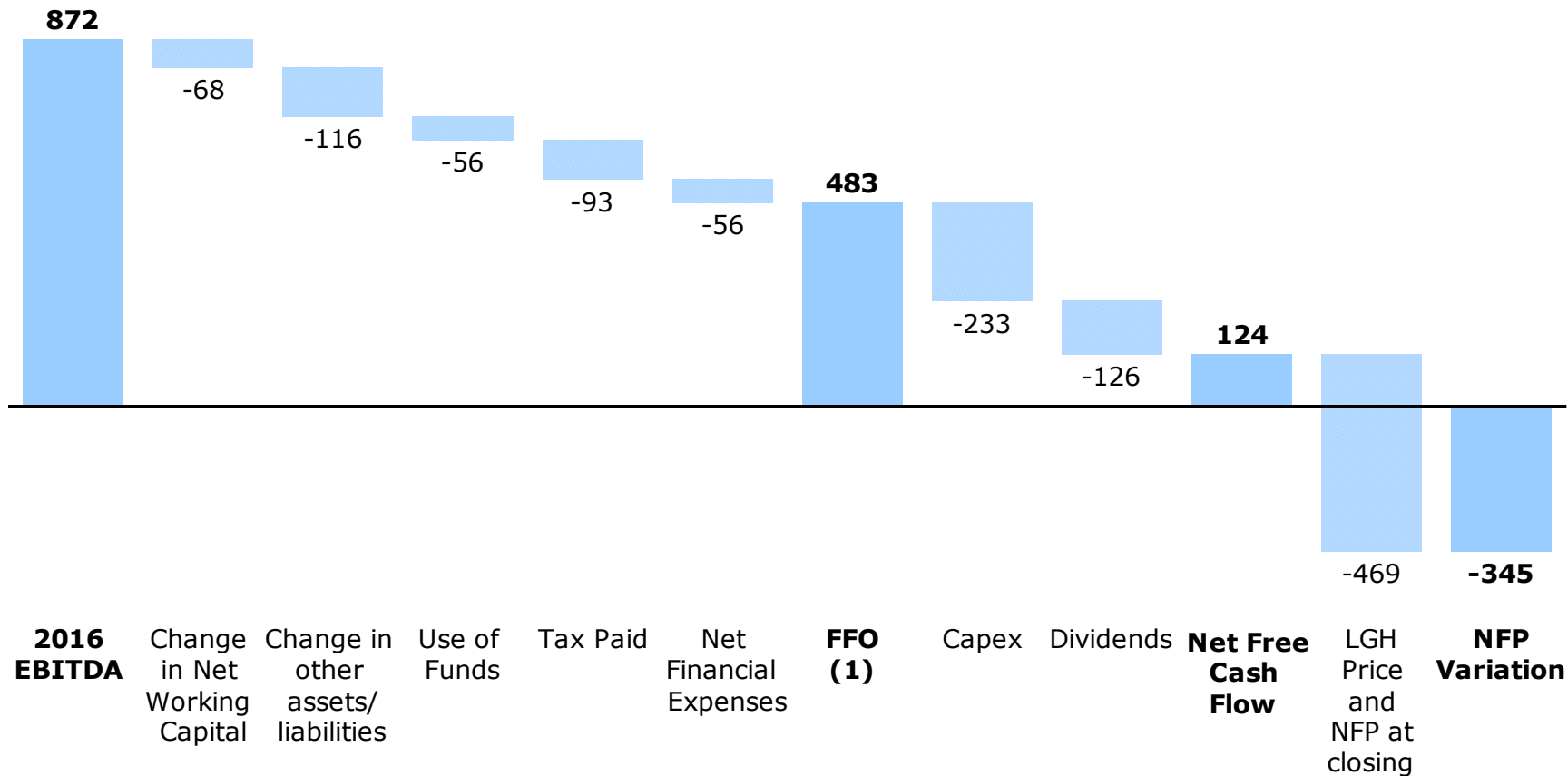


9M 2016 VS 9M 2015 RESULTS

NET FREE CASH FLOW



€M



(1) Funds from operations after working capital change

Annexes

9M 2016 VS 9M 2015 RESULTS

CONSOLIDATED RESULTS: P&L*



€M	9M 2015	9M 2016	CHANGE	%
REVENUES	3,638	3,482	-156	-4.3%
EBITDA	814	872	+58	+7.1%
D&A	(297)	(308)	-11	+3.7%
Provisions	(63)	(40)	+23	-36.5%
EBIT	454	524	+70	+15.4%
Net Financial Expenses	(110)	(96)	+14	-12.7%
Associates & JV	3	4	+1	+33.3%
Result from non recurr. transactions	(1)	52	+53	n.a.
EBT	346	484	+138	+39.9%
Taxes	(97)	(145)	-48	+49.5%
Net result from discontinued operations	-	1	+1	n.a.
Minorities	(12)	(17)	-5	+41.7%
GROUP NET INCOME	237	323	+86	+36.3%

*P&L includes 2 months (august-september 2016) of LGH consolidation

9M 2016 VS FY 2015 RESULTS

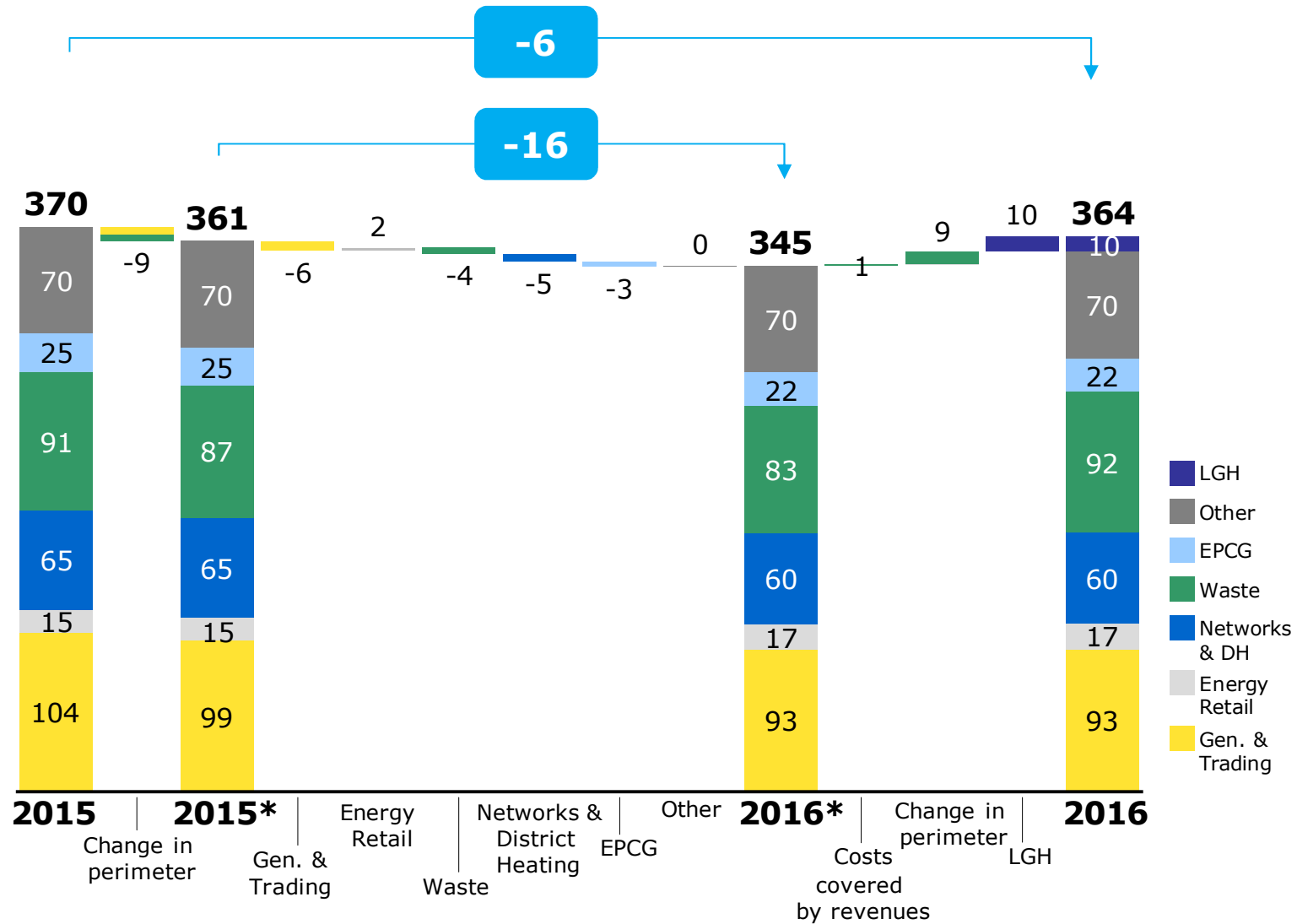
CONSOLIDATED RESULTS: BALANCE SHEET



€M	FY 2015	9M 2016	%
Tangible Assets	5,067	5,302	+4.6%
Intangible Assets	1,348	1,684	+24.9%
Shareholdings and Other Non Current Financial Assets	80	88	+10.0%
Other Non Current Assets/Liabilities	(66)	(83)	+25.8%
Deferred Tax Assets and Liabilities	308	283	-8.1%
Provisions for Risks, Charges and Liabilities for landfills	(576)	(660)	+14.6%
Employee Benefits	(332)	(366)	+10.2%
NET FIXED CAPITAL	5,829	6,248	+7.2%
Inventories	184	186	+1.1%
Trade receivables and other current Assets	1,652	2,124	+28.6%
Trade payables and other current Liabilities	(1,684)	(1,961)	+16.4%
Current tax Assets/Liabilities	28	11	-60.7%
WORKING CAPITAL	180	360	+100.0%
Non current Assets /Liabilities held for sale	147	2	n.a.
TOTAL CAPITAL EMPLOYED	6,156	6,610	+7.4%
Equity	3,259	3,368	+3.3%
Net Financial Position	2,897	3,242	+11.9%
TOTAL SOURCES	6,156	6,610	+7.4%

9M 2016 VS 9M 2015 RESULTS

EXTERNAL COSTS



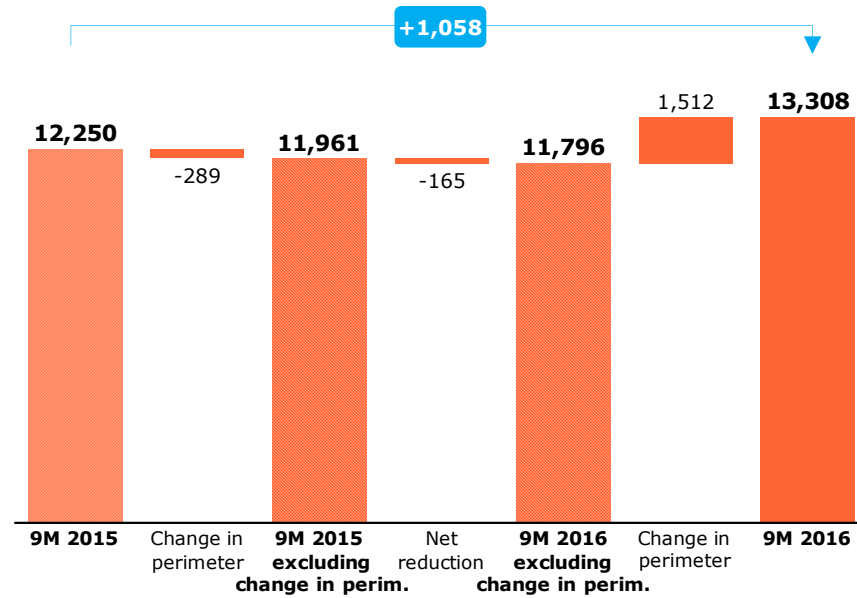
(*)2016 and 2015 excluding change in perimeter and costs covered by revenues

9M 2016 VS 9M 2015 RESULTS

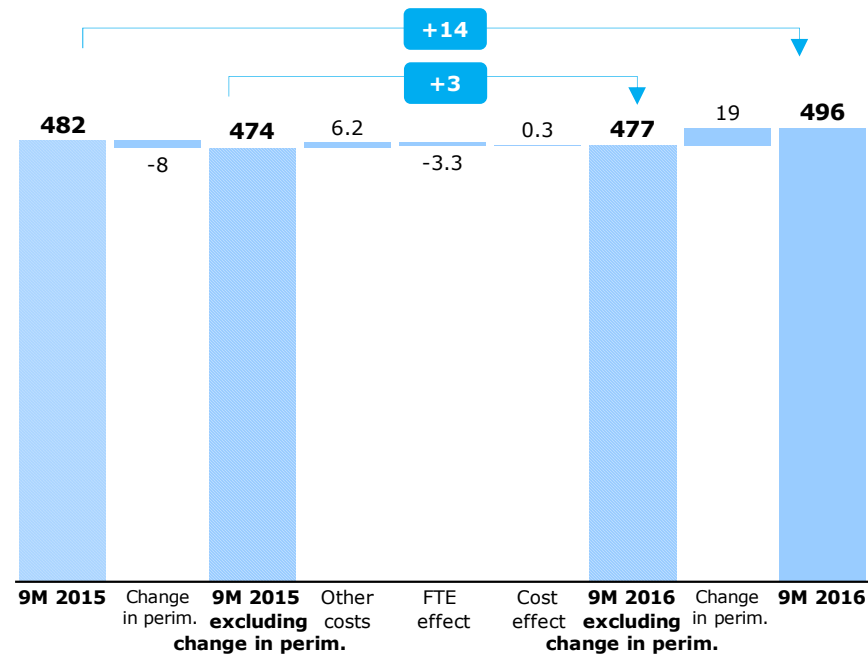
LABOUR COSTS



FTE(1)



LABOUR COSTS (€M)



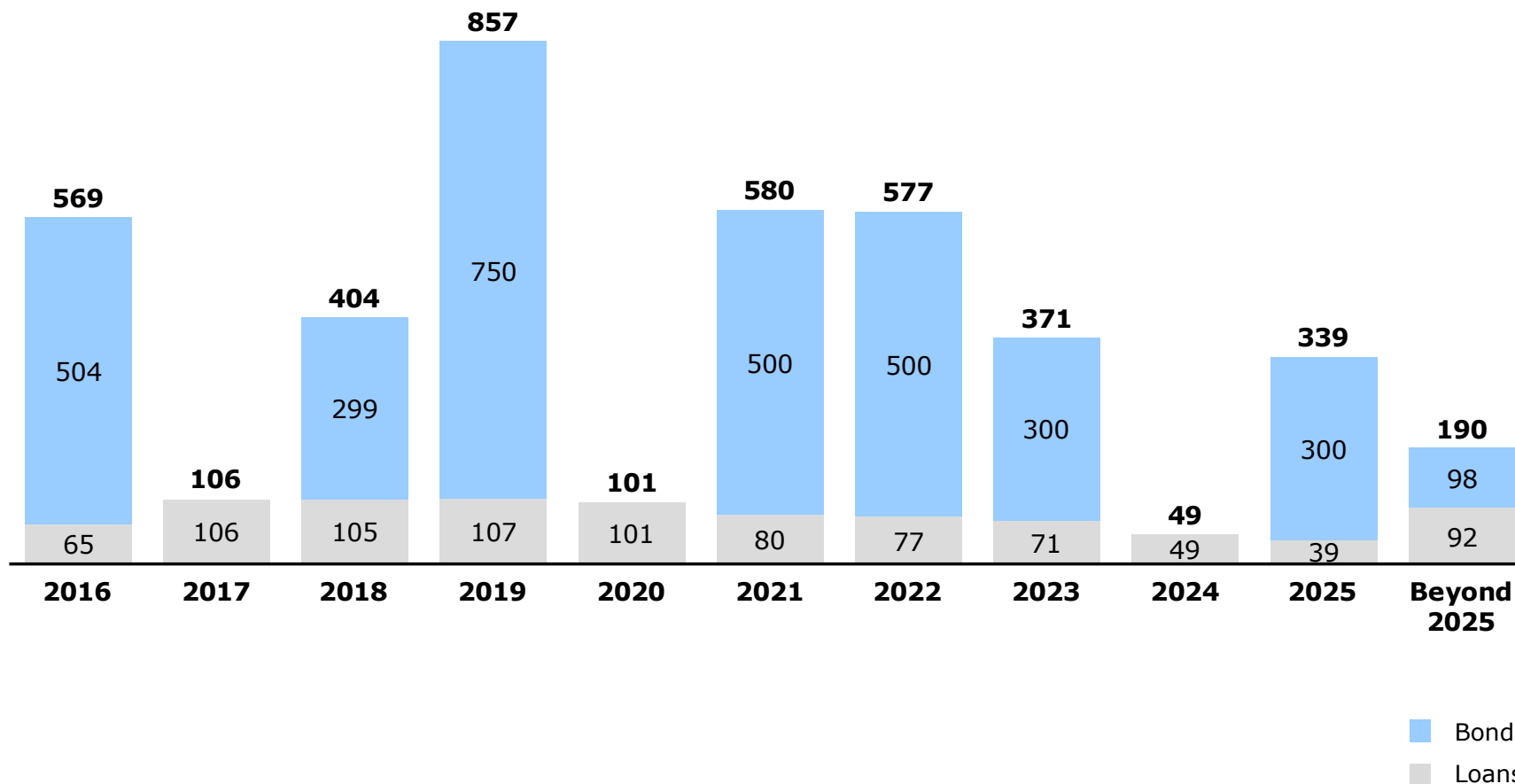
(1) A2A Group's Full Time Equivalent

9M 2016 RESULTS

GROSS DEBT MATURITIES AS OF 30/09/2016



€M



Operational annexes

9M 2016 VS 9M 2015 RESULTS

VOLUMES



		9M 2015	9M 2016	Δ vs 2015	Δ% vs 2015	LGH	9M 2016 A2A+LGH
A2A Group Thermal production	GWh	7.161	6.554	-607	-8%		6.554
<i>of which</i>							
CCGT production	GWh	2.889	3.043	154	5%		3.043
Coal production	GWh	1.652	1.623	-29	-2%		1.623
Oil production	GWh	1.587	1.087	-500	-31%		1.087
EPCG production	GWh	1.033	801	-232	-22%		801
A2A Group Hydro production ⁽¹⁾	GWh	4.701	4.826	125	3%	18	4.844
<i>of which</i>							
A2A and Edipower production	GWh	3.571	3.499	-71	-2%	18	3.518
EPCG production	GWh	1.130	1.327	197	17%		1.327
Wholesale electricity sales and Foreign Markets	GWh	6.629	6.078	-551	-8%	18	6.096
Ipex sales	GWh	5.599	6.371	771	14%		6.371
Electricity sales	GWh	5.680	6.043	363	6%	98	6.141
Electricity sales to EPCG customers	GWh	2.158	1.739	-419	-19%		1.739
Gas sales	Mmc	734	788	55	7%	15	804
Electricity distributed	GWh	8.463	8.210	-254	-3%	68	8.278
Gas distributed	Mmc	1.198	1.169	-29	-2%	42	1.210
Water distributed	Mmc	46	47	0	1%		47
Heat volumes sales	GWht	1.434	1.445	11	1%	7	1.452
Cogeneration electricity sales	GWh	150	114	-36	-24%	3	117
Collected waste	Kton	942	1.009	67	7%	53	1.063
Waste disposal	Kton	1.934	1.819	-115	-6%	120	1.939
WTE electricity production	GWh	996	981	-14	-1%	31	1.013
WTE heat production	GWht	751	796	45	6%	8	804

⁽¹⁾ 9M2015 Hydro production includes 200GWh related to Asta Cellina

9M 2016 VS 9M 2015 RESULTS

ENERGY SCENARIO



Average data		9M 2015	9M 2016	Δ vs 2015	Δ % vs 2015
Brent	\$/bbl	56,7	43,0	-13,6	-24,1%
CO2 - EU ETS cost	€/Tonn	7,5	5,3	-2,2	-28,8%
Green Certificates	€/MWh	97,9	66,4	-31,5	-32,2%
€/€	€/€	1,1	1,1	0,0	0,1%
Brent €	€/bbl	50,9	38,5	-12,4	-24,3%
PSV(1)	€/MWh	22,9	14,6	-8,3	-36,3%
AEEGSI Gas Tariff (2)	c€/mc	23,4	15,4	-8,0	-34,2%
Coal € (API2)	€/Tonn	52,5	45,9	-6,6	-12,6%
PUN baseload(3)	€/MWh	52,1	38,3	-13,8	-26,5%
PUN peak(3)	€/MWh	57,1	42,3	-14,8	-25,9%
PUN off-peak(3)	€/MWh	49,3	36,2	-13,2	-26,7%
CCGT gas cost(4)	€/MWh	51,1	35,1	-16,0	-31,2%
Clean Spark Spread vs Baseload	€/MWh	-1,8	1,2	3,0	n.a.
Clean Spark Spread vs Peakload	€/MWh	3,2	5,2	2,0	61,6%
Clean Dark Spread vs Baseload(5)	€/MWh	15,3	6,3	-9,0	-58,7%
Italian electricity demand(6)	TWh	237,8	230,5	-7,3	-3,1%
Gas demand	Bmc	47,3	48,0	0,7	1,5%

(1) Gas at virtual trading point

(2) Pfor 162/14 Oct 2014-Mar 2016.

(3) hourly average for each month

(4) based on gas at virtual trading point with 51% efficiency; includes transport costs

(5) 35% efficiency - includes cost spread on API2 and transport cost

(6) data subject to update by Terna

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<http://www.a2a.eu/en/investor/>

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