



# **A2A**

## First Half 2011 Results

Milan, Aug 3<sup>rd</sup>, 2011



# Agenda

- H12011 Main financial highlights
- EBITDA Segment Analysis
- Focus on EPCG
- From EBITDA to Net Income
- Net debt and Cash Flow

# H12011 - Main financial highlights

| <i>€M data</i>              | H12010*      | H12011       | <i>Change</i> | <i>Change %</i> |
|-----------------------------|--------------|--------------|---------------|-----------------|
| <b>NET SALES</b>            | <b>2,858</b> | <b>3,050</b> | <b>+192</b>   | <b>+6.7%</b>    |
| <b>EBITDA</b>               | <b>470</b>   | <b>477</b>   | <b>+7</b>     | <b>+1.5%</b>    |
| <b>EBIT</b>                 | <b>232</b>   | <b>223</b>   | <b>-9</b>     | <b>-3.9%</b>    |
| <b>NET INCOME</b>           | <b>371</b>   | <b>120</b>   | <b>-251</b>   | <b>-67.7%</b>   |
|                             | 2010         | H12011       | <i>Change</i> |                 |
| <b>NET CAPITAL EMPLOYED</b> | <b>8,738</b> | <b>8,402</b> | <b>-336</b>   |                 |
| <b>NFP</b>                  | <b>3,893</b> | <b>3,758</b> | <b>-135</b>   |                 |
| <b>EQUITY</b>               | <b>4,845</b> | <b>4,644</b> | <b>-201</b>   |                 |
| <b>NFP/EQUITY</b>           | <b>0.80x</b> | <b>0.81x</b> |               |                 |

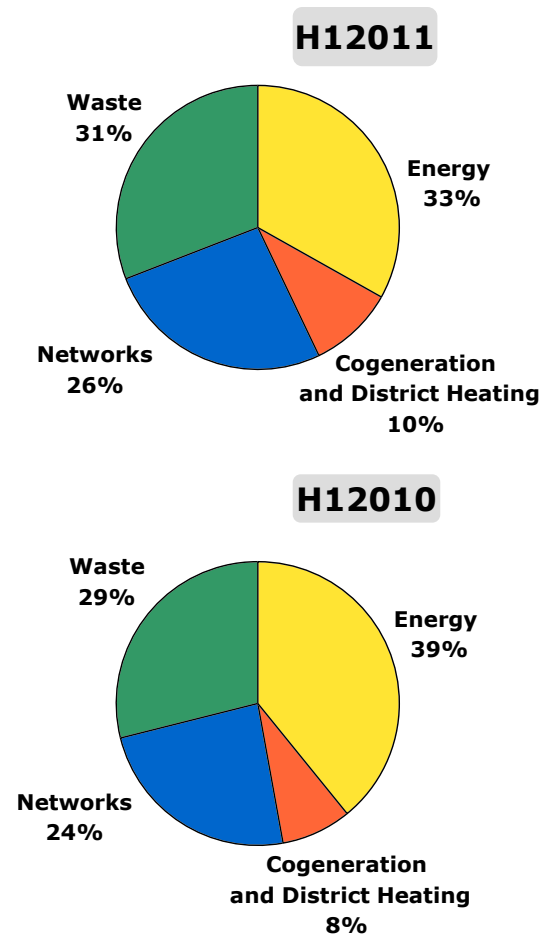
\* BAS SII reclassified according to IFRS5

# H12011 - EBITDA breakdown

€M data

|  | EBITDA H12010 | EBITDA H12011 | Δ vs 2010 |
|--|---------------|---------------|-----------|
| <b>ELECTRICITY</b>                       | 162           | 100           | -62       |
| <b>GAS</b>                               | 29            | 50            | 21        |
| <b>COGENERATION AND DISTRICT HEATING</b> | 39            | 48            | 9         |
| <b>WASTE</b>                             | 141           | 152           | 11        |
| <b>NETWORKS</b>                          | 117           | 124           | 7         |
| <b>OTHER SERVICES &amp; CORPORATE</b>    | -16           | -12           | 4         |
| <b>CONSOLIDATION ADJUSTMENTS</b>         | -2            |               | 2         |
| <b>TOTAL (no EPCG)</b>                   | <b>470</b>    | <b>462</b>    | <b>-8</b> |
| <b>EPCG</b>                              | 0             | 15            | 15        |
| <b>TOTAL</b>                             | <b>470</b>    | <b>477</b>    | <b>7</b>  |

## EBITDA BREAKDOWN

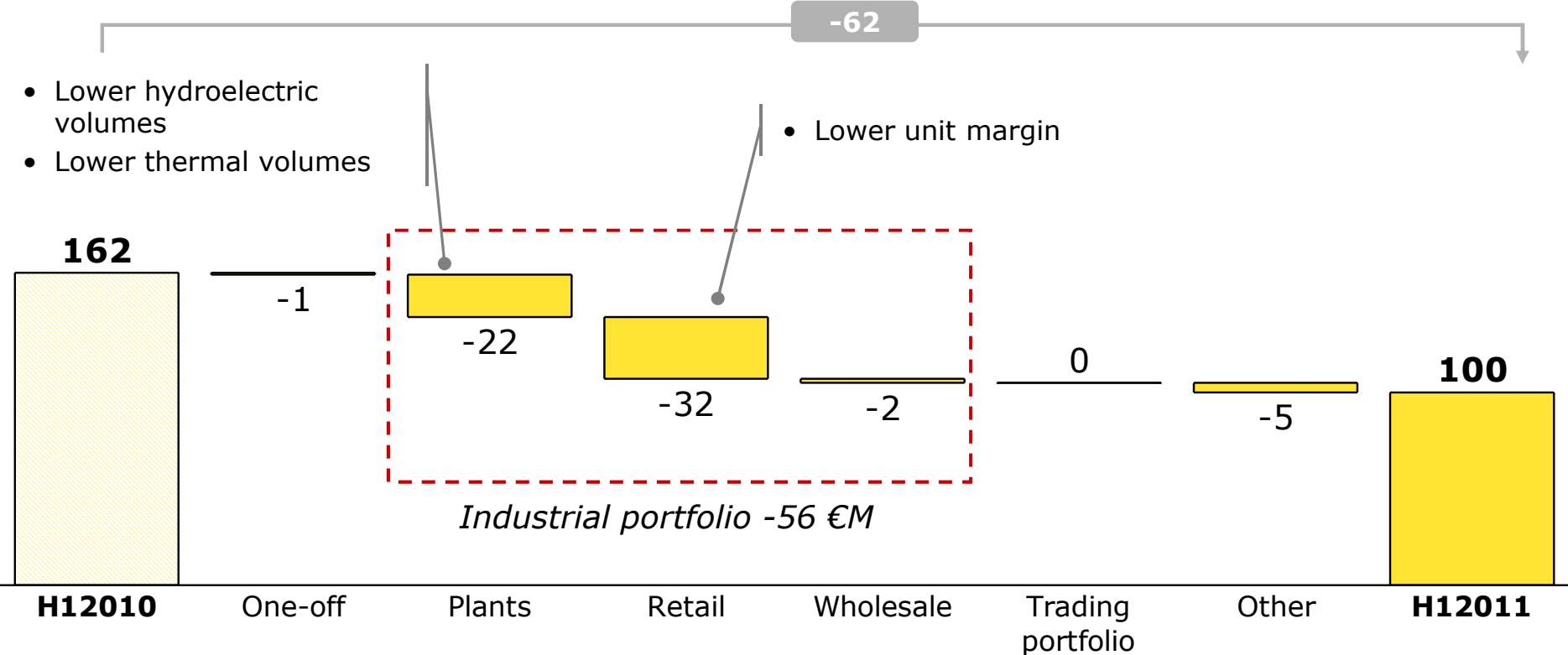


# H12011 Energy - Electricity Scenario

| Average data                               |        | H1 10   | H1 11   | Var % |
|--|--------|---------|---------|-------|
| <b>Brent</b>                               | \$/bbl | 78.40   | 111.13  | 42%   |
| <b>CO2 Average system cost</b>             | €/Tonn | 14.11   | 15.50   | 10%   |
| <b>Green Certificates avg. system cost</b> | €/MWh  | 86.04   | 81.90   | -5%   |
| <b>€/€</b>                                 | €/€    | 1.33    | 1.40    | 6%    |
| <b>Brent €</b>                             | €/bbl  | 59.15   | 79.11   | 34%   |
| <b>PUN BL</b>                              | €/MWh  | 61.62   | 67.39   | 9%    |
| <b>PUN Peak</b>                            | €/MWh  | 72.53   | 76.48   | 5%    |
| <b>PUN Off-Peak</b>                        | €/MWh  | 55.23   | 62.34   | 13%   |
| <b>CCGT</b>                                | €/MWh  | 54.55   | 53.40   | -2%   |
| <b>Spark Spread CCGT vs Baseload</b>       | €/MWh  | 7.07    | 13.99   | 98%   |
| <b>Spark Spread CCGT vs Peakload</b>       | €/MWh  | 17.97   | 23.08   | 28%   |
| <b>Spark Spread CCGT vs Off-Peak</b>       | €/MWh  | 0.68    | 8.94    | -     |
| <b>Spark Spread CCGT- Environm. Costs</b>  | €/MWh  | 2.39    | 9.30    | -     |
| <b>Italian electricity demand</b>          | GWh    | 160,306 | 162,895 | 1.6%  |
| <b>Net Import</b>                          | GWh    | 22,915  | 22,744  | -0.7% |

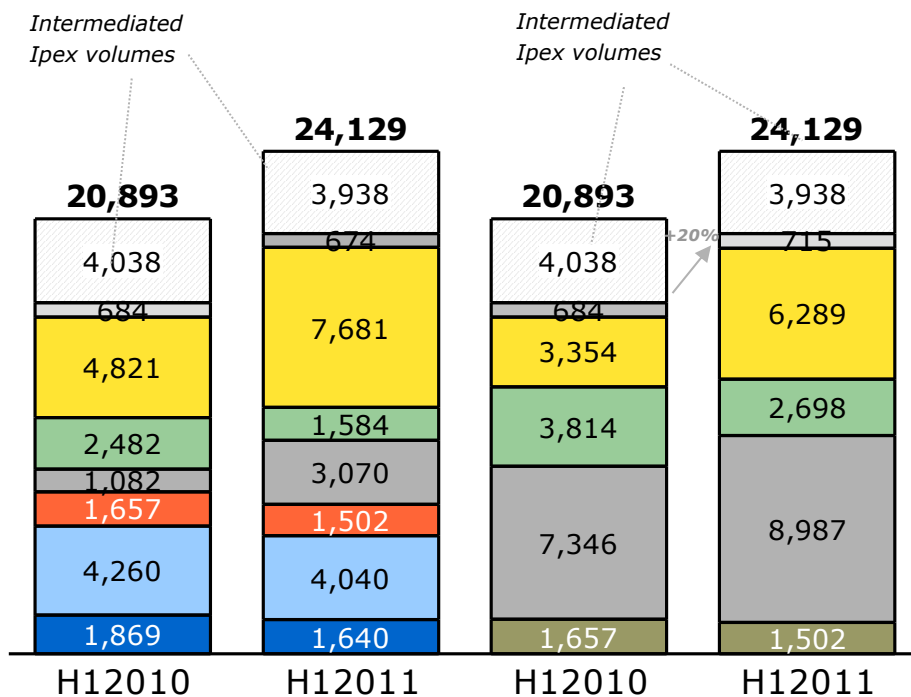
# H12011 Energy - Electricity Results

## EBITDA EVOLUTION H12010-H12011 (€M)



# H12011 Energy - Electricity Sources and Uses

## VOLUMES (GWh)



### Sources

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

### Uses

- Sleeve
- Captive customers
- Eligibles, Wholesale
- Ipex
- Foreign markets

## GREEN CERTIFICATES POSITION

### MWh

|                         | H12010         | H12011       |
|-------------------------|----------------|--------------|
| A2A Group Production    | 244,561        | 269,428      |
| A2A Group needs         | -256,249       | -265,065     |
| Mandatory share         | 6.05%          | 6.80%        |
| <b>A2A Net position</b> | <b>-11,688</b> | <b>4,363</b> |

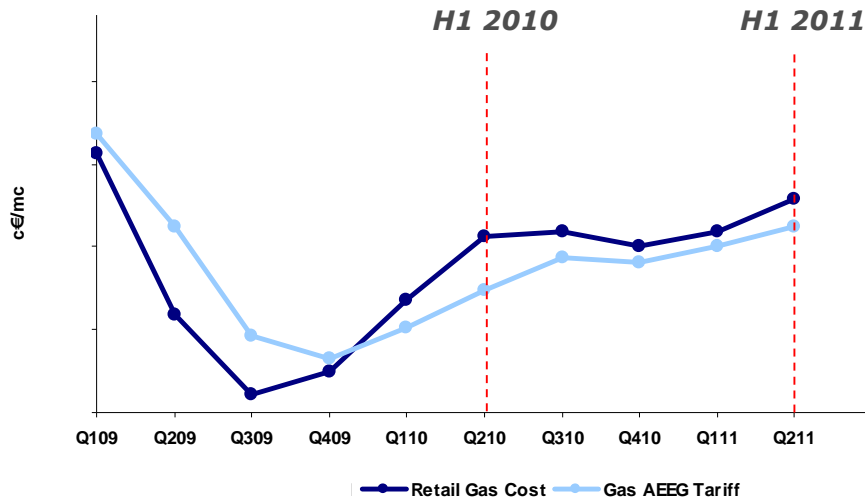
## CO2 POSITION

### Kton

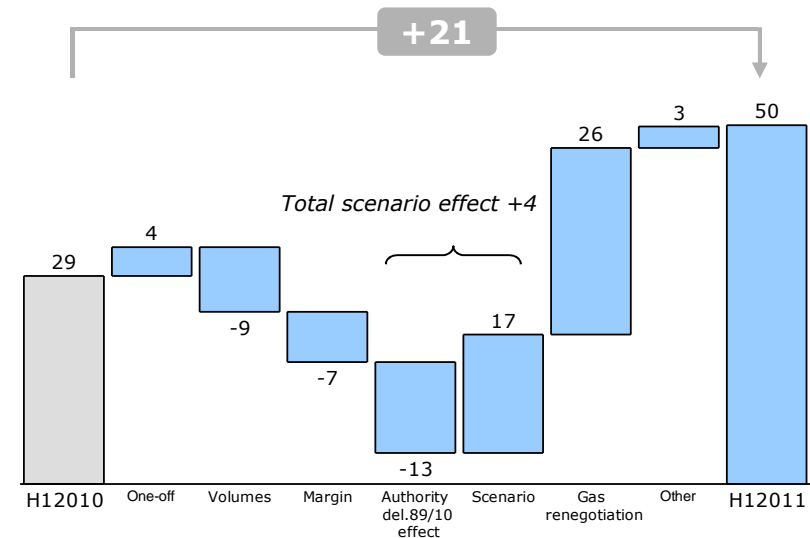
|                         | 2010         | 2011         |
|-------------------------|--------------|--------------|
| FY A2A Total NAP        | 7,489        | 6,826        |
| H1 CO2 Emissions        | 2,665        | 2,375        |
| <b>A2A Net position</b> | <b>4,824</b> | <b>4,451</b> |

# H12011 Energy - Gas Results

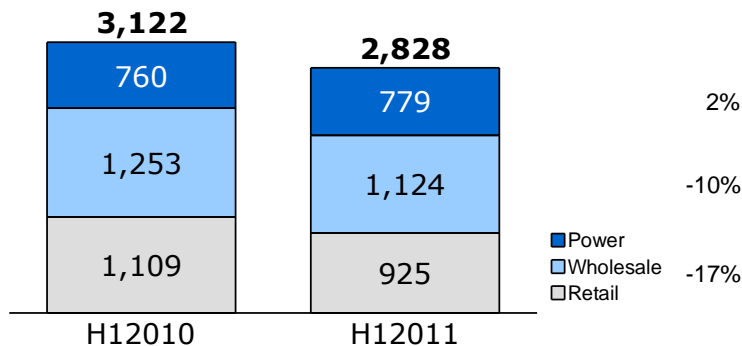
## SCENARIO



## EBITDA (€M)



## VOLUMES (Mcm)



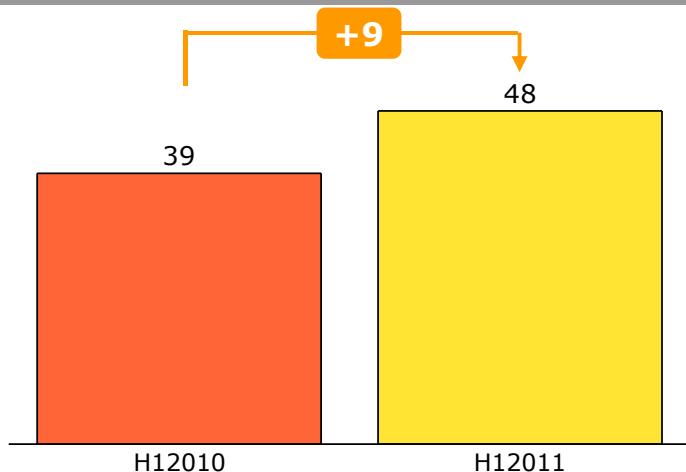
## KEY FACTS (VS 2010)

**Impact on Ebitda due to gas renegotiation and price indexation formulas partially offset by lower volumes and AEEG deliberation 89/10 effect**



# H12011 - Cogeneration and District heating Results

## EBITDA (€M)

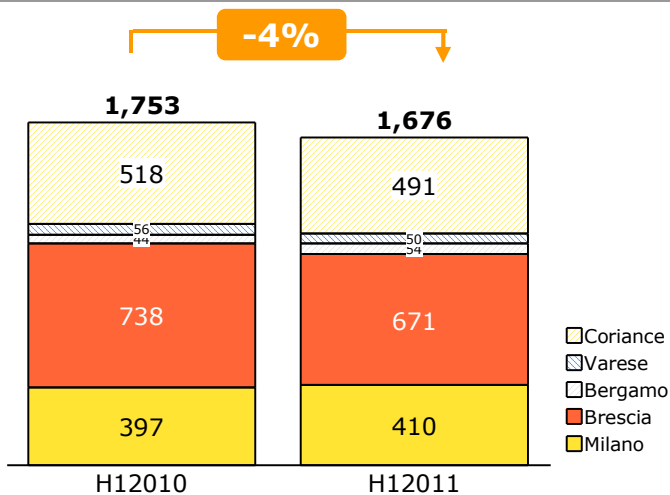


## KEY FACTS (VS 2010)

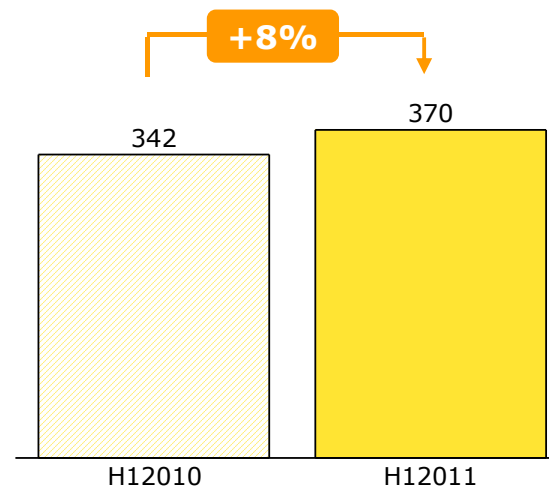
**Positive impact on Ebitda due to:**

- increase in the number of customers (+7% on heated volumes), partially offset by a decrease in unit consumption due to a warmer winter
- environmental market

## HEAT VOLUMES (GWht)



## ELECTRICITY (GWh)



**Heated volumes:** \* 70 Mmc      75 Mmc

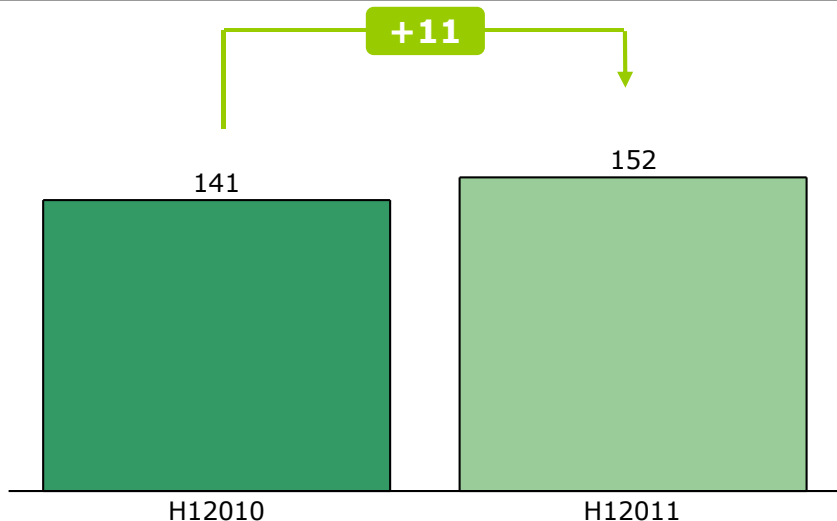
\* Coriange not included



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# H12011 - Waste Results

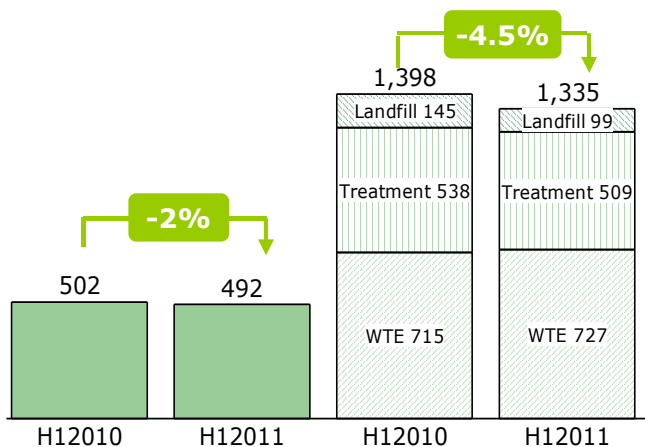
## EBITDA (€M)



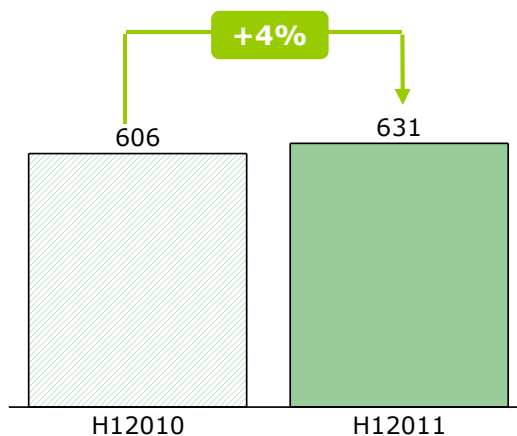
## KEY FACTS (vs 2010)

- Impact on Ebitda mainly due to:
- margin increase of WTE plants (Milano, Brescia, Bergamo), halted during the first half 2010 for ordinary maintenance
  - increase in electricity revenues

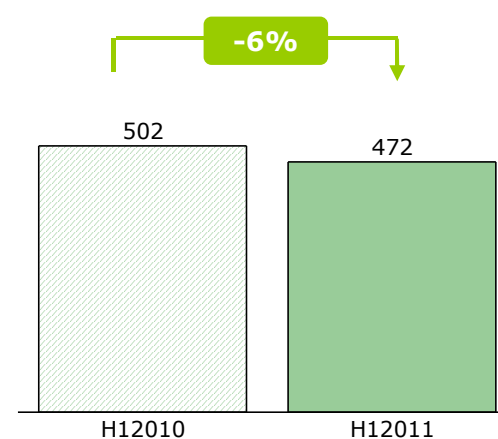
## WASTE VOLUMES (Kton)



## ELECTRICITY\*\* (GWh)



## HEAT PRODUCTION (GWht)



Collected\*

Treated\*\*

\*related to main municipalities (Milan, Brescia, Bergamo, Varese)

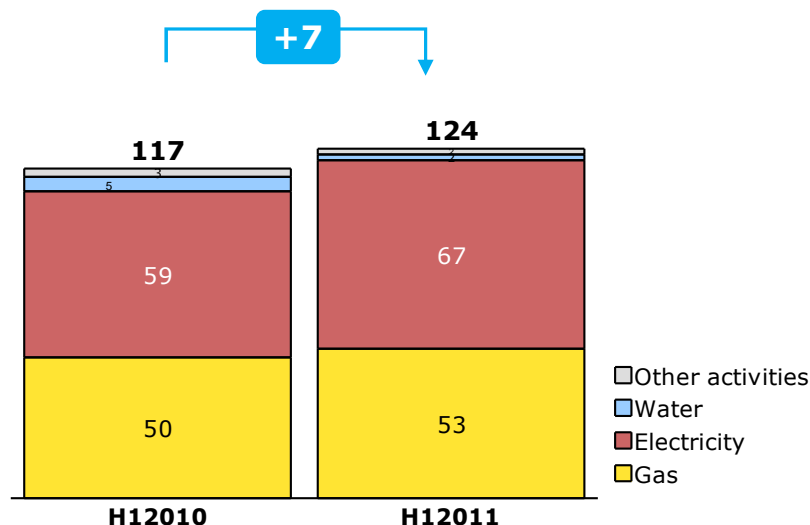
\*\*Partenope Ambiente not included



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# H12011 - Networks Results

## EBITDA (€M)



## KEY FACTS (vs 2010)

### Electricity

Positive impact on Ebitda due to the determination of company equalisation items (specific company equalisation related to 2011 and previous year) and lower costs related to other equalisation items

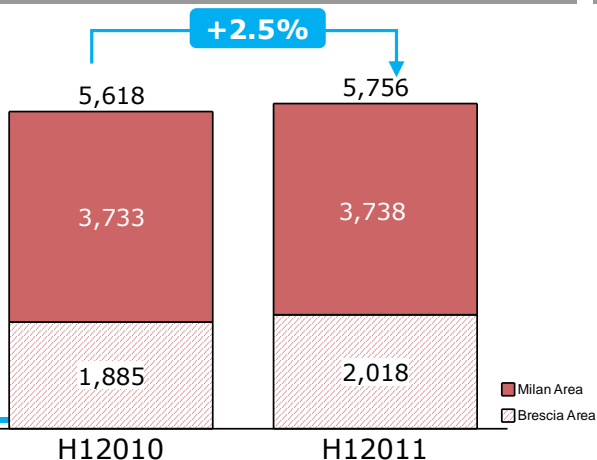
### Gas

Positive impact on EBITDA due to gas distribution revenues

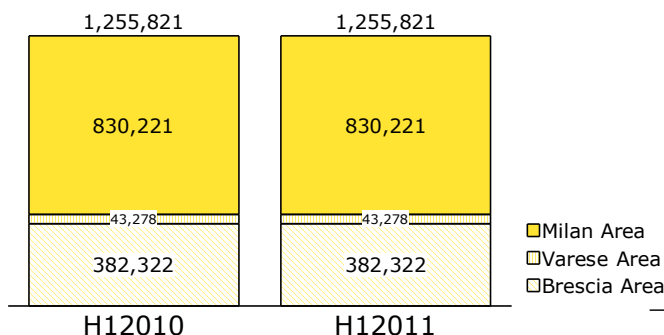
### Water

Impact on Ebitda due to lower volumes and to non current cost items related to previous years

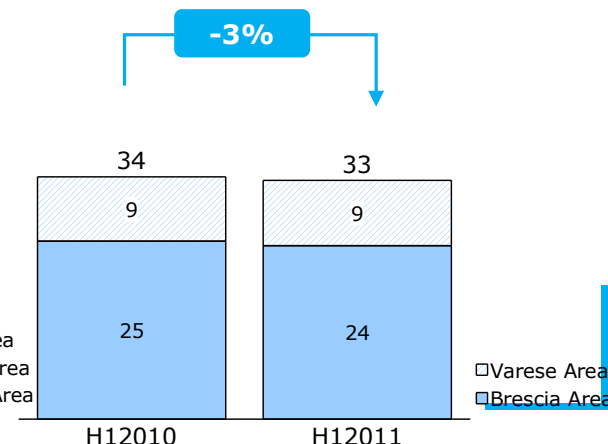
## ELECTRICITY (GWh)



## # POINTS OF REDELIVERY\*



## WATER (Mmc)



# H12011 – EPCG: Financial highlights and Volumes

## FINANCIAL HIGHLIGHTS (€M)



**H12011**

**NET SALES**

**139**

**EBITDA**

**15**

*of which ELECTRICITY*

**13**

*of which NETWORKS*

**4**

*of which CORPORATE*

**-2**

**NET CAPITAL EMPLOYED**

**851**

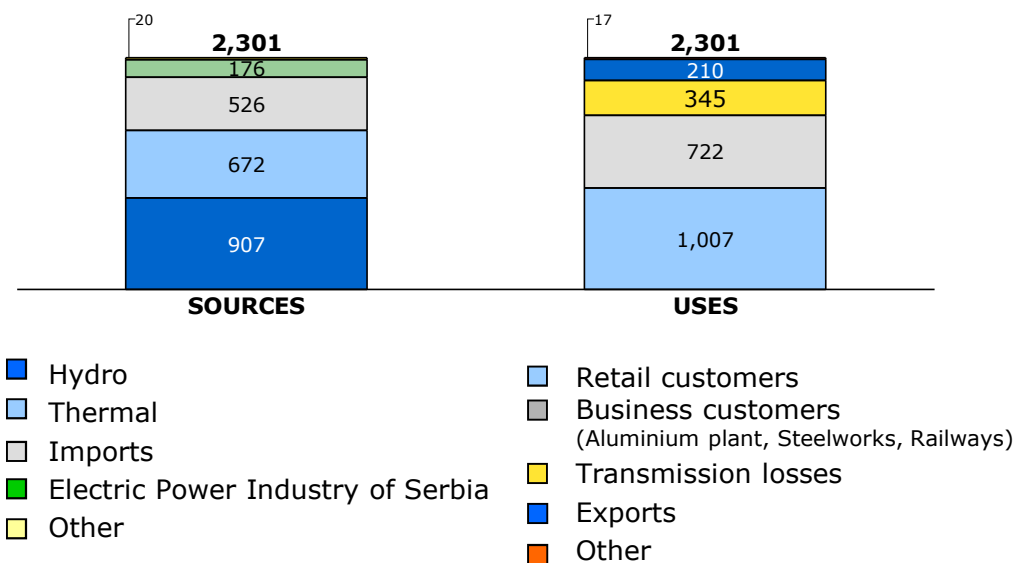
**NFP**

**(64)**

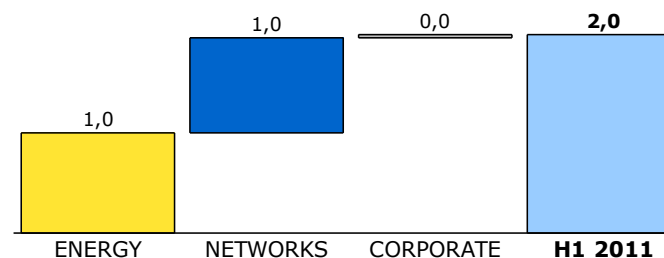
**EQUITY**

**915**

## VOLUMES (GWh)



## CAPEX (€M)



# H12011 - From EBITDA to Net Income (1/2)

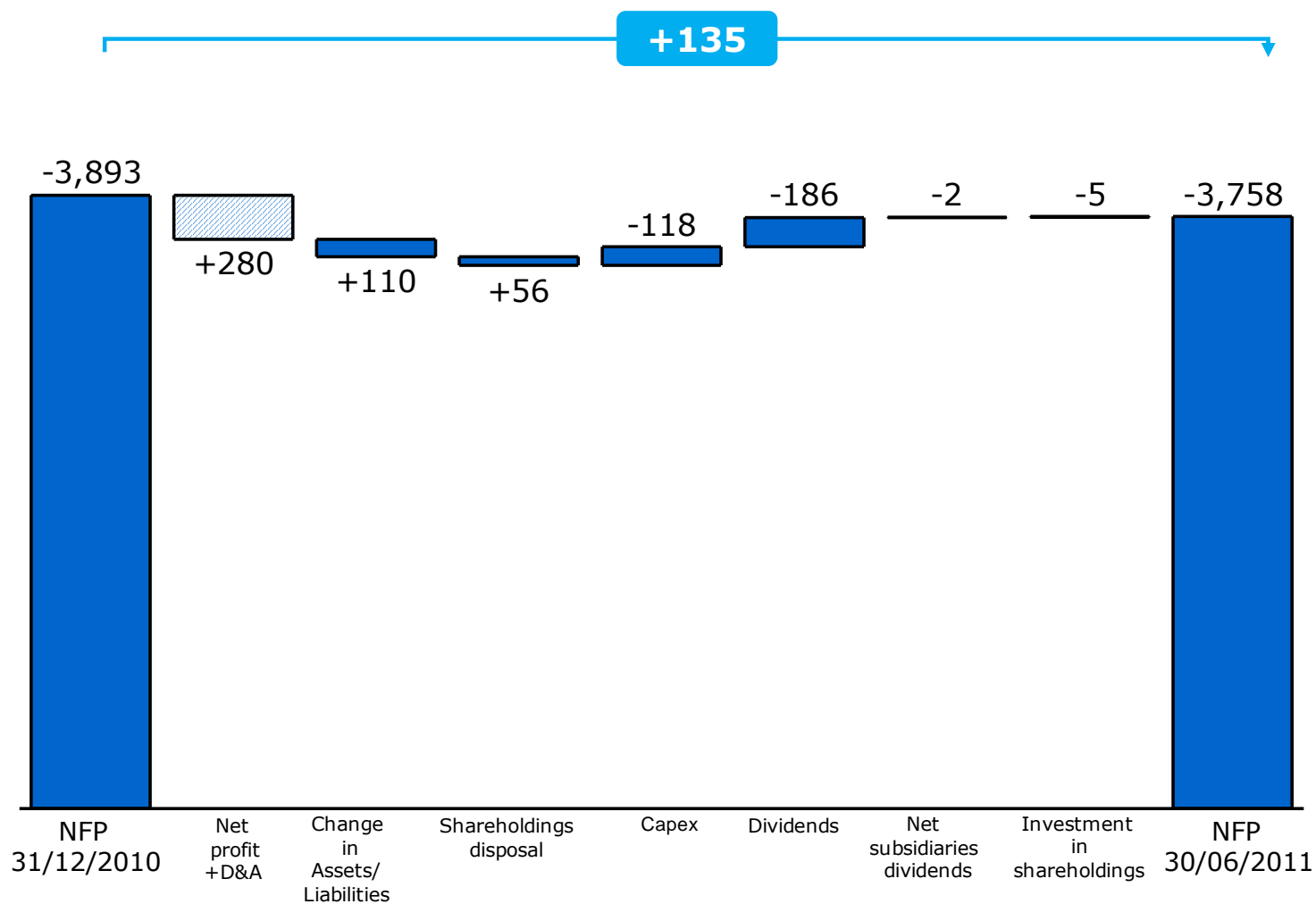
| €M data                                    | H12010      | H12011      | Change     | Key points                            |
|--|-------------|-------------|------------|---------------------------------------|
| <b>EBITDA</b>                              | <b>470</b>  | <b>477</b>  | <b>+7</b>  |                                       |
| <b>D&amp;A, Write Downs and Provisions</b> | <b>-238</b> | <b>-254</b> | <b>-16</b> | <b>28 €M EPCG Group Consolidation</b> |
| <b>Financial charges</b>                   | <b>-70</b>  | <b>-68</b>  | <b>+2</b>  |                                       |
| <b>Derivatives/others</b>                  | <b>-36</b>  | <b>+1</b>   | <b>+37</b> |                                       |
| <b>Associates and JV and others</b>        | <b>+50</b>  | <b>-13</b>  | <b>-63</b> |                                       |
| <b>Others</b>                              | <b>-</b>    | <b>-4</b>   | <b>-4</b>  |                                       |
| <b>EBT</b>                                 | <b>176</b>  | <b>139</b>  | <b>-37</b> |                                       |

# H12011 - From EBITDA to Net Income (2/2)

| €M data           | H12010     | H12011     | Change      | Key points  |
|-------------------|------------|------------|-------------|---|
| <b>EBT</b>        | <b>176</b> | <b>139</b> | <b>-37</b>  |   |
| <b>TAXES</b>      | <b>-68</b> | <b>-74</b> | <b>-6</b>   |   |
| <b>IFRS 5</b>     | <b>282</b> | <b>39</b>  | <b>-243</b> | <i>H12010: ALPIQ capital gain<br/>H12011: Metroweb capital gain</i> |
| <b>MINORITIES</b> | <b>-19</b> | <b>+16</b> | <b>+35</b>  |   |
| <b>NET INCOME</b> | <b>371</b> | <b>120</b> | <b>-251</b> |   |

# H12011 - Net Debt and Cash Flow

€M data

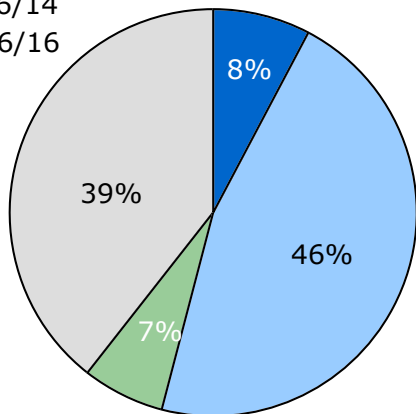


# H12011 - Group Financial structure

## Total debt – Maturity

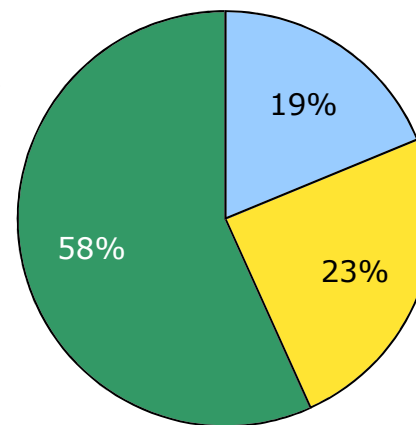
DEBT MATURITY

- <30/06/2012
- 01/07/12-30/06/14
- 01/07/14-30/06/16
- >30/06/2016



DEBT BREAKDOWN BY INTEREST

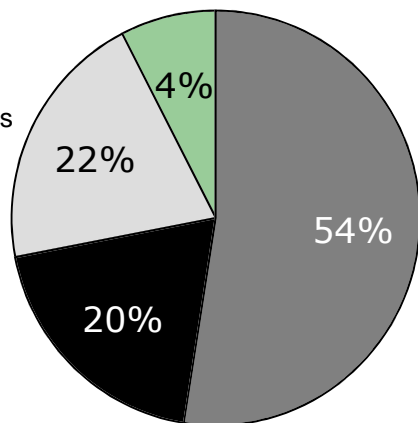
- Swap
- Variable
- Fixed



**TOTAL DEBT: 4.0 €B - AVG. MATURITY: 4.3 YEARS – UNDRAWN LINES\*: 2.3 €B –2011 AVG. RATE 3.30%**

DEBT BREAKDOWN

- Uncommitted Lines & Other
- Committed Lines
- Loans
- Bond



COMPANY'S CREDIT RATING



**BBB+ / A-2**  
**Outlook Negative**



**A3**  
**Outlook Negative**



\* of which 2.1 €B committed lines, 0.2 €M loans

Note: EPCG not included