



A2A

2012 Results

Milan, March 14th, 2013



Agenda

- 2012 Main financial highlights
- Segment analysis
- From EBITDA to net income
- Net debt and cash flow
- Focus on A2A main projects:
 - *Edipower: Iren exit*
 - *Waste project*
 - *Efficiency plan*

2012 - Main financial highlights

€M	2011*	2012	Change	Change %
NET SALES	6,130	6,480	+350	+5.7%
EBITDA	924	1,068	+144	+15.6%
EBIT	298	501	+203	+68.1%
NET INCOME	-423	260	+683	-

	2011*	2012	Change
NET CAPITAL EMPLOYED	7,614	8,069	+455
TOTAL NFP	4,021	4,372	+351
<i>OF WHICH EDIPOWER ACQUISITION IMPACT</i>			+1,083
<i>OF WHICH NET CASH GENERATION</i>			-732
EQUITY	3,593	3,697	+104
NFP/EBITDA	4.4x	4.1x	

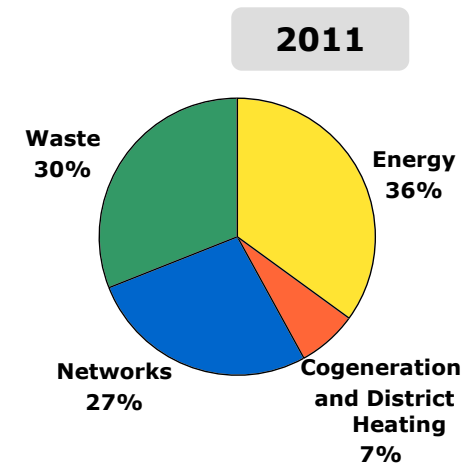
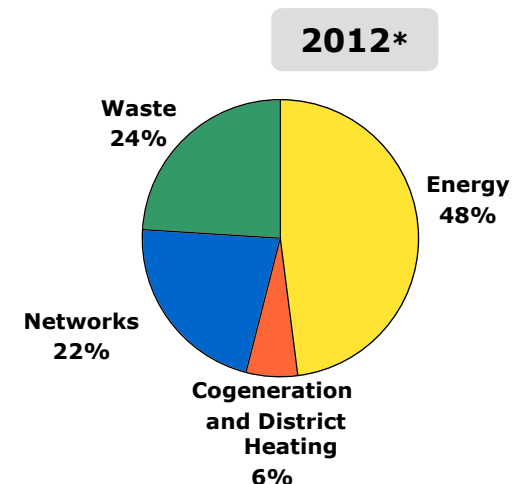
- **+959 €M** first consolidation of Edipower NFP
- **+124 €M** share of Edipower acquisition

(*) Coriance reclassified according to IFRS5

2012 vs 2011 - EBITDA breakdown

€M	EBITDA 2011	EBITDA 2012	Δ vs 2011	KEY POINTS
ENERGY	336	541	205	<ul style="list-style-type: none"> ↑ Edipower consolidation (7 months) ↑ Higher coal plant profitability ↑ Higher marketing margins ↑ Gas supply strategy ↑ Epcg higher idraulicity
WASTE	287	267	-20	<ul style="list-style-type: none"> ↓ Expiry of Cip6 revenues (WTE plants) ↓ Bergamo WTE plant halt for extraordinary maintenance
COGENERATION AND DISTRICT HEATING	67	69	2	<ul style="list-style-type: none"> ↑ Increase of customers (+13% heated volumes) ↓ Lower electricity revenues
NETWORKS	259	252	-7	<ul style="list-style-type: none"> ↓ Non current items ↑ Gas revenues
OTHER SERVICES & CORPORATE	-25	-7	18	<ul style="list-style-type: none"> ↑ Non current items ↑ Cost savings
TOTAL INDUSTRIAL EBITDA	924	1,122	198	
REGULATORY IMPACTS		-54	-54	<i>Analyzed below</i>
TOTAL EBITDA	924	1,068	144	

EBITDA BREAKDOWN

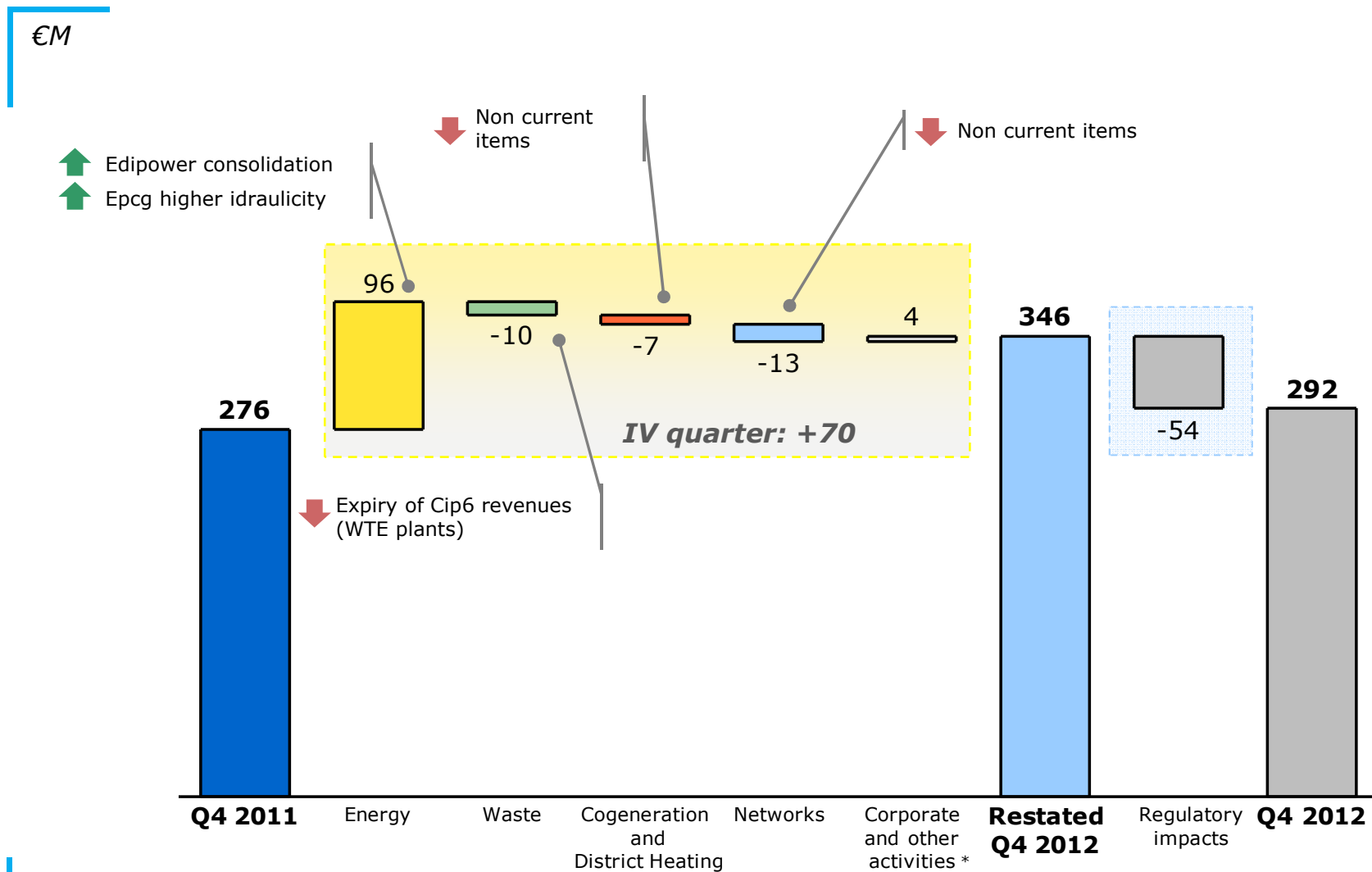


Regulatory impact on EBITDA

FOCUS ON REGULATORY FRAMEWORK		IMPACT ON EBITDA		
REG. ACTIONS	DESCRIPTION	SECTOR	2012	Avg. '13-'15
Nov 20th 2012 Min. Decree <i>(Definitive – appealed by A2A)</i>	MSE set new methods of «CEC» (avoided fuel cost) determination, effective from 1st January 2010 . The purchase & resale price for the so-called “selected initiatives” will be the same that is applied to all other plants	WASTE*	-20 €M <i>(of which ~12 €M related to previous years)</i>	-4 €M
AEEG 535/2012 Advice <i>(On hold – still to be adopted by MSE)</i>	AEEG suggested that «MSE» updates the conventional component related to raw material gas (CECgas) according to the gas price of the balancing market	WASTE*	-24 €M	-6 €M
AEEG 559/12 Deliberation <i>(Definitive – appealed by A2A)</i>	AEEG adjusted the losses equalization mechanism of medium and low voltage electricity networks as of 2012	ELECTRICITY NETWORKS	-10 €M	-10 €M
<i>* Excluding intercompany impact due to heat sales price indexation to CEC (-4€M Waste, +4€M District Heating in 2012)</i>		TOTAL	-54 €M	-20 €M





**Total regulatory impacts on 2012 results equal to -54 €M.
From 2013 limited impacts on Waste sector due to CIP6 gradual expiry**

Q4 2012 vs Q4 2011 – EBITDA breakdown



* Consolidation adjustments included (-1 €M)

2012 - From EBITDA to net income (1/2)

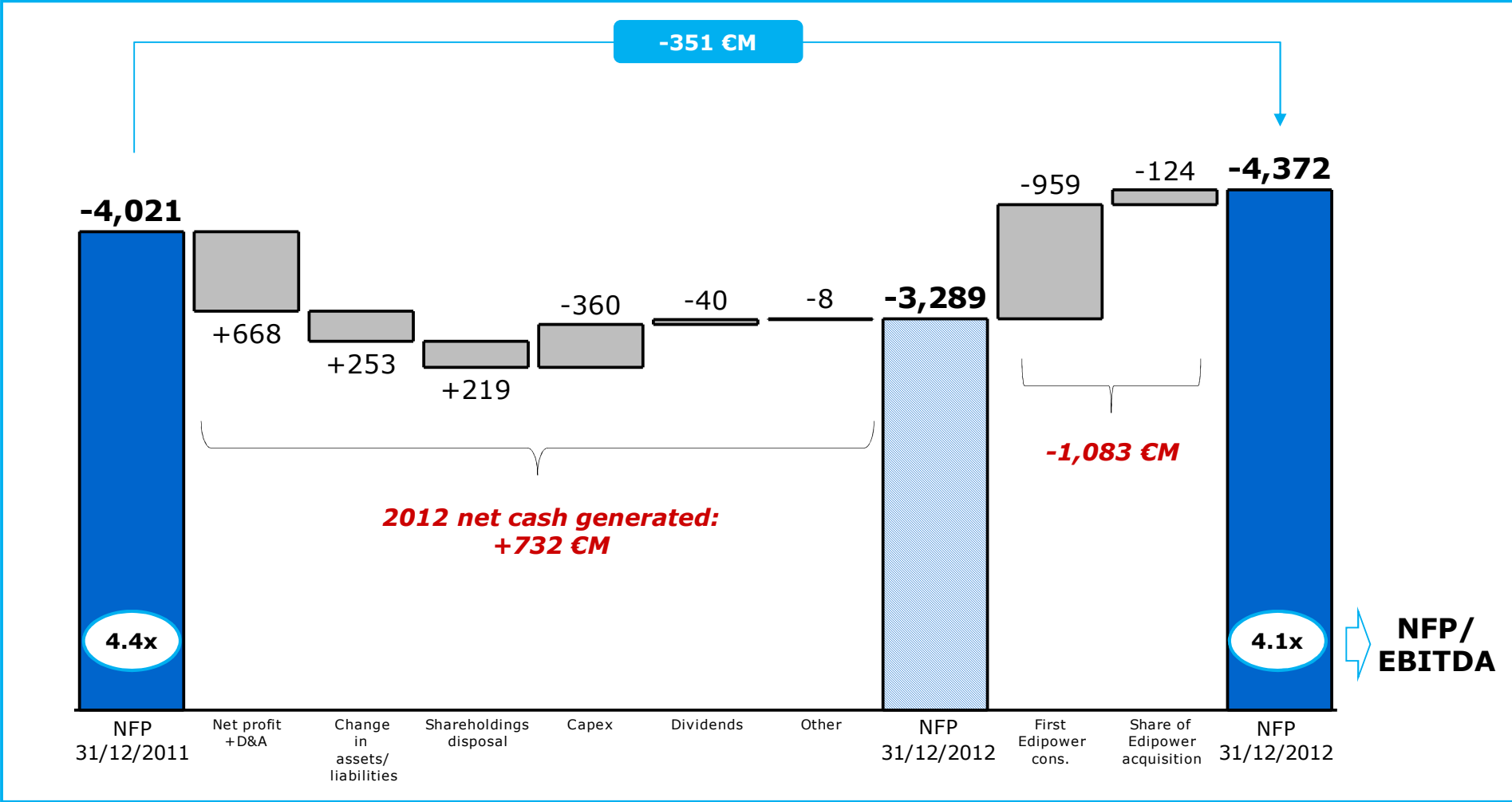
€M	2011	2012	Δ vs 2011	Key points
EBITDA	924	1,068	+144	
D&A, write downs and provisions	-626	-567	+59	 <i>Edipower consolidation</i>  <i>EPCG Goodwill write-down in 2011</i>
Financial charges	-135	-142	-7	 <i>Average gross debt increase</i>  <i>Edipower first consolidation badwill</i>
Fair value derivatives	+9	-51	-60	 <i>Bond-fair value option (expiring in October 2013)</i>
Associates and JV and others	-132	+13	+145	 <i>20% Edipower write-down in 2011</i>
Others	-4	-3	+1	
EBT	36	318	+282	

2012 - From EBITDA to net income (2/2)

€M	2011	2012	Δ vs 2011	Key points
EBT	36	318	+282	
TAXES	-147	-128	+19	<p>↑ Positive impact related to previous years IRAP deduction from IRES tax base</p>
IFRS 5	-808	81	+889	<p>↑ 2012 capital gains: Coriance +33, Metroweb +37, e-Utile +8</p> <p>↑ 2011: TdE write-down -847, Metroweb capital gain: +36</p>
MINORITIES	+496	-11	-507	
NET INCOME	-423	260	+683	

2012 - Net debt and cash flow

A2A GROUP NET FINANCIAL POSITION EVOLUTION 2011-2012 (€M)



2012 A2A Group debt structure

2012 GROSS DEBT - 4.8 €B

AVERAGE MATURITY

4.6 yrs

AVERAGE RATE

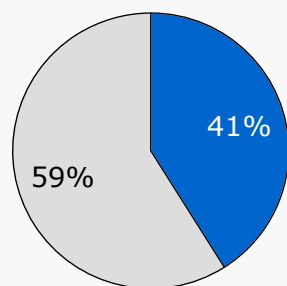
~3.5%

Q4 2012 KEY FACTS

750 €M 7yrs Bond issue in November:

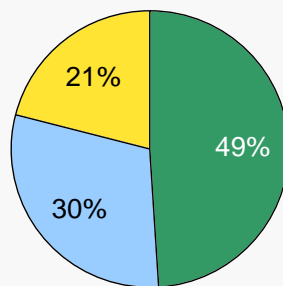
- **Repayment of ~0.5 €B drawn committed lines**
- **Debt duration increase from 4.0 to 4.6 yrs**

DEBT BREAKDOWN BY SOURCES



□ Bond ■ Loans

DEBT BREAKDOWN BY INTEREST



■ Variable ■ Fixed ■ Hedged

LIQUIDITY POSITION

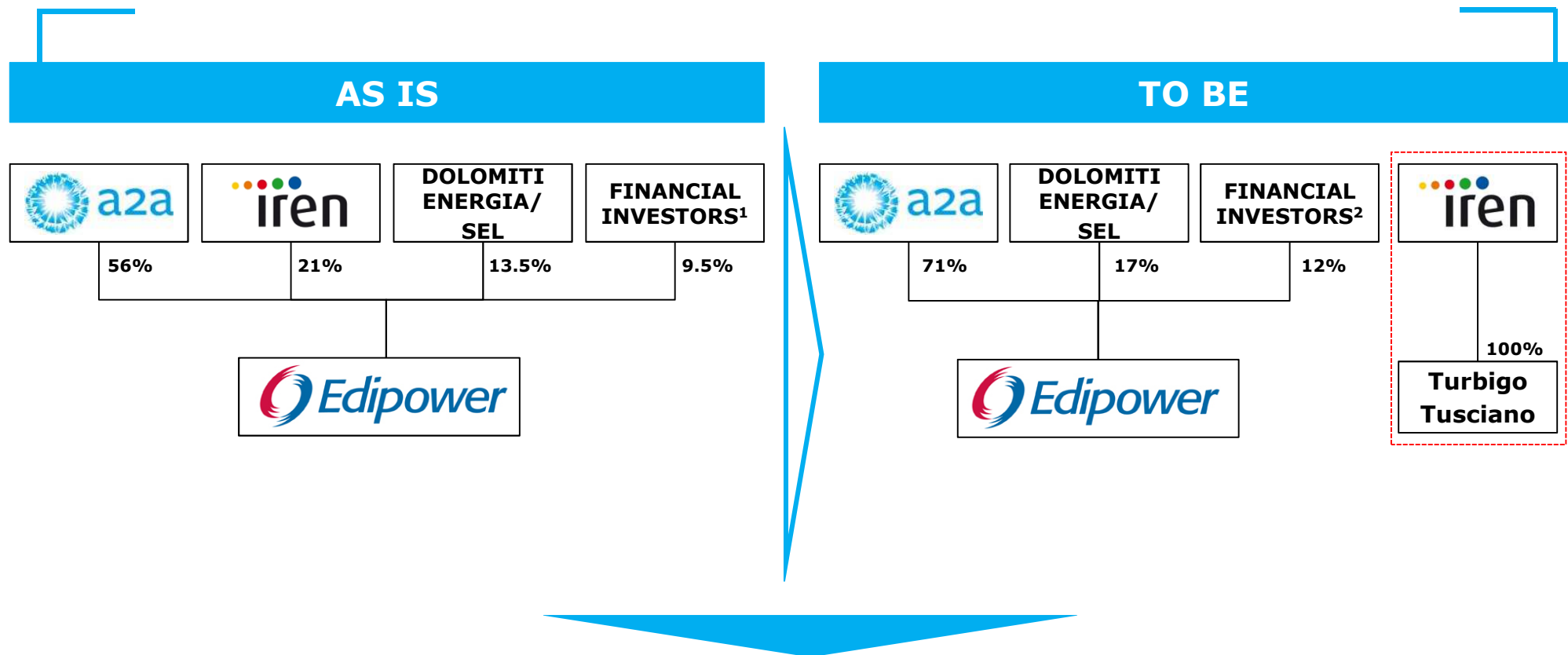
2.3 €B liquidity position, of which:

- **0.5 €B cash**
 - **1.8 €B undrawn committed lines**
- allowing to amply repay debt expiring up to 2015, excluding Group cash generation**

Note: EPCG not included

Focus on A2A main projects

Edipower: Iren exit



- **Iren has exercised its "put option"**
- **A2A expected to increase its stake in Edipower up to 71% by Q3 2013**

1) Mediobanca 4%, Fondazione CRT 3%, Banca Popolare di Milano 2%

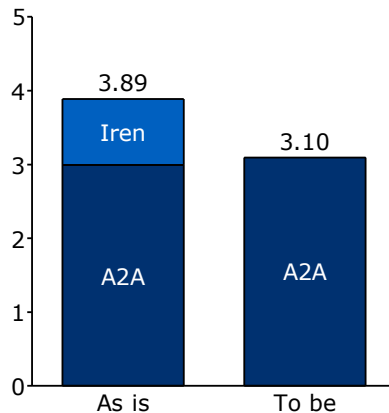
2) Mediobanca 5%, Fondazione CRT 4%, Banca Popolare di Milano 3%

Focus on A2A main projects

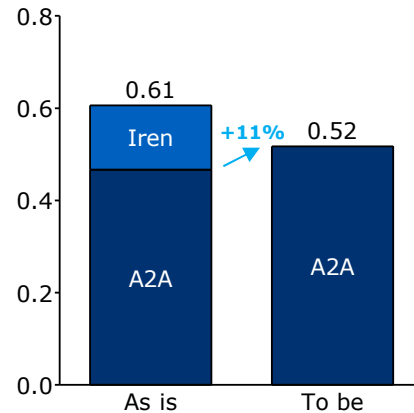
Edipower: Iren exit impacts

EDIPOWER CAPACITY (GW)

THERMAL



HYDRO



- With the exit of Iren, Edipower **reduces** the weight of **thermal capacity** in its generation mix
- A2A will manage the **entire Edipower generation portfolio**
- Edipower **Hydro capacity** dispatched by A2A increases by **more than 10%**

EXPECTED BENEFITS

- **Consolidation of A2A leadership in Edipower**
- **Improved generation mix (higher hydro share)**
- **Faster integration and synergies**
- **Sharing of A2A/Edipower best practices in generation management**
- **Sharing of cross-sector expertise (eg. coal/biomass co-combustion projects) between A2A and Edipower**

Focus on A2A main projects

Waste project: A2A Ambiente creation



A2A Group covers the entire Waste value chain through four different legal entities

- Creation of the **largest Italian player** in the waste management business
- Business model based on **functional focus** (treatment/collection) maintaining **vertical integration**
- Target date: mid 2013

Focus on A2A main projects

Waste project: main ongoing actions and expected benefits

ONGOING ACTIONS

- Detailed **asset allocation** between collection and disposal activities
- Design and first steps of implementation of the **new organization by business segment**
- Launch of **information systems integration process**

All preparation activities in progress

EXPECTED BENEFITS

- **Optimization of waste cycle** in order to maximize margins and plant utilization
- Integrated **marketing approach**
- **Fixed cost synergies** both “staff” and “line”
- **Optimization of procurement / sourcing activities**

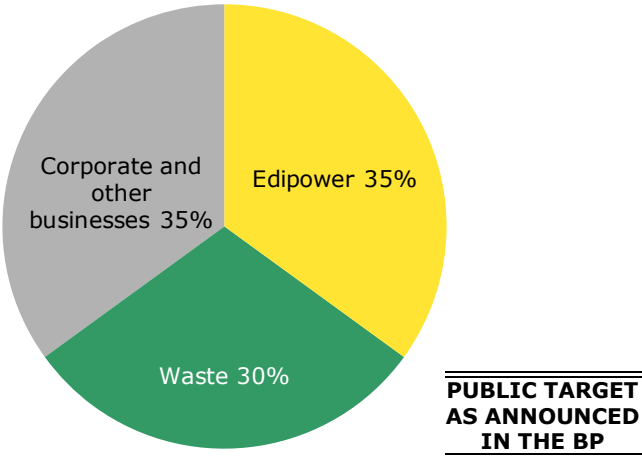
Positive impacts already in 2013

Focus on A2A main projects

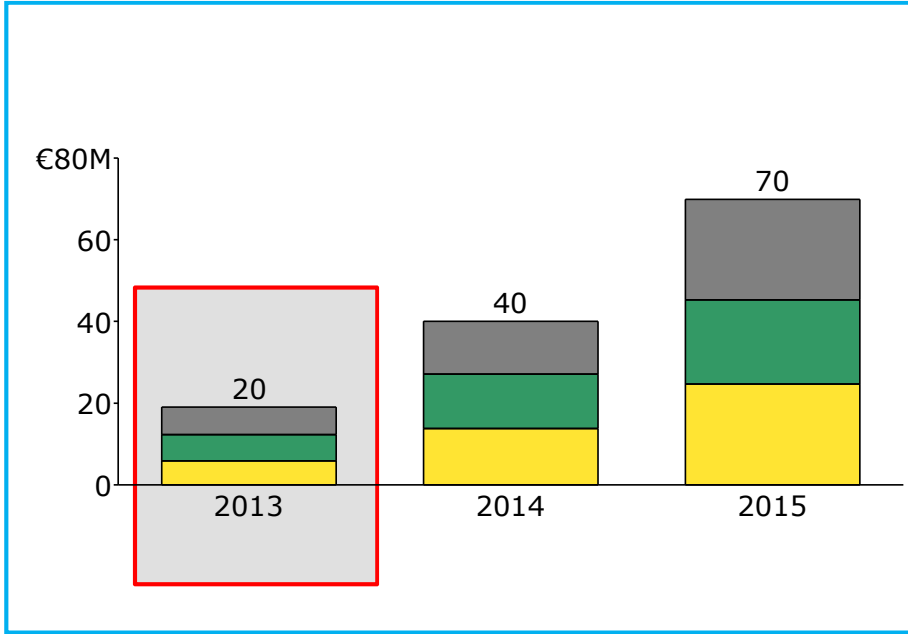
Efficiency plan: progress update

OPERATING EFFICIENCY PLAN BREAKDOWN BY BUSINESS AREA (2015)

Comprehensive efficiency plan contributing ~70 €M to Group EBITDA by 2015 already started



EFFICIENCY PLAN YEARLY EVOLUTION (2013-2015)



Benefits of efficiency plan start to positively impact on 2013 results