



A2A

H1 2016 Results

Milan, July 29th, 2016



Update 3R

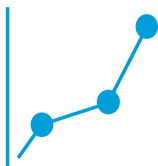


RESTRUCTURE

A2A gencogas, platform for the Italian thermoelectric consolidation

A2A Energie Future, SPV for traditional thermal plants (Brindisi, San Filippo and Monfalcone) re-conversion

Integration of Edipower Hydro plants and A2A Trading into A2A, with benefits from **company simplification** and **best practice sharing ongoing**



RELAUNCH

Unareti, a single company for the **distribution of electricity and gas**, established with positive effects on costs and investment

Closed two **M&A deals** in **waste sector**, LaBiCo and Rieco Resmal; other deals in pipeline

Growth of **retail customers** and **inhabitants reached by collection services** on track

Approved the **Integrated Water Cycle adjustment tariff** (period 2007-11)

RESHAPE

Start-up of a new **thermodynamics solar system** (STEM®) in partnership with Magaldi in San Filippo plant

Launch of A2A Smart City, a new company aimed at cities smart transformation

Nissan-A2A partnership for e-mobility Fast Charger network in Milan

Update 3D and additional projects underway



DISCIPLINE, DIALOGUE & DIGITAL

Discipline:

- **En&A:** results **better than expected**
- Further **improvement** in **Retail credit collection**
- **Lean Project ongoing** in several functional units, many **operational efficiencies** already achieved

Dialogue:

- **2015 Sustainability Report.** Formally approved by the Shareholders' Meeting
- Issued the **A2A Sustainability Policy** with sustainability objectives to be achieved by 2030 and the **A2A Sustainability Plan** that lays them out into feasible actions and concrete results by 2020
- «**Banco dell'energia**», a new innovative non profit organization to help families in hardship
- **Smart working:** Pilot Phase 1 launched

ADDITIONAL PROJECTS

- **Business Unit "Estero":** business development plan started
- **Real Estate Rationalization**
- **LGH:** green light, subject to conditions, from Antitrust Authority

H1 2016 Consolidated Results

Highlights of the period

+

-

**Vs
H1 2015**

CCGT

Regulated Components Retail

Hydroelectric production

Import/Export EPCG

2007-2011 IWC balance

Fixed costs

Energy Scenario

San Filippo del Mela

Trading portfolio

***Gas and electricity
allowed revenues***

H1 2016 vs H1 2015 Consolidated Results

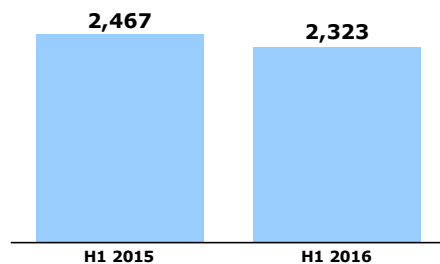
H1 2016 vs H1 2015 Results

Consolidated results

€M

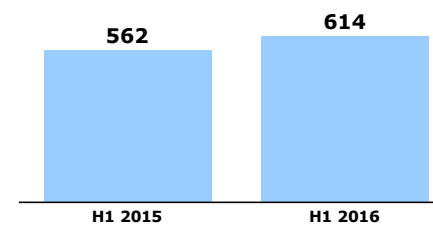
REVENUES

-6%



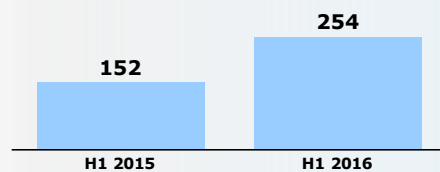
EBITDA

+9%



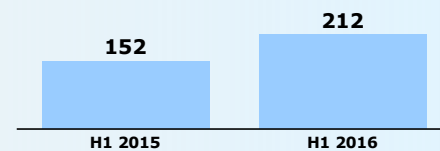
GROUP NET INCOME

+67%



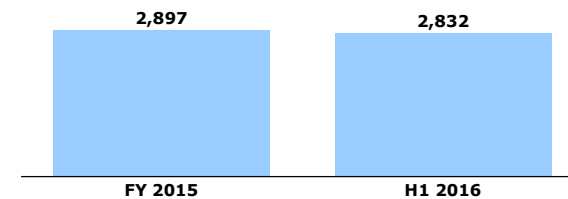
GROUP ORDINARY NET INCOME*

+60€M



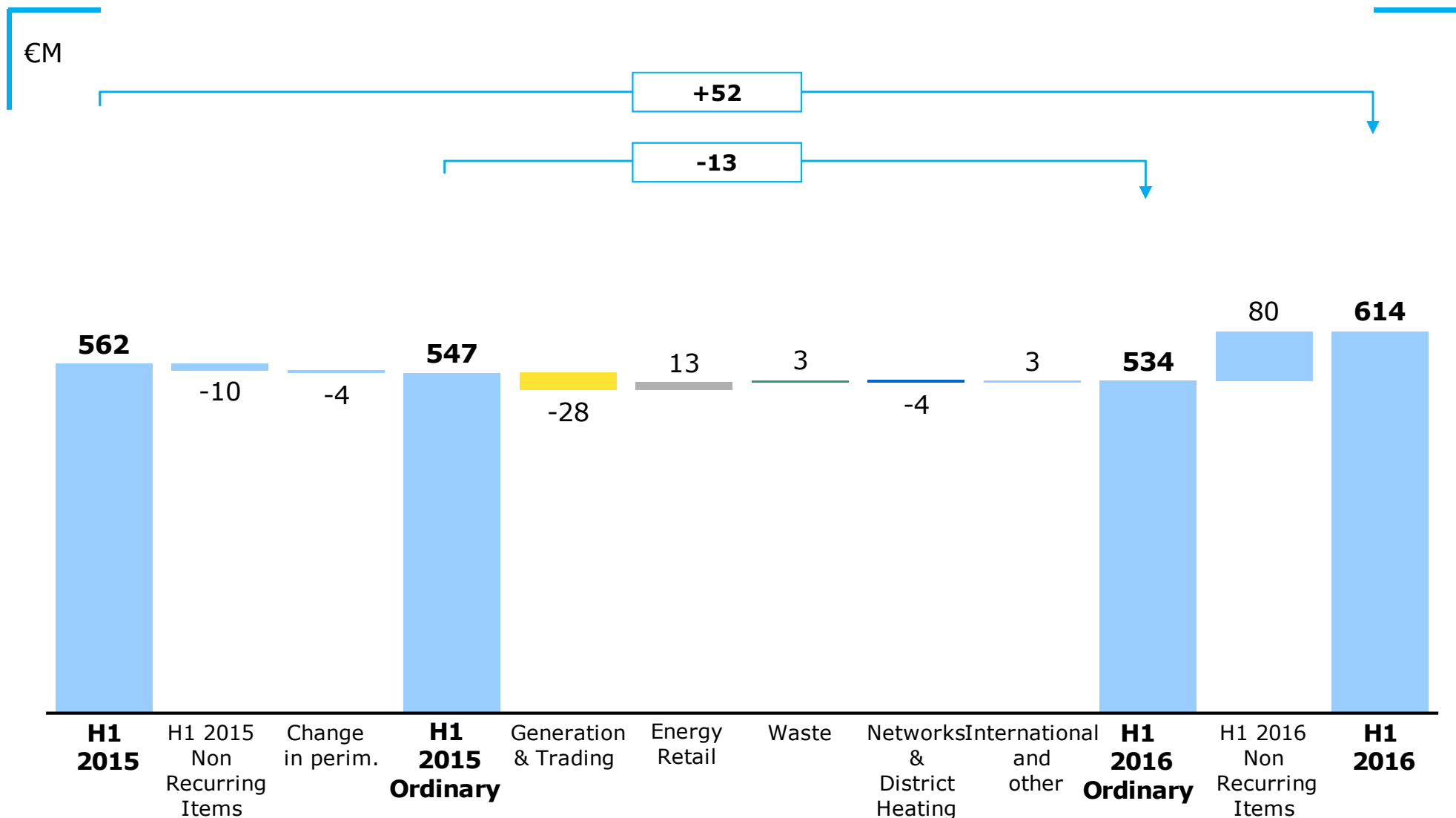
NET FINANCIAL POSITION

-2%



H1 2016 vs H1 2015 Results

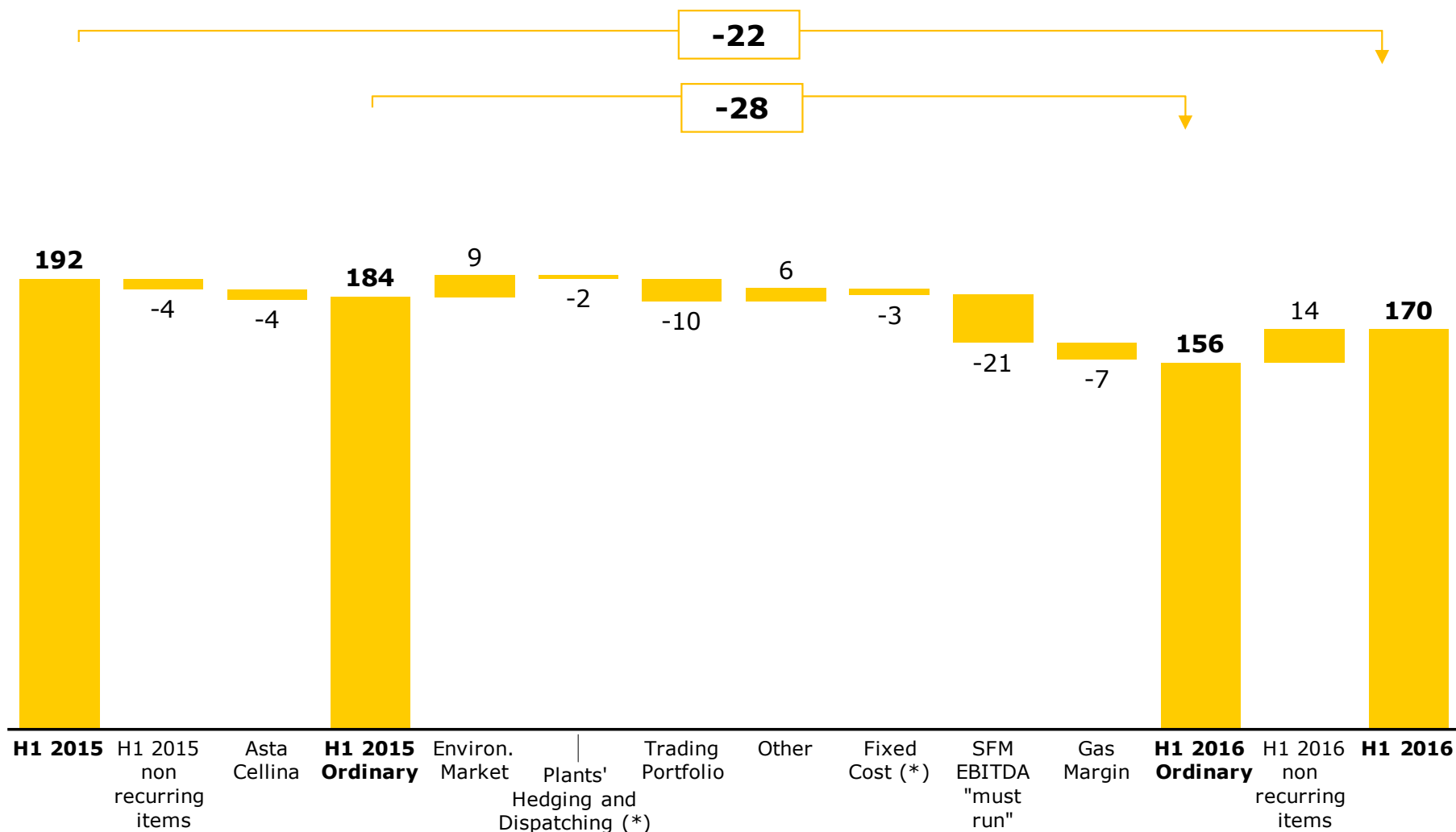
Group EBITDA



H1 2016 vs H1 2015 Results

Focus on Generation & Trading EBITDA

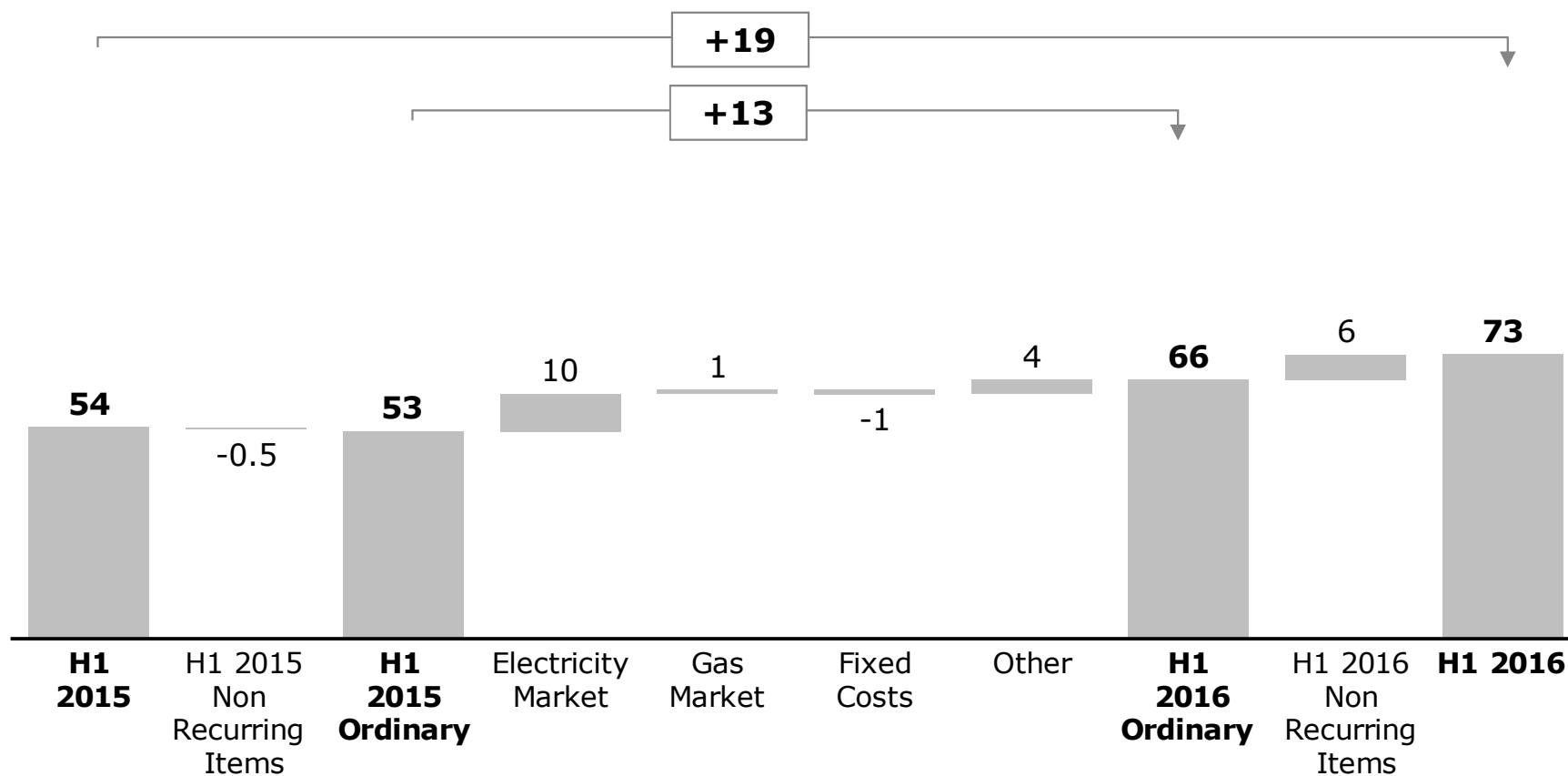
€M



(*) Includes San Filippo del Mela merchant

H1 2016 vs H1 2015 Results

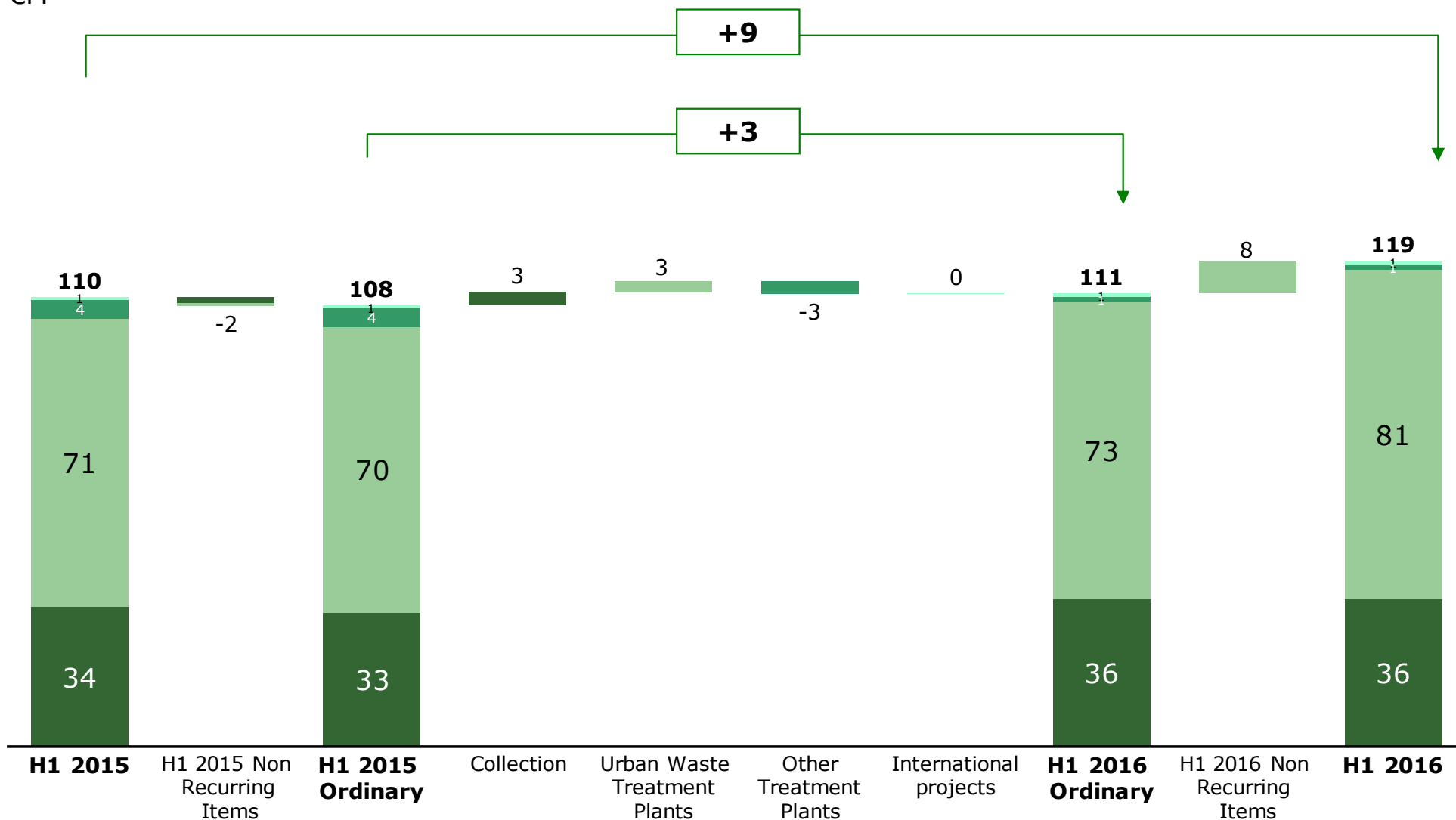
Focus on Energy Retail EBITDA



H1 2016 vs H1 2015 Results

Focus on Waste EBITDA

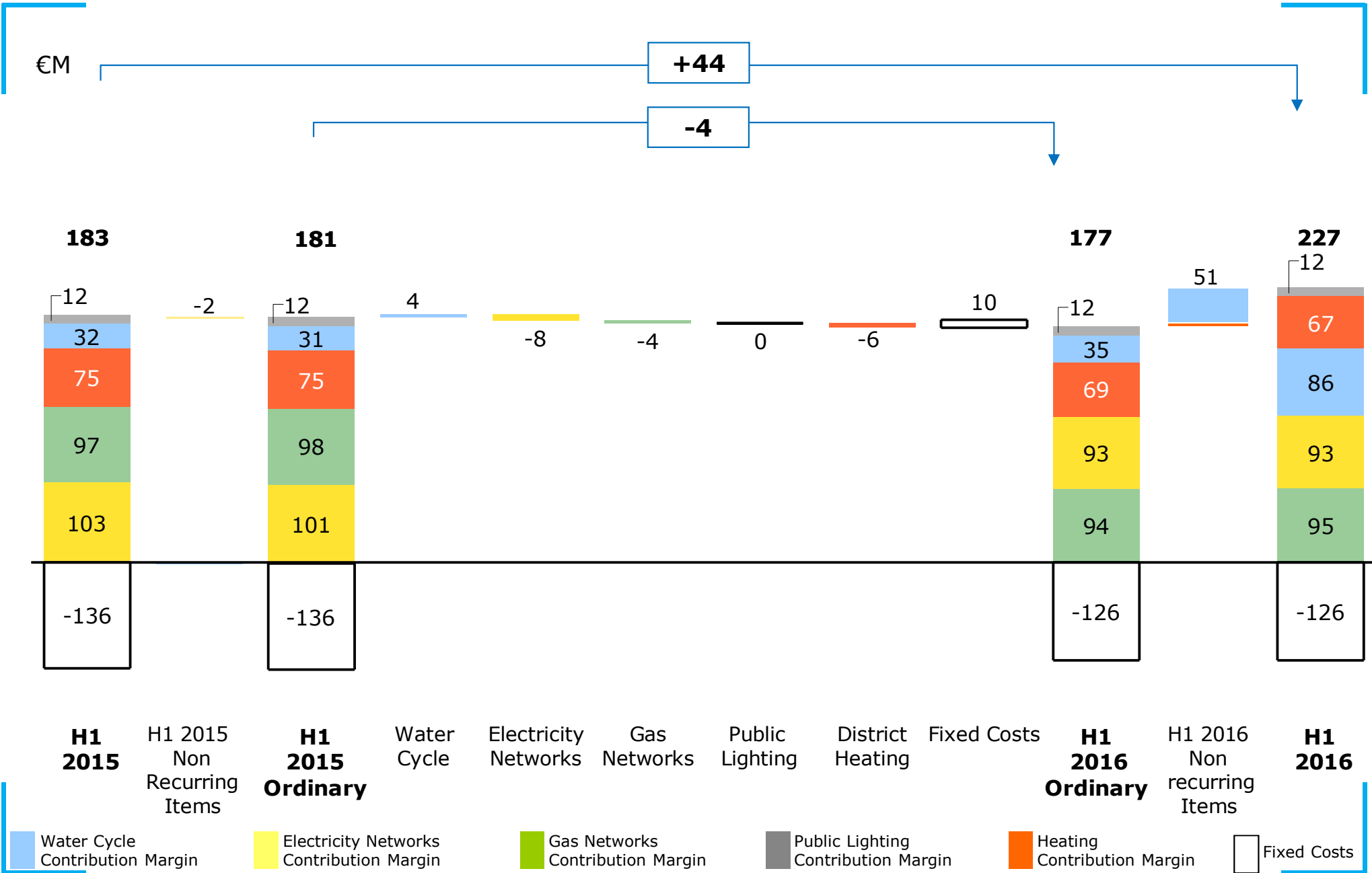
€M



- Collection
- Other Treatment Plants
- Urban Waste Treatment Plants
- International Projects

H1 2016 vs H1 2015 Results

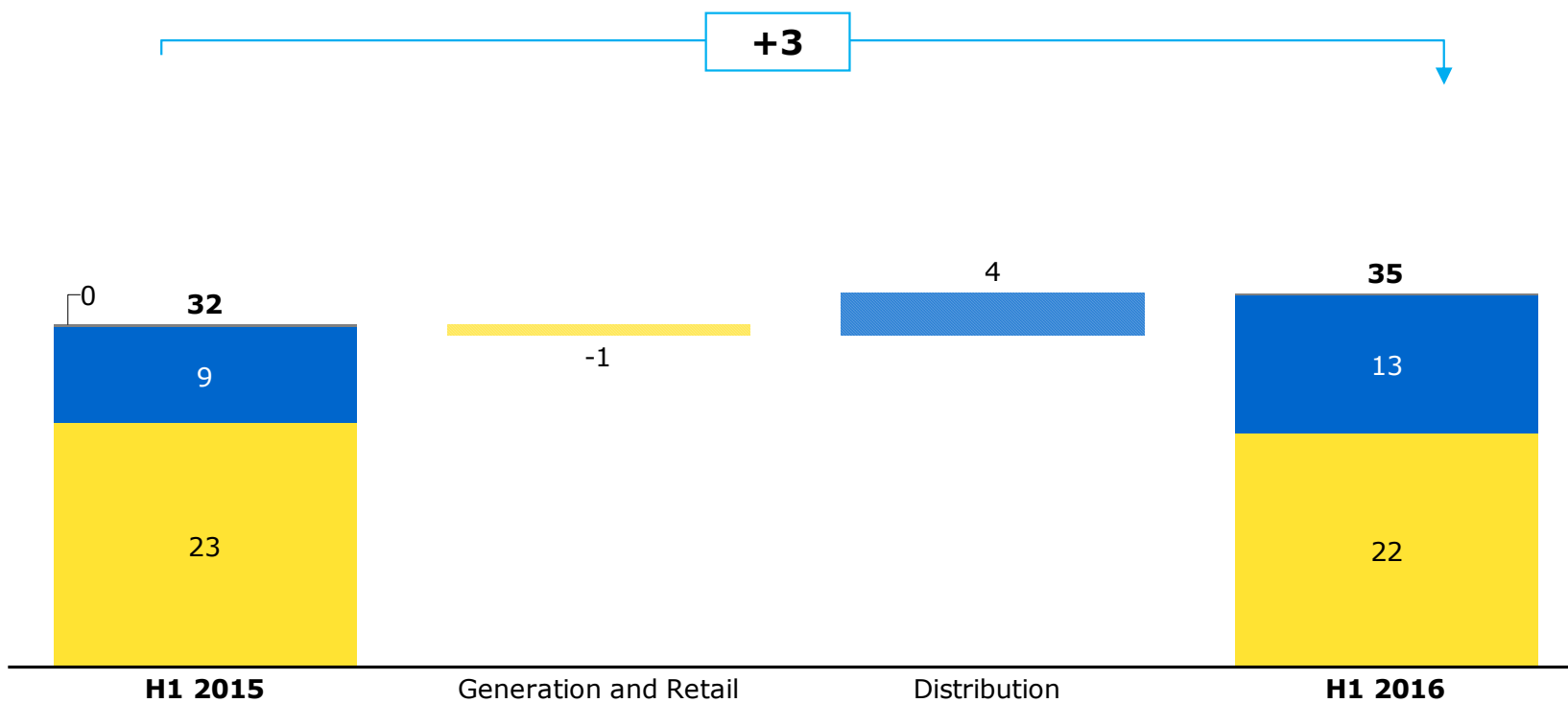
Focus on Networks and District Heating EBITDA



H1 2016 vs H1 2015 Results

Focus on International EBITDA

€M

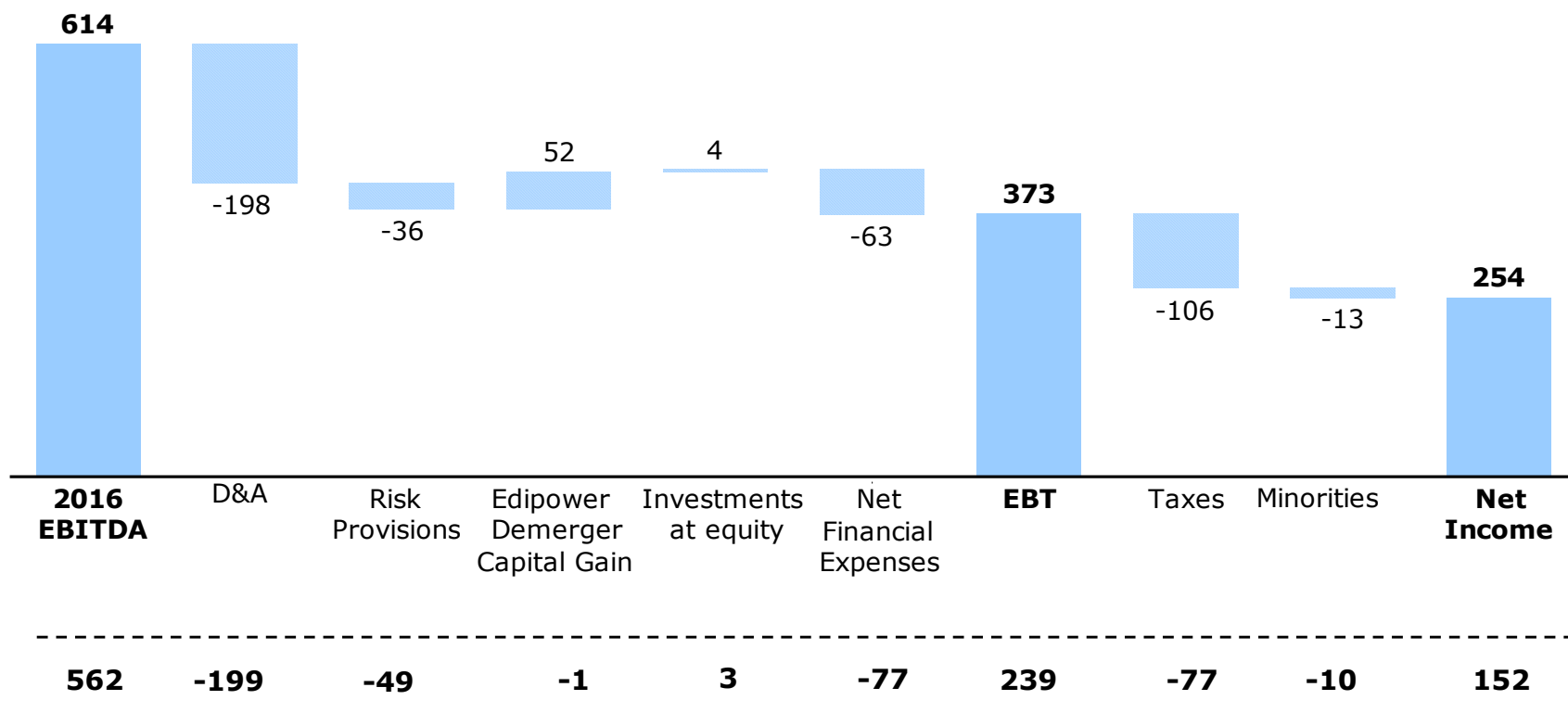


- Energy
- Distribution
- Other

H1 2016 vs H1 2015 Results

From EBITDA to Group Net Income

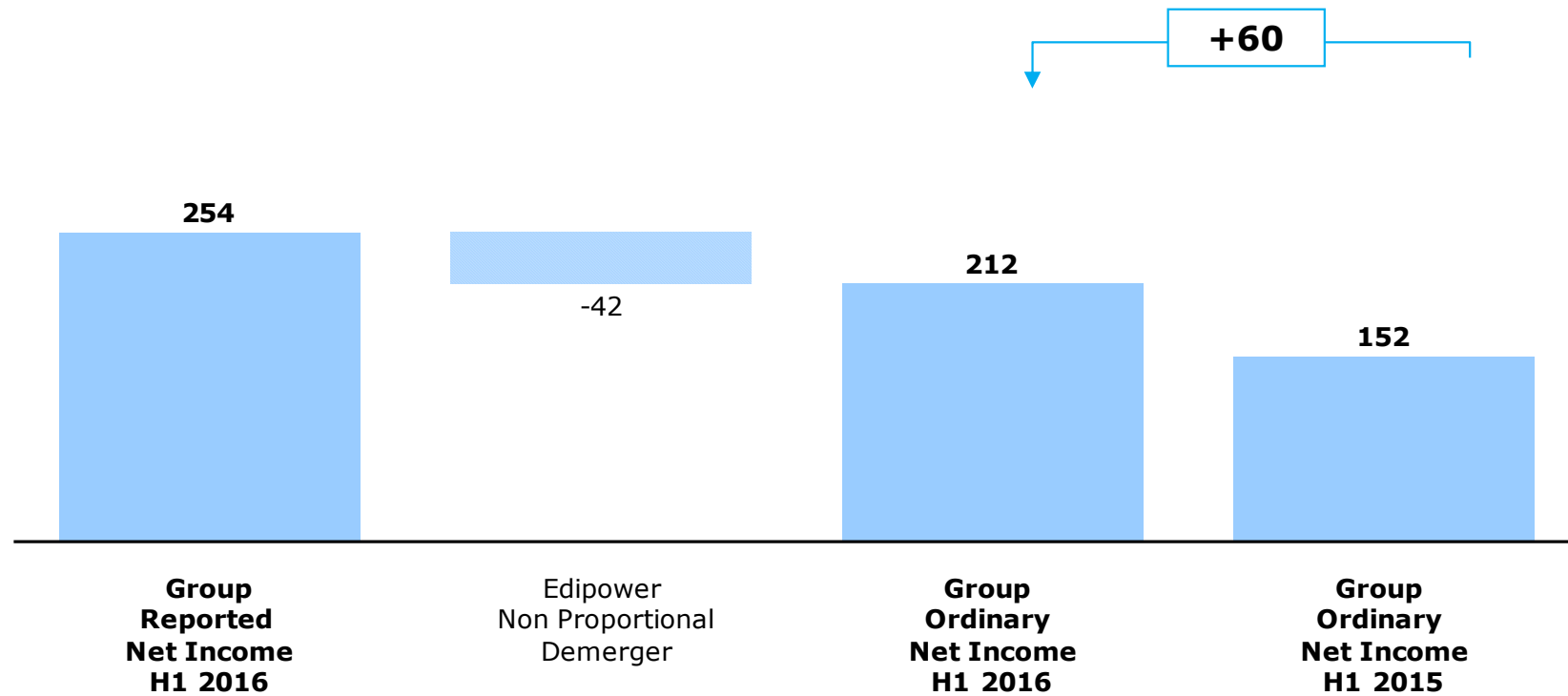
€M



H1 2016 vs H1 2015 Results

From Group Net Income to Group Ordinary Net Income

€M

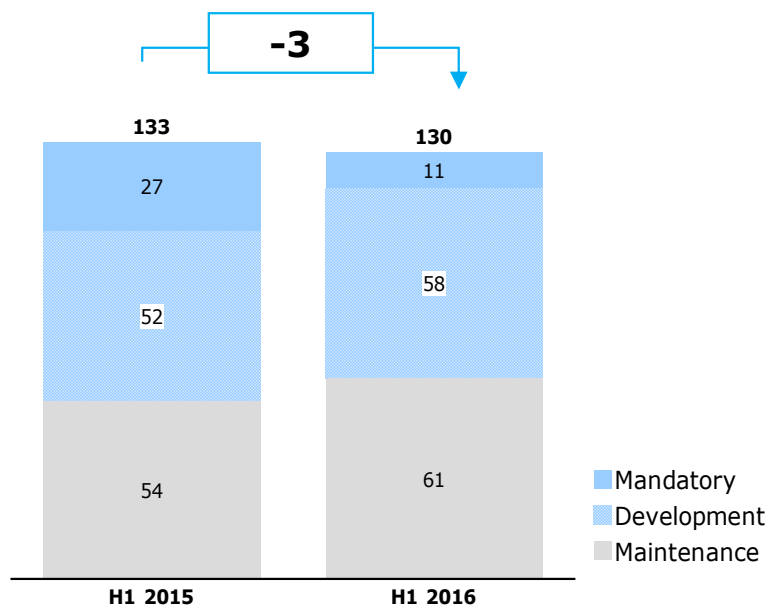


H1 2016 vs H1 2015 Results

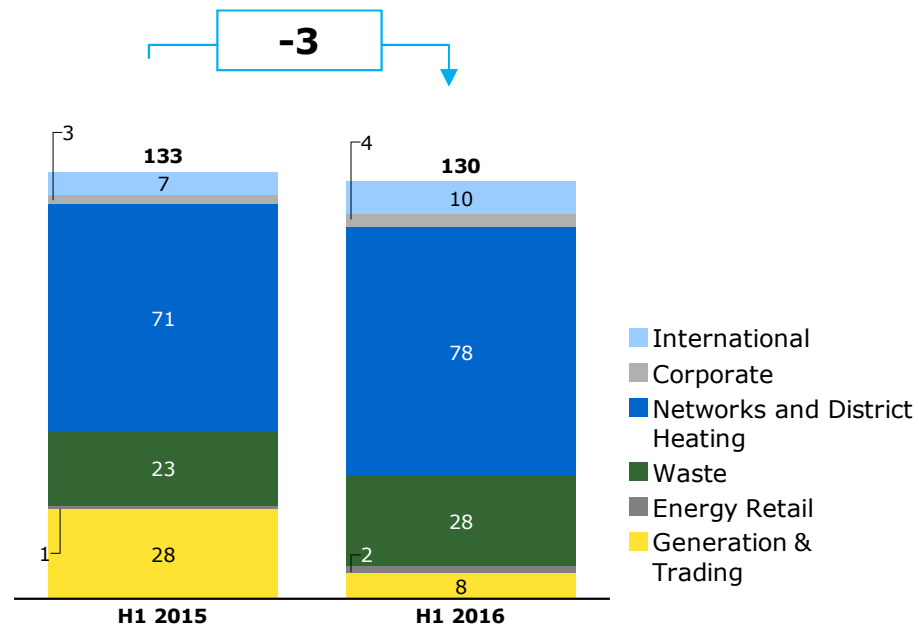
Capex

€M

BREAKDOWN BY ACTIVITY



BREAKDOWN BY BUSINESS

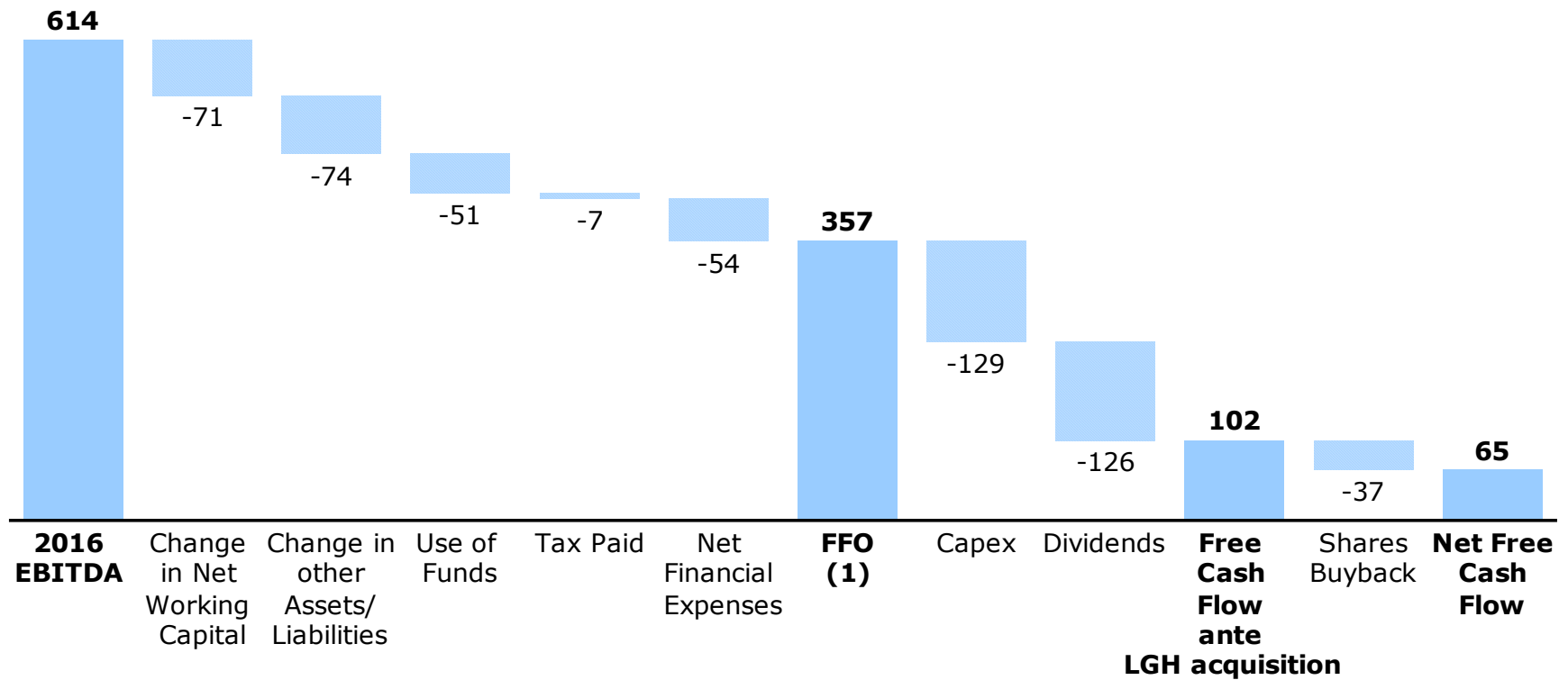


NOTE: 2016A Networks figures include Brescia LED project investment for an amount equal to 1€M, reclassified as «financial receivable» in Financial Statement according to IFRIC treatment

H1 2016 Results

Net Free Cash Flow

€M



(1) Funds from operations after working capital change

Annexes

H1 2016 vs H1 2015 Results

Consolidated Results: P&L

€M	H1 2015	H1 2016	CHANGE	%
REVENUES	2,467	2,323	-144	-5.8%
EBITDA	562	614	+52	+9.3%
D&A	(199)	(198)	+1	-0.5%
Provisions	(49)	(36)	+13	-26.5%
EBIT	314	380	+66	+21.0%
Net Financial Expenses	(77)	(63)	+14	-18.2%
Associates & JV	3	4	+1	+33.3%
Result from non recurr. transactions	(1)	52	+53	n.a.
EBT	239	373	+134	+56.1%
Taxes	(77)	(106)	-29	+37.7%
Minorities	(10)	(13)	-3	+30.0%
GROUP NET INCOME	152	254	+102	+67.1%

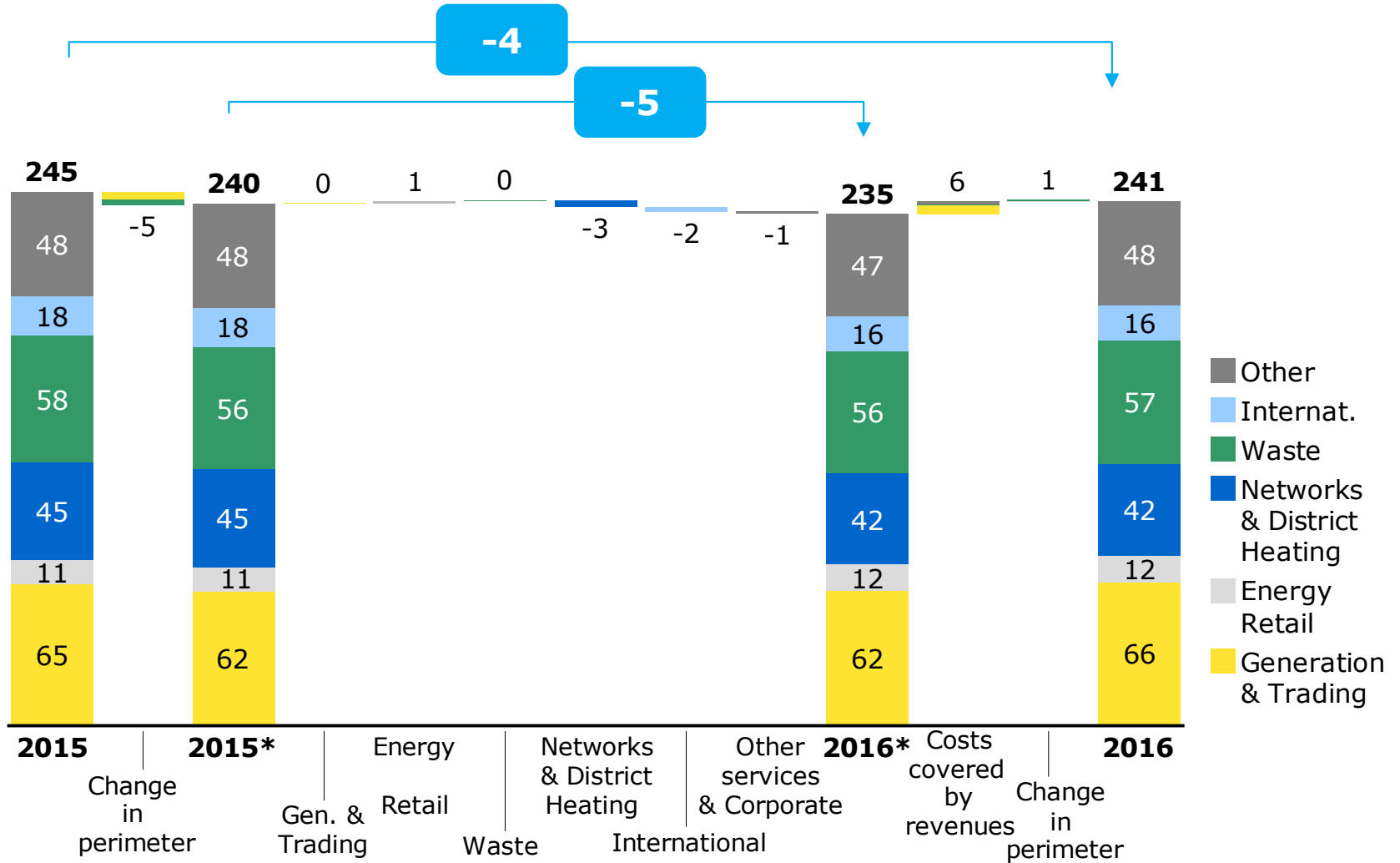
H1 2016 Results

Consolidated Results: Balance Sheet

€M	FY 2015	H1 2016	%
Tangible Assets	5,067	5,013	-1.1%
Intangible Assets	1,348	1,347	-0.1%
Shareholdings and Other Non Current Financial Assets	80	80	-
Other Non Current Assets/Liabilities	(66)	(64)	-3.0%
Deferred Tax Assets and Liabilities	308	285	-7.5%
Provisions for Risks, Charges and Liabilities for landfills	(576)	(590)	+2.4%
Employee Benefits	(332)	(348)	+4.8%
NET FIXED CAPITAL	5,829	5,723	-1.8%
Inventories	184	142	-22.8%
Trade receivables and other current Assets	1,652	1,749	+5.9%
Trade payables and other current Liabilities	(1,684)	(1,611)	-4.3%
Current tax Assets/Liabilities	28	(48)	-271.4%
WORKING CAPITAL	180	232	+28.9%
Non current Assets /Liabilities held for sale	147	3	n.a.
TOTAL CAPITAL EMPLOYED	6,156	5,958	-3.2%
Equity	3,259	3,126	-4.1%
Net Financial Position	2,897	2,832	-2.2%
TOTAL SOURCES	6,156	5,958	-3.2%

H1 2016 vs H1 2015 Results

External Costs

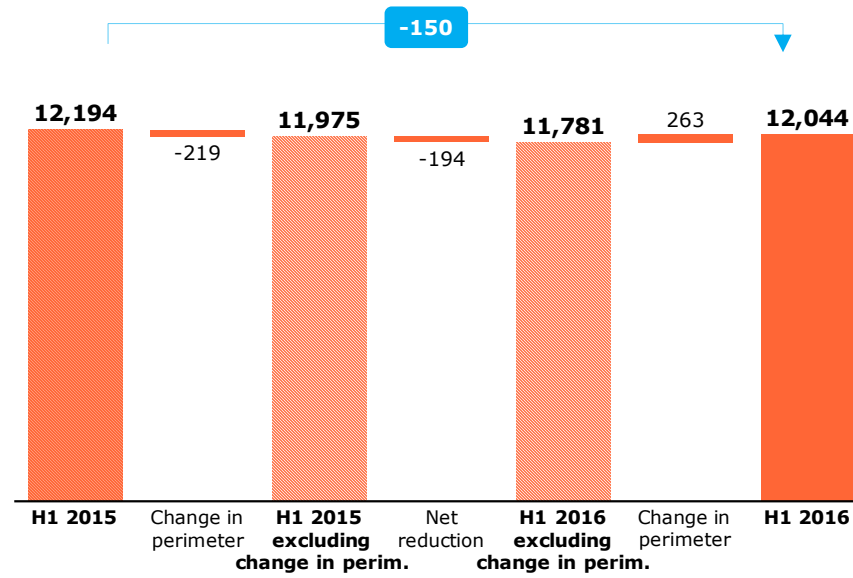


(*) 2015 and 2016 excluding change in perimeter and costs covered by revenues

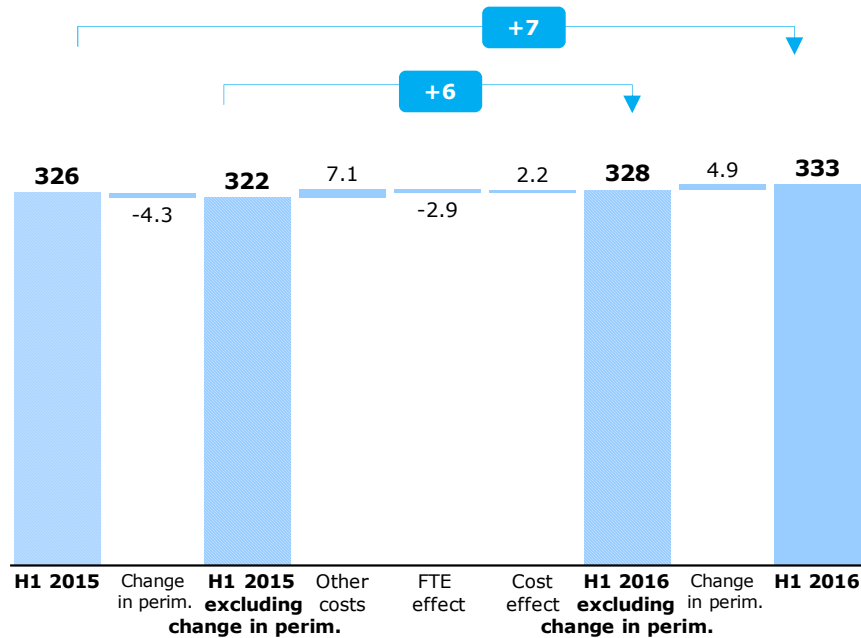
H1 2016 vs H1 2015 Results

Labour costs

FTE⁽¹⁾



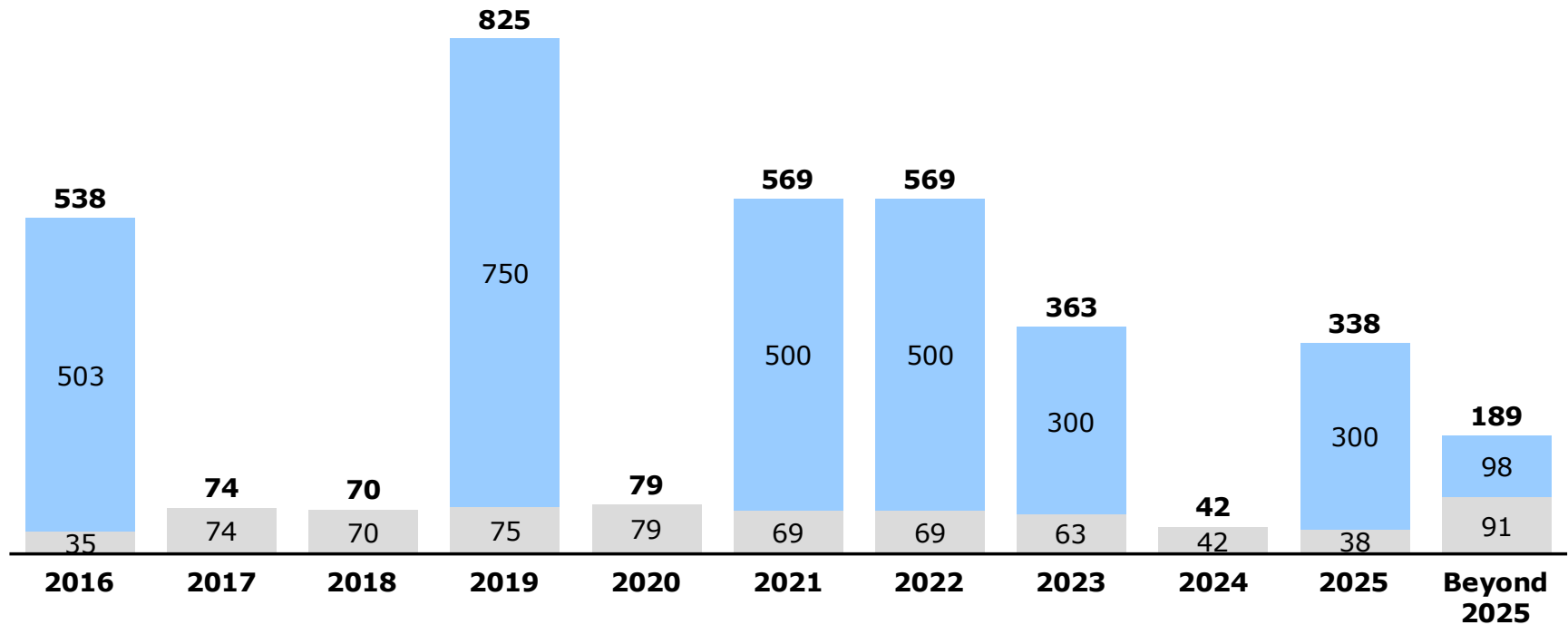
LABOUR COSTS (€M)



H1 2016 Results

Gross debt maturities as of 30/06/2016

€M



■ Bonds
■ Loans

Operational annexes

H1 2016 vs H1 2015 Results

Volumes

Volumes		H1 2015A	H1 2016A	Δ vs 2015	Δ% vs 2015
A2A Group Thermal production	GWh	4.323	4.134	-190	-4%
	<i>of which</i>				
CCGT production	GWh	1.557	1.849	292	19%
Coal production	GWh	1.164	1.048	-117	-10%
Oil production	GWh	992	825	-167	-17%
EPCG production	GWh	610	412	-198	-32%
A2A Group Hydro production	GWh	3.162	3.343	182	6%
	<i>of which</i>				
A2A and Edipower production ⁽¹⁾	GWh	2.278	2.261	-17	-1%
EPCG production	GWh	884	1.082	199	22%
Wholesale electricity sales and Foreign Markets	GWh	4.373	3.122	-1.251	-29%
Ipex sales	GWh	3.609	4.804	1.195	33%
Electricity sales	GWh	3.736	3.989	253	7%
Electricity sales to EPCG customers	GWh	1.405	1.156	-250	-18%
Gas sales	Mmc	628	664	36	6%
Electricity distributed	GWh	5.522	5.466	-56	-1%
Gas distributed	Mmc	1.068	1.039	-28	-3%
Water distributed	Mmc	29	31	1	4%
Heat volumes sales	GWht	1.334	1.332	-2	0%
Cogeneration electricity sales	GWh	146	109	-37	-25%
Collected waste	Kton	648	662	13	2%
Waste disposal	Kton	1.328	1.224	-104	-8%
WTE electricity production	GWh	665	665	0	0%
WTE heat production	GWht	650	692	42	6%

⁽¹⁾ H1 2015 Hydro production includes 150GWh related to Asta Cellina

H1 2016 vs H1 2015 Results

Energy Scenario

Average data		H1 2015	H1 2016	Δ vs 2015	Δ % vs 2015
Brent	\$/bbl	59,4	41,0	-18,4	-30,9%
CO2 - EU ETS cost	€/Tonn	7,2	5,7	-1,5	-20,9%
Green Certificates	€/MWh	97,6	99,6	2,0	2,0%
€/€	€/€	1,1	1,1	0,0	0,0%
Brent €	€/bbl	53,3	36,7	-16,6	-31,1%
PSV ⁽¹⁾	€/MWh	23,3	14,6	-8,7	-37,4%
AEEGSI Gas Tariff ⁽²⁾	c€/mc	24,1	16,0	-8,1	-33,6%
Coal € (API2)	€/Tonn	53,6	42,0	-11,6	-21,6%
PUN baseload ⁽³⁾	€/MWh	49,9	37,0	-12,9	-25,8%
PUN peak ⁽³⁾	€/MWh	54,7	40,9	-13,8	-25,3%
PUN off-peak ⁽³⁾	€/MWh	47,2	34,9	-12,3	-26,1%
CCGT gas cost ⁽⁴⁾	€/MWh	51,8	35,3	-16,5	-31,9%
Clean Spark Spread vs Baseload	€/MWh	-4,7	-0,4	4,3	n.a.
Clean Spark Spread vs Peakload	€/MWh	0,1	3,4	3,3	n.a.
Clean Dark Spread vs Baseload ⁽⁵⁾	€/MWh	12,9	6,2	-6,6	-51,6%
Italian electricity demand ⁽⁶⁾	TWh	154,2	151,0	-3,1	-2,0%
Gas demand	Bmc	35,2	35,7	0,5	1,3%

(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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