



A2A

First Quarter 2010 Results

Milan - May 12th, 2010



Agenda

- Q12010 Main financial highlights
- EBITDA Segment Analysis
- From EBITDA to Net Income
- Net debt and Cash Flow
- Scope of consolidation

Q12010 - Main financial highlights

<i>€M data</i>	Q12009	Q12010	<i>Change</i>	<i>Change %</i>
NET SALES	1,779	1,668	-111	-6.2%
EBITDA	351	269	-82	-23.4%
EBIT	260	151	-109	-41.9%
NET INCOME	92	71	-21	-22.8%
	2009	Q12010	<i>Change</i>	
NET CAPITAL EMPLOYED	9,245	9,039	-206	
NFP	4,650	4,366	-284	
EQUITY	4,595	4,673	+78	
NFP/EQUITY	1.01x	0.93x		

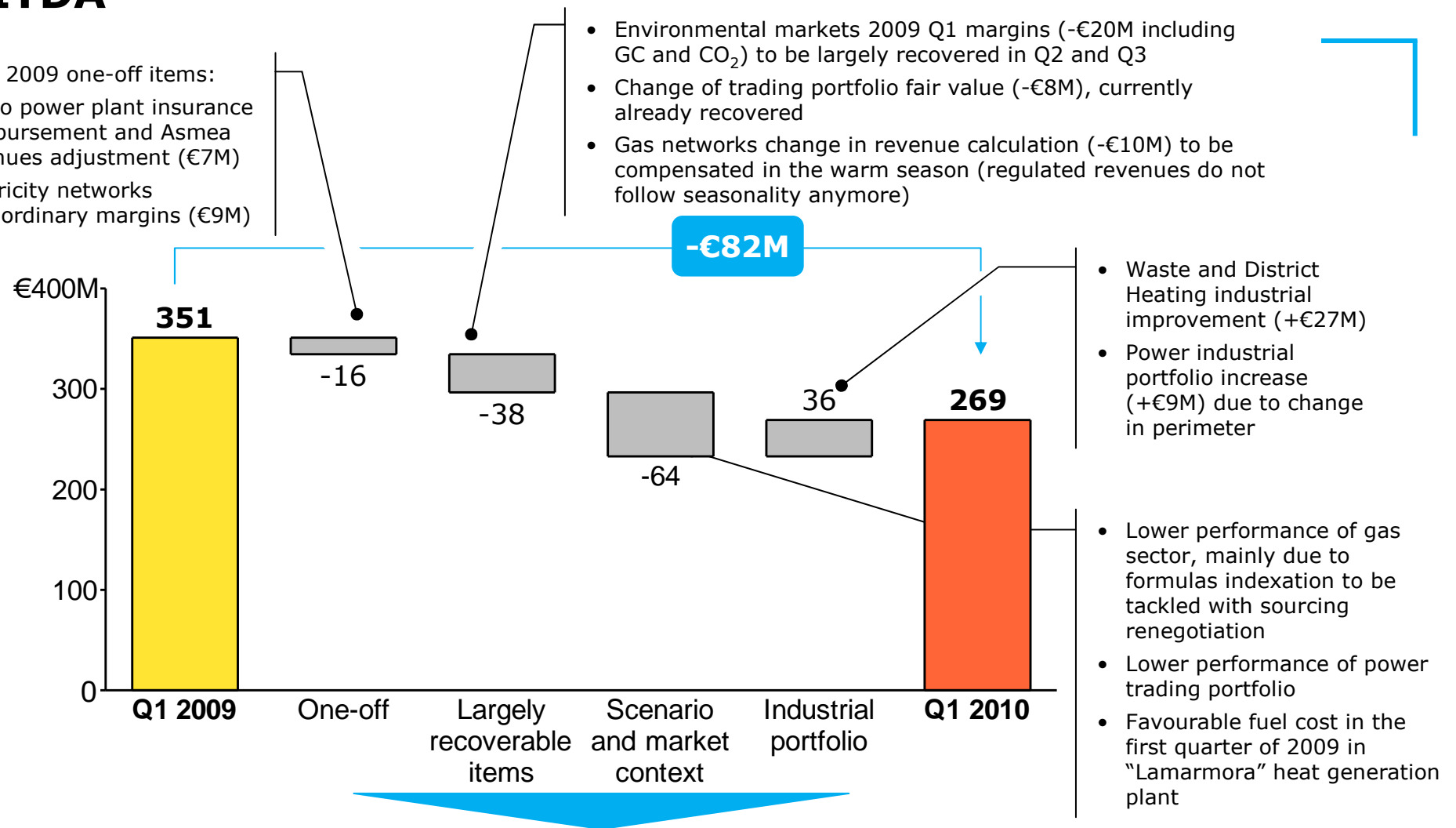
Q12010 - Results and main strategic achievements

EBITDA

Positive 2009 one-off items:

- Mincio power plant insurance reimbursement and Asmea revenues adjustment (€7M)
- Electricity networks extraordinary margins (€9M)

- Environmental markets 2009 Q1 margins (-€20M including GC and CO₂) to be largely recovered in Q2 and Q3
- Change of trading portfolio fair value (-€8M), currently already recovered
- Gas networks change in revenue calculation (-€10M) to be compensated in the warm season (regulated revenues do not follow seasonality anymore)



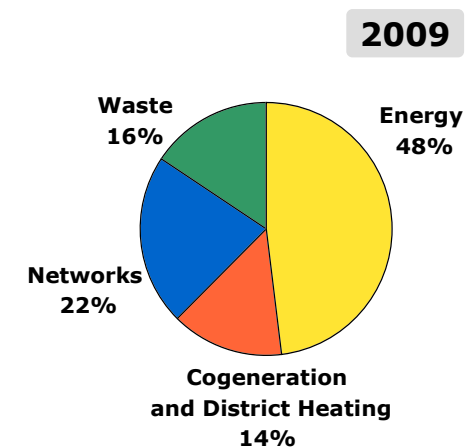
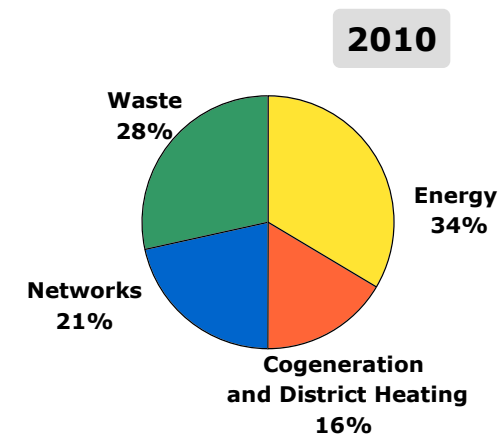
- Waste and District Heating industrial improvement (+€27M)
- Power industrial portfolio increase (+€9M) due to change in perimeter
- Lower performance of gas sector, mainly due to formulas indexation to be tackled with sourcing renegotiation
- Lower performance of power trading portfolio
- Favourable fuel cost in the first quarter of 2009 in "Lamarmora" heat generation plant

EBITDA reduction due to a combination of non-recurring, scenario and industrial items that can be recovered in next 2010 quarters

Q12010 - EBITDA breakdown

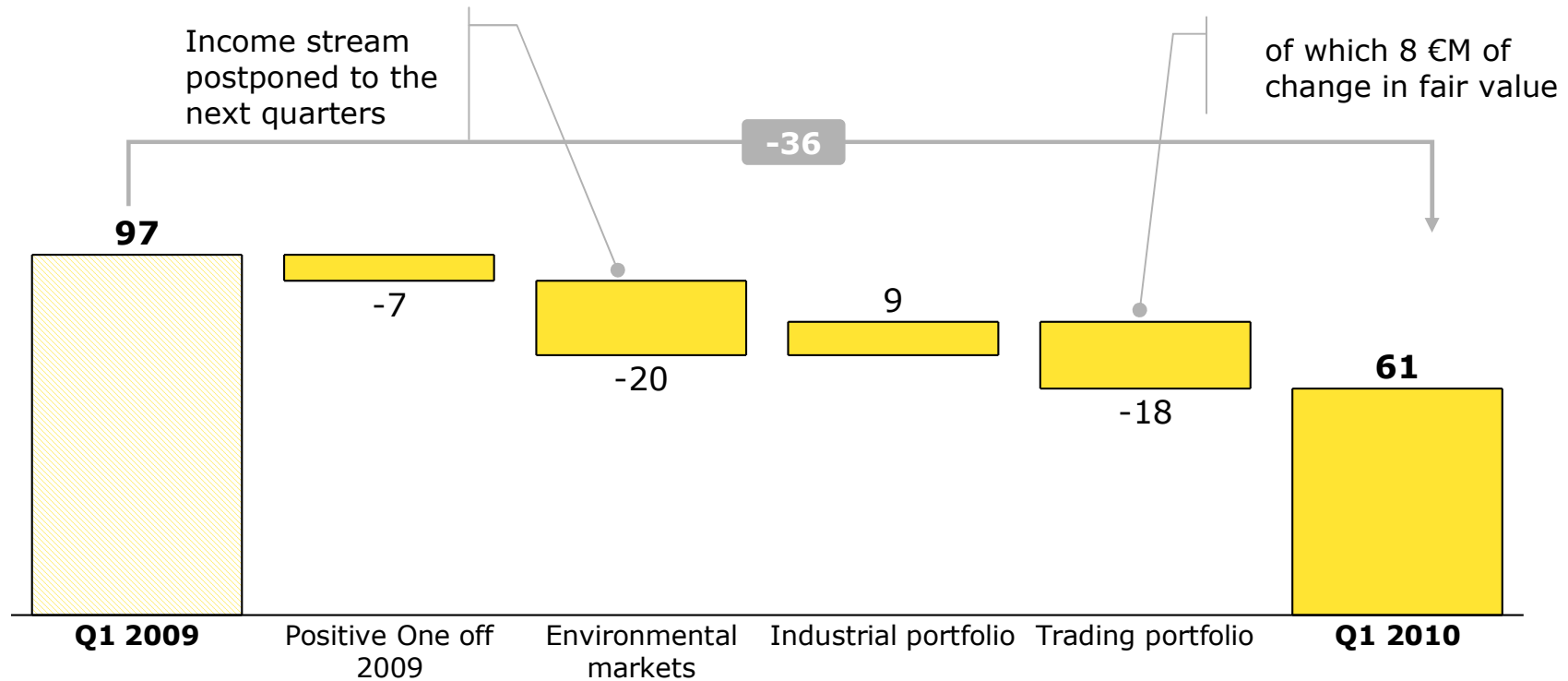
€M data	EBITDA Q12009	EBITDA Q12010	Δ Vs 2009
ELECTRICITY	97	61	-36
GAS	74	32	-42
COGENERATION AND DISTRICT HEATING	51	46	-5
WASTE	56	79	+23
NETWORKS	79	59	-20
OTHER SERVICES & CORPORATE	-6	-6	0
<i>CONSOLIDATION ADJUSTMENTS</i>	0	-2	-2
TOTAL	351	269	-82

EBITDA BREAKDOWN



Q12010 Energy - Electricity Results

EBITDA EVOLUTION 2009A-2010A (€M)



INDUSTRIAL PORTOLIO - KEY FACTS

- Decreasing margin in wholesale markets
- Increase in retail margin
- Change in perimeter

TRADING PORTOLIO - KEY FACTS

- 2009 particularly favourable spreads between Italian and foreign power prices
- Fair value variation -8M€ (+10M€ to date)

Q12010 Energy - Electricity Scenario

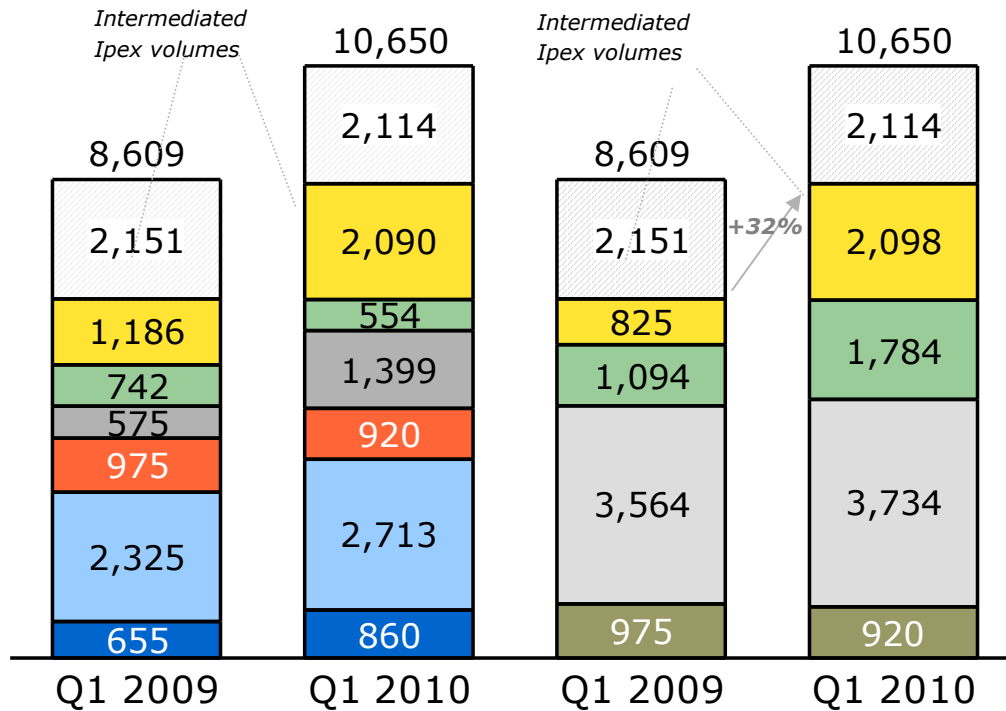
<i>SCENARIO</i>					
Average data			Q1 09	Q1 10	Var %
Brent	\$/bbl		45.77	77.30	69%
CO2 System average cost	€/Tonn		11.46	13.09	14%
Green Certificates System average cost	€/MWh		83.95	87.04	4%
€/\$	€/\$		1.30	1.38	6%
Brent €	€/bbl		35.14	55.88	59%
PUN BL	€/MWh		76.50	62.94	-18%
PUN Peak	€/MWh		94.52	76.34	-19%
PUN Off-Peak	€/MWh		66.54	55.63	-16%
CCGT	€/MWh		75.45	50.79	-33%
Spark Spread CCGT	€/MWh		1.05	12.15	
Spark Spread CCGT vs Peakload	€/MWh		19.07	25.55	
Spark Spread CCGT vs Off-Peak	€/MWh		-8.91	4.84	
Spark Spread CCGT- Environmental Costs	€/MWh		-2.24	6.90	

Q12010 Energy – Cal y+1 evolution in Germany



Q12010 Energy - Electricity Sources and Uses

VOLUMES (GWh)



Sources

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

Uses

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

GREEN CERTIFICATES POSITION

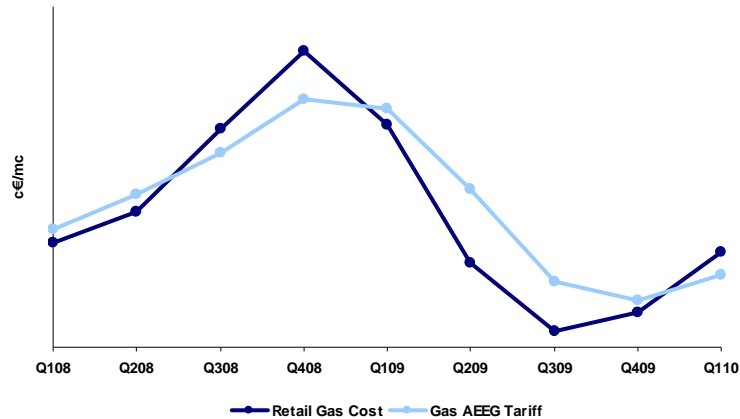
- A2A Group Green Certificates Long Position ~ 270,055 MWh
- Sales expected in Q2 2010

CO2 POSITION

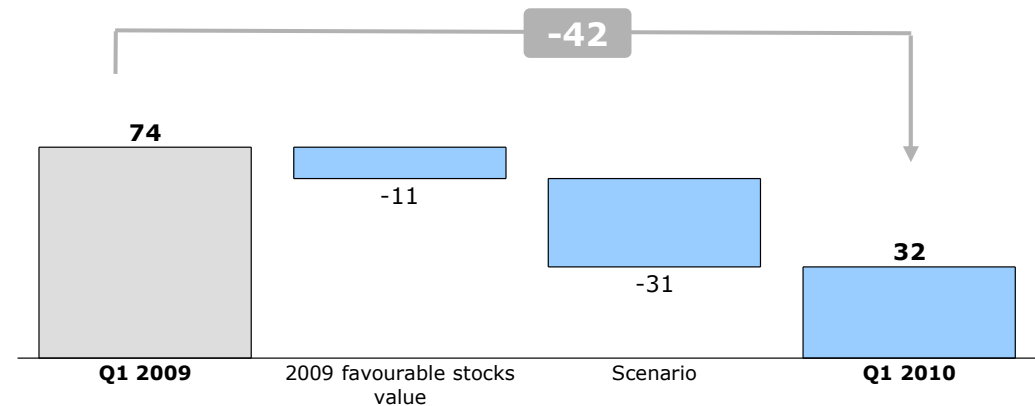
- A2A Group CO2 Long Position ~ 1,781 Kton
- Sales expected in Q3 and Q4 2010

Q12010 Energy - Gas Results

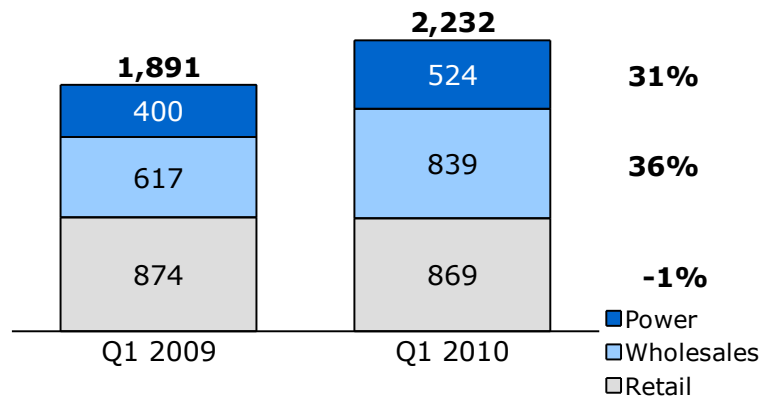
SCENARIO



EBITDA (€M)



VOLUMES (Mcm)



KEY FACTS (vs 2009)

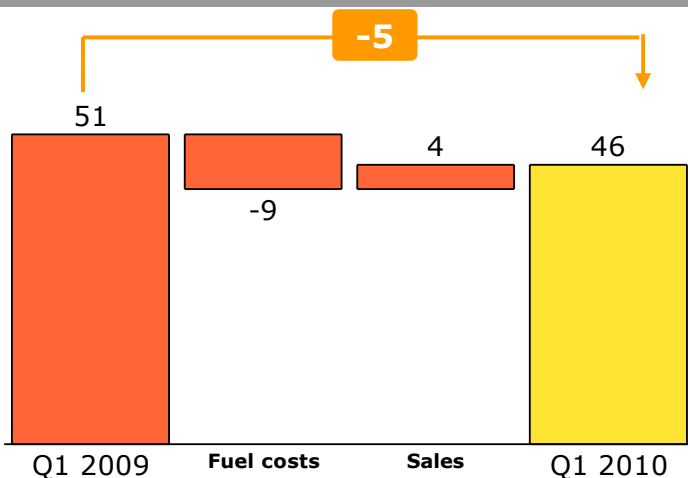
- Lower Ebitda due to the impact of scenario on indexation formulas

UPSIDES

- Gas contract renegotiation

Q12010 - Cogeneration and District heating Results

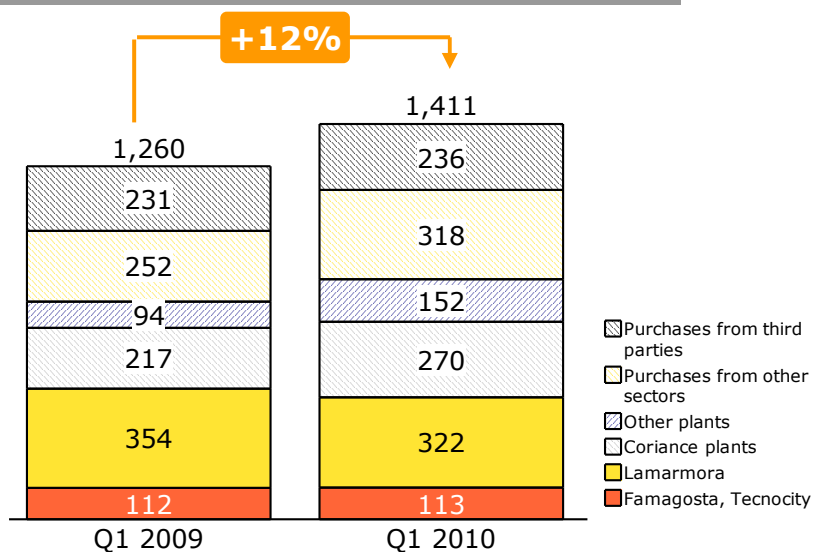
EBITDA (€M)



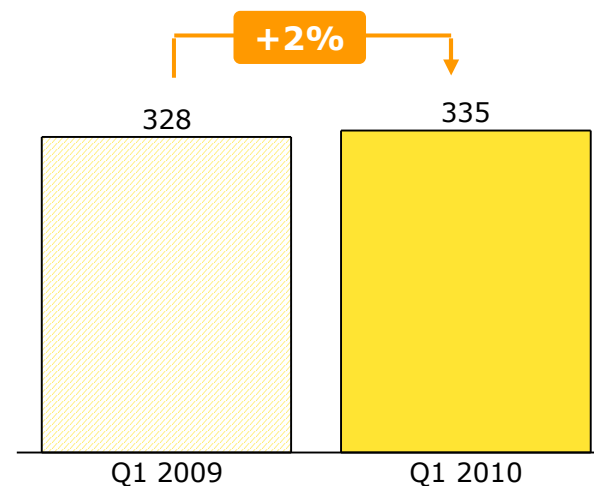
KEY FACTS

- Favourable fuel costs in 2009 (Fuel Oil)
- Sales increase

HEAT VOLUMES (GWht)

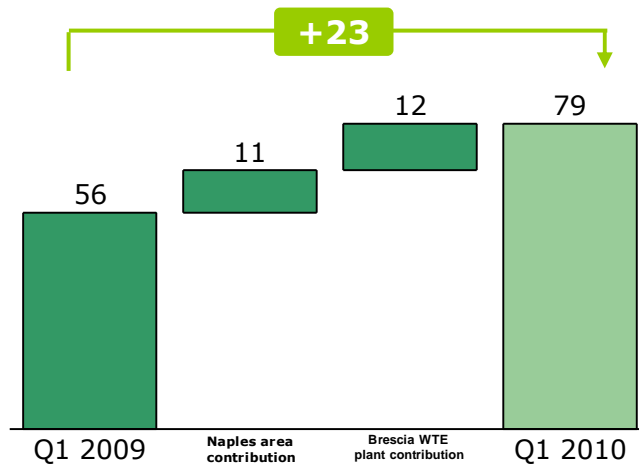


ELECTRICITY (GWh)



Q12010 - Waste Results

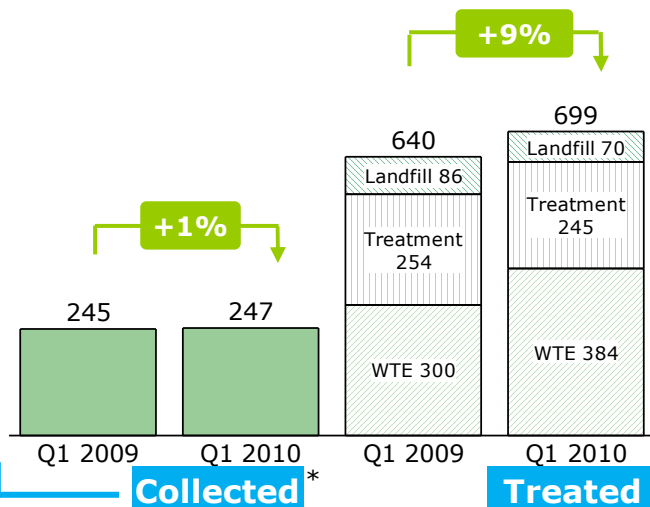
EBITDA (€M)



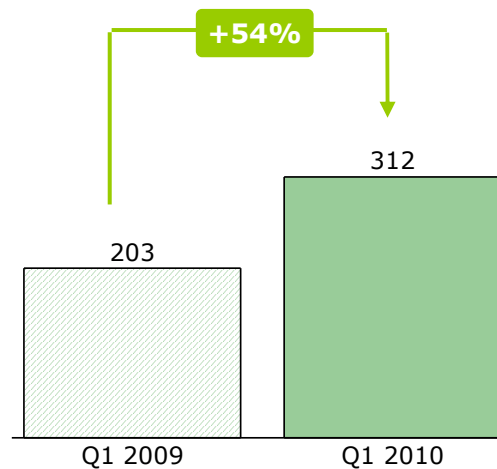
KEY FACTS

- Impact on EBITDA due to a margin increase of Brescia WTE plant, stopped during 2009 (February -April) for extraordinary maintenance
- Naples area contribution

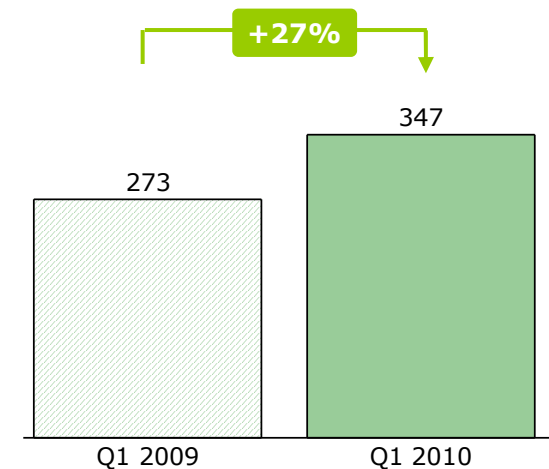
WASTE VOLUMES (Kton)



ELECTRICITY (GWh)



HEAT PRODUCTION (GWht)

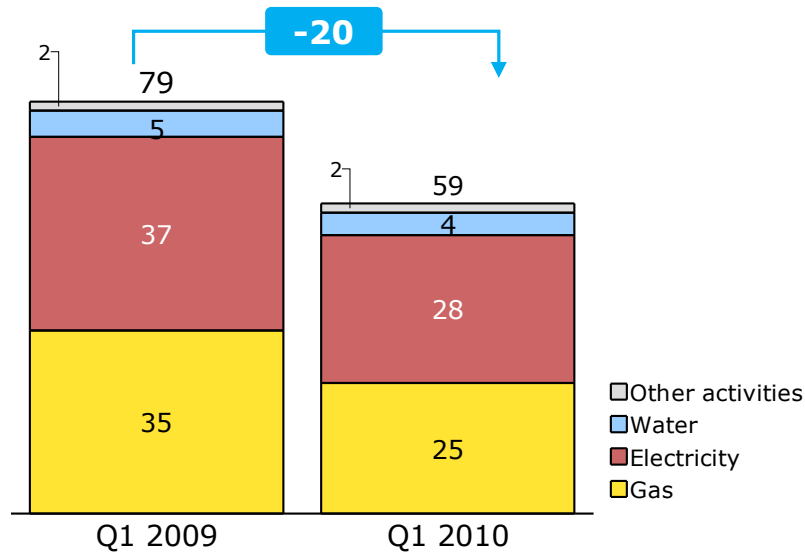


* related to main municipalities (Milan, Brescia, Bergamo, Varese)

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Q12010 - Networks Results

EBITDA (€M)



KEY FACTS

Electricity: -9 €M (positive one off in 2009)

Impact on EBITDA due to non current items recorded in 2009

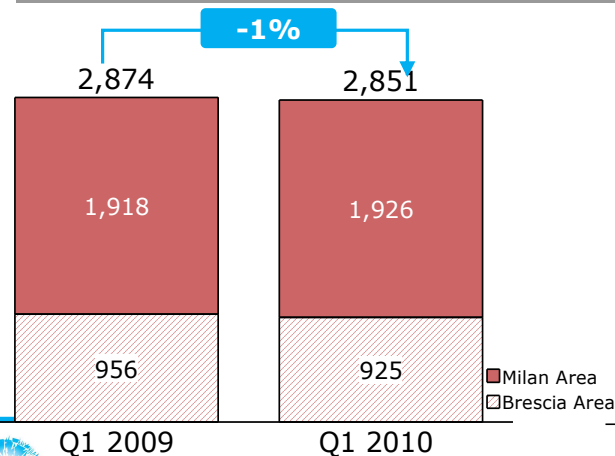
Gas: -10 €M (to be recovered in the upcoming quarters)

Impact on EBITDA due to a different method of revenues allocation in 2010.

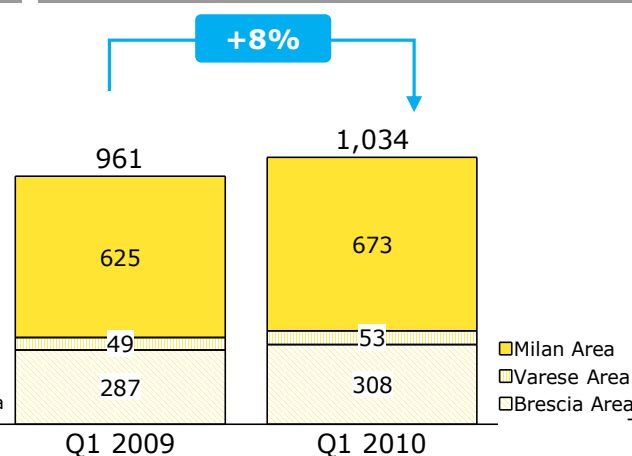
Water: -1 €M

2010 result in line with 2009 result

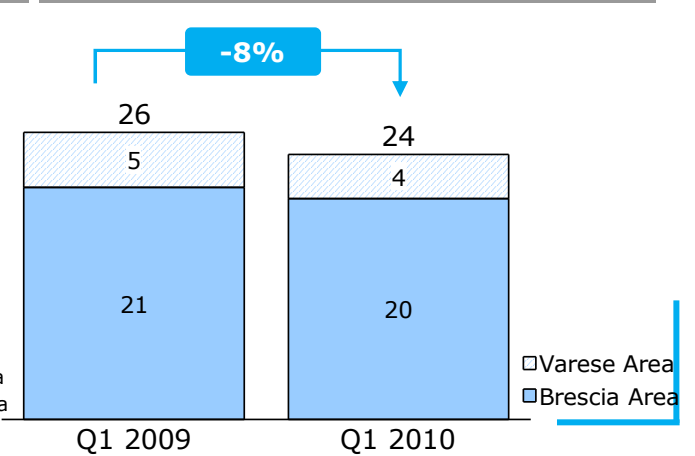
ELECTRICITY (GWh)



GAS DISTRIBUTED (Mmc)



WATER (Mmc)



Q12010 - From EBITDA to Net Income (1/2)

€M data	Q1 2009	Q1 2010	Change	Key point
EBITDA	351	269	-82	
D&A, Write Downs and Provisions	-91	-118	-27	<i>Gissi, E.ON acquisition</i>
Financial charges	-59	-38	+21	<i>24 M€ Fiscal Moratorium 96-99</i>
Derivatives/others	-5	-18	-13	
Associates and JV and others	+12	+21	+9	<i>TdE, EPCG, Edipower and others</i>
Others	-40		+40	<i>Fiscal Moratorium (AEM and ASM 96-99)</i>
EBT	168	116	-52	

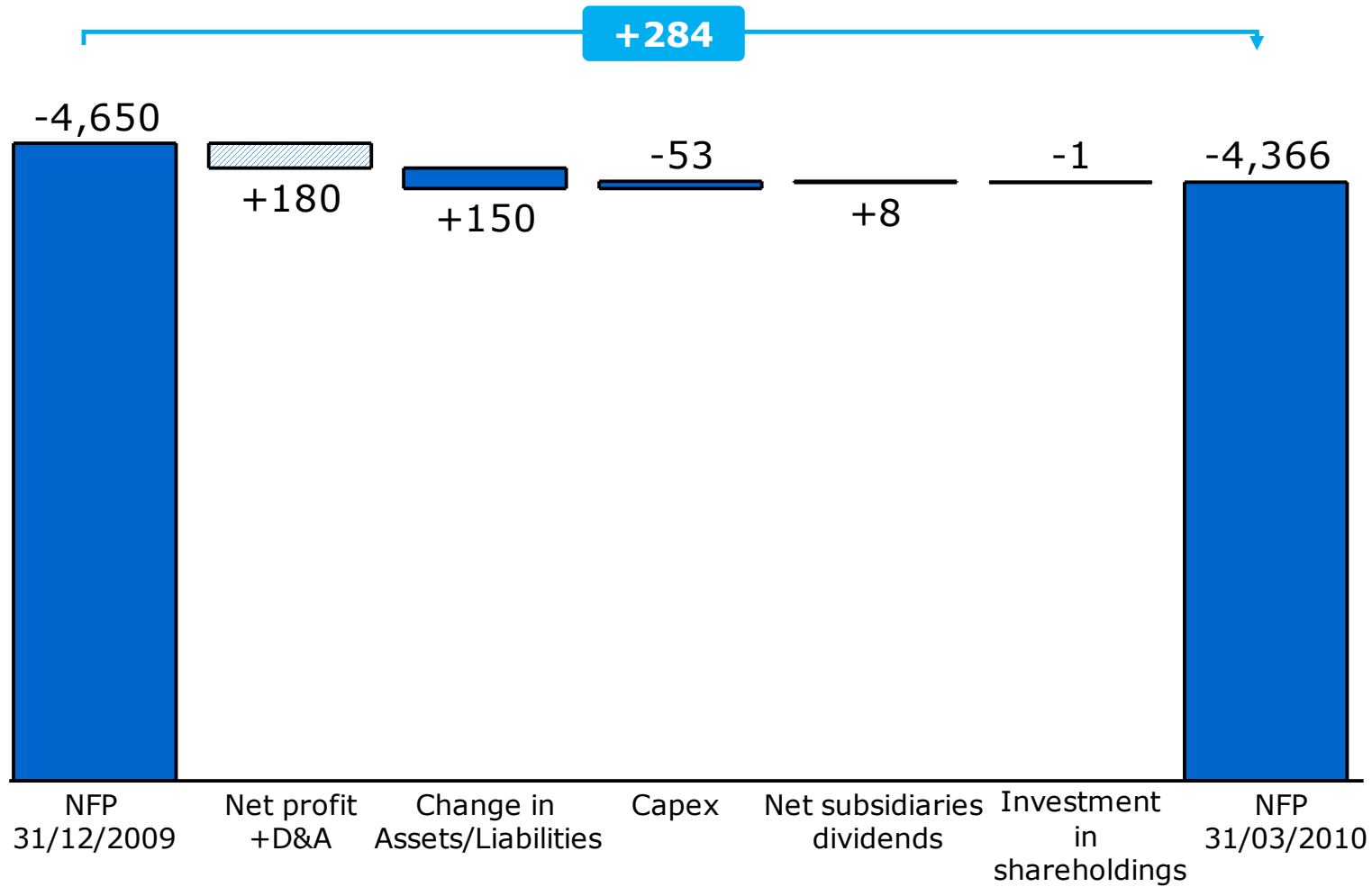
Q12010 - From EBITDA to Net Income (2/2)

€M data	Q1 2009	Q1 2010	Change	Key point
EBT	168	116	-52	
TAXES	-70	-37	+33	
IFRS 5	1	1	-	
MINORITIES	-7	-9	-2	<i>TdE and Plurigas</i>
NET INCOME	92	71	-21	
NET INCOME ADJUSTED*	148*	71	-77	

* Adjusted for "Fiscal Moratorium"

Q12010 - Net Debt and Cash Flow

€M data

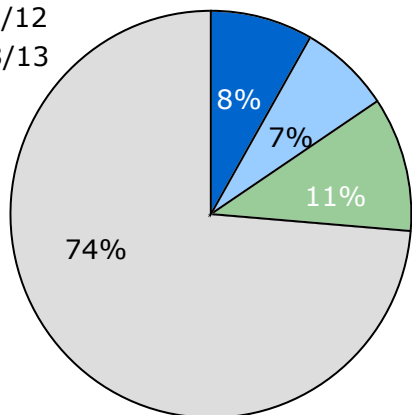


Q12010 - Group Financial structure

Total debt - Maturity

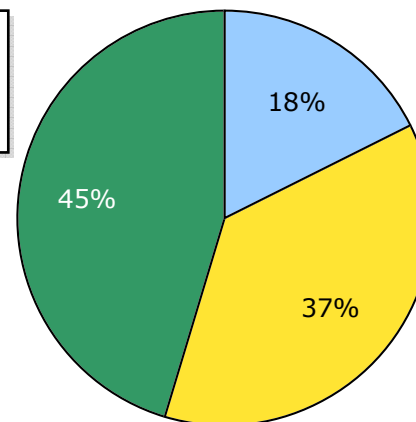
DEBT MATURITY

- <31/03/2011
- 01/04/11-31/03/12
- 01/04/12-31/03/13
- >31/03/2013



DEBT BREAKDOWN BY INTEREST

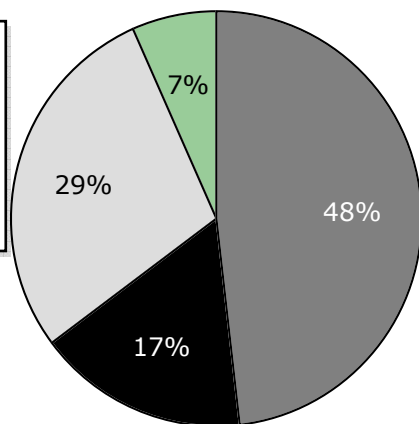
- Swap
- Variable
- Fixed



TOTAL DEBT: 4.5 €B - AVG. MATURITY: 4.6 YEARS - UNDRAWN LINES: 1.9 €B - Q1 2010 AVG. RATE 2.80%

DEBT BREAKDOWN

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



COMPANY'S CREDIT RATING



STANDARD & POOR'S

BBB+ / A-2
Watch Negative



A3
Stable Outlook

Q12010 - Scope of consolidation

	<u>Q1 2010</u>			<u>Q1 2009</u>		
	CONSOLIDATED ON .. BASIS	INCOME STATEMENT	NET RESULT	CONSOLIDATED ON .. BASIS	INCOME STATEMENT	NET RESULT
A2A subsidiaries	<i>Line by line</i>	<i>100%</i>	<i>100%</i>	<i>Line by line</i>	<i>100%</i>	<i>100%</i>
Alpiq ⁽¹⁾		<i>IFRS 5</i>		<i>Available for sale</i>		
A2A Produzione ⁽²⁾	<i>Line by Line</i>	<i>100%</i>	<i>100%</i>	-	-	-
EPCG	<i>Equity</i>	<i>43.7%</i>	<i>43.7%</i>	-	-	-

(1) Shareholding equal to 5.16%

(2) Operating from 1st July 2009