



A2A **2008 Results**

Conference Call

Milan, 25 March 2009



Agenda

- 2008 Results
- Segment Analysis

A2A –Main financial highlights

€M data	2007rest.d Pro-forma	2008	Change	Change %
NET SALES	5,175	6,094	+919	+17.6%
EBITDA	1,013	1,068	+55	+5.4%
EBIT	684	699	+15	+2.2%
NET INCOME	521	316	-205	-39.4%
	end 2007rest.d Pro-forma	2008	Change	
NET CAPITAL EMPLOYED	8,054	8,206	+152	
NFP	(3,349)*	(3,484)	-135	
EQUITY	4,705	4,722	+17	
NFP/EQUITY	0.71x	0.73x		
NFP/EBITDA	3.3x	3.3x		



*including 85 mln extraordinary dividend

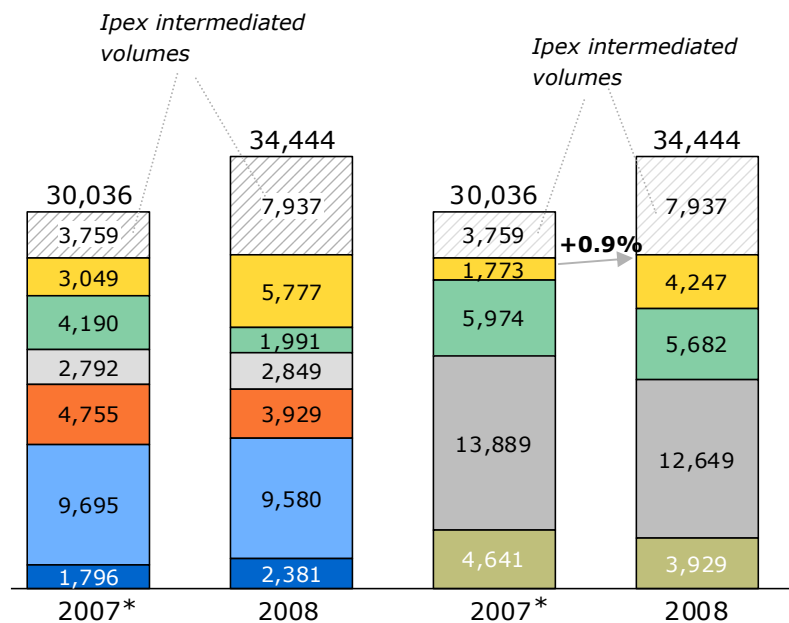
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2007-2008 Pro-forma EBITDA breakdown

€M data	EBITDA 2007	EBITDA 2008	Δ	EBITDA BREAKDOWN
ENERGY	447	439	-8	<p>2007</p> <p>Energy 42%</p> <p>Waste 29%</p> <p>Networks 24%</p> <p>Cogeneration and District Heating 5%</p>
COGENERATION AND DISTRICT HEATING	49	67	+18	
WASTE	308	320	+12	
NETWORKS	258	276	+18	
OTHER SERVICES & CORPORATE	-49	-34	+15	
TOTAL	1,013	1,068	+55	<p>2008</p> <p>Energy 40%</p> <p>Waste 29%</p> <p>Networks 25%</p> <p>Cogeneration and District Heating 6%</p>

2007-2008 Results – Electricity (1/2)

VOLUMES (GWh)



Sources

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

Uses

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

* 2007 revised data are due to perimeter changes

GREEN CERTIFICATES POSITION

MWh data

A2A Group production	516,155
A2A Group needs	-316,553
Delta *	199,602

CO2 NET POSITION

Kton

	TOTAL NAP 2008	CO2 emission 2008
Energy	4,951	4,434
District heating	784	575
Waste	132	154
Total	5,867	5,163

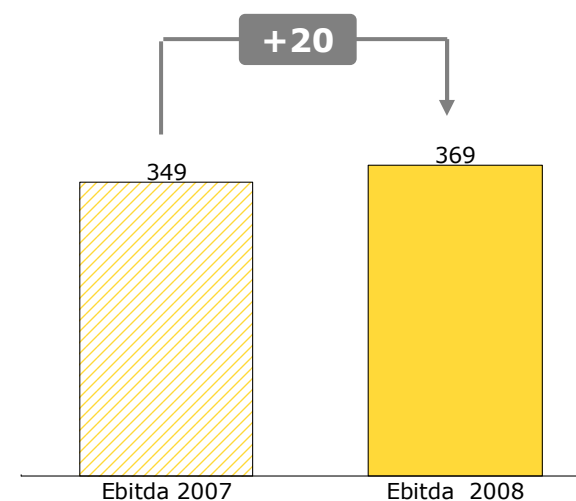
* of which 28,6 MWh realized in 2008

2007-2008 Results – Electricity (2/2)

SCENARIO

Average data		2007	2008	Change %
Brent	\$/bbl	72.66	98.41	35%
CO2 System Average Cost	€/Tonn	0.20	22.31	
GC System Average Cost	€/MWh	103.10	85.36	-17%
C/\$	€/€	1.37	1.47	7%
Brent €	€/bbl	52.78	66.02	25%
PUN BL	€/MWh	70.98	86.96	23%
PUN Peak	€/MWh	103.39	112.75	9%
PUN Off-Peak	€/MWh	52.98	72.48	37%
CCGT Standard Gas Costs	€/MWh	48.73	67.34	38%
Spark Spread CCGT	€/MWh	22.25	19.62	-12%
Spark Spread CCGT vs Peakload	€/MWh	54.66	45.40	-17%
Spark Spread CCGT vs Off-Peak	€/MWh	4.25	5.13	21%
Spark Spread CCGT- Environmental Costs	€/MWh	18.33	16.14	-12%

EBITDA (€M)



POSITIVE KEY FACTS

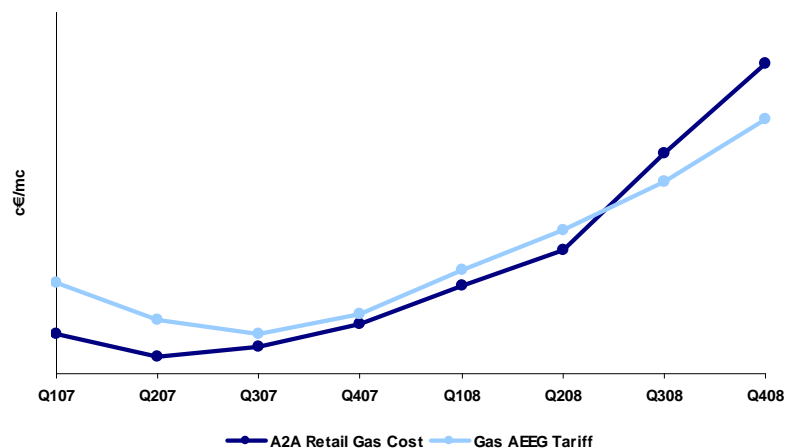
- Positive dynamics of power exchange prices, in particular off peak prices
- Increase in hydroelectric production
- Increase in margin and volumes traded on the foreign markets

NEGATIVE KEY FACTS

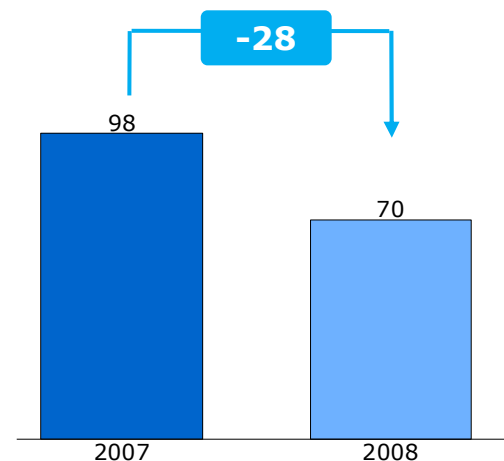
- Premadio plant stop (Unit 1 and 2)
- Cassano plant stop (Unit 1)

2007-2008 Results – Gas (2/2)

SCENARIO



EBITDA (€M)



VOLUMES (Mmc)

	2007	2008
Retail	1,797	1,859
Wholesales	1,057	1,565
Power	1,879	1,728
Total sales	4,733	5,152

KEY FACTS

Positive key facts

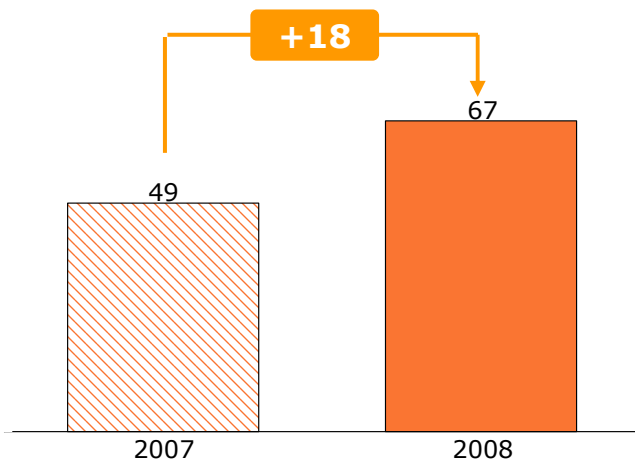
Increase in gas sales, compared to the same period of 2007, characterized by an exceptionally mild weather

Negative key facts

- Decreasing the profitability due to the impact of the scenario on indexation formulas
- Non current items recorded in 2007

2007-2008 Results – Cogeneration and District heating

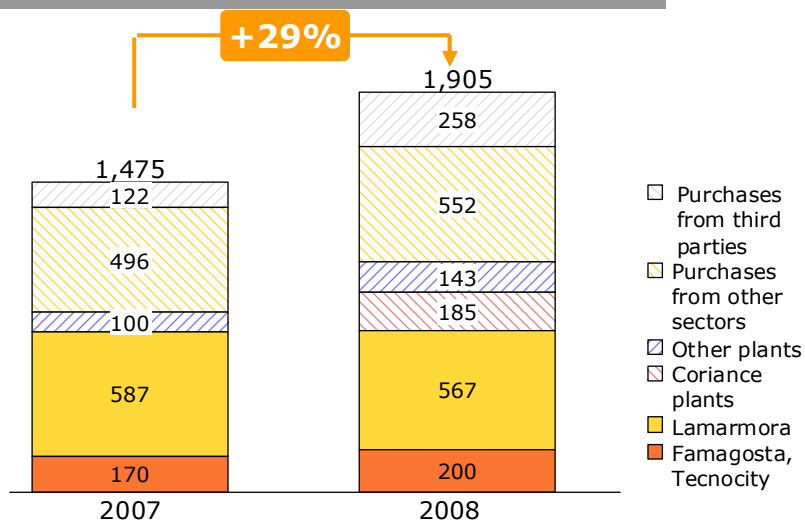
EBITDA (€M)



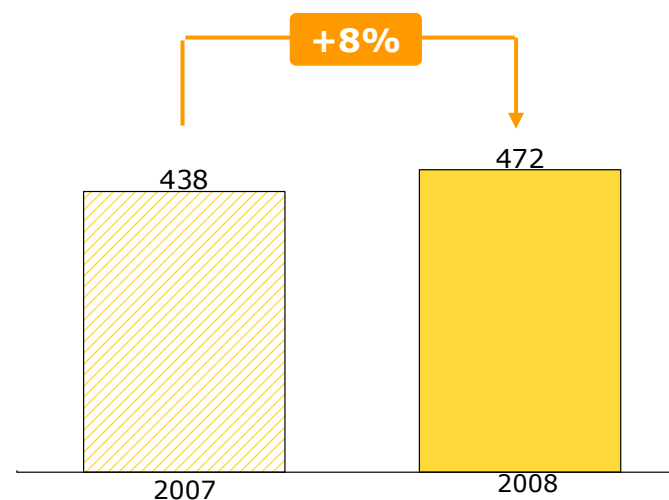
KEY FACTS

- Increase in heat sales compared to the same period of 2007
- Positive impact on EBITDA due to the consolidation of Coriance from August 2008

HEAT VOLUMES (GWh)

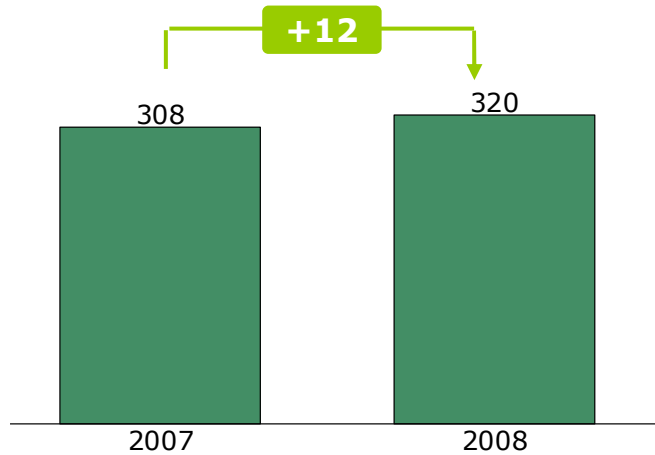


ELECTRICITY (GWh)



2007-2008 Results - Waste

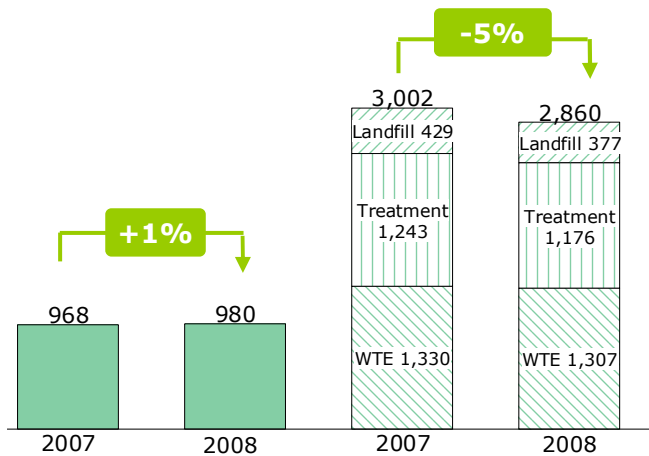
EBITDA (€M)



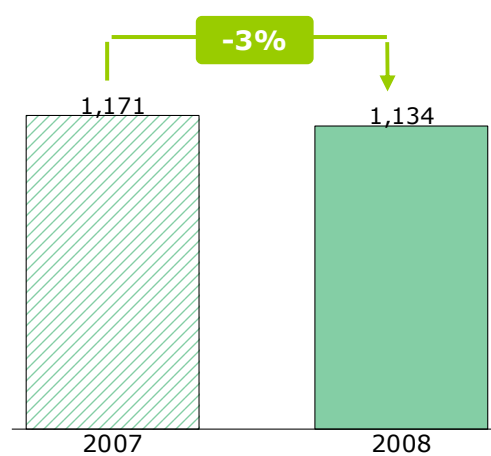
KEY FACTS

- Margin improvement from waste collection and disposal services for private customers and other Municipalities
- CIP6 tariff increase, partially offset by the expiry of CIP6 incentive for Brescia WTE plant and lower WTE plants electricity production mainly due to extraordinary maintenance
- Heat revenues increase due to positive impact of prices and volumes
- Lower waste volumes disposed in Montichiari, Cavaglia 2B and Cavriana landfills. Additional landfill capacity in Comacchio and Barengo.

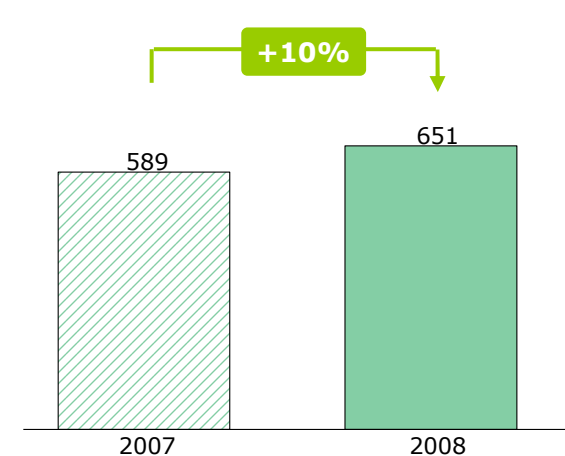
WASTE VOLUMES (Kton)



ELECTRICITY PRODUCTION (GWh)



HEAT PRODUCTION (GWht)



Collected*

Treated

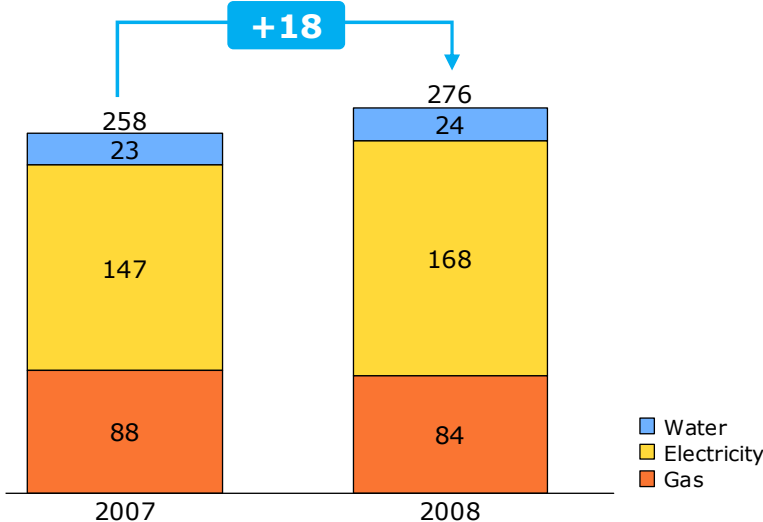
* related to main municipalities



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2007-2008 Results - Networks

EBITDA (€M)



KEY FACTS

Electricity: +21 €M

Positive impact on EBITDA due to the specific company equalisation related to the Milan distribution network covering the 2004-2007 period, partially offset by AEEG tariff decrease

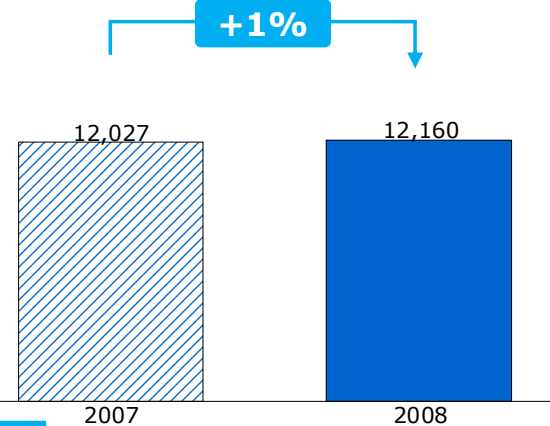
Gas: -4 €M

Negative impact due to AEEG gas tariff decrease

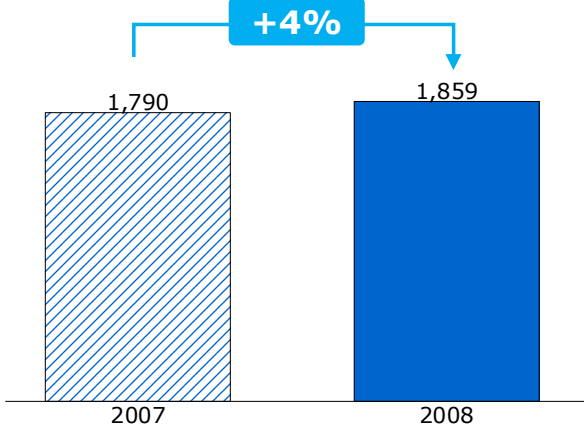
Water: +1 €M

Positive impact on EBITDA due to perimeter expansion

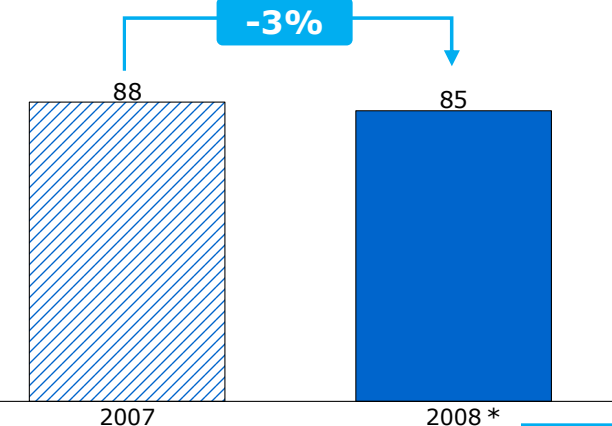
ELECTRICITY (GWh)



GAS DISTRIBUTED (Mmc)



WATER (Mmc)



A2A – From Ebitda to Net Income

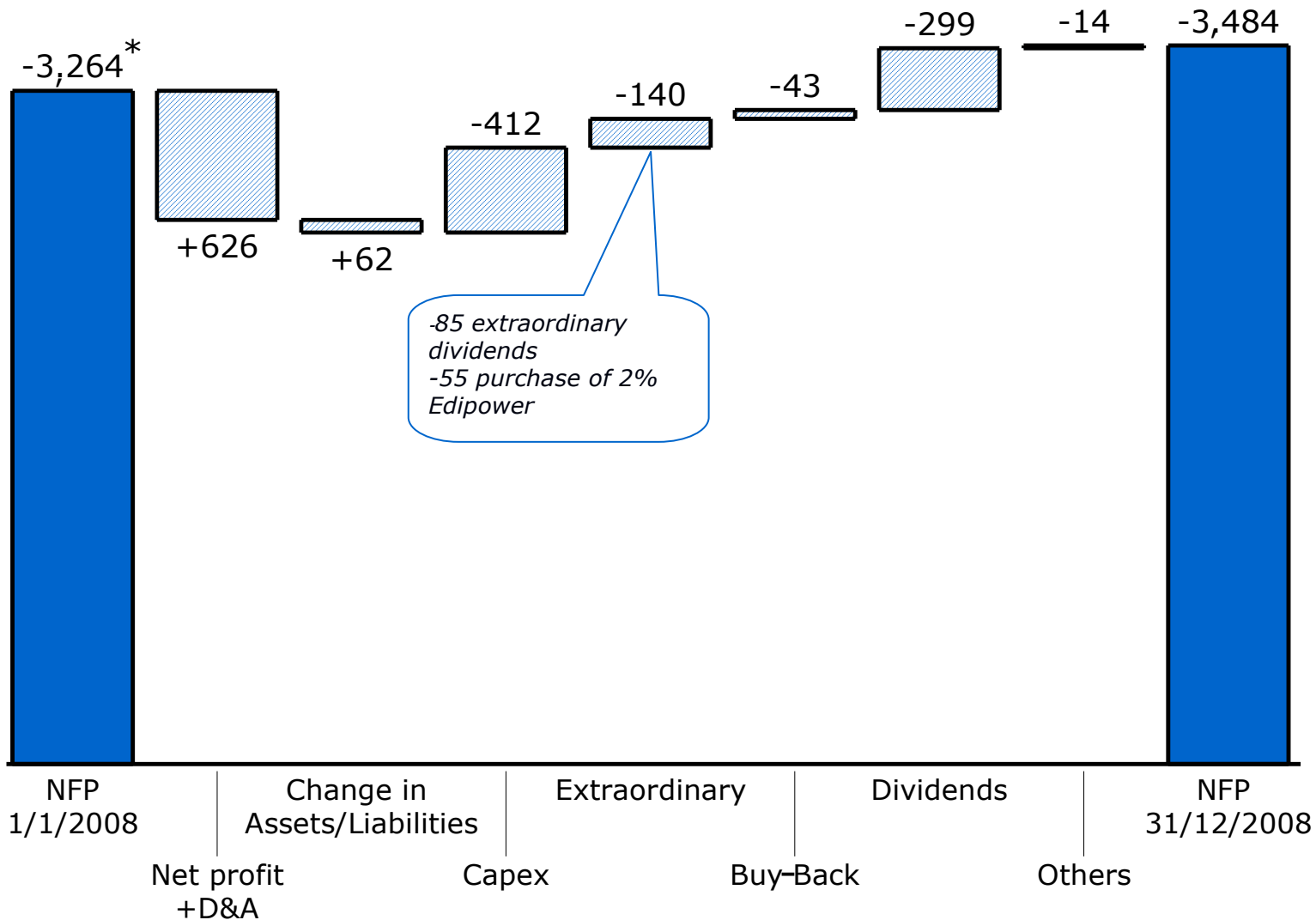
€M data	2007 Pro-forma rest.d	2008	Change	Key point
EBITDA	1,013	1,068	+55	
D&A, Write Downs and Provisions	-330	-369	-39	<i>Deprec.Hydro</i>
Financial charges	-147	-181	-34	<i>Debt increase, interest rate increase, write- down of financial assets</i>
Derivatives/others	+7	-19	-26	
Associates and JV and others	+153	+60	-93	<i>TdE, asset write-down AGAM</i>
Others	-3	+13	+16	<i>Amsa positive claim</i>
EBT	693	572	-121	

A2A – From EBT to Net Income

€M data	2007 Pro-forma rest.d	2008	Change	Key point
EBT	693	572	-121	
TAXES	-170	-227	-57	<i>Tax rates; Robin Tax; undeductible items</i>
IFRS 5	+80	2	-78	<i>Endesa</i>
MINORITIES	-82	-31	+51	<i>TdE, Plurigas</i>
NET INCOME	521	316	-205	

A2A – Net Debt and Cash Flow

€M data

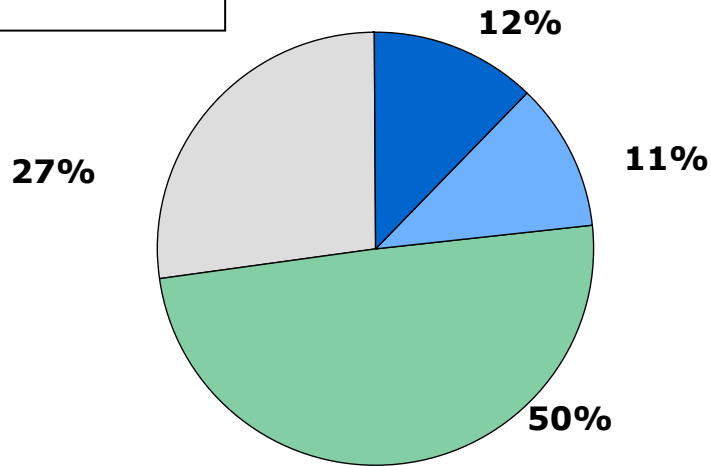
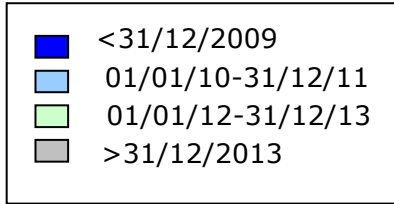


* excluding €M85 extraordinary dividends



2008 Gross debt and interest rate structure

DEBT STRUCTURE

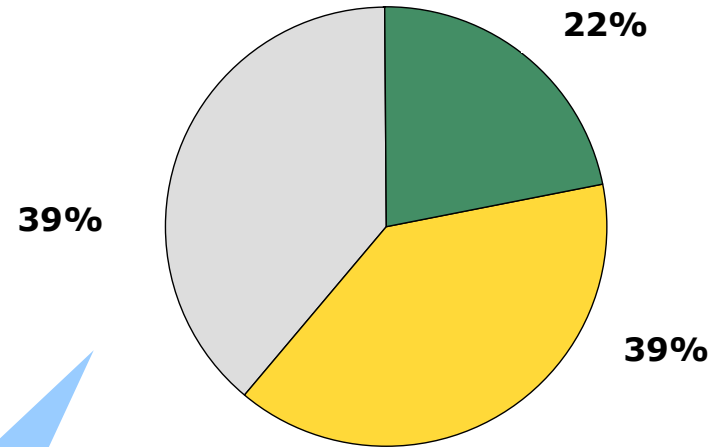
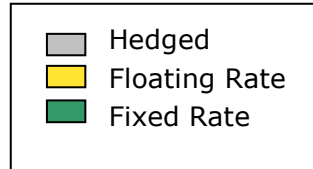


Total debt: 3,645 €M

RATING

		Current	Date
Standard & Poor's	M/L Term Rating	BBB+	17/07/2008
	Short-Term Rating	A-2	
	Outlook	Stable	
Moody's	M/L Term Rating	A3	11/11/2008
	Outlook	Stable	

INTEREST RATE STRUCTURE





Average debt life: 4.9 YRS

Committed Credit Lines available: 980 €M

Change in accounting policy and Scope of consolidation

	New accounting policy						Previous accounting policy		
	2008 2007 Pro-forma			2007 <i>restated</i>			2007*		
	CONSOLIDATED ON.. BASIS	INCOME STATEMENT	NET RESULT	CONSOLIDATED ON.. BASIS	INCOME STATEMENT	NET RESULT	CONSOLIDATED ON.. BASIS	INCOME STATEMENT	NET RESULT
A2A subsidiaries*	<i>Line by line</i>	100%	100%						
AEM subsidiaries				<i>Line by line</i>	100%	100%	<i>Line by line</i>	100%	100%
				<i>Line by line</i>	100%	30%**	<i>Line by line</i>	100%	30%**
Ecodeco	<i>Line by line</i>	100%	100%	<i>Line by line</i>	100%	100%**	<i>Line by line</i>	100%	100%**
Plurigas	<i>Line by line</i>	100%	70%	<i>Equity</i>	-	40%	<i>Proportional</i>	40%	40%
Edipower	<i>Equity</i>	-	20%	<i>Equity</i>	-	20%	<i>Proportional</i>	20%	20%
Ergon Energia	<i>Equity</i>	-	50%		-				
Delmi	<i>Line by line</i>	100%	51%	<i>Line by line</i>	100%	51%	<i>Line by line</i>	100%	51%
TdE	<i>Equity</i>	-	25,5%	<i>Equity</i>	-	25,5%	<i>Proportional</i>	50%	25,5%
Edison	<i>Equity</i>	-	15,3%	<i>Equity</i>	-	15,3%	<i>Proportional</i>	50%	15,3%
A2A Coriance***	<i>Line by Line</i>	100%	98,8%						

* Issued on march 27, 2008
 ** 30% for 6 months and 100% for 6 months
 *** consolidated from august, 1 2008-december, 31 2008

 CHANGE IN ACCOUNTING POLICY
 CHANGE IN SCOPE OF CONSOLIDATION OR PERCENTAGE