



**A2A**

First Nine Months 2010  
Results

Milan, Nov 11<sup>th</sup>, 2010



# Agenda

- 9M2010 Main financial highlights
- EBITDA Segment Analysis
- Focus on EPCG
- From EBITDA to Net Income
- Net debt and Cash Flow

# 9M 2010 - Main financial highlights

<i>€M data</i>	9M 2009	9M 2010	Change	Change %
<b>NET SALES</b>	3,934	4,056	+122	+3.1%
<b>EBITDA</b>	752	686	-66	-8.8%
<b>EBIT</b>	474	342	-132	-27.8%
<b>NET INCOME</b>	2	436	+434	-
	2009	9M 2010	Change	
<b>NET CAPITAL EMPLOYED</b>	9,239	8,741	-498	
<b>NFP</b>	4,644	4,284	-360	
<b>EQUITY</b>	4,595	4,457	-138	
<b>NFP/EQUITY</b>	1.01x	0.96x		

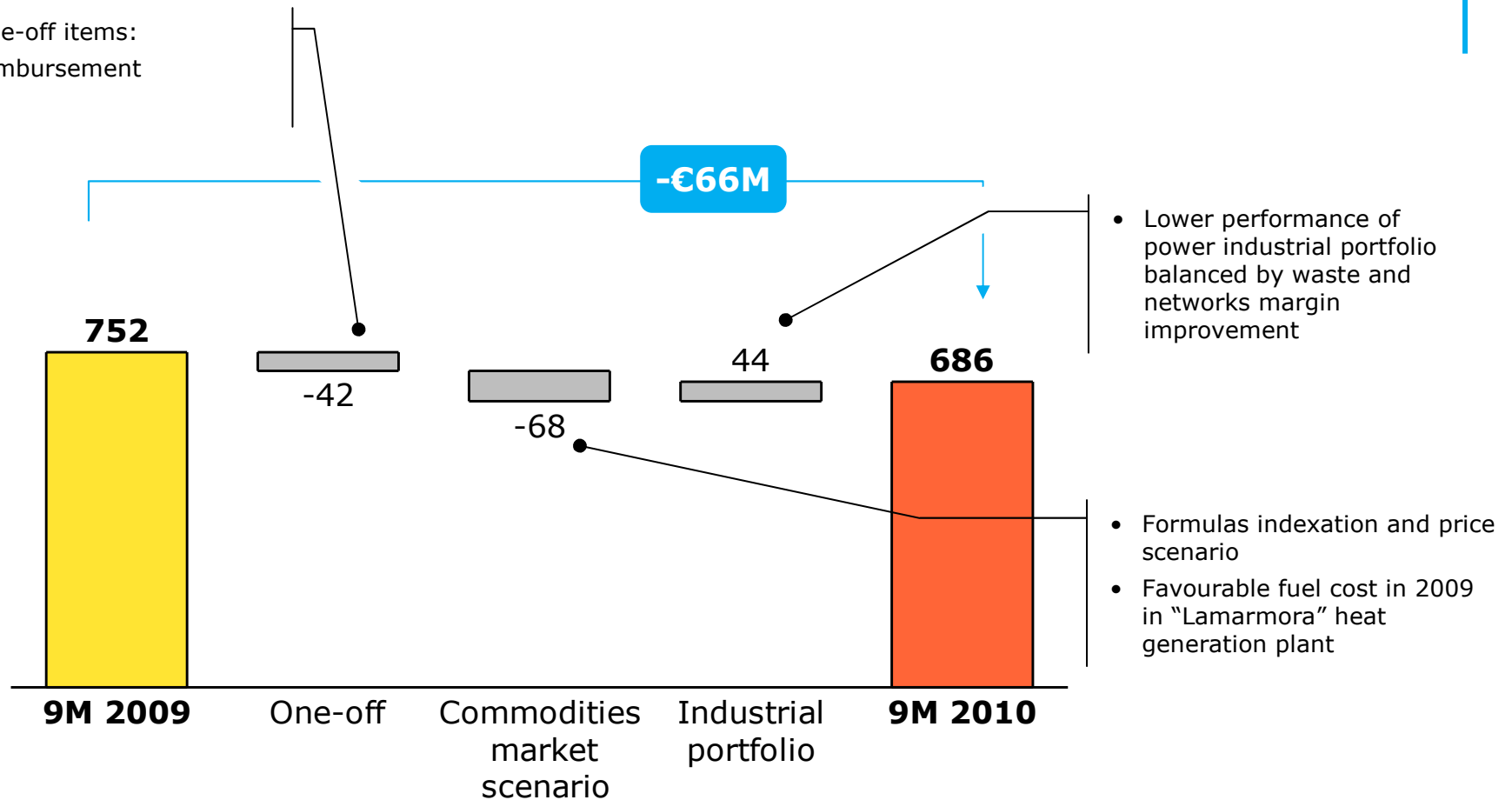
# 9M 2010 - Results and main strategic achievements

## EBITDA

€M data

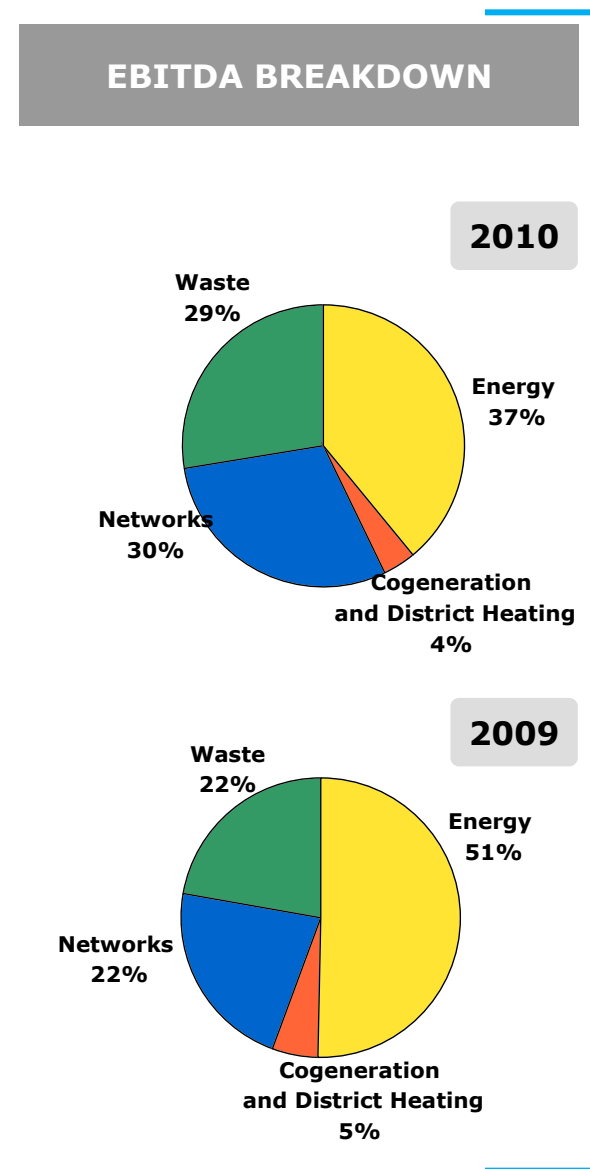
Positive 2009 one-off items:

- Insurance reimbursement
- Others



# 9M 2010 - EBITDA breakdown

€M data	EBITDA 9M2009	EBITDA 9M2010	Δ Vs 2009
<b>ELECTRICITY</b>	300	230	-70
<b>GAS</b>	91	35	-56
<b>COGENERATION AND DISTRICT HEATING</b>	41	30	-11
<b>WASTE</b>	173	202	+29
<b>NETWORKS</b>	173	211	+38
<b>OTHER SERVICES &amp; CORPORATE</b>	-27	-23	+4
<i>CONSOLIDATION ADJUSTMENTS</i>	1	1	
<b>TOTAL</b>	<b>752</b>	<b>686</b>	<b>-66</b>



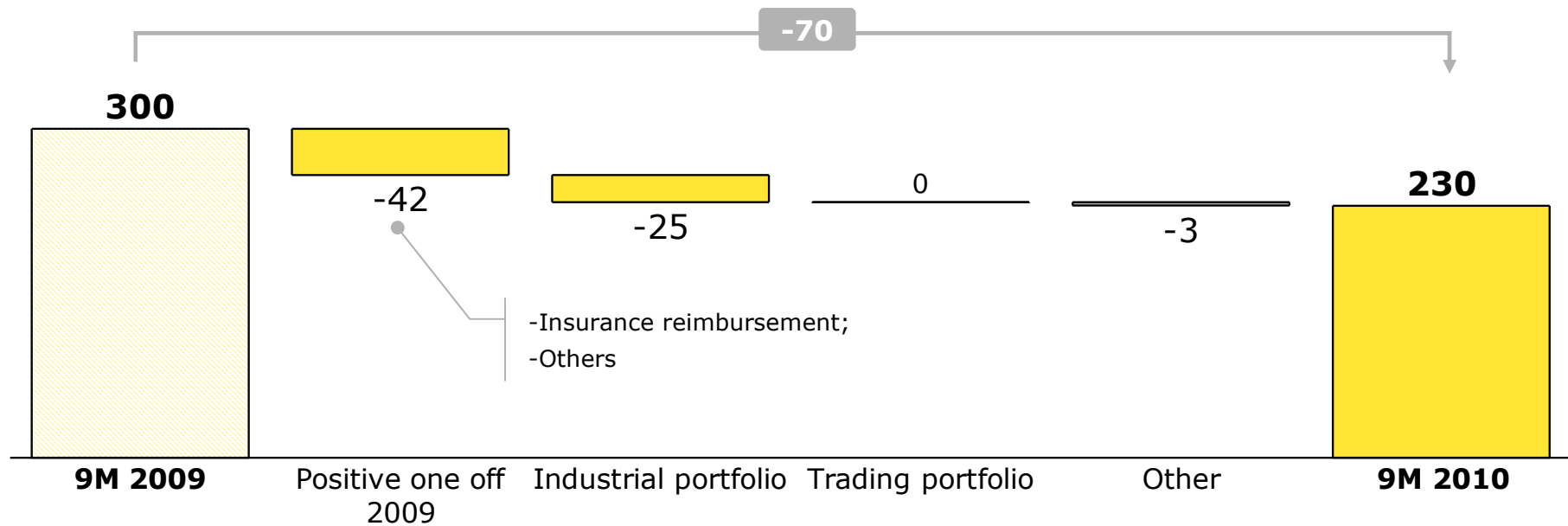
# 9M 2010 Energy - Electricity Scenario

Average data		9M 2009	9M 2010	Var %
<b>Brent</b>	\$/bbl	58.20	77.93	34%
<b>CO2 Average system cost</b>	€/Tonn	13.21	14.35	9%
<b>Green Certificate avg. system cost</b>	€/MWh	83.86	84.85	1%
<b>€/€</b>	€/€	1.36	1.32	-4%
<b>Brent €</b>	€/bbl	42.40	59.31	40%
<b>PUN BL</b>	€/MWh	66.25	64.12	-3%
<b>PUN Peak</b>	€/MWh	85.59	74.81	-13%
<b>PUN Off-Peak</b>	€/MWh	55.48	57.37	3%
<b>CCGT Cost</b>	€/MWh	53.03	56.01	6%
<b>Spark Spread CCGT vs Baseload</b>	€/MWh	13.22	8.11	
<b>Spark Spread CCGT vs Peakload</b>	€/MWh	32.56	18.80	
<b>Spark Spread CCGT vs Off-Peak</b>	€/MWh	2.45	1.35	
<b>Spark Spread CCGT- Environm. costs</b>	€/MWh	10.46	3.46	
<b>Italian electricity demand</b>	GWh	239,264	243,347	2%
<b>Net Import</b>	GWh	34,845	33,607	-4%

Note: In 2010 CCGT Cost based on Gas Release 2007

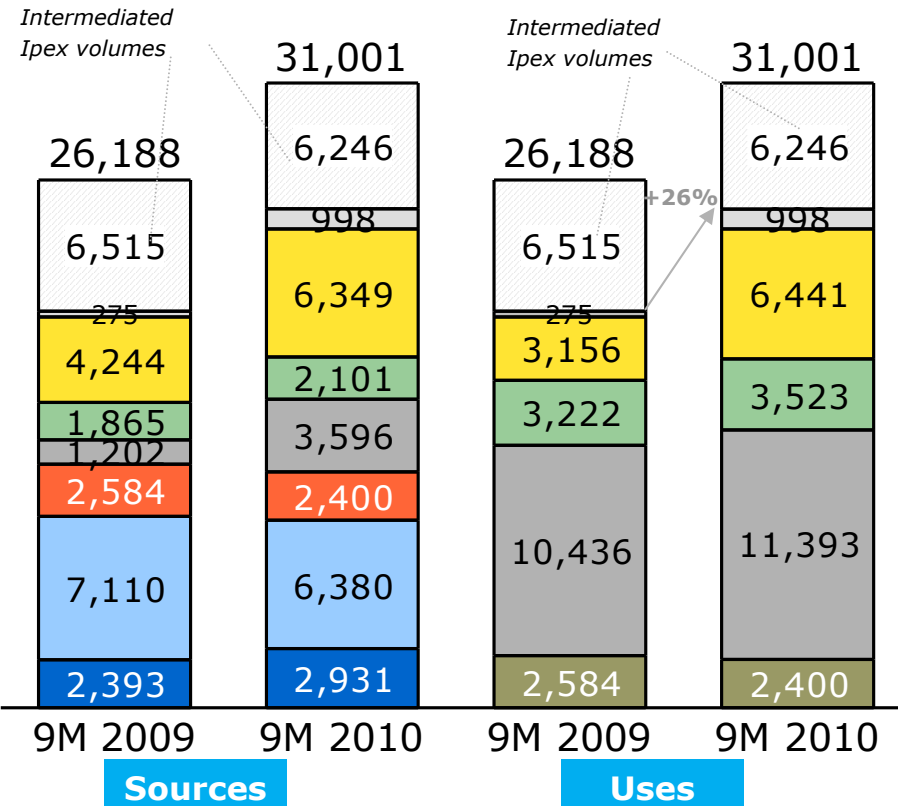
# 9M 2010 Energy - Electricity Results

## EBITDA EVOLUTION 2009A-2010A (€M)



# 9M 2010 Energy - Electricity Sources and Uses

## VOLUMES (GWh)



## GREEN CERTIFICATES POSITION

- **A2A Group Green Certificates Long Position foreseen at 31.12.2010 ~ 139 GWh**

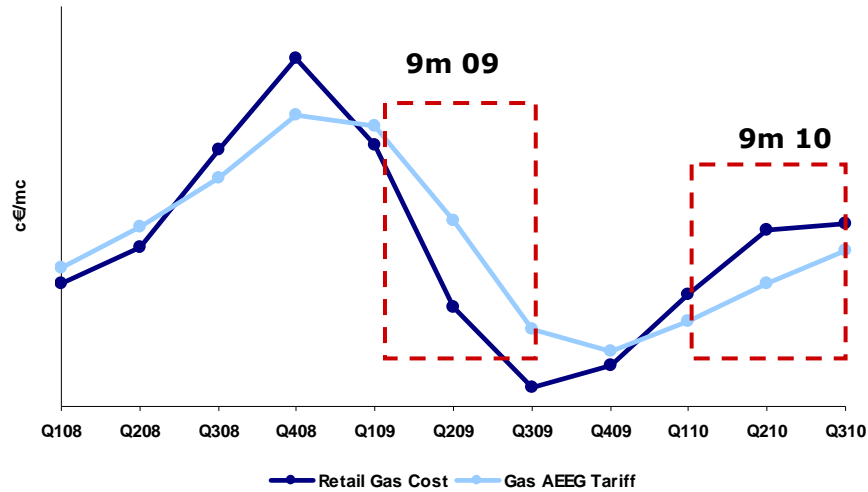
## CO2 POSITION

- **A2A Group CO2 Long Position foreseen at 31.12.2010 ~ 1,376 Kton**

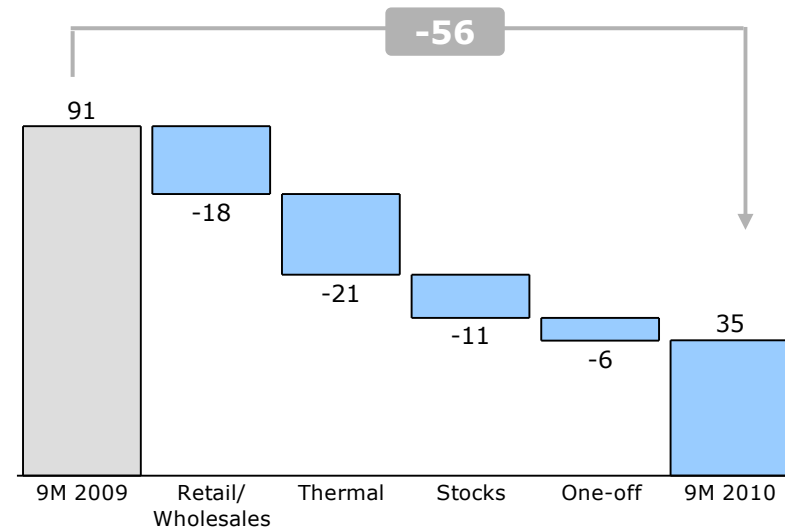


# 9M 2010 Energy - Gas Results

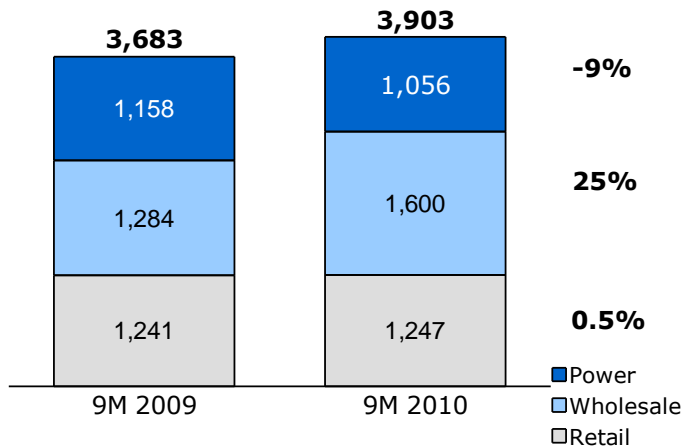
## SCENARIO



## EBITDA (€M)



## VOLUMES (Mcm)

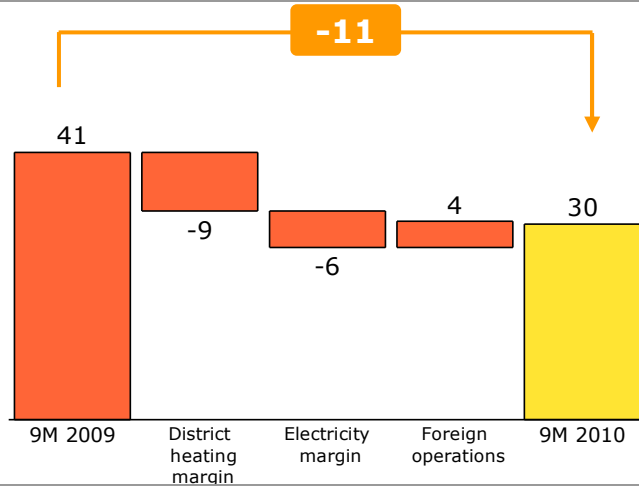


## POTENTIAL UPSIDES

- Gas contract renegotiation

# 9M 2010 - Cogeneration and District heating Results

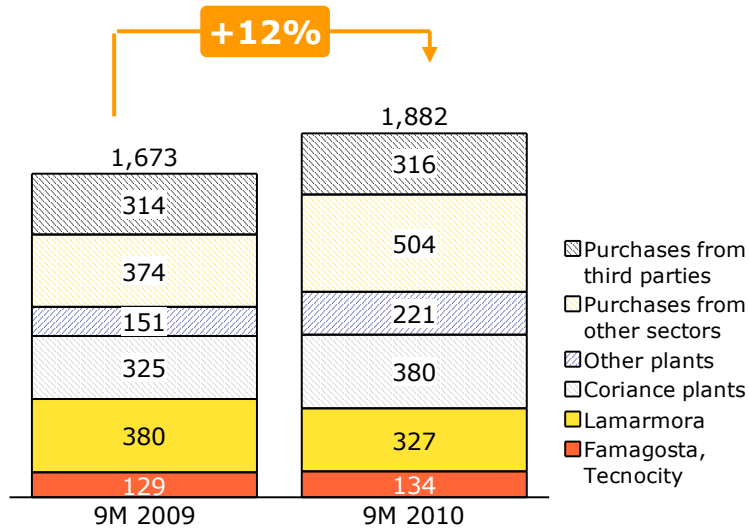
## EBITDA (€M)



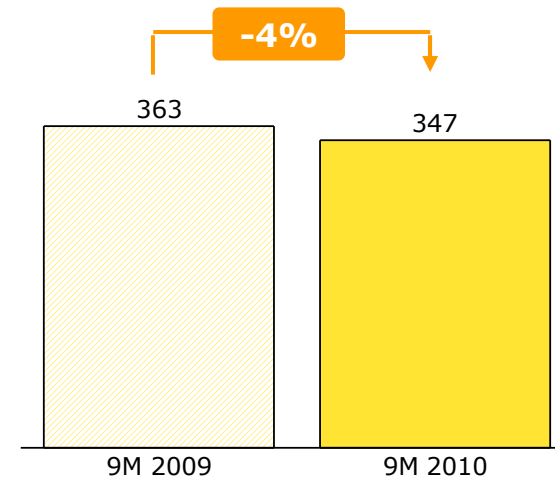
## KEY FACTS (VS 2009)

- Foreign operations contribution
- Electricity margin decrease
- District heating margin decrease

## HEAT VOLUMES (GWht)

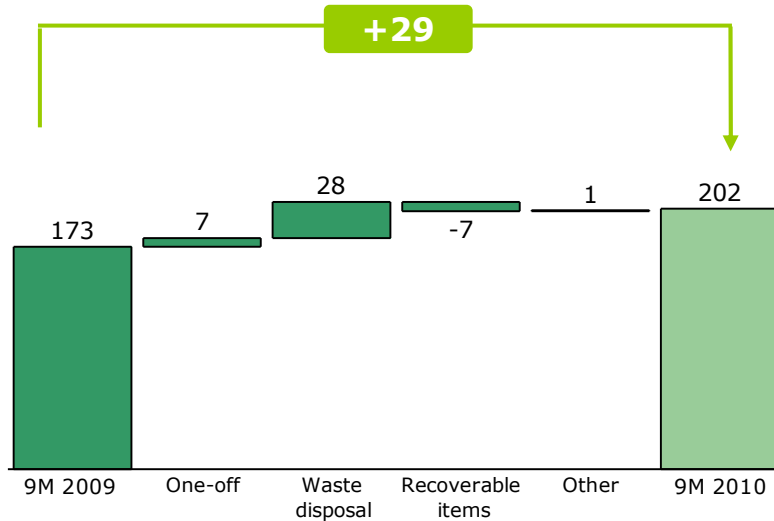


## ELECTRICITY (GWh)



# 9M 2010 - Waste Results

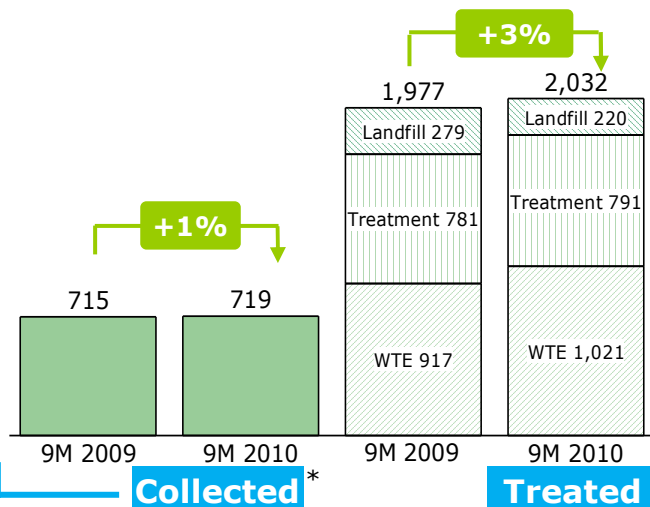
## EBITDA (€M)



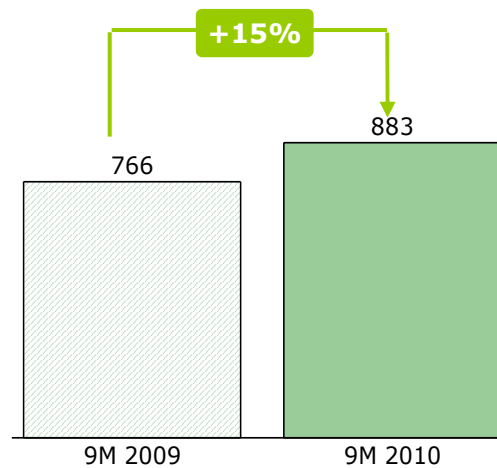
## KEY FACTS (vs 2009)

**Positive contribution to EBITDA due to an increase in waste disposal margin and electricity revenues**

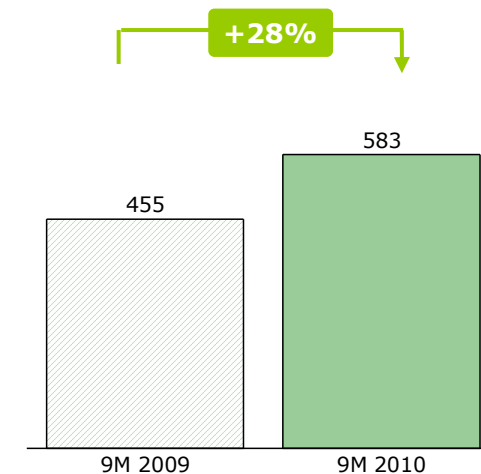
## WASTE VOLUMES (Kton)



## ELECTRICITY (GWh)



## HEAT PRODUCTION (GWht)

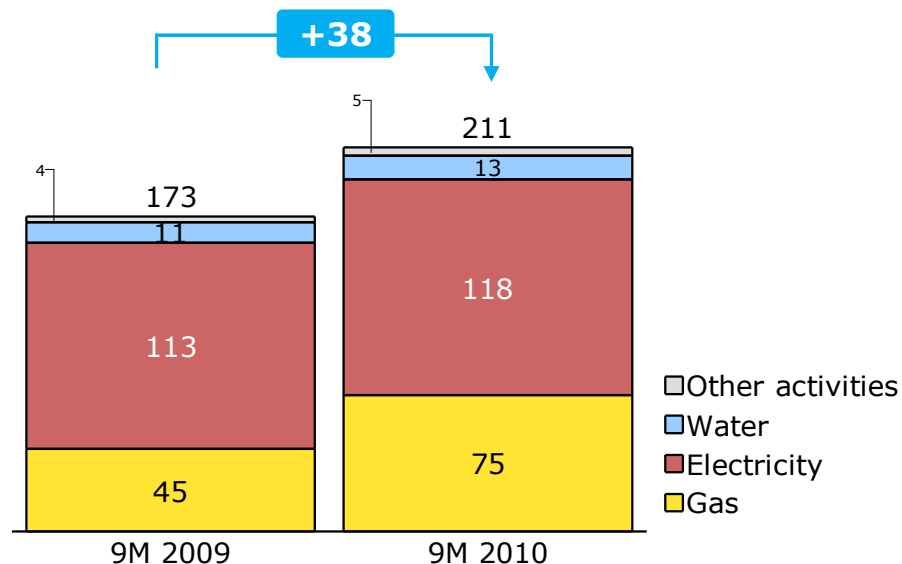


**a2a** \* related to main municipalities (Milan, Brescia, Bergamo, Varese)

This information was prepared by A2A and it is not to be relied on by any 3rd party without A2A's prior written consent.

# 9M 2010 - Networks Results

## EBITDA (€M)



## KEY FACTS (vs 2009)

**Electricity: +5 €M**

Positive impact on Ebitda due to specific company equalisation related to the distribution network recorded in 2010

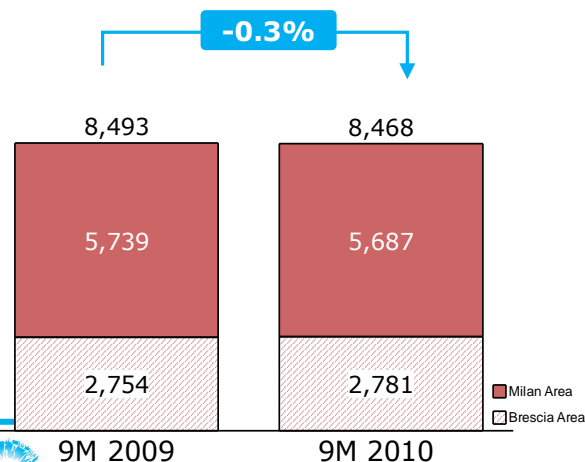
**Gas: +30 €M**

Positive impact on EBITDA due to gas distribution revenues

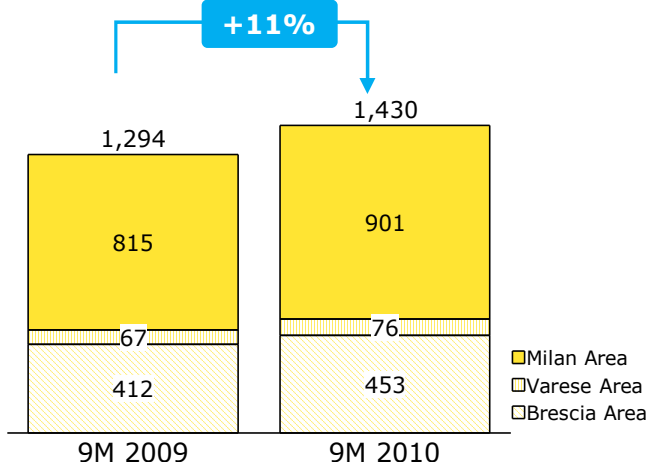
**Water: +2 €M**

2010 in line with 2009

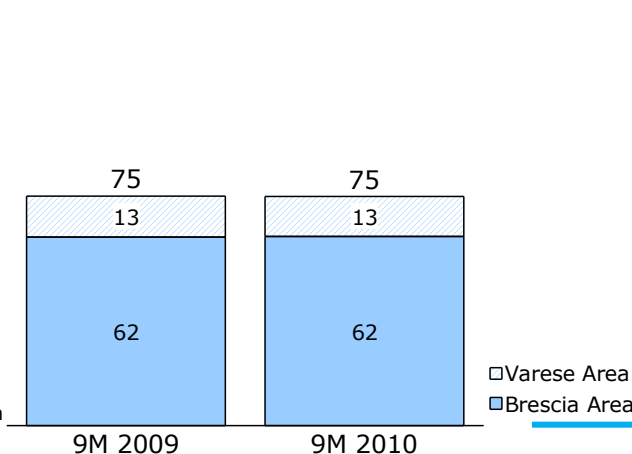
## ELECTRICITY (GWh)



## GAS DISTRIBUTED (Mmc)



## WATER (Mmc)



# 9M 2010 – EPCG: Financial highlights and Volumes

## FINANCIAL HIGHLIGHTS (€M)



9M 2010

**NET SALES**

**221**

**EBITDA**

**52**

**EBIT**

**14**

**NET CAPITAL EMPLOYED**

**843**

**NFP**

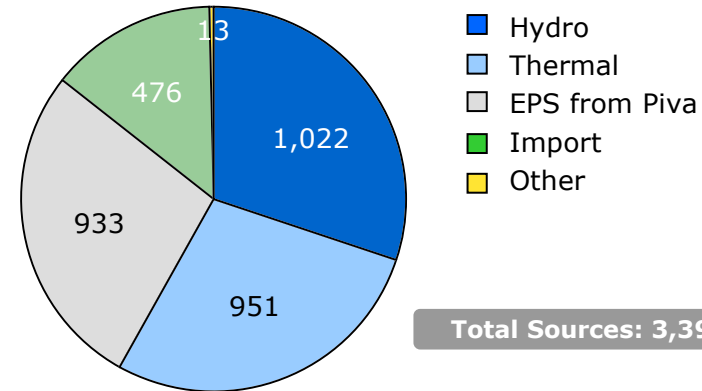
**(73)**

**EQUITY**

**916**

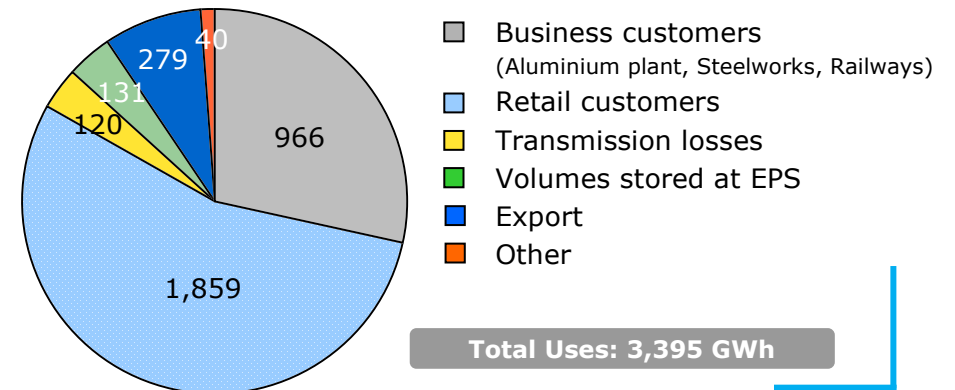
## VOLUMES (GWh)

### SOURCES



Total Sources: 3,395 GWh

### USES



Total Uses: 3,395 GWh

# 9M 2010 - From EBITDA to Net Income (1/2)

€M data	9M 2009	9M 2010	Change	Key points
<b>EBITDA</b>	<b>752</b>	<b>686</b>	<b>-66</b>	
<b>D&amp;A, Write Downs and Provisions</b>	<b>-278</b>	<b>-344</b>	<b>-66</b>	<i>-29 €M 2010 depreciation of E.ON asset; -19 €M INPS fund release in 9M 2009</i>
<b>Financial charges</b>	<b>-209</b>	<b>-104</b>	<b>+105</b>	<i>118 €M Fiscal Moratorium 96-99 recorded in 9M 2009; Average debt increasing</i>
<b>Derivatives/others</b>	<b>-33</b>	<b>-31</b>	<b>+2</b>	
<b>Associates and JV and others</b>	<b>+56</b>	<b>+56</b>	<b>-</b>	
<b>Others</b>	<b>-166</b>		<b>+166</b>	<i>Fiscal Moratorium (AEM and ASM 96-99)</i>
<b>EBT</b>	<b>122</b>	<b>263</b>	<b>+141</b>	

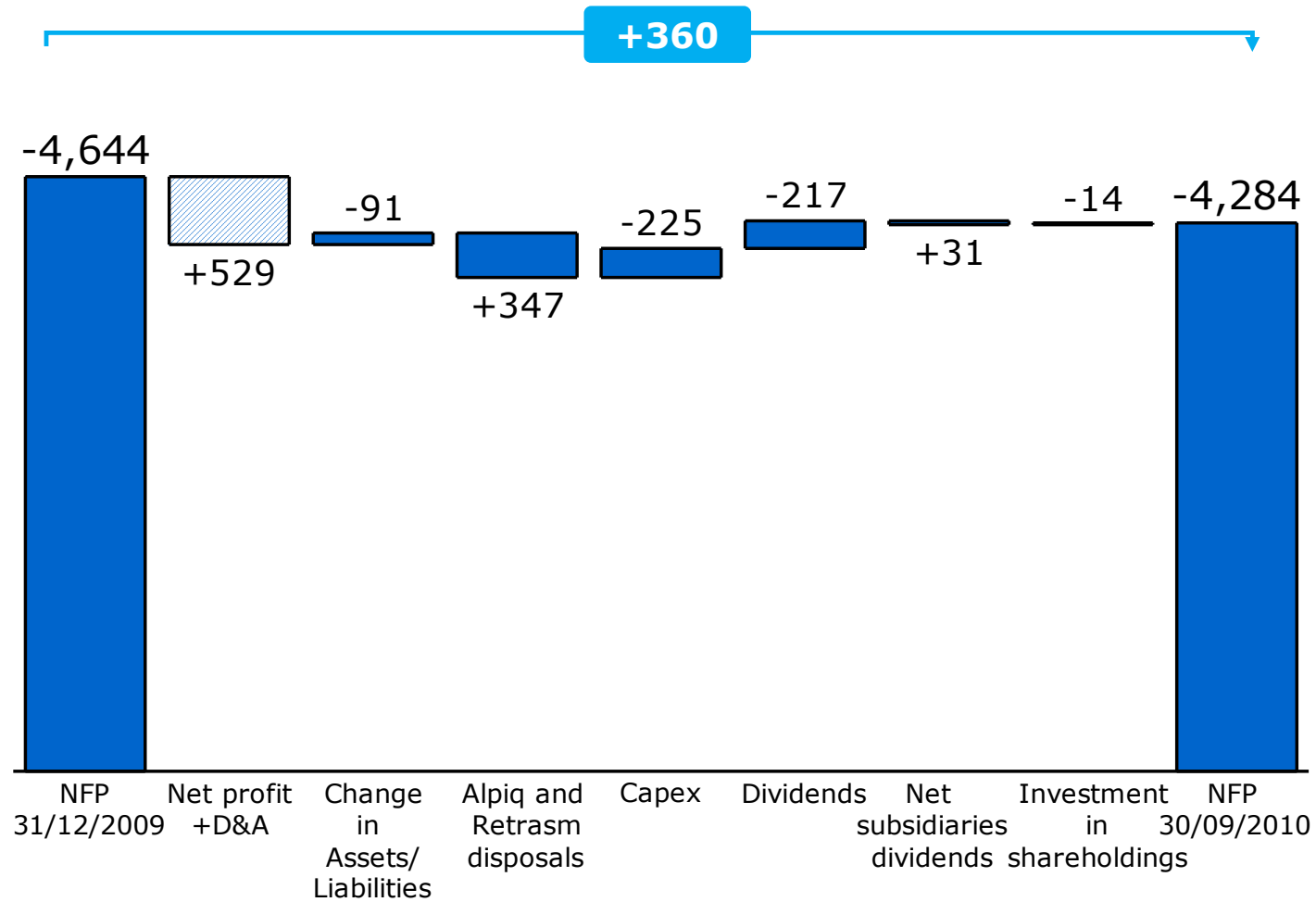
# 9M 2010 - From EBITDA to Net Income (2/2)

€M data

	9M 2009	9M 2010	Change	Key points
<b>EBT</b>	122	263	+141	
<b>TAXES</b>	-103	-90	+13	
<b>IFRS 5</b>	7	286	+279	<i>Alpiq transaction</i>
<b>MINORITIES</b>	-24	-23	+1	<i>TdE and Plurigas</i>
<b>NET INCOME</b>	2	436	+434	

# 9M 2010 - Net Debt and Cash Flow

€M data



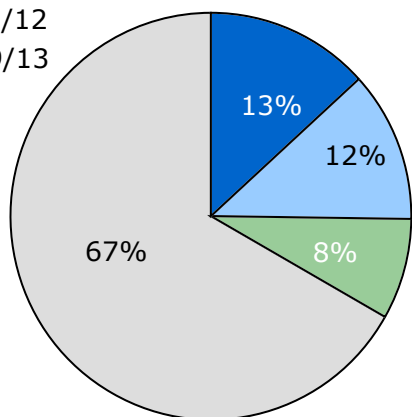


# 9M 2010 - Group Financial structure

## Total debt - Maturity

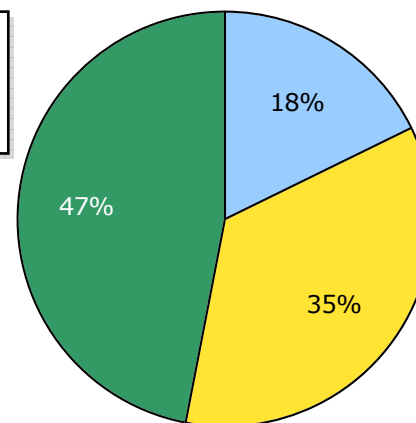
DEBT MATURITY

- <30/09/2011
- 01/10/11-30/09/12
- 01/10/12-30/09/13
- >30/09/2013



DEBT BREAKDOWN BY INTEREST

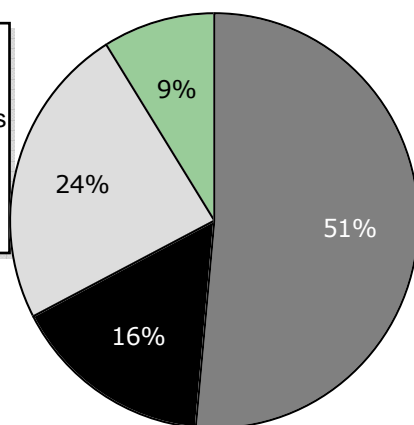
- Swap
- Variable
- Fixed



**TOTAL DEBT: 4.4 €B - AVG. MATURITY: 4.2 YEARS - UNDRAWN LINES: 2.1 €B - 9M 2010 AVG. RATE 2.91%**

DEBT BREAKDOWN

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



COMPANY'S CREDIT RATING

