



A2A

Q1 2014 Results

Milan, May 15th, 2014



Agenda

- Q1 2014 Main financial highlights
- Segment analysis
- From EBITDA to net income
- Net debt and cash flow

Q1 2014 - Main financial highlights

€M	Q1 2013	Q1 2014	Change	Change %
NET SALES	1,589	1,451	-138	-8.7%
EBITDA	328	305	-23	-7.0%
EBIT	178	182	+4	+2.2%
NET INCOME	76	80	+4	+5.3%

	2013	Q1 2014	Change
NET CAPITAL EMPLOYED	7,222	7,120	-102
TOTAL NFP	3,874	3,721	-153
EQUITY	3,348	3,399	+51

of which *climate effects* -35 €M

Q1 2014 – Climate effects

€M










		EBITDA Q1 2013	EBITDA Q1 2014	Δ vs 2013
ENERGY	<i>EPCG HYDRAULICITY</i> *	11	-1	-12
GAS, COGENERATION AND DISTRICT HEATING	<i>TEMPERATURE EFFECT</i> **	5	-18	-23
TOTAL		16	-19	-35

* vs normalized EBITDA based on ten-year average production

**vs normalized EBITDA set on sales based on ten-year average temperature

Q1 2014 vs Q1 2013 - EBITDA breakdown

€M

	EBITDA Q1 2013	EBITDA Q1 2014	Δ vs 2013	KEY POINTS
ENERGY	153	147	-6	<ul style="list-style-type: none">  Higher environmental markets margin  Trading portfolio performance  Lower gas sales due to an extraordinary warm winter  Lower EPCG margin (lower hydraulicity)
WASTE	57	57	0	<ul style="list-style-type: none">  Expiry of Cip6 revenues (Brescia WTE plant)  Positive industrial performance (higher Acerra WTE plant production and new collection tenders)
COGENERATION AND DISTRICT HEATING	55	39	-16	<ul style="list-style-type: none">  Lower sales due to an extraordinary warm winter  Network and customer development
NETWORKS	67	67	0	
OTHER SERVICES & CORPORATE	-4	-5	-1	<ul style="list-style-type: none">  Intercompany contracts redefinition
TOTAL EBITDA	328	305	-23	

Q1 2014 - From EBITDA to net income (1/2)

€M

	Q1 2013	Q1 2014	Δ vs Q1 2013	Key points
EBITDA	328	305	-23	
D&A, provisions and write-downs	-150	-123	+27	<ul style="list-style-type: none"> ↑ Depreciation (+6) ↑ Epcg bad debt provision (+10) ↑ Other provisions - Surplus (+11)
EBIT	178	182	+4	
Result from non-recurring transactions	-1	-	+1	↑ Epcg Group
Financial charges	-47	-41	+6	
Derivates FV	+6	-3	-9	
Associates, JV and others	+4	+4	-	

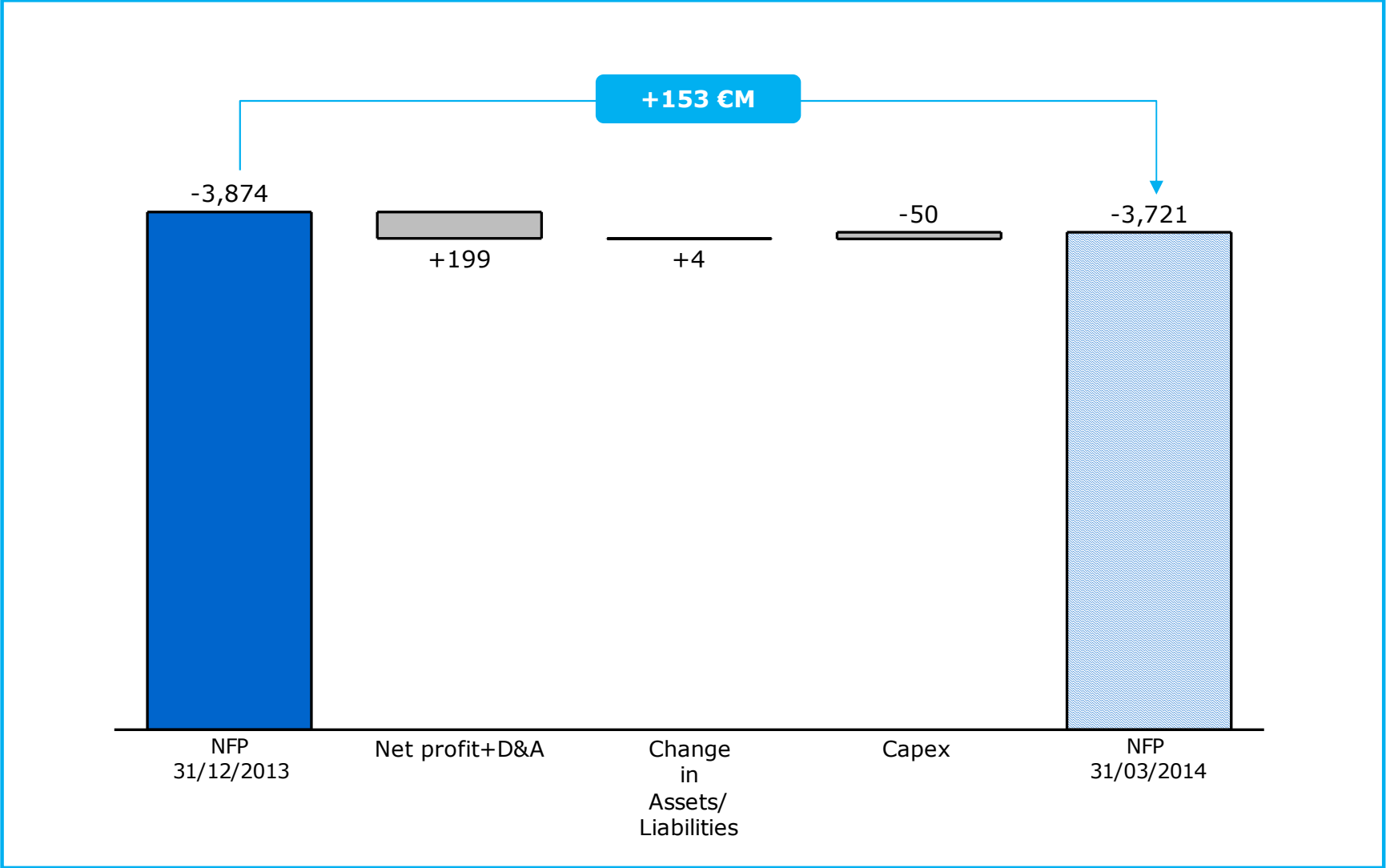
Q1 2014 - From EBITDA to net income (2/2)

€M

	Q12013	Q12014	Δ vs Q1 2013	Key points
EBT	140	142	+2	
TAXES	-55	-54	+1	
IFRS 5	-	-	-	
MINORITIES	-9	-8	+1	↑ <i>Epcg Group</i>
NET INCOME	76	80	+4	

Q1 2014 - Net debt and cash flow

A2A GROUP NET FINANCIAL POSITION EVOLUTION 2013-Q12014 (€M)

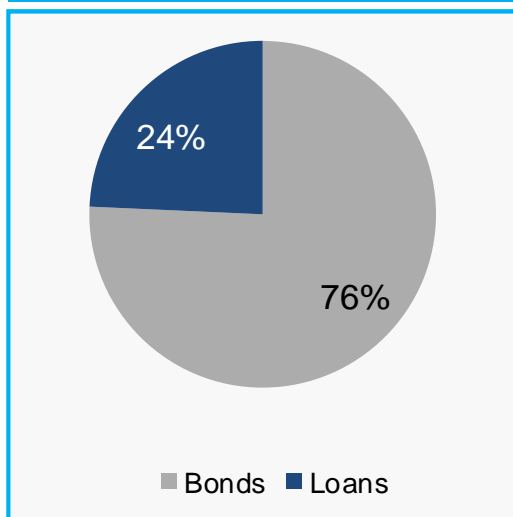


Q1 2014 A2A Group debt structure

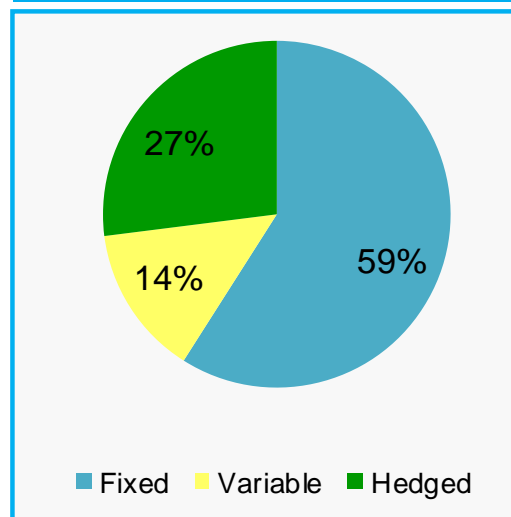
Q1 2014 GROSS DEBT - 4.2 €B

	FY 2013	Q1 2014
AVERAGE RATE* (%)	~4.0%	~3.9%
AVERAGE MATURITY (yrs)	6.0	5.7

DEBT BREAKDOWN BY SOURCES



DEBT BREAKDOWN BY INTEREST



Note: EPCG not included.

(*) Average forward rate, based on interest rate curves as of 31/3/2014.

Q1 2014 KEY FACTS

- In March, signed a 115 €M 15yr-long loan agreement with the European Investment Bank to finance integrated waste management and hydropower investments

CORPORATE CREDIT RATINGS

- Moody's:** in May, changed **A2A's outlook to Stable**, and confirmed Baa3 rating
- Standard & Poor's:** BBB/A-2, Negative Outlook

LIQUIDITY POSITION

2.1 €B liquidity position, of which:

- 0.5 €B cash
- 1.6 €B undrawn revolving committed lines and loans, of which 1,5 €B with maturities longer than the next 12 months

Back-up

Q1 2014 Energy Scenario

Electricity Demand and Supply

GWh	Q1 2013	Q1 2014	Δ %
Hydroelectric	9,714	12,989	33.7%
Thermoelectric	50,047	42,413	-15.3%
Geothermoelectric	1,273	1,339	5.2%
Wind	5,065	4,680	-7.6%
Solar	3,493	4,064	16.3%
Total net production	69,592	65,485	-5.9%
Import	12,458	13,667	9.7%
Export	373	275	-26.3%
Balance	12,085	13,392	10.8%
Pumping plants consumption	511	736	44.0%
Total Demand	81,166	78,141	-3.7%
Seasonally Adjusted Demand			-3.5%

Source: Terna monthly report on electricity system – 2014

Q1 2014 Energy Scenario - Italian Electricity Market: actual spot prices analysis

€/MWh		PUN BL	PUN PL	PL/BL
2013	Q1	63.84	73.70	1.15
	Q2	57.36	63.75	1.11
	Q3	65.54	68.49	1.05
	Q4	65.16	75.14	1.15
	Year	62.99	70.27	1.12
2014	Q1	52.49	62.80	1.20
Q1 2014 vs Q1 2013		-11.35	-10.89	0.04

Source: GME

Q1 2014 Energy Scenario - Italian Electricity Market: clean spark spread and clean dark spread

€/MWh		clean spark spread on BL*	clean spark spread on PL*	clean dark spread on BL*
2013	Q1	1.21	11.07	20.86
	Q2	-7.59	-1.20	16.89
	Q3	1.23	4.18	25.65
	Q4	-1.68	8.29	23.33
Year		-1.71	5.56	21.70
2014	Q1	-4.66	5.66	13.55
Q1 2014 vs Q1 2013		-5.87	-5.41	-7.31

(*) figures related to actual spark spread on spot market: difference between spot electricity price (PUN) and spot gas cost (equal to balancing market price with 54.7% efficiency), net of environmental costs, transport costs.

(**) clean dark spread: difference between spot electricity price (PUN BL) and coal plant costs (coal market cost, GC and CO2 costs)

Source: A2A Group internal analysis

Q1 2014 Energy Scenario - MGP Thermal Power Plants Load Factor

Actual Production/Maximum Available Production (%)

		load factor Q1 2009	Q1 2010	Q1 2011	Q1 2012	Q1 2013	Q1 2014
CCGT *	North Zone	41.1%	43.9%	41.7%	32.6%	22.4%	14.0%
	South Zone	36.9%	32.1%	20.7%	21.5%	18.0%	15.3%
Coal Plants	North Zone	65.2%	67.1%	40.0%	78.5%	70.9%	60.0%
	South Zone	76.7%	62.3%	63.2%	74.2%	45.8%	54.0%

(*) Load factor related to CCGT plants not subject to dispatching constraints (i.e. CIP6)

Source: A2A Group internal analysis based on GME data

Q1 2014 A2A Volumes

		Q1 2013	Q1 2014	Δ
A2A Group Thermal production	GWh	2,748	1,998	-749
	<i>of which</i>			
CCGT production	GWh	1,537	684	-853
Coal production	GWh	617	513	-104
Oil production	GWh	206	415	209
EPCG production	GWh	388	386	-1
A2A Group Hydro production	GWh	1,819	1,831	12
	<i>of which</i>			
A2A and Edipower production	GWh	999	1,313	314
EPCG production	GWh	819	517	-302
Eligibles and wholesale electricity sales	GWh	4,840	5,900	1,060
Captive customers electricity sales	GWh	739	668	-71
Ipex sales *	GWh	1,677	2,556	879
Foreign markets sales	GWh	2,120	3,371	1,251
Electricity sales to EPCG customers	GWh	680	707	27
Gas sales	Mmc	877	1,006	129
Heat volumes sales	GWht	1,209	977	-232
Cogeneration electricity sales	GWh	175	138	-37
Collected waste	Kton	224	232	8
Waste disposal	Kton	637	647	10
WTE electricity production	GWh	282	290	8
WTE heat production	GWht	468	407	-61
Electricity distributed	GWh	2,842	2,787	-55
EPCG Electricity distributed	GWh	736	663	-73
Gas distributed	Mmc	981	860	-121
Water distributed	Mmc	16	15	-1

* without Intermediated Ipex volumes

In 2013 Edipower production includes 77% of production of the plants managed in tolling regime and 100% of production of the S. Filippo del Mela, Turbigo (groups 1-2-3) and Brindisi thermoelectric plants and some hydroelectric and photovoltaic plants.

In 2014 Tuscano and Turbigo productions are not included, while the quantities of the remaining Edipower plants are 100% of production.