



# **A2A**

## Q1 2009 Results

Milan, 14<sup>th</sup> May 2009



# Agenda

- 2009 Main financial highlights
- EBITDA Segment Analysis
- From EBITDA to Net Income
- Net debt and Cash Flow
- Scope of consolidation
- Q&A

# 2008-2009 Q1 – Main financial highlights

<i>€M data</i>	Q1 2008 <i>restated</i>	Q1 2009	Change	Change %
<b>NET SALES</b>	<b>1,665</b>	<b>1,896</b>	<b>+231</b>	<b>+13.9%</b>
<b>EBITDA</b>	<b>317</b>	<b>351</b>	<b>+34</b>	<b>+10.7%</b>
<b>EBIT</b>	<b>233</b>	<b>260</b>	<b>+27</b>	<b>+11.6%</b>
<b>NET INCOME</b>	<b>129</b>	<b>92</b>	<b>-37</b>	<b>-28.7%</b>
<b>NET INCOME ADJUSTED*</b>	<b>129</b>	<b>148*</b>	<b>+19</b>	<b>+14.7%</b>

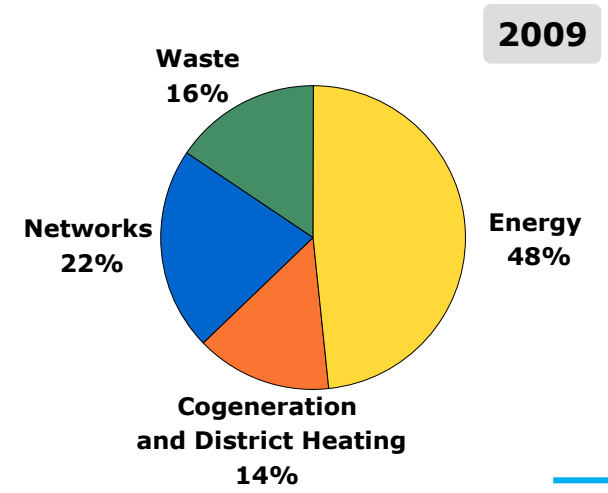
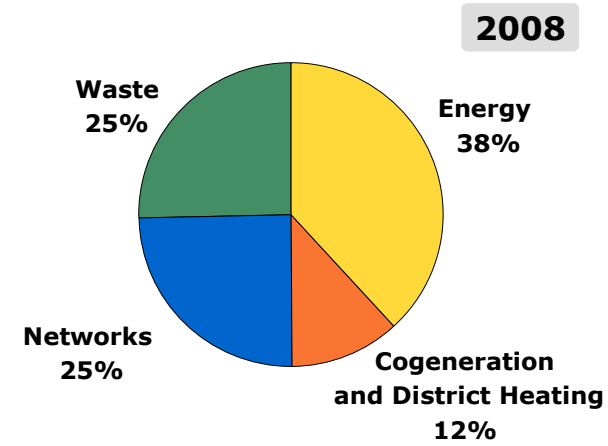
\* Adjusted for "Moratoria fiscale"

	end 2008 <i>restated</i>	Q1 2009	Change
<b>NET CAPITAL EMPLOYED</b>	<b>8,206</b>	<b>8,115</b>	<b>-91</b>
<b>NFP</b>	<b>(3,484)</b>	<b>(3,351)</b>	<b>+133</b>
<b>EQUITY</b>	<b>4,722</b>	<b>4,764</b>	<b>+42</b>
<b>NFP/EQUITY</b>	<b>0.73x</b>	<b>0.70x</b>	

# 2008-2009 Q1 Pro-forma EBITDA breakdown

€M data	EBITDA Q12008	EBITDA Q12009	Δ Vs 2008
<b>ENERGY</b>	121	173	+52
<b>COGENERATION AND DISTRICT HEATING</b>	38	51	+13
<b>WASTE</b>	80	56	-24
<b>NETWORKS</b>	78	77	-1
<b>OTHER SERVICES &amp; CORPORATE</b>	0	-6	-6
<b>TOTAL</b>	<b>317</b>	<b>351</b>	<b>+34</b>

## EBITDA BREAKDOWN

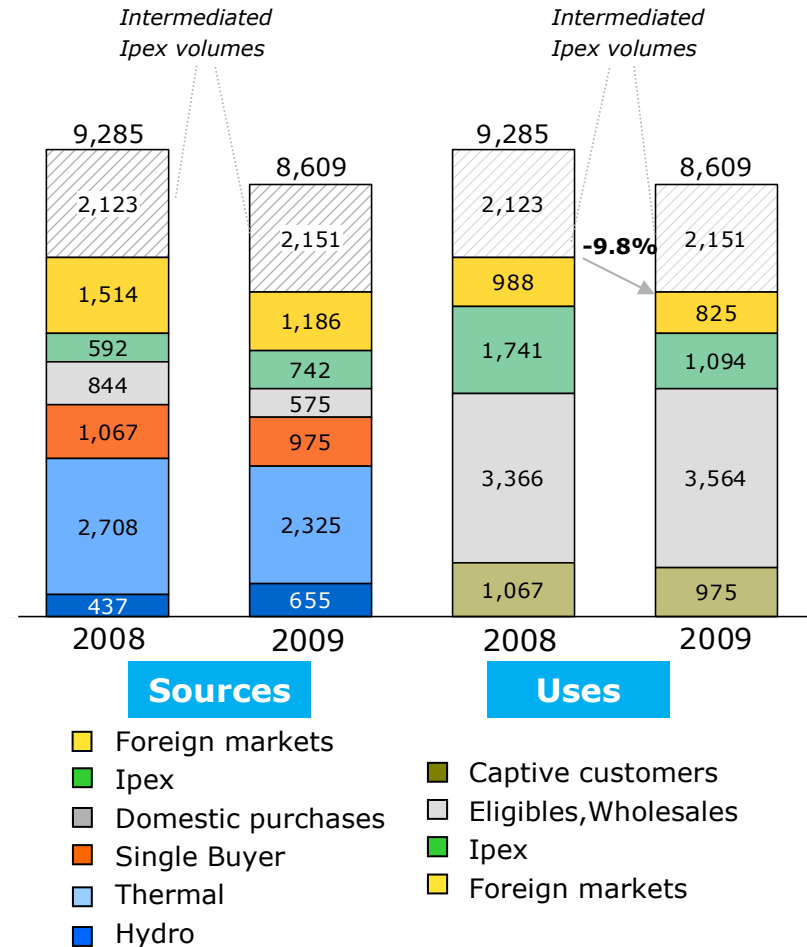


# 2008-2009 Q1 Results – Electricity (1/2)

## SCENARIO

Average data		Q12008	Q12009	Change %
<b>Brent</b>	\$/bbl	96.46	45.77	-53%
<b>CO2 system average cost</b>	€/Tonn	21.47	11.46	-47%
<b>GC System average cost</b>	€/MWh	101.79	83.95	-18%
<b>€/ \$</b>	€/ \$	1.50	1.30	-13%
<b>Brent €</b>	€/bbl	64.28	35.14	-45%
<b>PUN BL</b>	€/MWh	80.76	76.50	-5%
<b>PUN Peak</b>	€/MWh	104.11	94.52	-9%
<b>PUN Off-Peak</b>	€/MWh	67.59	66.54	-2%
<b>CCGT Standard Gas Costs</b>	€/MWh	60.01	75.45	26%
<b>Spark Spread CCGT</b>	€/MWh	20.74	1.05	-95%
<b>Spark Spread CCGT vs Peakload</b>	€/MWh	44.10	19.07	-57%
<b>Spark Spread CCGT vs Off-Peak</b>	€/MWh	7.58	-8.91	-218%
<b>Spark Spread CCGT- Environmental Costs</b>	€/MWh	16.03	-2.24	-114%
<b>Italian electricity demand</b>	GWh	86,822	79,941	-8%
<b>Net Import</b>	GWh	11,492	13,018	13%

## VOLUMES (GWh)



# 2008-2009 Q1 Results – Electricity (2/2)

## GREEN CERTIFICATES POSITION

MWh

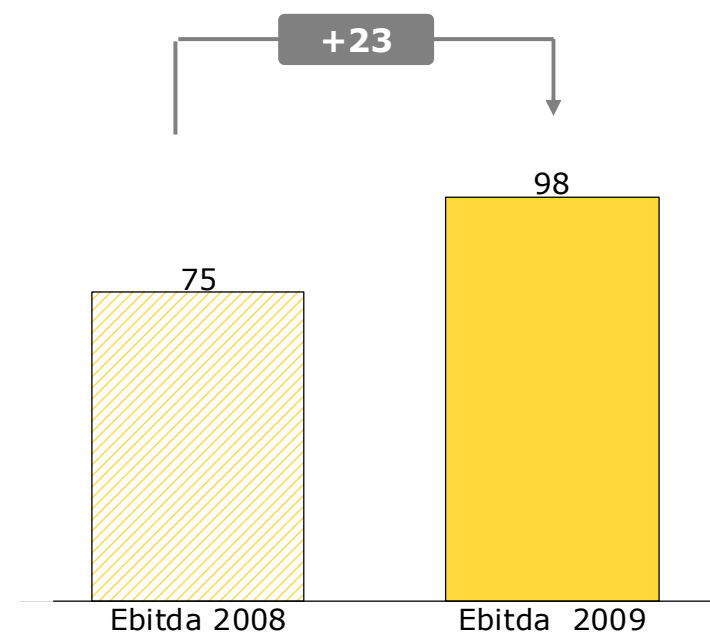
A2A Group Availability	106,503
A2A Group needs	-106,879
Delta	-376

## CO2 NET POSITION

Kton

	TOTAL NAP Q1 2009	Emission CO2 Q1 2009
Energy	1,213	1,102
District heating	340	287
Waste	21	23
<b>Total</b>	<b>1,574</b>	<b>1,412</b>

## EBITDA (€M)



## POSITIVE KEY FACTS

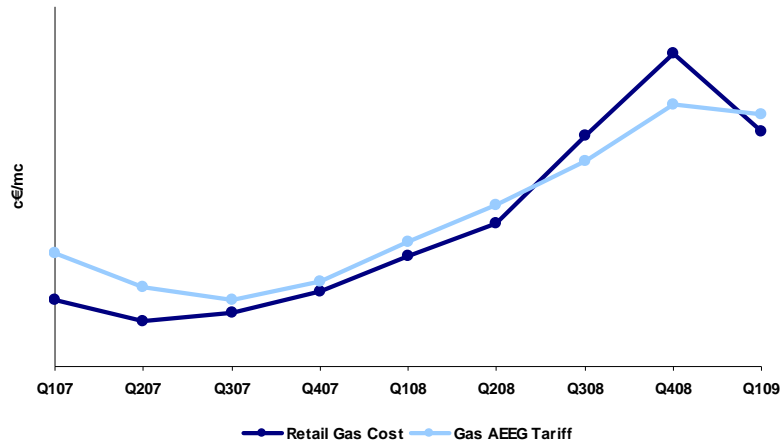
- Increase in hydroelectric production
- Increasing margin on foreign markets
- Positive impact of environmental markets
- Contribution of Gissi Plant

## NEGATIVE KEY FACTS

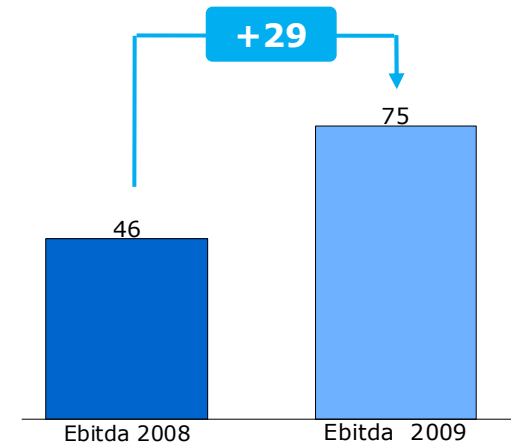
- Negative dynamics of power exchange prices
- Strong contraction of demand
- Overcapacity and higher import

# 2008-2009 Q1 Results – Gas

## SCENARIO



## EBITDA (€M)



## VOLUMES (Mmc)

	2008	2009
Retail	778	874
Wholesale	607	617
Power	509	400
<b>Total sales</b>	<b>1,894</b>	<b>1,891</b>

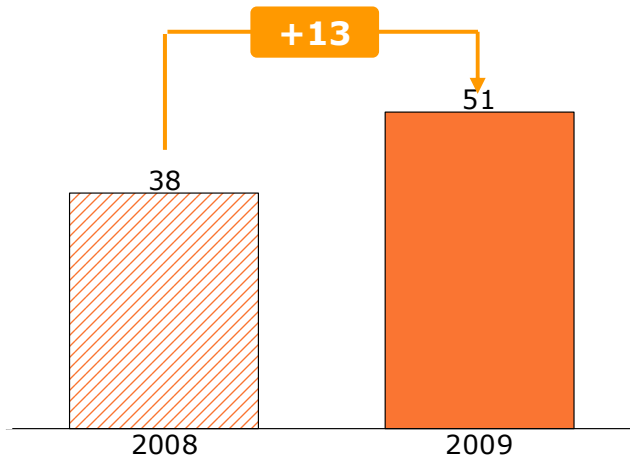
## KEY FACTS

**Increase in gas sales due to a colder weather compared to the same period of 2008**

**Increasing profitability due to the impact of scenario on indexation formulas**

# 2008-2009 Q1 Results – Cogeneration and District heating

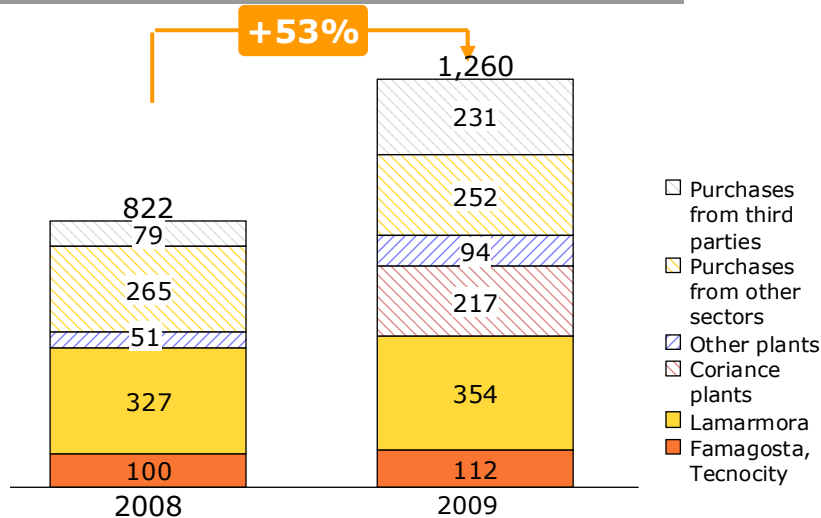
## EBITDA (€M)



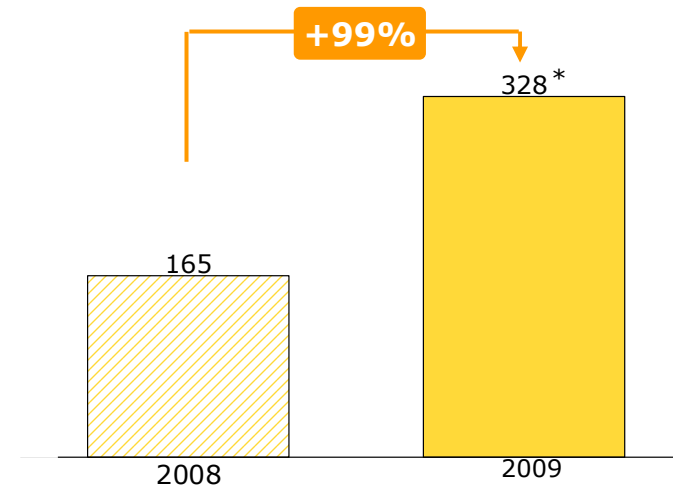
## KEY FACTS

- Increase in heat sales and unit margin compared to the same period of 2008
- Coriance and Aspem consolidation

## HEAT VOLUMES (GWh)



## ELECTRICITY (GWh)

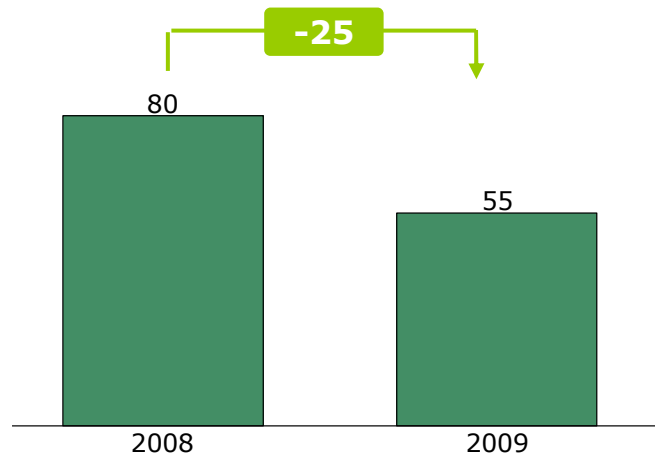


\* of which 151 GWh related to Coriance and 7 GWh related to Aspem



# 2008-2009 Q1 Results - Waste

## EBITDA (€M)

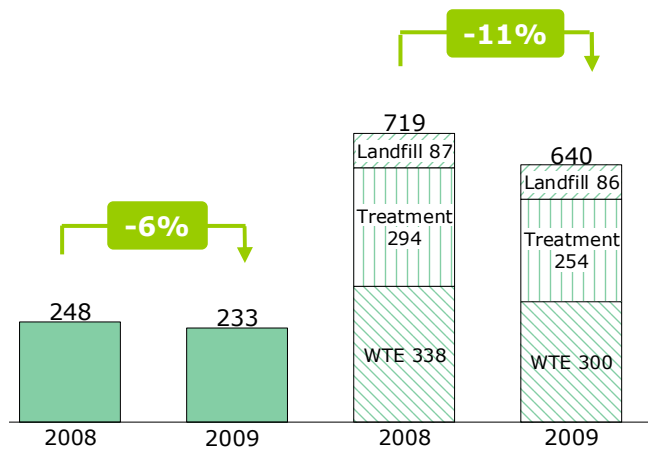


## KEY FACTS

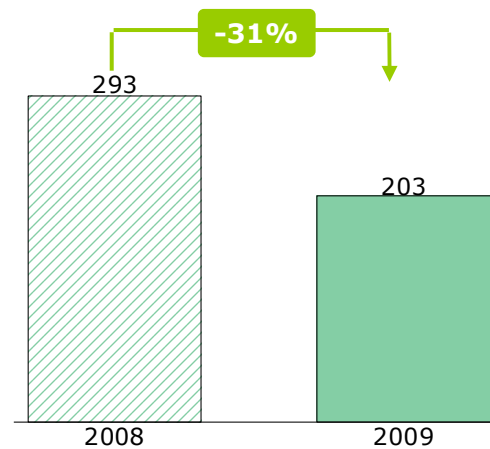
Negative impact on EBITDA due to:

- expiry of Cip6 incentive for Brescia WTE plant;
- Brescia and Bergamo WTE stop for extraordinary maintenance, partially offset by the margin increase of Silla plant (stopped during the same period of 2008 for Denox system installation).

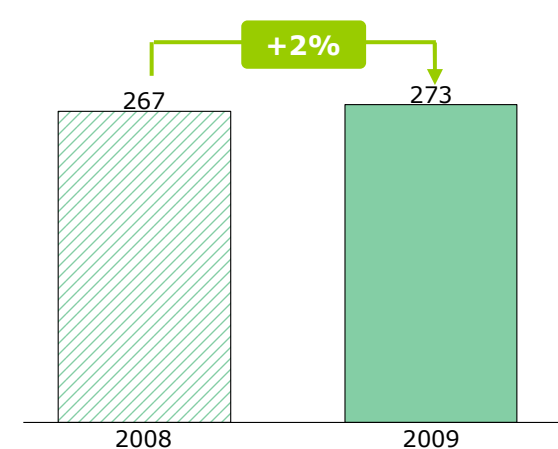
## WASTE VOLUMES (Kton)



## ELECTRICITY (GWh)



## HEAT PRODUCTION (GWht)



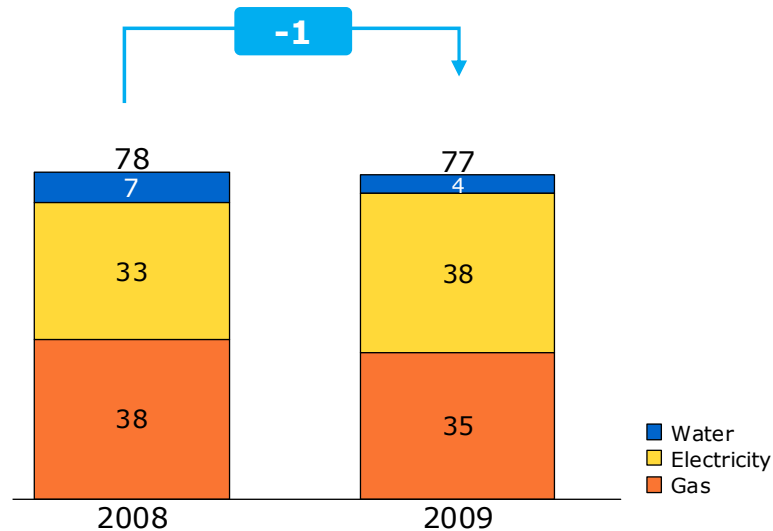
Collected\*

Treated

\* related to main municipalities

# 2008-2009 Q1 Results - Networks

## EBITDA (€M)



## KEY FACTS

### Electricity: +5 €M

Positive impact on EBITDA due to non current items recorded in 2009

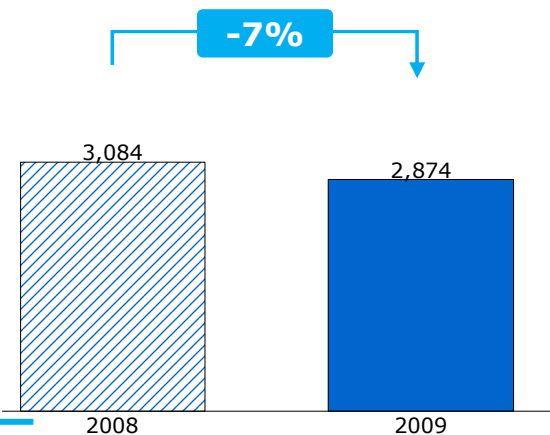
### Gas: -3 €M

Positive impact on EBITDA due to an increase in gas volumes caused by a colder weather compared to the same period of 2008, balanced by the effect of equalization introduced by AEEG resolution n. 159/08 aimed at normalizing gas distribution revenues throughout the year

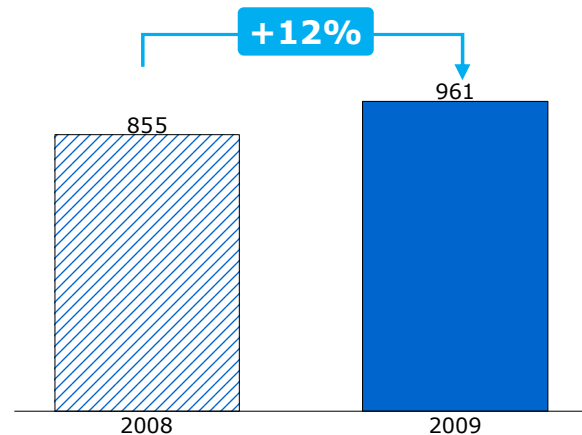
### Water: -3 €M

Negative impact due to connection fees decrease following ATO decisions

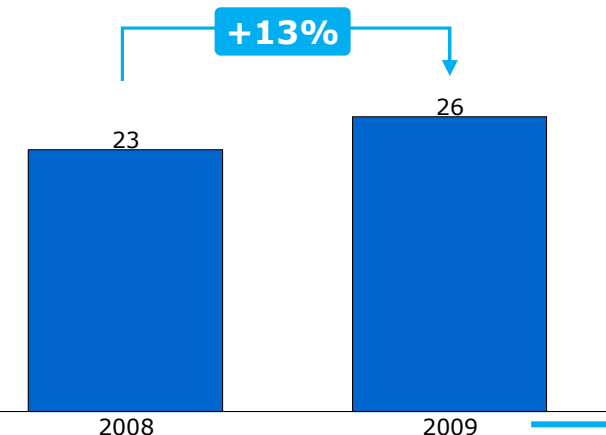
## ELECTRICITY (GWh)



## GAS DISTRIBUTED (Mmc)



## WATER (Mmc)



# 2008-2009 Q1 –From EBITDA to Net Income (1/2)

€M data	Q12008 <i>restated</i>	Q12009	Change	Key point
<b>EBITDA</b>	<b>317</b>	<b>351</b>	<b>+34</b>	
<b>D&amp;A, Write Downs and Provisions</b>	<b>-84</b>	<b>-91</b>	<b>-7</b>	<i>Gissi, Change in Perimeter</i>
<b>Financial charges</b>	<b>-39</b>	<b>-59</b>	<b>-20</b>	<i>Debt increase, interest rate reduction, "Moratoria fiscale" 96-99</i>
<b>Derivatives/others</b>	<b>-5</b>	<b>-5</b>	<b>0</b>	
<b>Associates and JV and others</b>	<b>+12</b>	<b>+12</b>	<b>0</b>	<i>TdE, Edipower and others</i>
<b>Others</b>	<b>0</b>	<b>-40</b>	<b>-40</b>	<i>"Moratoria fiscale" (AEM and ASM 96-99)</i>
<b>EBT</b>	<b>201</b>	<b>168</b>	<b>-33</b>	

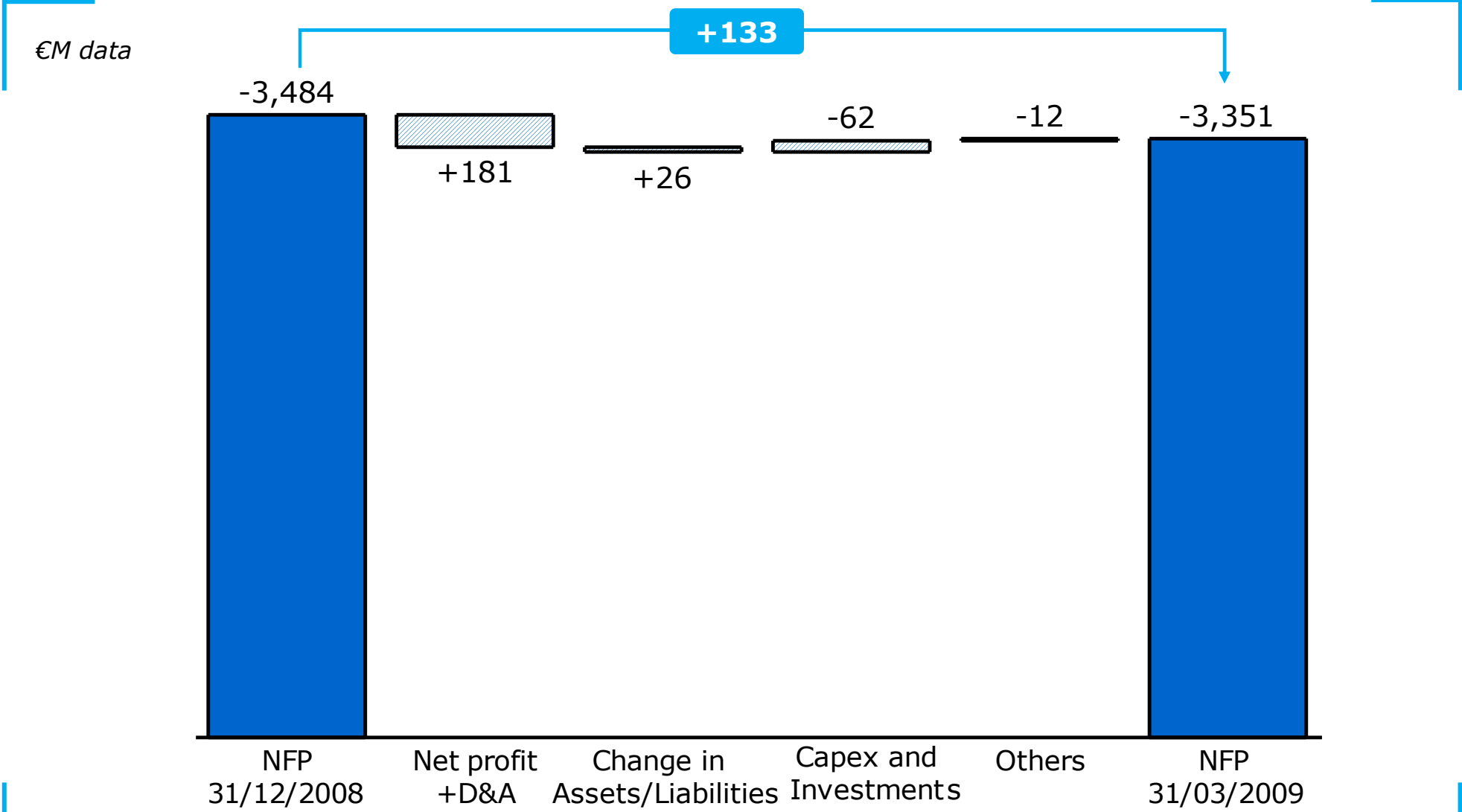
# 2008-2009 Q1 –From EBITDA to Net Income (2/2)

€M data

	Q12008 <i>restated</i>	Q12009	Change	Key point
<b>EBT</b>	<b>201</b>	<b>168</b>	<b>-33</b>	
<b>TAXES</b>	<b>-66</b>	<b>-70</b>	<b>-4</b>	<i>Robin Tax; undeductible items</i>
<b>IFRS 5</b>	<b>0</b>	<b>1</b>	<b>+1</b>	<i>Malpensa Energia</i>
<b>MINORITIES</b>	<b>-6</b>	<b>-7</b>	<b>-1</b>	<i>TdE and Plurigas</i>
<b>NET INCOME</b>	<b>129</b>	<b>92</b>	<b>-37</b>	
<b>NET INCOME ADJUSTED*</b>	<b>129</b>	<b>148*</b>	<b>+19</b>	

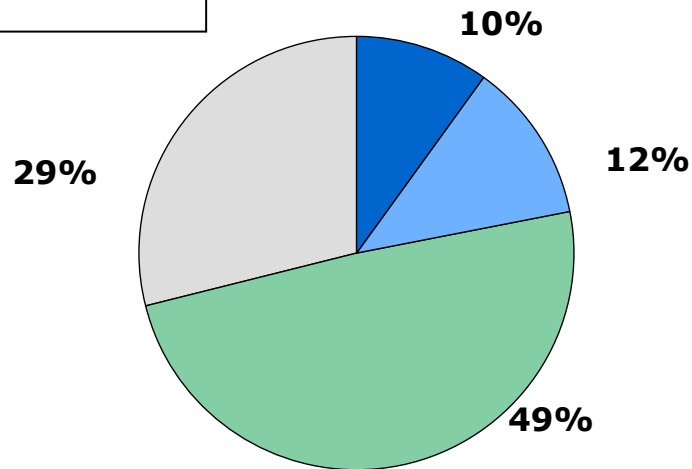
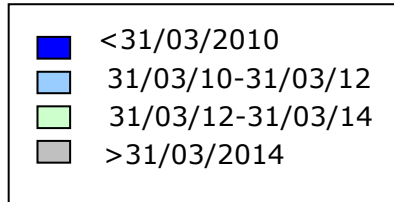
\* Adjusted for "Moratoria fiscale"

# 2009 Q1– Net Debt and Cash Flow

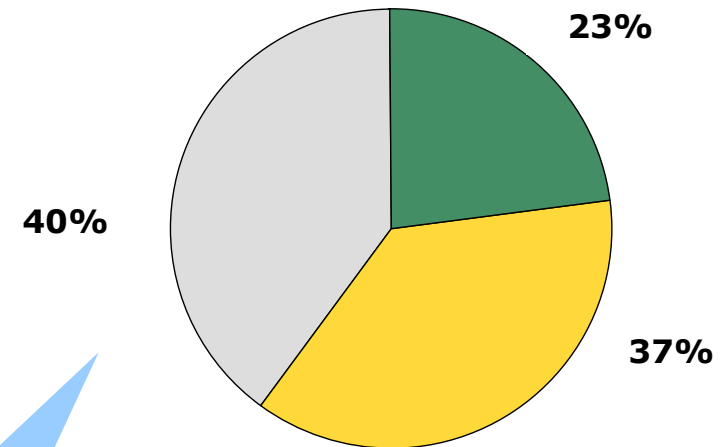
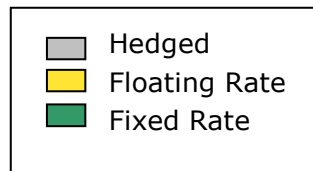


# 2009 Q1 Gross debt and interest rate structure

## DEBT STRUCTURE



## INTEREST RATE STRUCTURE



**Total debt: 3,505 €M**

## RATING

### A2A - DEBT RATING

		Current	Date
Standard & Poor's	M/L Term Rating	BBB+	30/03/2009
	Short-Term Rating	A-2	
	Outlook	Stable	
Moody's	M/L Term Rating	A3	11/11/2008
	Outlook	Stable	

**Average debt life: 4.94 YRS**

**Committed Credit Lines available: 1,105 €M**

# Scope of consolidation

	Q1 2009			Q1 2008 <i>restated</i>		
	CONSOLIDATED ON.. BASIS	INCOME STATEMENT	NET RESULT	CONSOLIDATED ON.. BASIS	INCOME STATEMENT	NET RESULT
<b>A2A subsidiaries</b>	<i>Line by line</i>	<b>100%</b>	<b>100%</b>	<i>Line by line</i>	<b>100%</b>	<b>100%</b>
<b>A2A Coriance*</b>	<i>Line by line</i>	<b>100%</b>	<b>98.8%</b>	-	-	-
<b>ASPEM**</b>	<i>Line by line</i>	<b>100%</b>	<b>90.0%</b>	-	-	-
<b>EON Produzione***</b>		<b>IFRS 5</b>			<b>IFRS 5</b>	
<b>Malpensa Energia****</b>		<b>IFRS 5</b>			<b>IFRS 5</b>	

\*acquired on 1 July 2008

\*\*acquired on 15 January 2009

\*\*\* 20%

\*\*\*\*49%