



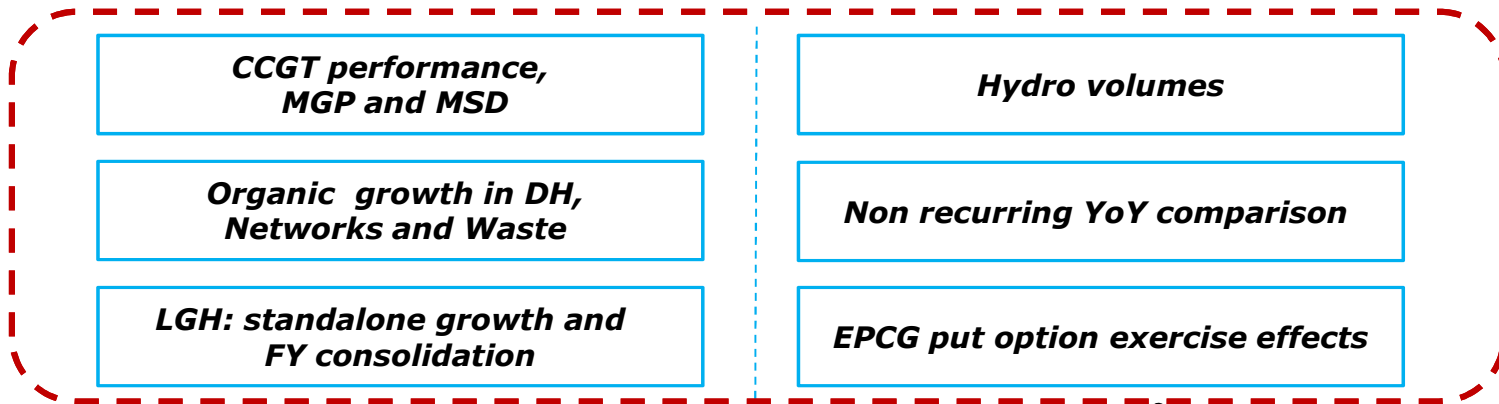
1H 2017 Consolidated Results



Milan, July 31st,2017

Highlights of the period

1H 2017 HIGHLIGHTS



1st Plastic Treatment Plant in construction

2nd Plastic Treatment Plant construction authorisation granted

MoU with "Utilities of Lombardy" extended to September

ASVT and Patavina Tech acquisition

Project Mistral on operating excellence Kicked off

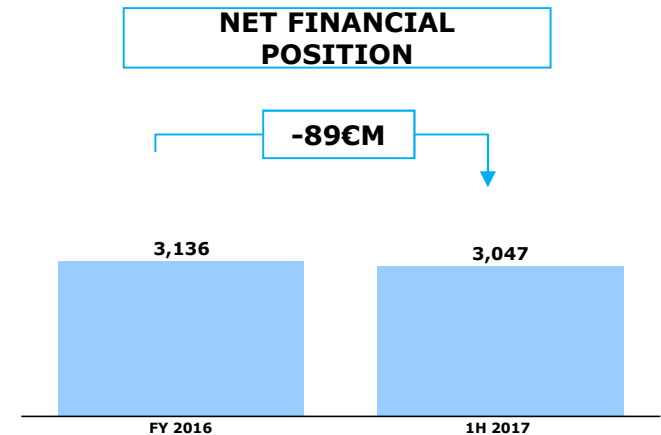
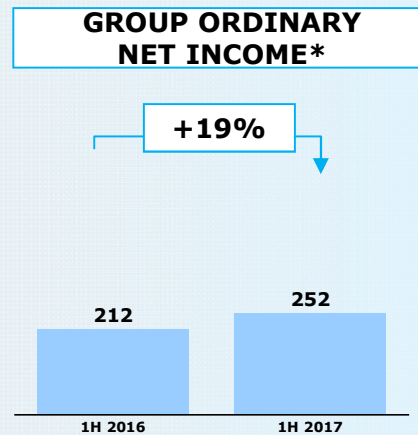
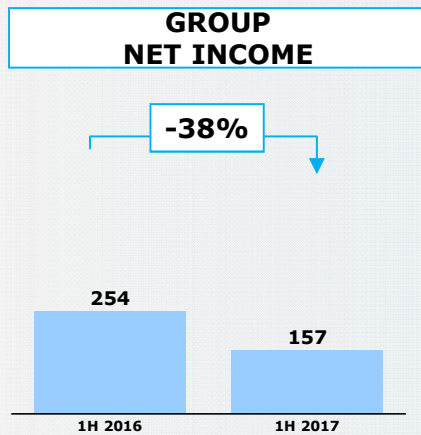
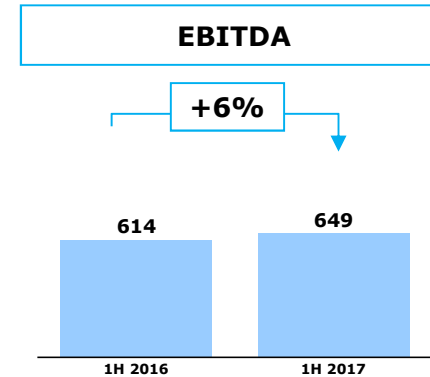
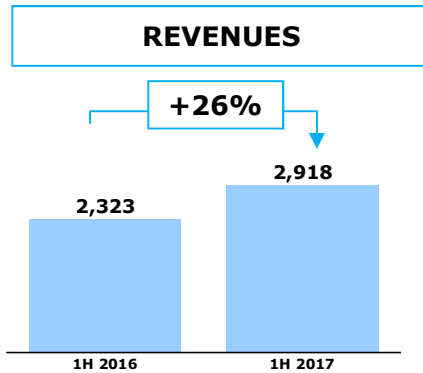
With impact on 2017 1H economics

1H 2017 HIGHLIGHTS

KEY FINANCIAL INDICATORS



€M

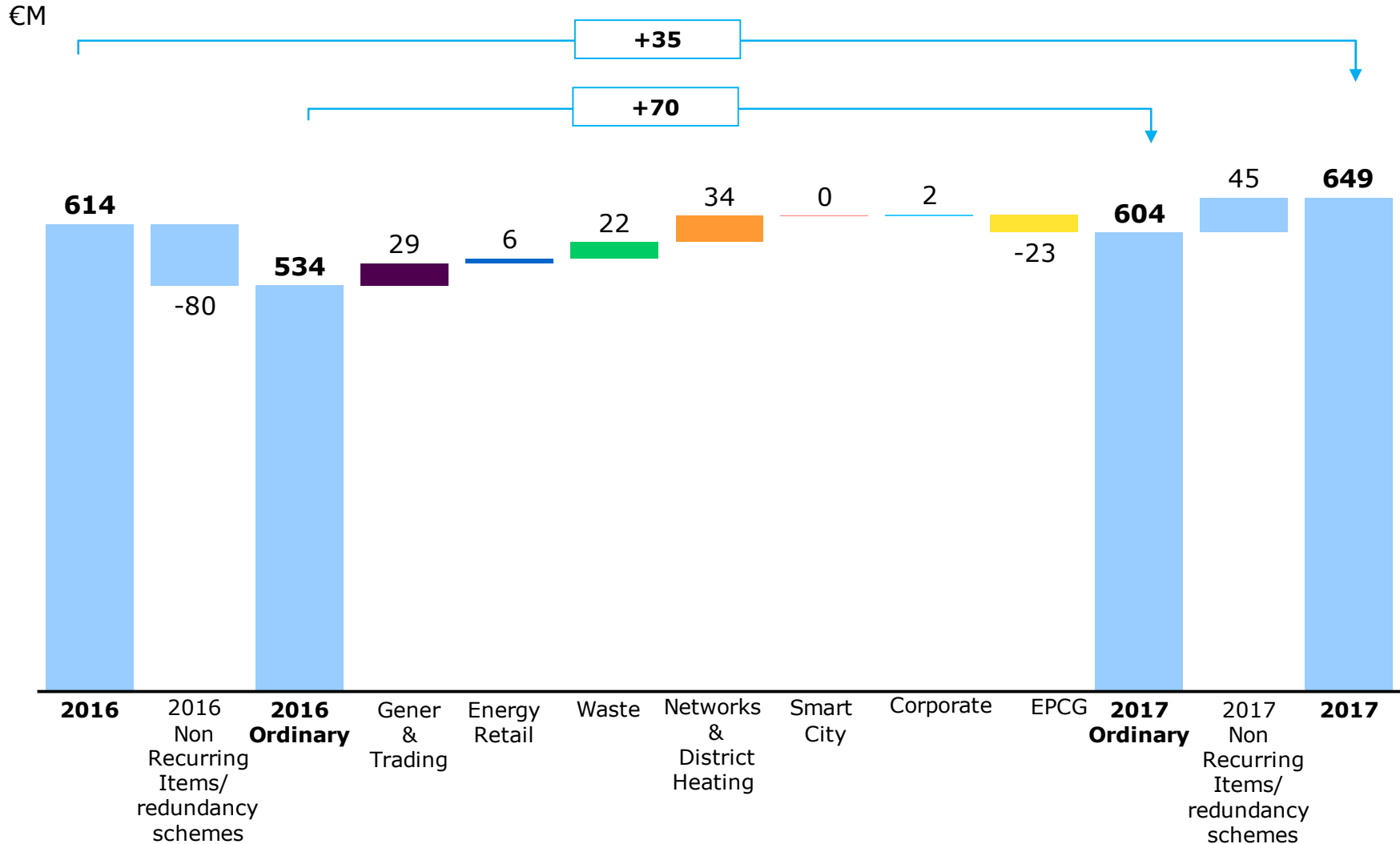


* Excluding extraordinary items

Analysis of results

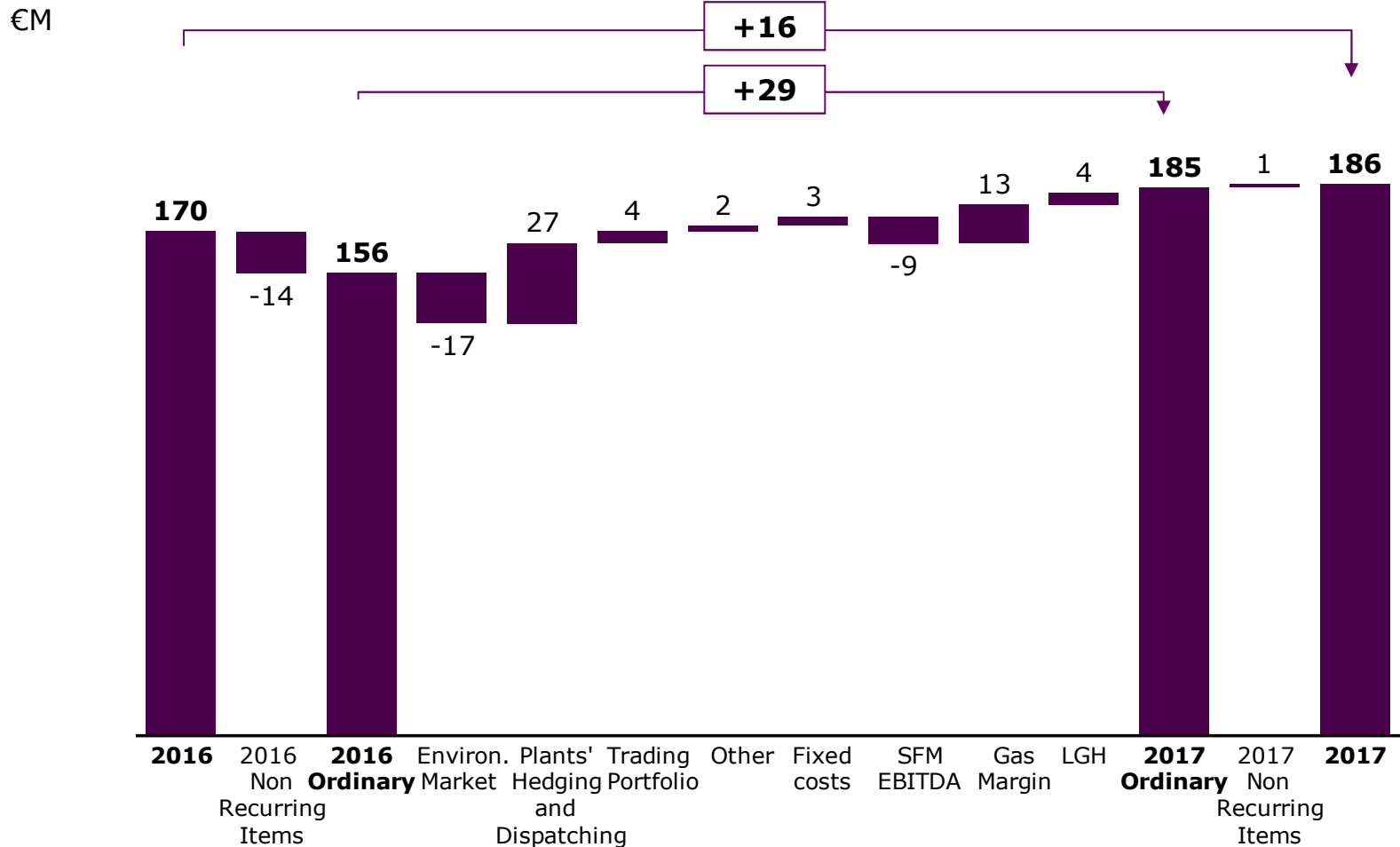
1H CONSOLIDATED RESULTS

GROUP EBITDA



1H CONSOLIDATED RESULTS

GENERATION & TRADING EBITDA

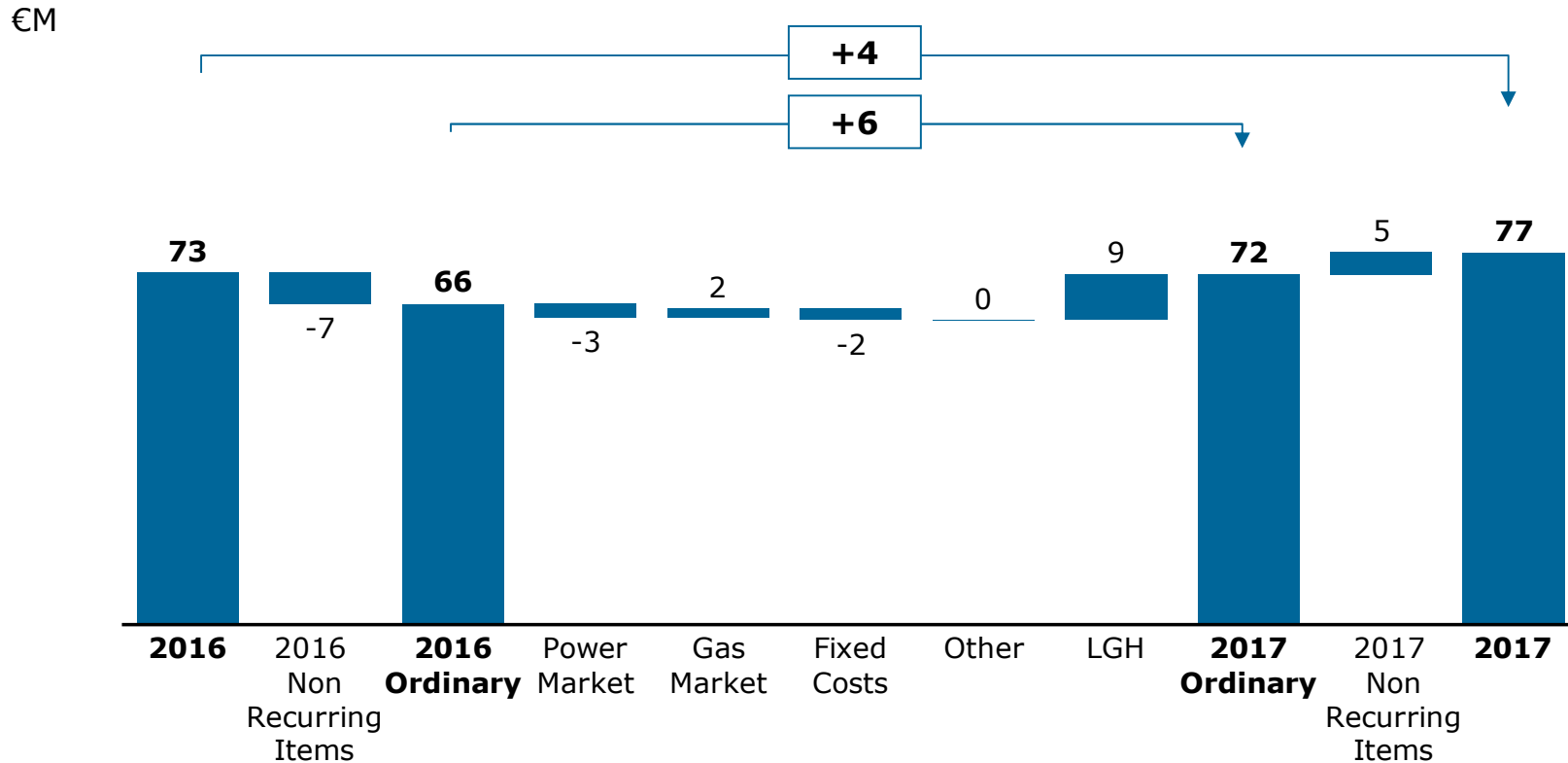


- CCGT performance more than offsetting low hydro production
- Excellent results on Gas optimization
- Lower environmental markets margin

1H CONSOLIDATED RESULTS



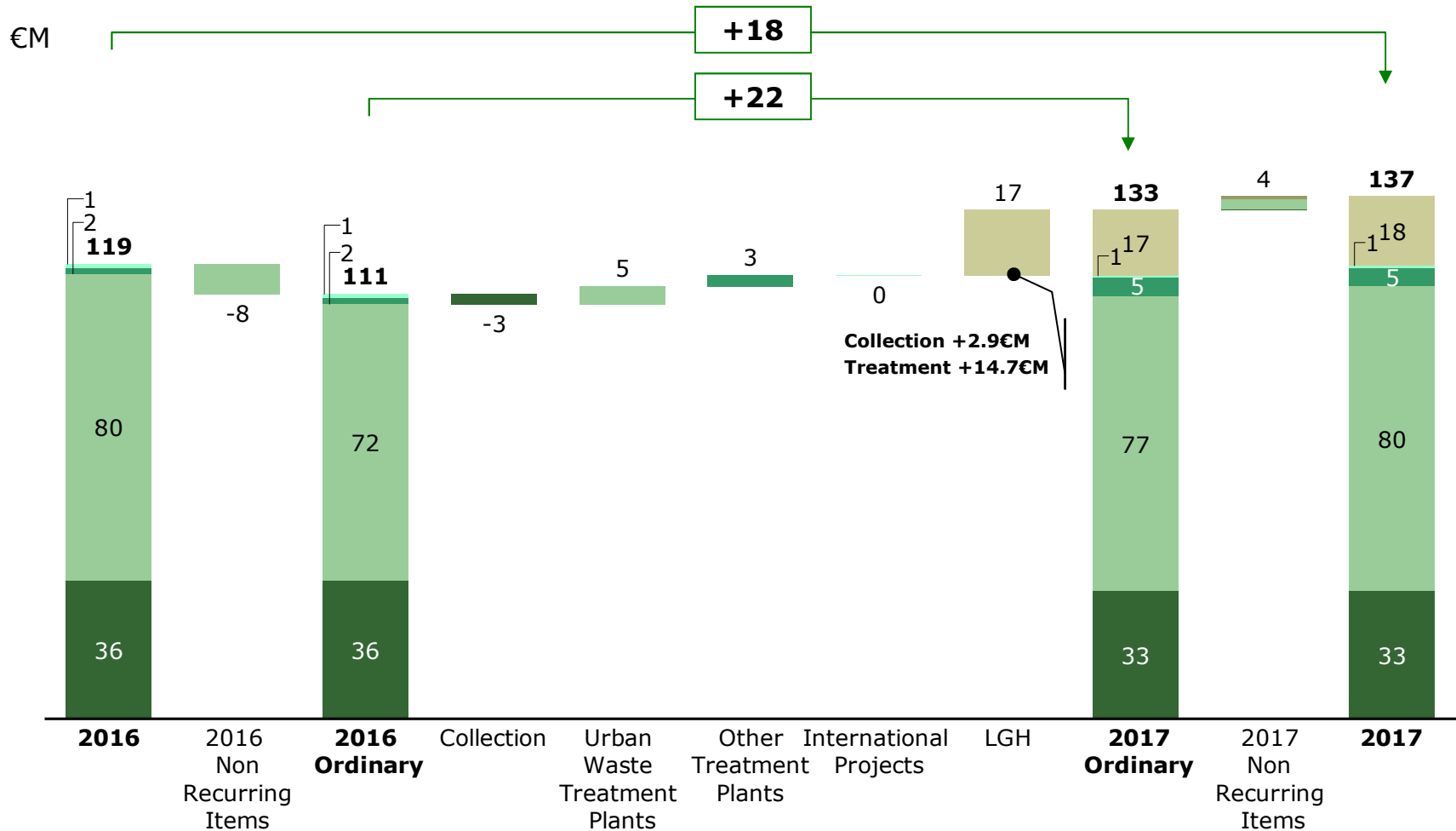
ENERGY RETAIL EBITDA



- Free market customer base more than 100K
- Reduction in Unitary Margins mainly due to higher unbalancing costs (price effect)

1H CONSOLIDATED RESULTS

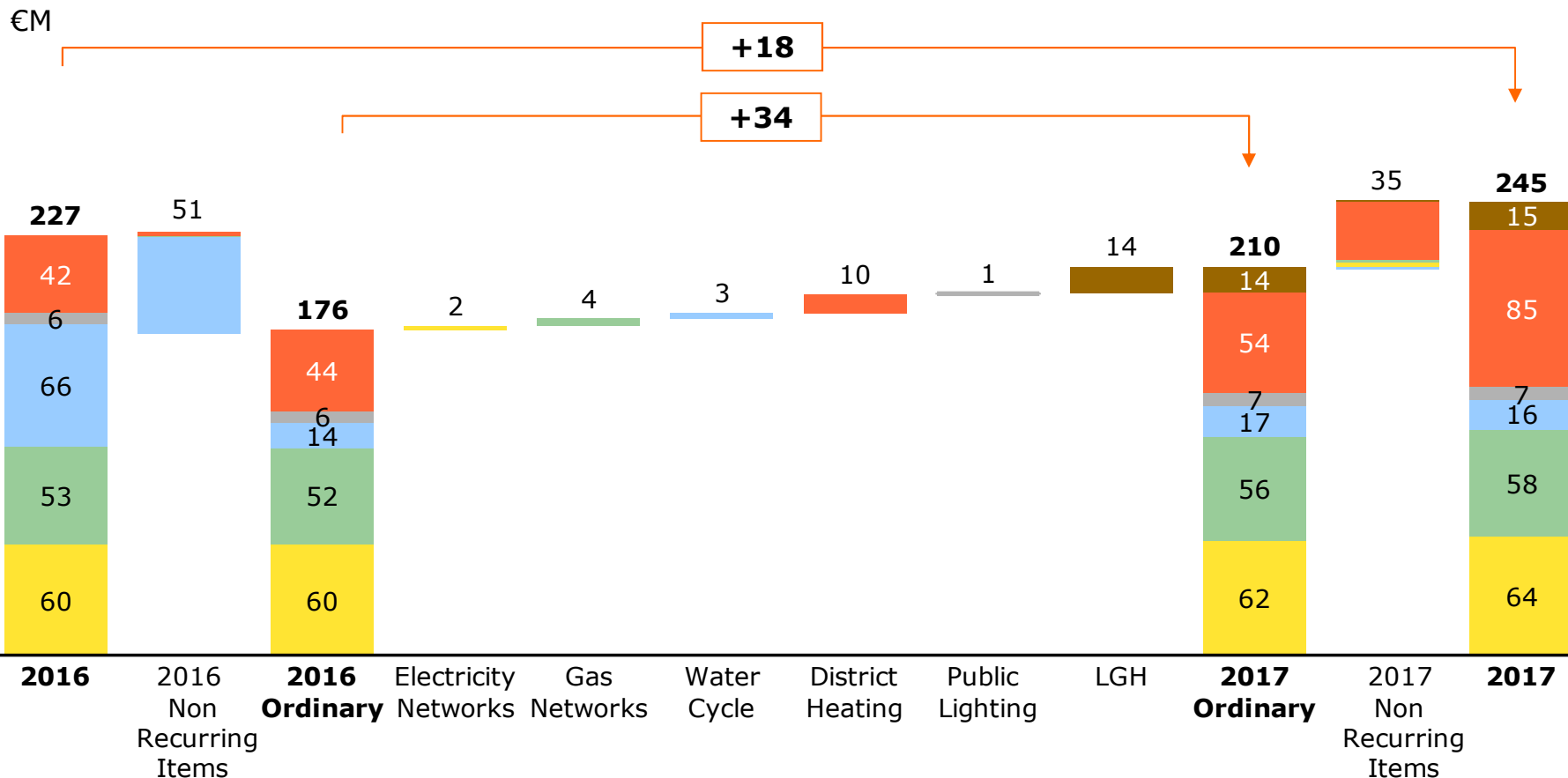
WASTE EBITDA



- Positive treatment plants margins thanks to higher prices and quantities

1H CONSOLIDATED RESULTS

NETWORKS AND DISTRICT HEATING EBITDA



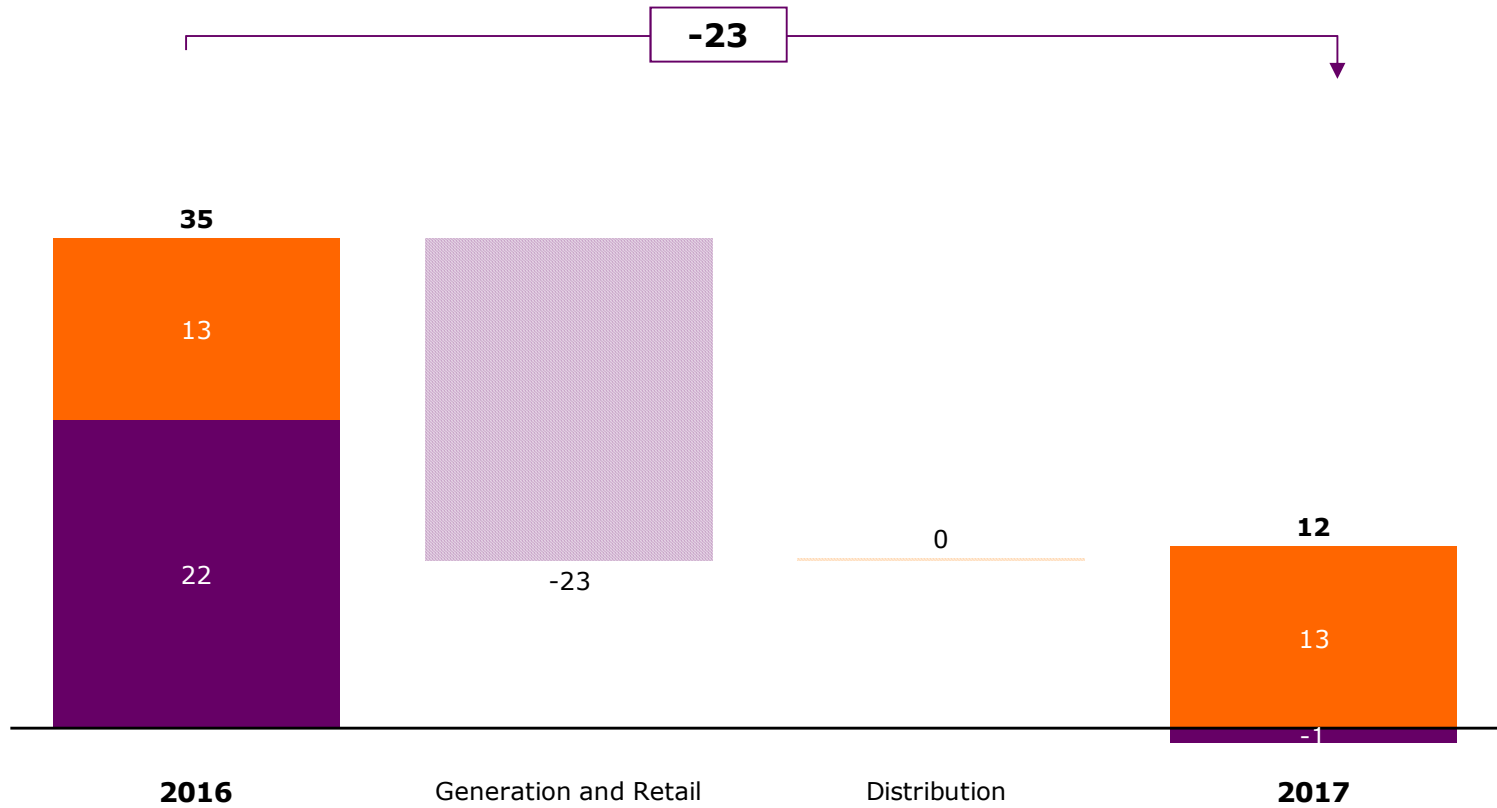
- DH benefitting from higher gas prices, commercial development and temperature effect
- Positive white certificates margin

1H CONSOLIDATED RESULTS

EPCG EBITDA



€M



- Energy
- Distribution

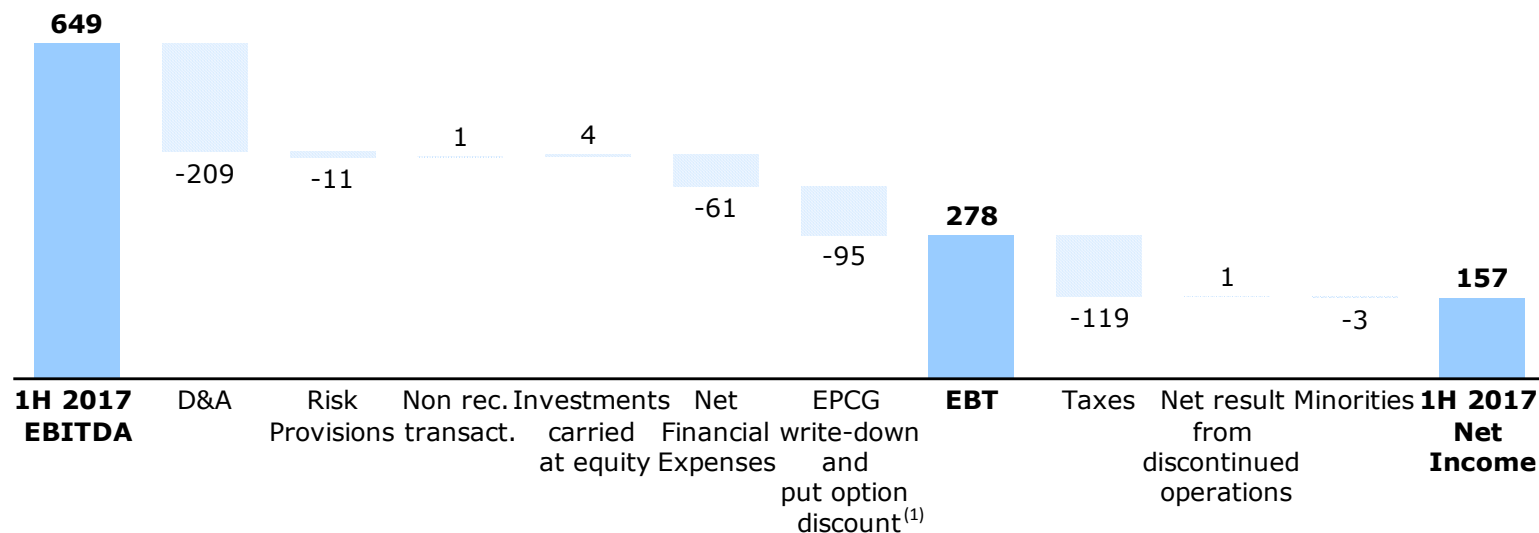
Low hydro production (-55%): higher import (at very high prices)

1H CONSOLIDATED RESULTS

FROM EBITDA TO GROUP NET INCOME



€M



1H 2016	614	(198)	(36)	52	4	(63)	-	373	(106)	-	(13)	254
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(1) -95€M, of which:

- 60€M D&A (EPCG write-down)
- 35€M Net Financial Expenses

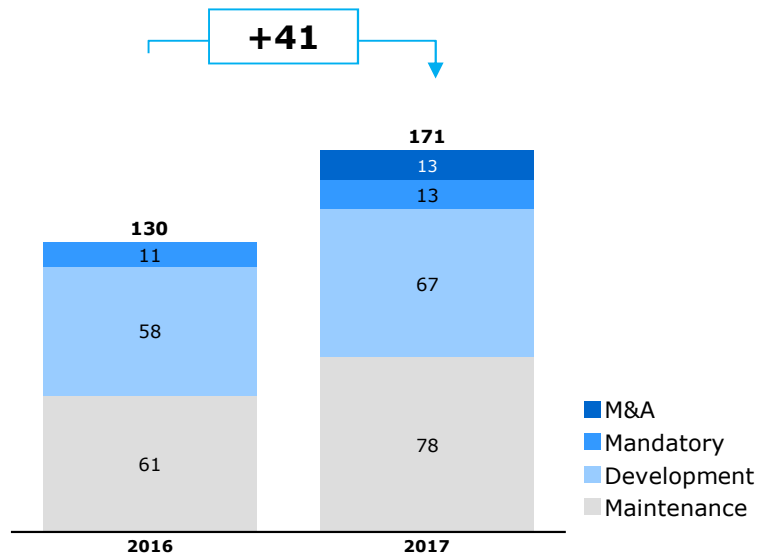
1H CONSOLIDATED RESULTS

CAPEX

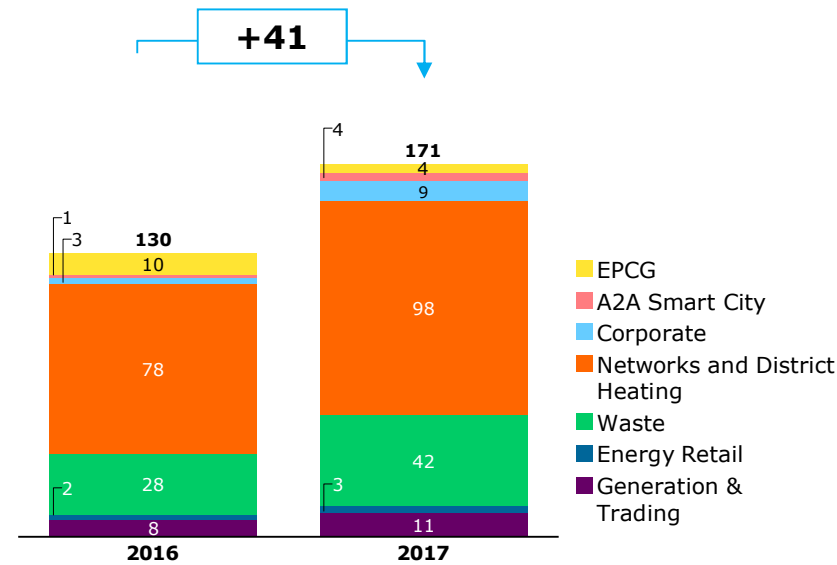


€M

BREAKDOWN BY ACTIVITY



BREAKDOWN BY BUSINESS

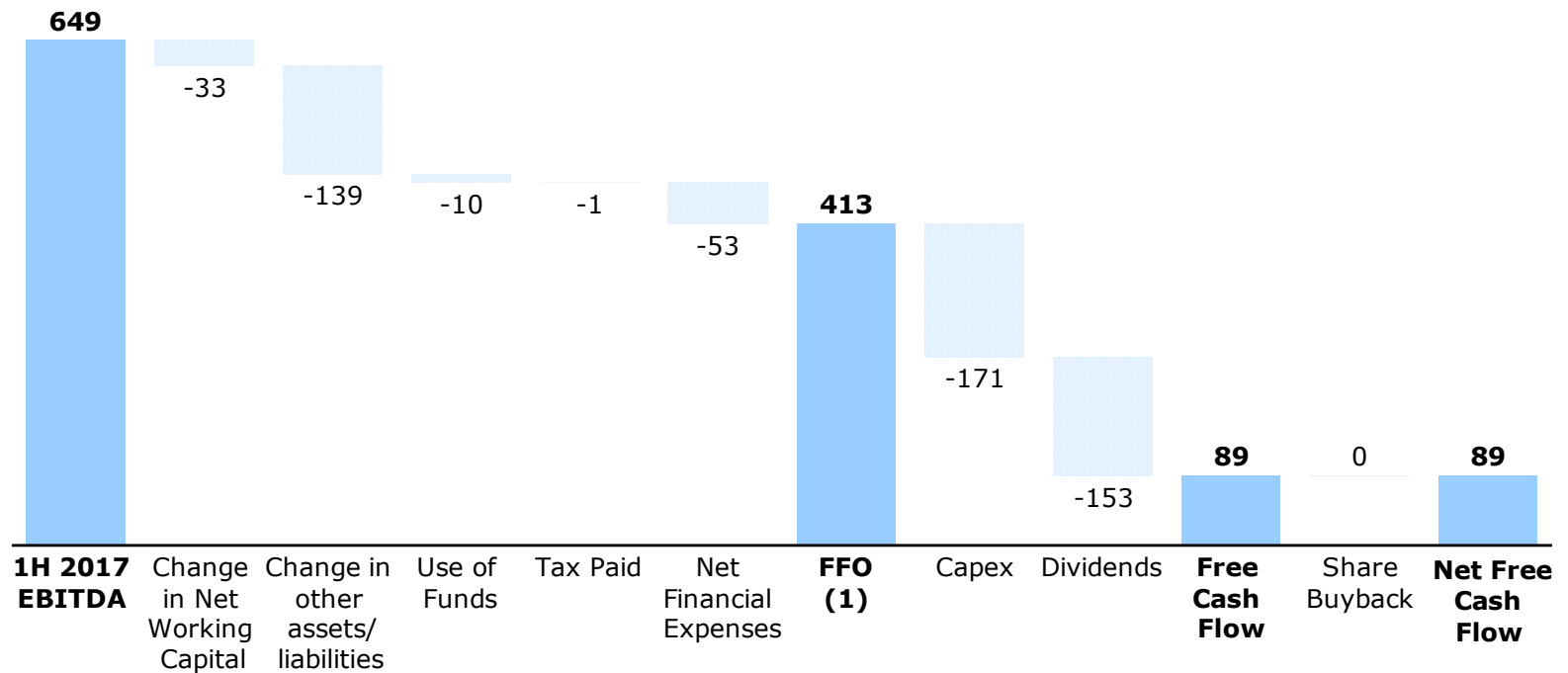


1H CONSOLIDATED RESULTS

NET FREE CASH FLOW



€M



1H 2016

614 (71) (73) (51) (7) (54) 358 (130) (126) 102 (37) 65

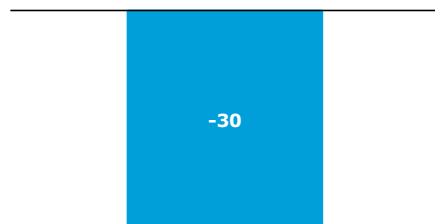
(1) Funds from operations after working capital change

Closing remarks

EFFECT OF THE DECONSOLIDATION OF EPCG ON FY 2017 FORECAST



Delta EBITDA



EPCG Expected 2H EBITDA

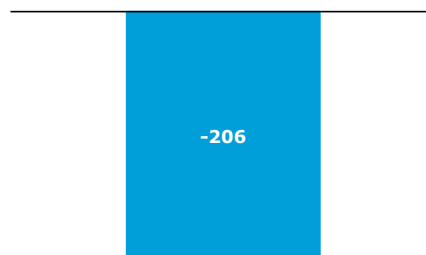
Delta Group Net Income



A2A Share of EPCG 2H expected Net Income

Fair Value Adj. of the investment in EPCG to the Put Option NPV

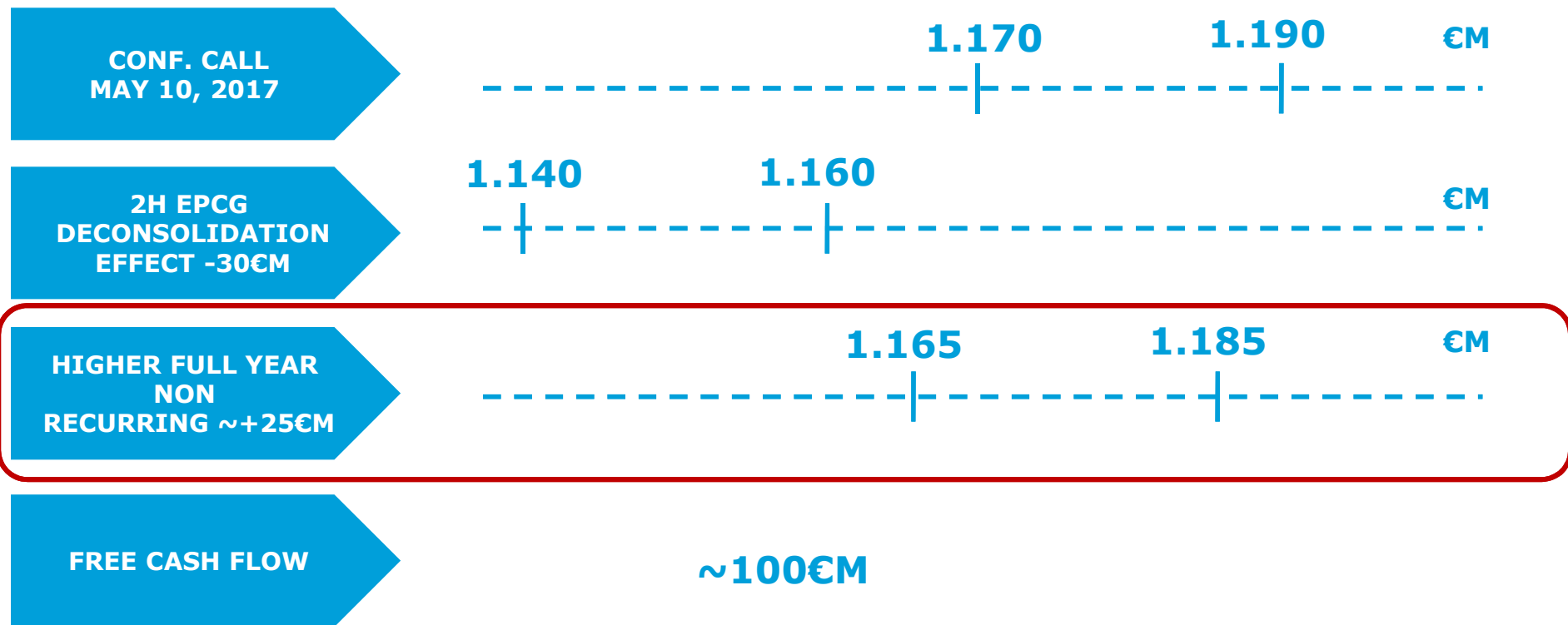
Delta Net Financial Position



EPCG Positive NFP as of 30/06/17

H1 CONSOLIDATED RESULTS

EBITDA GUIDANCE



GUIDANCE CONFIRMED

Annexes

1H CONSOLIDATED RESULTS



P&L

€M

	1H 2016	1H 2017	CHANGE	%
REVENUES	2,323	2,918	+595	+25.6%
EBITDA	614	649	+35	+5.7%
Ordinary D&A	(198)	(209)	-11	-5.6%
EPCG write-off	-	(60)	-60	n.s.
Provisions	(36)	(11)	+25	+69.4%
EBIT	380	369	-11	-2.9%
Net Financial Expenses	(63)	(96)	-33	-52.4%
Associates & JV	4	4	-	-
Result from non recurr. transactions	52	1	-51	n.s.
EBT	373	278	-95	-25.5%
Taxes	(106)	(119)	-13	-12.3%
Net result from discontinued operations	-	1	+1	n.s.
Minorities	(13)	(3)	+10	n.s.
GROUP NET INCOME	254	157	-97	-38.2%

1H CONSOLIDATED RESULTS

BALANCE SHEET



€M

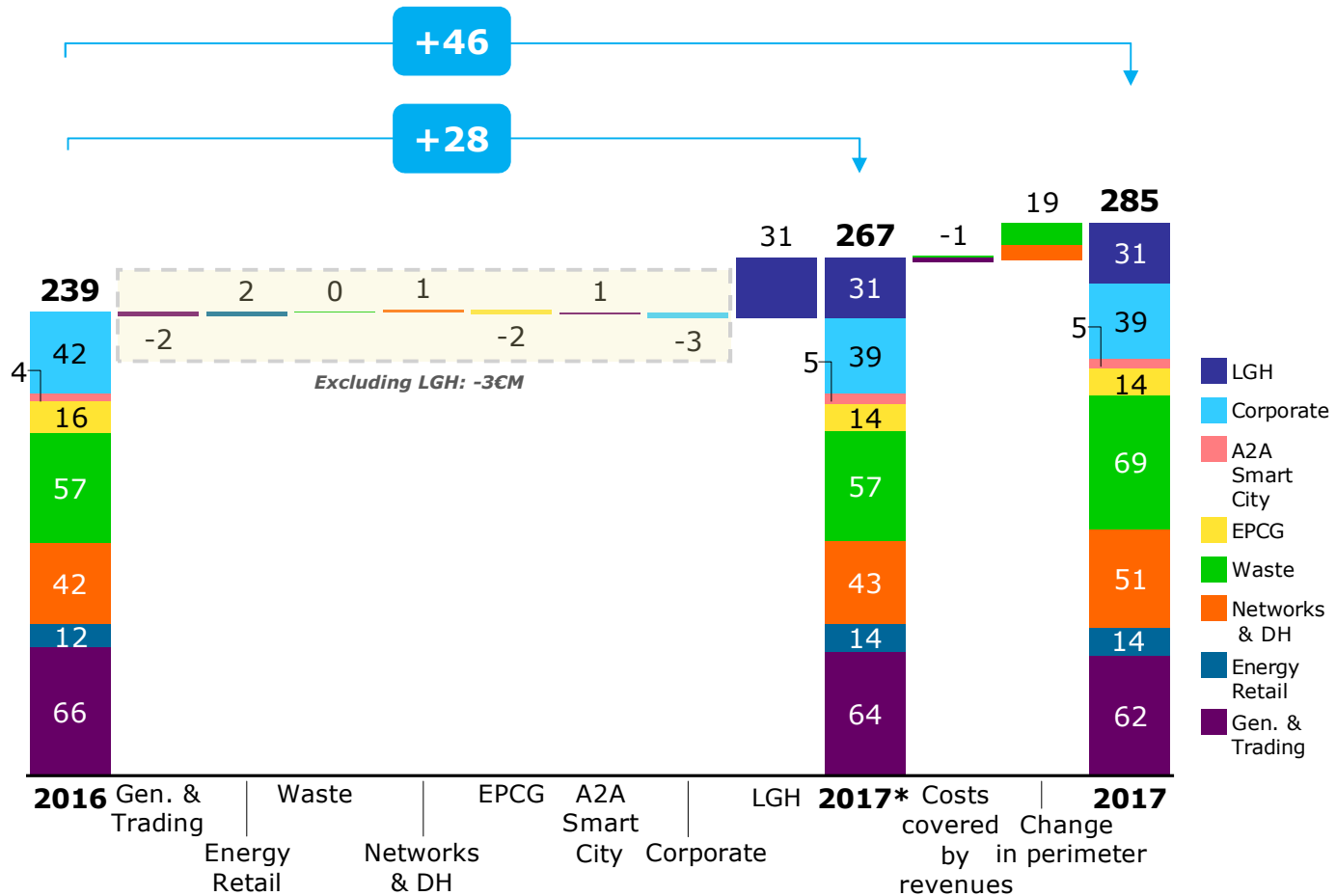
	31.12.2016 Restated	30.06.2017	%
Tangible Assets	5,129	4,979	-2.9%
Intangible Assets	1,704	1,709	0.3%
Shareholdings and Other Non Current Financial Assets	80	76	-5.0%
Other Non Current Assets/Liabilities	(82)	(76)	-7.3%
Deferred Tax Assets and Liabilities	341	297	-12.9%
Provisions for Risks, Charges and Liabilities for landfills	(671)	(636)	-5.2%
Employee Benefits	(365)	(348)	-4.7%
NET FIXED CAPITAL	6,136	6,001	-2.2%
Inventories	159	168	5.7%
Trade receivables and other current Assets	2,210	1,878	-15.0%
Trade payables and other current Liabilities	(2,128)	(1,660)	-22.0%
Current tax Assets/Liabilities	37	(30)	n.s.
WORKING CAPITAL AND OTHER CURRENT ASSETS/LIABILITIES	278	356	+28.1%
Non current Assets /Liabilities held for sale	1	1	n.s.
TOTAL CAPITAL EMPLOYED	6,415	6,358	-0.9%
Equity	3,279	3,311	+1.0%
Net Financial Position	3,136	3,047	-2.8%
TOTAL SOURCES	6,415	6,358	-0.9%

1H CONSOLIDATED RESULTS

EXTERNAL COSTS



€M



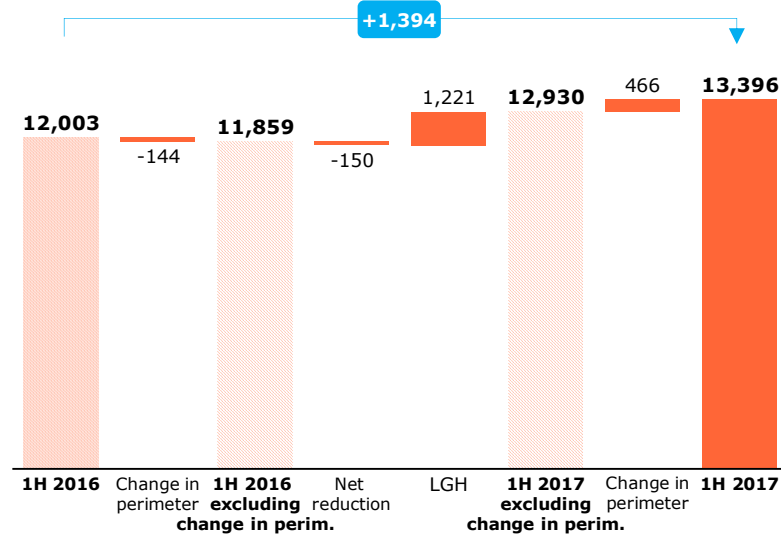
(*) 2017 net of change in perimeter and costs covered by revenues

1H CONSOLIDATED RESULTS

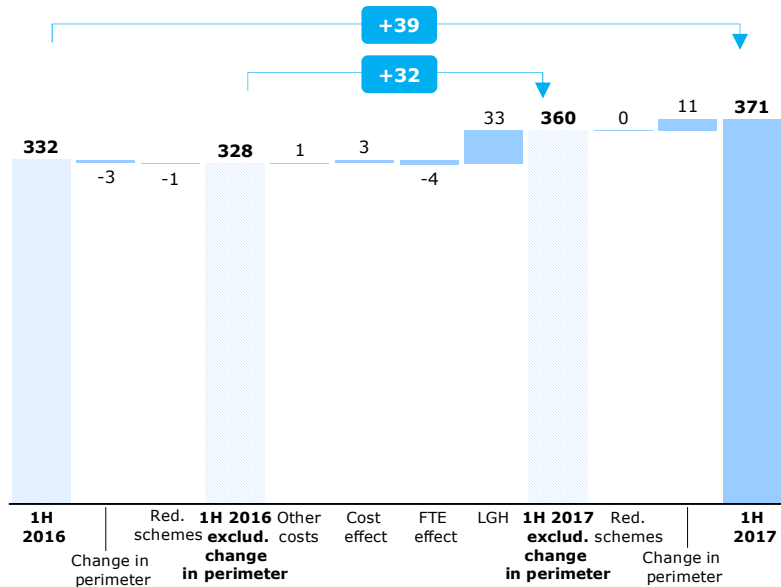
LABOUR COSTS



FTE⁽¹⁾



LABOUR COSTS (€M)



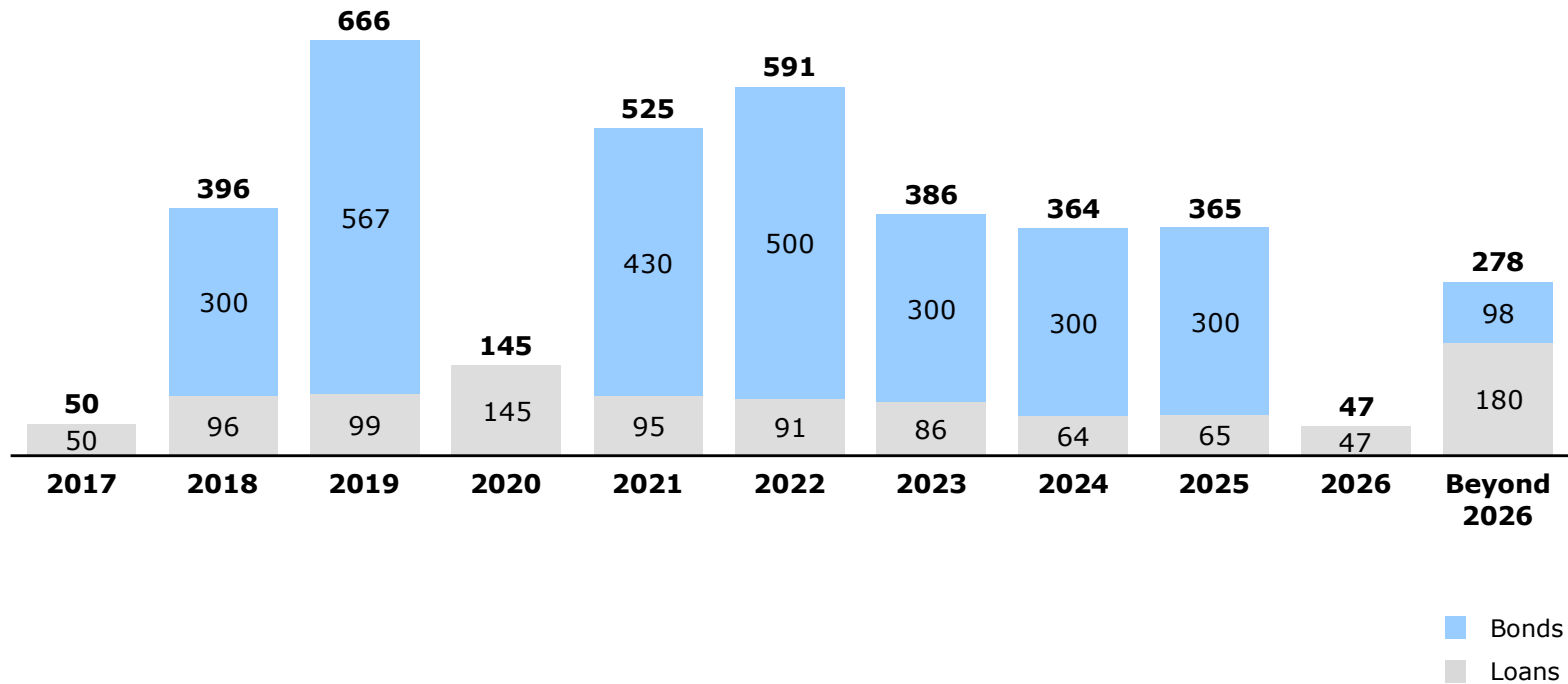
(1) A2A Group's Full Time Equivalent

1H CONSOLIDATED RESULTS

GROSS DEBT MATURITIES AS OF 30/06/2017



€M





RELAUNCH

- **1st Plastic treatment plant (Cavaglià):** construction phase started
- **2nd Plastic treatment plant (Muggiano):** construction authorisation granted
- **1st FORSU plant:** VIA presented
- **More than 100,000 new mass-market contracts**
- **Increase to 90% of Lumenergia share capital** (now fully consolidated)
- **LGH:**
 - waste collection for **160k inhabitants in 49 municipalities** in Cremona area
 - start-up of **subsidiary rationalization**



REGENERATION

- **energy production +3% vs. Q2 2016:** CCGT more than offsetting lower hydraulicity



RESHAPE

- Public Lighting: **Lainate tender** won
- Acquisition of Patavina Technologies to develop IoT solutions
- A2A Smart City technological partner in “Oltre la Strada”, an **urban regeneration program**
- Launch of Milan **E-HUB** with **74 charges points expandable up to 132 electrical setup** to serve Unareti EV fleet



DISCIPLINE, DIALOGUE & DIGITAL

ADDITIONAL

- **Lean Project underway**, operational efficiencies already achieved; LGH started the lean roll-out in Q2
- **860 managers** participated in **ABC management development** project focus on **Listening, Needs and Change**
- New external **lighting concept at Vittoriale**
- **2 new territorial sustainability reports** presented (Milan and Bergamo)
- **Winner of TopLegal Corporate Counsel Awards 2017** for Corporate Social Responsibility
- **Company sustainability commitment strengthened**: A2A Ambiente awarded **ISO 50001: 2011** – Energy Management System certification for its WTE plants in Brescia, Milan and Corteolona
- **A2A Energia project to identify digital championships**, to improve digital relationships with customers
- Roll out of **Work Force Management in Unareti and A2A Ciclo Idrico**
- Start up of **Maximo Refoundation project** – new operation&maintenance system for networks: adoption of mobile technologies to maximize efficiency

- **A2A, ACSM-AGAM, ASPEM, AEVV and Lario Reti Holding** – deadline of MoU extended to the end of September

Operational annexes

1H CONSOLIDATED RESULTS

VOLUMES



		1H 2016	1H 2017	Δ vs 2016	Δ% vs 2016	1H 2017 LGH	1H 2017 A2A+LGH	Δ vs 2016	Δ% vs 2016
A2A Group Thermal production	GWh	4.134	5.270	1.137	27%		5.270	1.137	27%
<i>of which</i>									
CCGT production	GWh	1.849	3.594	1.746	94%		3.594	1.746	94%
Coal production	GWh	1.048	787	-260	-25%		787	-260	-25%
Oil production	GWh	825	393	-432	-52%		393	-432	-52%
EPCG production	GWh	412	496	84	20%		496	84	20%
A2A Group Hydro production	GWh	3.343	2.067	-1.276	-38%	61	2.128	-1.215	-36%
<i>of which</i>									
A2A production	GWh	2.261	1.580	-682	-30%	61	1.640	-621	-27%
EPCG production	GWh	1.082	488	-594	-55%		488	-594	-55%
Wholesale electricity sales and Foreign Markets	GWh	3.122	3.325	203	7%	61	3.387	265	8%
Ipex sales ⁽¹⁾	GWh	4.804	3.890	-914	-19%		3.890	-914	-19%
Electricity sales	GWh	3.989	3.616	-373	-9%	311	3.927	-62	-2%
Electricity sales to EPCG customers	GWh	1.156	1.240	84	7%		1.240	84	7%
Gas sales	Mmc	664	701	37	6%	204	905	241	36%
Electricity distributed	GWh	5.466	5.566	100	2%	207	5.773	307	6%
Gas distributed	Mmc	1.039	1.075	36	3%	334	1.410	371	36%
Water distributed	Mmc	31	33	2	8%		33	2	8%
Heat volumes sales	GWht	1.332	1.412	80	6%	141	1.552	220	17%
Cogeneration electricity sales	GWh	110	116	6	6%	46	162	53	48%
Collected waste	Kton	678	667	-11	-2%	133	800	122	18%
Waste disposal	Kton	1.224	1.397	173	14%	366	1.763	540	44%
WTE and other plants electricity production	GWh	825	815	-10	-1%	108	924	98	12%
WTE and other plants heat production	GWht	692	708	16	2%	42	751	59	8%

⁽¹⁾ Net of intermediated Ipex volumes

1H CONSOLIDATED RESULTS

ENERGY SCENARIO



Average data		1H 2016	1H 2017	Δ % vs 2016
Brent	\$/bbl	41,0	52,8	29%
CO2 - EU ETS cost	€/Tonn	5,7	5,0	-13%
Green Certificates	€/MWh	99,6	0,0	-100%
€/€	€/€	1,1	1,1	-3%
Brent €	€/bbl	36,7	48,9	33%
PSV(1)	€/MWh	14,6	19,3	32%
AEEGSI Gas Tariff (2)	c€/mc	16,0	19,1	19%
Coal € (API2)	€/Tonn	42,0	72,9	74%
PUN baseload(3)	€/MWh	37,0	51,2	38%
PUN peak(3)	€/MWh	40,9	57,4	40%
PUN off-peak(3)	€/MWh	34,9	47,7	37%
CCGT gas cost(4)	€/MWh	35,3	45,5	29%
Spark Spread CCGT_PSV vs Baseload	€/MWh	1,7	5,6	n.a.
Spark Spread CCGT_PSV vs Peakload	€/MWh	5,6	11,8	n.a.
Spark Spread CCGT_PSV vs Off-Peak	€/MWh	-0,4	2,2	n.a.
Clean Spark Spread vs Baseload	€/MWh	-0,4	3,8	n.a.
Clean Spark Spread vs Peakload	€/MWh	3,4	9,9	n.a.
Clean Dark Spread vs Baseload(5)	€/MWh	6,2	9,3	50%

(1) Gas at virtual trading point

(2) Pfor 162/14 Oct 2014-Mar 2016.

(3) hourly average for each month

(4) based on gas at virtual trading point with 51% efficiency; includes transport costs

(5) 35% efficiency - includes cost spread on API2 and transport cost

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