PRESS RELEASE – 2 August 2019

A2A S.p.A. Board of Directors has examined and approved the half year financial report as at 30 June 2019

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Relevant growth in revenues vs H1 2018 (+20%)

Gross operating margin of 582 million euro (657 million euro at 30 June 2018), down on the first half of 2018 lacking the contribution of green certificates and other incentives. Net of those items posted in 2018, Gross operating margin rises 4%

Second quarter showed strong growth (Ordinary EBITDA +10% vs second quarter of 2018) supported by the Generation, Market and Networks and District Heating Business Units

Group net profit amounted to 166 million euro (267 million euro at 30 June 2018)

Capex of 252 million euro, up 35% compared to the first half of 2018

NFP at 3,116 million euro.
Excluding the accounting effects deriving from IFRS 16 application and the perimeter change, NFP amounted to 3,041 million euro

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Milan, 02 August 2019 –The Board of Directors of A2A S.p.A., met today under the chairmanship of Mr. Giovanni Valotti, examined and approved the half year report at 30 June 2019.

A2A Group - Consolidated results at 30 June 2019

The first half of the year closed with economic-financial results down, mainly related to the Generation and Trading Business Unit, offset by the excellent results of the Networks and District Heating Business Units and the retail segment of the Market Business Unit. The consolidation of the ACSM-AGAM group contributed towards the results.

The scenario of the first half of 2019 was characterised by favourable electricity and gas prices compared to the corresponding period of 2018: the PUN Base Load increased by 2.4% in the first half, coming in at 55.1 €/MWh, compared with 53.8 €/MWh in the first half of 2018. The price of natural gas at the Virtual Trading Point (VTP) for the first half of 2019 was 18.7 €/MWh, or 16.4% less than in the first half of 2018.
The cost of CO2, which increased from 12.1 €/Tonne in the first half of 2018 to 23.9 €/Tonne in the corresponding period of 2019, bucked the trend.

The results incorporate the effects of the application of the new accounting standard IFRS 16, which came into force on 1 January 2019.
The standard applies to all contracts concerning the right to use an asset for a certain period of time in exchange for a specific fee. IFRS 16 sets, for lessees, a single accounting model for all leases (with specific cases of exclusion and exemption), eliminating the accounting differences between operating and financial leases.

The following are the main indicators:

millions of euro	**6 months of 2019**	**6 months of 2018**	**Δ**	**Δ%**
Revenues	**3,711**	**3,081**	+630	+20.4%
Gross Operating Margin - EBITDA	**582**	**657**	-75	-11.4%
Net Operating Income - EBIT	**327**	**436**	-109	-25.0%
Net profit	**166**	**267**	-101	-37.8%

In the first half of 2019, the **Revenues** of the A2A Group amounted to 3,711 million euro, up 20.4% compared to the previous year.
The increase in revenues was mainly due to revenues from the sale of electricity, following higher sales on the free market, in particular large customers, revenues from gas sales thanks to higher volumes sold on the free market and intermediated on the wholesale market, higher unit prices for electricity, partially offset by lower revenues related to environmental markets. The revenues of the ACSM-AGAM group, fully consolidated starting July 2018, were 234 million euro.

EBITDA came in at 582 million euro, down 75 million euro with respect to the first half of 2018 (-11.4%). The consolidation of the ACSM-AGAM group as of 1 July 2018 accounted for 36 million euro (the contribution of the former Aspem group, consolidated in the first half of 2018, was 9 million euro). Net of non-recurring items (26 million euro in the first half of 2018; 7 million euro in the first half of 2019), EBITDA decreased by 56 million euro (-9%).

EBIT of 327 million euro was down 109 million euro in the first half of 2018 (436 million euro), following the gross operating margin decrease described above, and the greater amortization and depreciation mainly relating to the ACSM-AGAM group and the assets acquired in 2018, as well as higher capex.

Group net profit in the first half of 2019 - for the reasons mentioned above - amounted to 166 million euro, down compared to the same period of 2018 (267 million euro).

The **Consolidated Net Financial Position** at 30 June 2019 amounted to 3,116 million euro (3,022 million euro as at end 2018). Excluding the accounting effects related to the application of IFRS 16 and the change in scope deriving mainly from the cash in of the third instalment for the put option on the share capital held by A2A S.p.A. in the Montenegro company EPCG, NFP came to 3,041 million euro, basically in line with the NFP at end 2018.

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A2A Group - Results by Business Unit

The following table shows the composition of the Gross Operating Margin (EBITDA) by Business Unit:

Millions of euro	**06.30.2019**	**06.30.2018**	**Change**	**Change %**
Generation & Trading	117	225	-108	-48.0%
Market	116	111	5	4.5%
Waste	135	136	-1	-0.7%
Networks and District Heating	223	192	31	16.1%
A2A Smart City	4	4	0	0.0%
International	-1	0	-1	n.s.
Corporate & other services	-12	-11	-1	-9.1%
Total	**582**	**657**	**(75)**	**-11.4%**

Generation and Trading

Revenues amounted to 2,248 million euro, up 490 million euro compared to the same period of the previous year. The increase was mainly due to higher volumes of electricity and gas sold, partly offset by lower revenues from the environmental markets.

EBITDA amounted to 117 million euro, a decrease of 108 million euro compared to the first half of the previous year. Before non-recurring items (equal to +3 million euro in 2019 and +7 million euro in 2018), Ordinary EBITDA dropped by 104 million euro.

The comparison with the first half of 2018 is significantly penalised by the exceptional results achieved in the previous year on the environmental markets (a decrease of -94 million euro vs 2018) and on the ancillary service market (“MSD”) in the first quarter 2018, following Terna requests.
The reduction in margins that followed, further amplified by the lower hydroelectric production recorded during the period (-11%) was limited by the Business Unit, thanks to a good performance of CCGT

plants (both volume and spread), better margins achieved in the photovoltaic sector and the contribution made by the gas portfolio, which had suffered a particularly penalising scenario in 2018.

Capex were 31 million euro, mainly related to extraordinary maintenance works carried out on the thermal plants (approximately 21 million euro) and on the hydroelectric units of Valtellina, Mese, Udine and Calabria (approximately 6 million euro). Development works were also carried out for a total of 3 million euro, related to Brindisi plants - begin of installation works on the synchronous compensators - and Cassano - capex to increase flexibility.

Market Business Unit

Revenues were 1,423 million euro (1,009 million euro as at 30 June 2018), up 41% due to larger quantities sold and the higher electricity unit prices. Revenues rose by 169 million euro in the first half of the year following the consolidation of the ACSM-AGAM group.

EBITDA equalled 116 million euro (111 million euro in the first half of 2018).
Net of non-recurring items (+3 million euro in 2019 and +16 million euro in 2018), Ordinary EBITDA in 2018 grew by 18 million euro (+19% on the first half of the previous year). The variation was brought about by a considerable increase in margins in the energy retail segment (+28 million euro) and a decline in the energy solutions segment (-10 million euro).
The increase in the energy retail segment was partially due to the change in the consolidation perimeter (consolidation of the ACSM-AGAM group and simultaneous exit of the Aspem group) for 13 million euro and in part to the excellent performance of the Business Unit (+15 million euro).
In 2019 half-year, the contribution margins of the electricity and gas segments were significantly higher (+23 million euro), thanks to the increase in the number of customers on the free market (+104 thousand compared to the end of 2018), higher unit margins and higher sales volumes to large customers, which offset a contraction in gas unit consumption due to the milder temperatures of the current year. The growth was only partially reduced by higher costs, mainly for marketing and external communication to attract new customers.
The reduction in margins in the energy solutions segment was due to the lesser opportunities that white certificates market has offered to operators, both in terms of price and volumes exchanged, also following approval of the Decree by the Ministry of Economic Development on 10 May 2018, which regulated the price of sale of Energy Efficiency Certificates (EECs) and the methods of procurement by distributors obliged to cancel the certificates.

In the reporting period, the business unit capex totalled approximately 11 million euro, including the ACSM-AGAM group's investments of 1 million.
Capex in the period regarded above all (8 million euro) the energy retail segment in connection with development maintenance works and the development of hardware and software platforms. New development projects were also pursued in the public lighting segment for about 2 million euro.

Waste Business Unit

Revenues amounted to 522 million euro (508 million euro at 30 June 2018), up by 14 million euro compared to the first half of 2018, thanks to the consolidation of the ACSM-AGAM group.

EBITDA equalled 135 million euro (136 million euro at 30 June 2018).
Net of non-recurring items (nil in 2019 and +2 million euro in 2018), Ordinary EBITDA rose by 1 million euro.
The increase in margins was substantially determined by the prices of sale of electricity produced by the waste-to-energy plants and the positive trend of prices for the conferral of urban waste and greater revenues from conferral to the landfill of inert lots of Corteolona and to the sludge plant.
The positive effects have been reabsorbed by greater costs of disposal, lesser revenues deriving from the conferral to other Group landfills (Grottaglie, Barengo and Comacchio) and lower revenues due to planned maintenance in Brescia Waste-to-Energy plant.

Capex totalled 46 million euro (of which 4 million euro relative to the ACSM-AGAM group) and were mainly related to maintenance and development work on waste-to-energy plants (22 million euro), treatment plants and landfills (12 million euro) and the purchase of vehicles, containers, operating systems and the restructuring of corporate buildings in the collection segment (12 million euro).

Networks and District Heating Business Units

Revenues amounted to 568 million euro (590 million euro as at 30 June 2018). The reduction in revenues is mainly due to the lesser revenues relating to the tariff contributions recognised to distributors to cancel out the energy savings obligations (EECs), partly offset by the contribution made by the ACSM-AGAM group for 72 million euro.

EBITDA amounted to 223 million euro (192 million euro as at 30 June 2018). The consolidation of ACSM-AGAM accounted for 16 million euro (19 million, in the first half 2019; 3 million euro of the Aspem group in the first half 2018).
The change in the Business Unit's marginality was in part attributable to the change in the scope of consolidation mentioned above, in part to the organic growth of the business. The district heating sector in particular made a positive contribution: the increase in unit margins more than compensated for the drop in sales due to mild temperatures, higher environmental costs (CO2) and the lack of revenues from green certificates in Canavese.
The increase in allowed revenues for gas distribution and in revenues in the water sector linked to the increase in tariffs approved by the Regulatory Authority also contributed positively.

Capex equalled 142 million euro (14 million euro related to the ACSM-AGAM group) and regarded:

- in the electricity distribution segment, development and maintenance work on plants and in particular the connection of new users, maintenance work on secondary cabins, the extension and refurbishment of the medium and low voltage network and the maintenance and upgrading of primary plants (42 million euro);
- in the gas distribution segment, development and maintenance work on plants relating to the connection of new users and the replacement of medium and low pressure piping and smart gas meters (47 million euro);

- in the integrated water cycle segment, maintenance and development work carried out on the water transportation and distribution network and the sewerage networks and purification plants (32 million euro);
- in the district heating and heat management segment, development and maintenance of plants and networks for a total of 21 million euro.

International Business Unit

Revenues amounted to 2 million euro (3 million euro at 30 June 2018) through the construction of high-tech waste treatment plants.

EBITDA and EBIT were negative for 1 million euro (nil in the previous year).

A2A Smart City

Revenues were to 30 million euro, up by 8 million euro compared to the previous year, due to the extension of services offered to other Group companies and third party operators.

EBITDA was 4 million euro, in line with the previous year.

Capex, amounting to 7 million euro, mainly referrred to work on the telecommunication networks.

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Balance sheet

The data of the Balance Sheet at 30 June 2019 is homogeneous with respect to the data of 31 December 2018, with the exception of the following changes in perimeter:

- acquisition and full consolidation by A2A Rinnovabili S.p.A. of Bellariva 07 S.r.l., a project company owning a photovoltaic plant;
- acquisition by A2A Energy Solutions S.r.l. of 100% of Suncity Energy S.r.l. (line by line consolidation) and 26% of Suncity Group S.r.l. (consolidated with the equity method), groups operating in the field of energy efficiency and dispatching;
- incorporation and full consolidation by A2A S.p.A. of Yada Energia S.r.l., the smart service company of the A2A Group.

(millions of euro)	**06.30.2019**	**12.31.2018**
CAPITAL EMPLOYED		
Net Fixed Assets	**6.255**	**6.131**
- Tangible Assets	4.718	4.620
- Intangible Assets	2.334	2.302
- Shareholdings and other non-current financial assets (*)	31	23
- Other non-current assets/liabilities (*)	(132)	(122)
- Deferred tax assets/liabilities	274	264
- Provisions for risks, charges and liabilities for landfills	(648)	(642)
- Employee benefits	(322)	(314)
of which with counter-entry to equity	*(111)*	*(101)*
Net Working Capital and Other current assets/liabilities	**241**	**302**
Net Working Capital:	***595***	***555***
- Inventories	182	187
- Trade receivables	1.678	1.781
- Trade payables	(1.265)	(1.413)
Other current assets/liabilities:	***(354)***	***(253)***
- Other current assets/liabilities (*)	(280)	(268)
- Current tax assets/tax liabilities	(74)	15
of which with counter-entry to equity	*(34)*	*(25)*
Assets/liabilities held for sale (*)	**70**	**112**
of which with counter-entry to equity	*70*	*109*
TOTAL CAPITAL EMPLOYED	**6.566**	**6.545**
SOURCES OF FUNDS		
Shareholders' equity	**3.450**	**3.523**
Total financial position after one year	2.926	2.968
Total financial debt within one year	190	54
Total Net Financial Position	**3.116**	**3.022**
of which with counter-entry to equity	*27*	*19*
TOTAL SOURCES	**6.566**	**6.545**

(*) Excluding balances included in the Net Financial Position.

Net Fixed Assets

The "**Net Fixed Assets**" amounted to 6,255 million euro, up by 124 million euro compared to 31 December 2018.
Changes are detailed below:

- Tangible Assets increased by 96 million euro, net of the contribution of M&A operations totalling 2 million euro, due mainly to:
    - investments amounting to 151 million euro, essentially in the Networks & District Heating Business Unit for 62 million euro, the Waste Business Unit for 45 million euro and the Generation and Trading Business Unit for 30 million euro. In addition, the Market business unit, A2A Smart City and Corporate recorded combined capex of approximately 14 million euro;
    - decrease of 1 million euro for disposals made during the period net of accumulated depreciation;
    - a decrease of 186 million euro for the depreciation charge for the period;
    - net increase of 132 million euro for other changes mainly due to the increase for 121 million euro following application of accounting standard IFRS 16, of which 109 million euro relative to the first time adoption and the increase for 12 million euro of assets relative to decommissioning provisions and landfill closing and post-closing expense provisions, as a consequence of updating the discounting rates used to estimate future decommissioning and restoration charges.

  Tangible assets include "Right-of-use assets" totalling 162 million euro, recognized in accordance with IFRS 16, for which the outstanding payable to lessors at 30 June 2019 amounted to 160 million euro. As at 31 December 2018, the item came to 54 million euro with reference to financial leases in place as at that date.

- Intangible assets increased by 32 million euro compared to 31 December 2018, due to:
    - the 101 million euro increase generated by capex of the period, essentially in the Networks & District Heating business unit (80 million euro), the Market Business Unit for 9 million euro and the Waste, Other Services and Corporate and Generation business units, for a total of 12 million euro;
    - decrease of 59 million euro for the depreciation charge for the period;
    - other negative changes amounting to 10 million euro related to the reduction in environmental certificates of the industrial portfolio for 9 million euro and 1 million euro due to period disposals, net of the related amortisation provision.

- equity investments and other non-current financial assets, amounted to 31 million euro, up by 8 million euro compared to 31 December 2018, mainly related to the acquisition of 26% of Suncity Group S.r.l.;
- other non-current assets and liabilities, which showed a net increase of 10 million euro mainly due to the growth in other non-current payables for the acquisition completed by the Group during the first half of 2019;
- deferred tax assets totalled 274 million euro, with an increase of 10 million euro, mainly due deferred IRES (corporate income tax) and IRAP (regional tax on productive activities) resulted from changes on cash flow hedges derivatives valuation and IAS 19 reserves;

- provisions for risks, charges and liabilities for landfills increases by 6 million euro. Period changes are mainly due to provisions made for landfill post-closure expenses for 6 million euro following the update of the discount rate used , to net provisions connected to public water for 5 million euro and release for 5 million euro following a more favourable outcome in legal disputes ;
- employee benefits increased by approximately 8 million euro and mainly refer to period actuarial valuations.

Net Working Capital and Other Current Assets/Liabilities

Net Working Capital, defined as the sum of trade receivables, closing inventories and trade payables, amounted to 595 million euro. Compared to 31 December 2018, Net Working Capital increased by 40 million euro. Comments on the main items are given below:

Trade receivables

(millions of euro)	**Balance at 12.31.2018**	**Changes in the period**	**Balance at 06.30.2019**
Trade receivables - invoices issued	1.030	(116)	914
Trade receivables – invoices to be issued	914	0	914
Bad debt provision	(163)	13	(150)
Total trade receivables	**1.781**	**(103)**	**1.678**

As at 30 June 2019 “**Trade receivables**” amounted to 1,678 million euro (1,781 million euro at 31 December 2018), with a decrease, net of the first-time consolidation effect (2 million euro), of 105 million euro, mainly due to seasonality.

Bad debt provision of 150 million euro decreased by 13 million euro on 31 December 2018, essentially due to a provision of 3 million euro during the period and uses for 16 million euro as a result of removal of fully written-off receivables.

Trade receivables ageing is detailed here below:

millions of euro	**06.30.2019**	**12.31.2018**
Trade receivables of which:	**1,678**	**1,781**
Current	**603**	**728**
Past due, of which:	**311**	**302**
Up to 30 days past due	*69*	*75*
31 to 180 days past due	*82*	*57*
181 to 365 days past due	*24*	*29*
Over 365 days past due	*136*	*141*
Invoices to be issued	**914**	**914**
Bad debt provision	**(150)**	**(163)**

Trade payables

(millions of euro)	**Balance at 12.31.2018**	**Changes in the period**	**Balance at 06.30.2019**
Advances	3	(1)	2
Payables to suppliers	1.410	(147)	1.263
Total trade payables	**1.413**	**(148)**	**1.265**

"**Trade payables**" amounted to 1,265 million euro, with a decrease of 150 million euro, net of the first-time consolidation effect, of 2 million euro, mainly as a result seasonality.

Inventories

(millions of euro)	**Balance at 12.31.2018**	**Changes in the period**	**Balance at 06.30.2019**
- Materials	69	3	72
- material obsolescence provision	(17)	0	(17)
- Fuel	129	(19)	110
- Other	2	1	3
Raw and ancillary materials and consumables	**183**	**(15)**	**168**
Third-party fuel	**4**	10	**14**
Total inventories	**187**	**(5)**	**182**

"**Inventories**" amounted to 182 million euro (187 million euro at 31 December 2018), net of the obsolescence provision for 17 million euro, unchanged compared to 31 December 2018.

The reduction was mainly due to the combined effect of the reduction for 19 million in the stock of fuels (gas and oil) due to seasonality and the increase in coal deposits held with third parties for 10 million euro and material stock for 3 million euro.

"**Other current assets/liabilities**" presented a net increase of 101 million euro, mainly due to:

- net increase in tax payables for 89 million euro;
- increase of 29 million euro in payables to CSEA[1] (the energy and environmental service fund);
- 82 million euro increase in tax payables for VAT, excise duties and other taxes;
- the increase in derivative assets for 21 million euro;
- 37 million euro increase in prepayments, mainly due to the payment of annual charges during the first half of 2019;
- decrease in advances paid to suppliers for fuel purchases for 15 million euro;
- the increase of other current assets for 32 million euro, consequent to the payment of security deposits aimed at allowing for participation in tenders;
- increase in net receivables for 12 million euro, following recognition by the Authority of white certificates;
- reduction of 5 million euro in payables for energy tariff components;
- other increases in current assets for 7 million euro.

"**Non-current assets/liabilities held for sale**" at 30 June 2019 showed a balance of 70 million euro and refer to the fair value of the investment in EPCG, 11.9 % held by A2A S.p.A. (18.7% at 31 December 2018).

Consolidated **Capital Employed** amounted to 6,566 million euro at 30 June 2019, financed by shareholders' equity (3,450 million euro) and Net Financial Position (3,116 million euro).

Equity

"**Equity**" amounted to 3,450 million euro and showed a negative change for a total of 73 million euro. The change was the result of:

- period result for 175 million euro (166 million euro pertaining to the Group and 9 million euro to minorities);
- negative valuation of cash flow hedges derivatives and IAS 19 reserves, for 14 million euro.

The distribution of dividends for a total of 218 million euro partially offset this result.

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[1] CSEA: Cassa conguagli Servizi Energetici e Ambientali

Financial position

Net free cash flow	06.30.2019	06.30.2018
EBITDA	**582**	**657**
Changes in Net Working Capital	(40)	(76)
Changes in Other assets/liabilities	(24)	4
Utilization of provisions, net taxes and net financial charges	(67)	(62)
FFO	**451**	**523**
Capex	(252)	(187)
Dividends	(218)	(180)
Net free cash flow	**(19)**	**156**
Change in perimeter	34	40
IFRS 16 Adoption	(109)	-
Change in Net financial position	**(94)**	**196**

The net financial position at 30 June 2019 amounted to 3,116 million euro (3,022 million euro as at 31 December 2018).
Gross debt amounted to 3,688 million euro, up by 10 million euro compared to 31 December 2018.
Cash and cash equivalents amounted to 553 million euro, down by 71 million euro.
The other net financial assets/liabilities showed a positive balance of 19 million euro with a net decrease of 13 million euro.

The fixed rate and hedged portion of the gross debt amounts to 80%. The duration is 4.2 years.

During the period, net free cash flow was negative for 19 million euro, offset by a positive change of 34 million euro (collection of the third instalment on the put option EPCG - 40 million euro - and payments for M&A -6 million euro) and a reduction of 109 million euro following application of the accounting standard IFRS 16.

Regarding net cash flow generation:

- Net Working Capital, calculated as the sum of trade receivables, trade payables and inventories, generated a worsening of 40 million euro in the net financial position, due to the reduction of 103 million euro in receivables, 148 million euro in trade payables and 5 million euro in gas and other fuel inventories. The above changes are mainly due to the seasonal effect.
  The Group occasionally performs non-recourse credit assignments. As at 30 June 2019, there were no receivables transferred by the Group. The Group does not have revolving factoring programs in place;

- change of 24 million euro in Other assets/liabilities mainly refers to the increased payables due to CSEA[2] and excise payables, offset by the increase in prepaid expenses for annual charges and the payment of security deposits for taking part in tenders;

- payment of net financial charges and provisions absorbed cash for 67 million euro, while capex of the period absorbed 252 million euro and dividends payment 218 million euro.

Changes in the consolidation scope and the first time adoption of the standard IFRS 16 have also resulted in a net worsening to the Net Financial Position totalling 75 million euros.

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Outlook

Management expects the economic-financial performance of 2019 to be confirmed as good and in line with that already stated in the Press Release relative to the result of the first quarter 2019; EBITDA is expected to be between 1,155 million euro and 1,185 million euro (including 25 million euro in non-recurring positive items); net profit is expected to be between 300 million euro and 330 million euro.
The strong generation of operating cash will be used to finance record investments (expected to amount to about 700 million euro) which, together with the distribution of higher dividends in May 2019, will result in a net cash outflow of about 200 million euro.

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[2] CSEA: Cassa conguagli Servizi Energetici e Ambientali

Alternative performance indicators

Certain alternative performance indicators not envisaged by the International Financial Reporting Standards endorsed by the European Union (IFRS-EU) are presented in the press release to give a better view of the A2A Group's performance. In accordance with the recommendations in the ESMA Guidelines published in October 2015, the indicators are described below, with an explanation of their content and calculation base:

- **Gross operating margin (EBITDA)** is an alternative measure of operating performance, calculated as the sum of the net operating profit and amortization, depreciation and write-downs;
- **EBITDA before non-recurring items** is an alternative performance indicator calculated as the gross operating margin described above by excluding non-recurring transactions or operations (e.g., adjustments relating to previous years, extraordinary redundancy plans, etc.);
- the **"Ordinary" Net Result (Ordinary Net Profit)** is an alternative measure of operating *performance* , calculated by excluding from the Group's net result the items deriving from non-recurring transactions (net of related items) and the write-down of assets, goodwill and equity investments, as well as impairment reversals (net of the relative tax effects);
- **Net financial position** is an indicator of financial structure. This indicator corresponds to the financial debts net of liquidity and equivalents and current and non-current financial assets (financial credits and securities other than equity investments).
- **Capex** is an alternative performance indicator used by the A2A Group as a financial target within the scope of internal Group presentations (business plans) and external documents (presentations to financial analysts and investors). It is a useful measure of the resources employed to maintain and develop the A2A Group's investments.

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The executive responsible for drawing up A2A S.p.A.'s corporate accounting documents, Andrea Crenna, states – in accordance with article 154-bis, sub-section 2 of the Financial Act del (Legislative Decree 58/1998) – that the accounting information contained in this document corresponds to the documentary evidence, books and accounting records.

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The A2A Group's financial tables, extracted from the half year report at 30 June 2019, which is subject to audit, are attached.

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CONSOLIDATED BALANCE SHEET (millions of euro)	06.30.2019	12.31.2018
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	4.718	4.620
Intangible assets	2.334	2.302
Shareholdings carried according to equity method	23	16
Other non-current financial assets	29	29
Deferred tax assets	274	264
Other non-current assets	11	20
TOTAL NON-CURRENT ASSETS	**7.389**	**7.251**
CURRENT ASSETS		
Inventories	182	187
Trade receivables	1.678	1.781
Other current assets	510	313
Current financial assets	9	16
Current tax assets	51	49
Cash and cash equivalents	553	624
TOTAL CURRENT ASSETS	**2.983**	**2.970**
NON-CURRENT ASSETS HELD FOR SALE	**70**	**112**
TOTAL ASSETS	**10.442**	**10.333**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1.629	1.629
(Treasury shares)	(54)	(54)
Reserves	1.316	1.216
Result of the year	-	344
Result of the period	166	-
Equity pertaining to the Group	**3.057**	**3.135**
Minority interests	393	388
Total equity	**3.450**	**3.523**
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current financial liabilities	2.936	2.984
Employee benefits	322	314
Provisions for risks, charges and liabilities for landfills	648	642
Other non-current liabilities	154	148
Total non-current liabilities	**4.060**	**4.088**
CURRENT LIABILITIES		
Trade payables	1.265	1.413
Other current liabilities	790	581
Current financial liabilities	752	694
Tax liabilities	125	34
Total current liabilities	**2.932**	**2.722**
Total liabilities	**6.992**	**6.810**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**10.442**	**10.333**

CONSOLIDATED INCOME STATEMENT (millions of euro)	01.01.2019 06.30.2019	01.01.2018 06.30.2018
Revenues		
Revenues from the sale of goods and services	3.610	2.969
Other operating income	101	112
Total Revenues	**3.711**	**3.081**
Operating expenses		
Expenses for raw materials and services	2.660	1.972
Other operating expenses	115	118
Total Operating expenses	**2.775**	**2.090**
Labour costs	**354**	**334**
Gross operating income - EBITDA	**582**	**657**
Depreciation, amortization, provisions and write-downs	**255**	**221**
Net operating income - EBIT	**327**	**436**
Result from non-recurring transactions	**-**	**6**
Financial balance		
Financial income	5	11
Financial expenses	70	69
Affiliates	-	4
Result from disposal of other shareholdings (AFS)	-	-
Total financial balance	**(65)**	**(54)**
Result before taxes	**262**	**388**
Income taxes	**87**	**120**
Result after taxes from operating activities	**175**	**268**
Net result from discontinued operations	-	4
Net result	**175**	**272**
Minorities	**(9)**	**(5)**
Group result of the period	**166**	**267**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	06.30.2019	06.30.2018
Net result of the period (A)	**175**	**272**
Actuarial gains/(losses) on Employee's Benefits booked in the Net equity	(13)	3
Tax effect of other actuarial gains/(losses)	4	(1)
Total actuarial gains/(losses) net of the tax effect (B)	**(9)**	**2**
Effective part of gains/(losses) on cash flow hedge	(7)	14
Tax effect of other gains/(losses)	2	(4)
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**(5)**	**10**
Other gains/(losses) of companies valued at equity net of the tax effect (D)	-	-
Total comprehensive result (A)+(B)+(C)+(D)	**161**	**284**
Total comprehensive result attributable to:		
Shareholders of the parent company	**152**	**279**
Minority interests	**(9)**	**(5)**

With the exception of the actuarial effects on employee benefits recognized in equity, the other effects stated above will be reclassified to the Income Statement in subsequent years.

CONSOLIDATED CASH-FLOW STATEMENT (millions of euro)		**06.30.2019**		**12.31.2018**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR		**624**		**691**
Contribution of first consolidation of acquisitions of 2019/2018		**2**		**26**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR		**626**		**717**
Operating activities				
Net Result (**)		**175**		**348**
Tangible assets depreciation		186		372
Intangible assets amortization		59		91
Fixed assets write-downs/disposals		2		167
Result from affiliates		-		(4)
Net financial interests		65		116
Net financial interests paid		(50)		(114)
Net taxes paid (a)	*-*		*(102)*	
Gross change in assets and liabilities (b)	*90*		*149*	
Total change of assets and liabilities (a+b) (*)		90		47
Cash flow from operating activities		**527**		**1.023**
Investment activities				
Investments in tangible assets		(151)		(305)
Investments in intangible assets and goodwill		(101)		(195)
Investments in shareholdings and securities (*)		(6)		(25)
Disposal of fixed assets and shareholdings		-		13
Dividends received		-		2
Cash flow from investment activities		**(258)**		**(510)**
FREE CASH FLOW		**269**		**513**
Financing activities				
Changes in financial assets				
Monetary changes:				
Issuance of loans	*-*		*-*	
Proceeds from loans	*7*		*5*	
Other monetary changes	*-*		*11*	
Total monetary changes	***7***		***16***	
Non-monetary changes:				
Other non-monetary changes	*1*		*79*	
Total non-monetary changes	***1***		***79***	
TOTAL CHANGES IN FINANCIAL ASSETS (*)		**8**		**95**
Changes in financial liabilities				
Monetary changes:				
Borrowings/bonds issued	*-*		*68*	
Repayment of borrowings/bond	*(104)*		*(521)*	
Lease payments	*(1)*		*(2)*	
Dividends paid by the parent company	*(218)*		*(180)*	
Dividends paid by the subsidiaries	*-*		*(5)*	
Other monetary changes	*(12)*		*(2)*	
Total monetary changes	***(335)***		***(642)***	
Non-monetary changes:				
Amortized cost valuations	*-*		*4*	
Other non-monetary changes	*(15)*		*(63)*	
Total non-monetary changes	***(15)***		***(59)***	
TOTAL CHANGES IN FINANCIAL LIABILITIES (*)		**(350)**		**(701)**
Cash flow from financing activities		**(342)**		**(606)**
CHANGE IN CASH AND CASH EQUIVALENTS		**(73)**		**(93)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR		**553**		**624**

(*) Cleared of balances in return of shareholders' equity and other balance sheet items.
(**) Net Result is exposed net of gains on shareholdings', fixed assets' disposals and from discontinued operation

Statement of changes in Group equity

(millions of euro)

Description	Share capital	Treasury shares	*Cash Flow Hedge*	Other Reserves and retained earnings	Result of the period/year	Total Equity pertaining to the Group	Minority interests	Total Net shareholders equity
Net equity at December 31, 2017	**1.629**	**(54)**	**(20)**	**1.030**	**293**	**2.878**	**135**	**3.013**
IFRS 9 - FTA				**(4)**		**(4)**		**(4)**
Net equity at January 1, 2018	**1.629**	**(54)**	**(20)**	**1.026**	**293**	**2.874**	**135**	**3.009**
Changes in the first half of 2018								
2017 result allocation				293	(293)			
Distribution of dividends				(180)		(180)		(180)
IAS 19 reserves (*)				2		2		2
Cash flow hedge reserves (*)			10			10		10
Other changes				(6)		(6)	(3)	(9)
Group and minorities result of the period					267	267	5	272
Net equity at June 30, 2018	**1.629**	**(54)**	**(10)**	**1.135**	**267**	**2.967**	**137**	**3.104**
Changes in the second half of 2018								
Distribution of dividends							(5)	(5)
IAS 19 reserves (*)				(1)		(1)		(1)
Cash flow hedge reserves (*)			3			3		3
Other changes				89		89	251	340
Group and minorities result of the period					77	77	5	82
Net equity at December 31, 2018	**1.629**	**(54)**	**(7)**	**1.223**	**344**	**3.135**	**388**	**3.523**
Changes in the first half of 2019								
2018 result allocation				344	(344)			
Distribution of dividends				(218)		(218)	(8)	(226)
IAS 19 reserves (*)				(9)		(9)		(9)
Cash flow hedge reserves (*)			(5)			(5)		(5)
Other changes				(12)		(12)	4	(8)
Group and minorities result of the period					166	166	9	175
Net equity at June 30, 2019	**1.629**	**(54)**	**(12)**	**1.328**	**166**	**3.057**	**393**	**3.450**

(*) These form part of the statement of comprehensive income.