



A2A

9M 2013 Results

Milan, Nov 7th, 2013



Agenda

- 2013-2015 Business plan
- 9M 2013 Main financial highlights
- Segment analysis
- From EBITDA to net income
- Net debt and cash flow

2013-2015 Business plan Consolidation phase

BUSINESS PLAN 2013-2015

CONSOLIDATION

1. **Balance sheet optimization and deleveraging**
2. **Waste project**
3. **Edipower integration**
4. **Operating efficiency and capital discipline**

- **A2A Business plan start-up in November 2012**
- **Significant achievements already obtained on each priority area**
- **New business plan update in progress: it will be presented in Spring 2014**

2013-2015 Business plan

Main projects update

Main points	Activities performed / in progress	Progress
1. Balance sheet optimization and deleveraging	<ul style="list-style-type: none"> • Deleveraging: <ul style="list-style-type: none"> – >500 €M debt reduction from BP kick-off – ~800 €M debt reduction since the acquisition of Edipower • Financial structure optimization: <ul style="list-style-type: none"> – 2 bond for 1.25 B€, New 5-year revolving credit line of 600 €M, 1 tender offer for the partial purchase (~440 M€) of A2A 500 €M notes due 2014 and 1 €B Notes due 2016 – Average debt maturity up to 5.1 years after the repayment of 500 €M bond expired in October 2013 	
2. Waste project	<ul style="list-style-type: none"> • A2A Ambiente established since July • Integrated management of waste activities ongoing 	
3. Edipower integration	<ul style="list-style-type: none"> • From 1st November: <ul style="list-style-type: none"> – Iren exit from Edipower's shareholding, with A2A managing the entire company installed capacity – Integration of Edipower corporate structures in A2A • Edipower cost efficiency plan ongoing 	
4. Operating efficiency and capital discipline	<ul style="list-style-type: none"> • Started the "AXE 80" (A2A per l'Efficienza) project, involving all company structures • 2013 target widely achieved already in Q3 	

9M 2013 - Main financial highlights

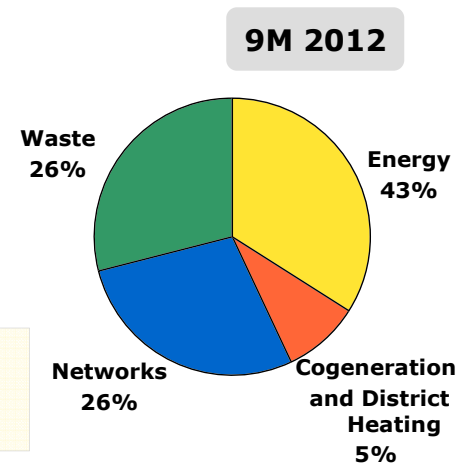
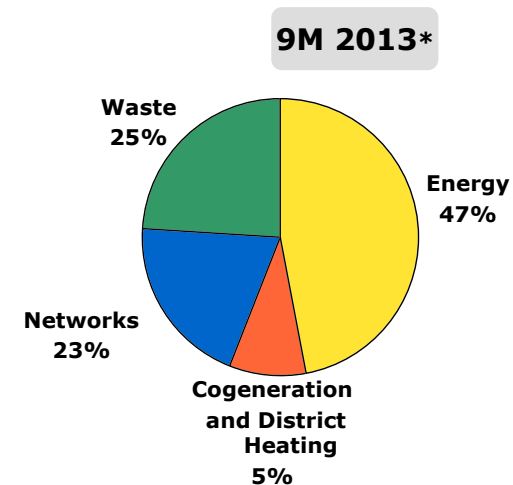
€M	9M 2012*	9M 2013	Change	Change %
NET SALES	4,917	4,080	-837	-17.0%
EBITDA	776	839	+63	+8.1%
EBIT	405	407	+2	+0.5%
NET INCOME (capital gains and funds release included)	178	159	-19	-10.7%
<i>CAPITAL GAINS and FUNDS RELEASE</i>	<i>88</i>	<i>37</i>		
ADJUSTED NET INCOME	90	122	+32	+35.6%
	2012	9M 2013	Change	
NET CAPITAL EMPLOYED	8,069	7,826	-243	
TOTAL NFP	4,372	4,048	-324	
EQUITY	3,697	3,778	+81	

(*) 9M 2012 revised according to IAS 19

9M 2013 vs 9M 2012 - EBITDA breakdown

€M	EBITDA 9M 2012	EBITDA 9M 2013	Δ vs 2012
ENERGY	332	406	74
WASTE	206	217	11
COGENERATION AND DISTRICT HEATING	36	48	12
NETWORKS	205	203	-2
OTHER SERVICES & CORPORATE	-3	-12	-9
TOTAL EBITDA PRE REDUNDANCY ADJ.	776	862	86
COSTS OF REDUNDANCY SCHEMES		-23	-23
TOTAL EBITDA	776	839	63

EBITDA BREAKDOWN



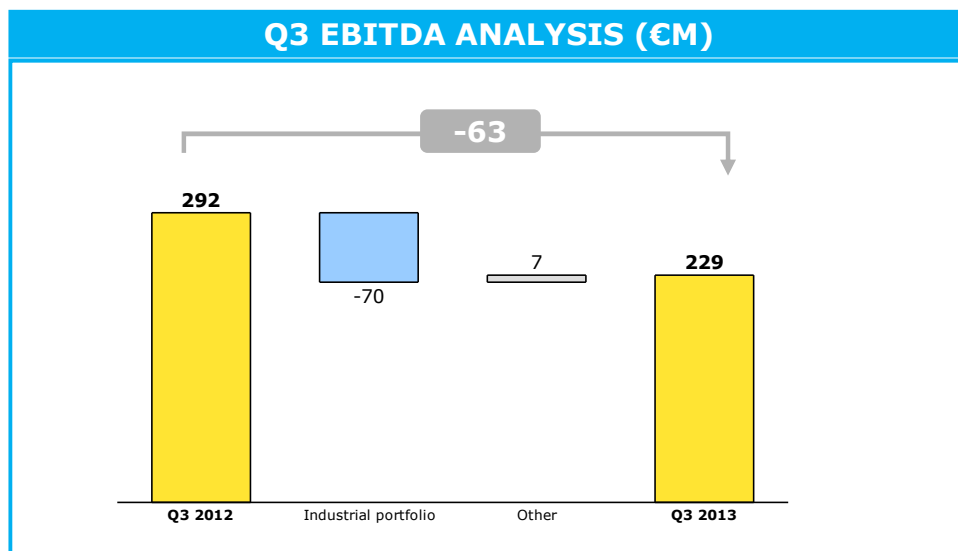
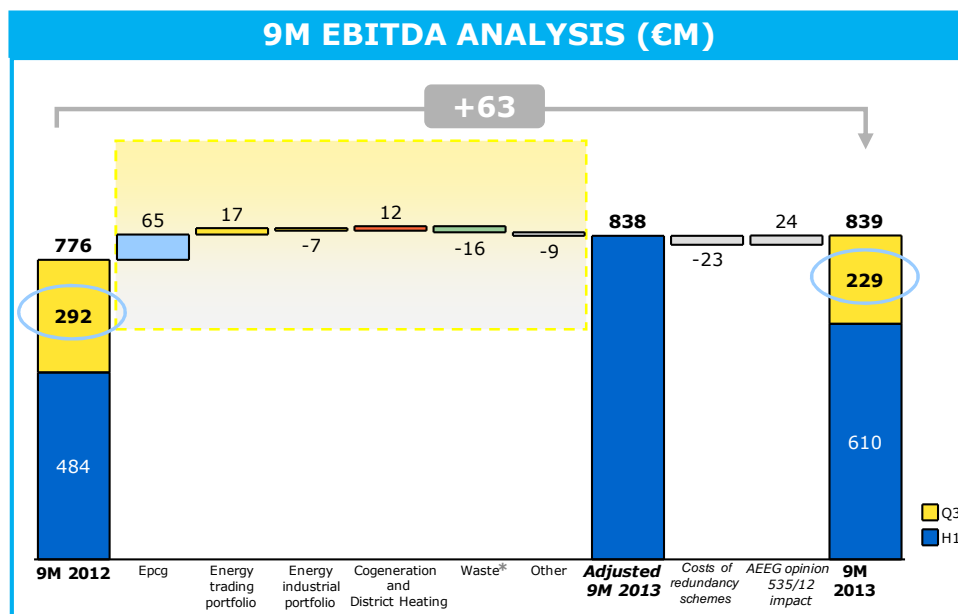
-Energy -7
-Networks -10
-Other Services and Corporate -6



(* Ebitda without costs of redundancy schemes

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9M 2013 vs 9M 2012 - EBITDA analysis: key events

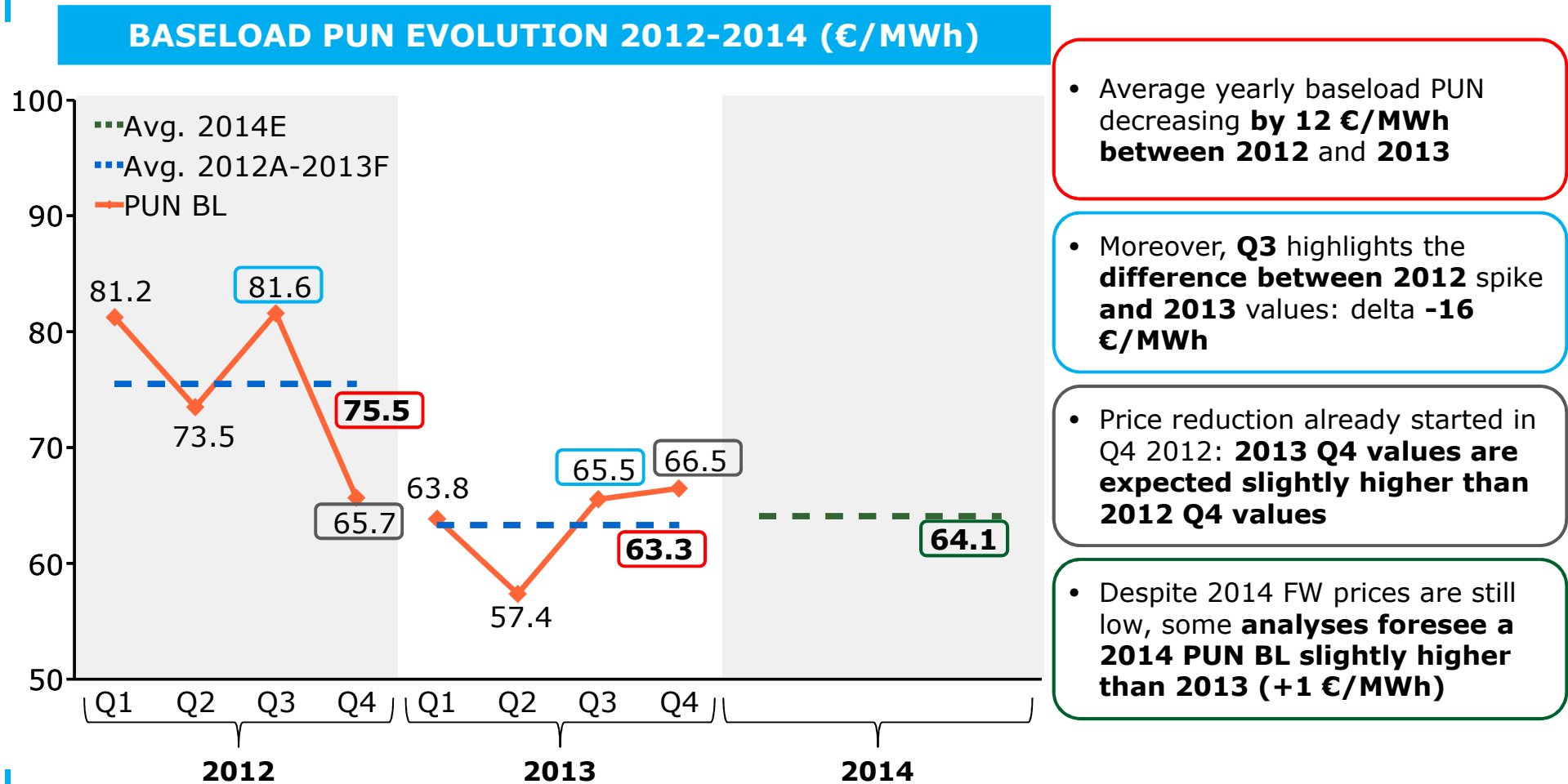


- Positive impact on EBITDA due to **higher EPCG margin** and **trading portfolio**
- Cogeneration and District Heating segment constantly growing
- Lower Waste EBITDA due to **expiry of CIP6 revenues** (WTE plants) and **margins on int'l projects**

Lower industrial portfolio margin due to:

- **Reduction in IPEX prices**
- More favourable spark spread on electricity spot market during the same period of the previous year
- **Extraordinary performance on ancillary markets in the same period of 2012**, during which volumes have been twice

PUN Baseload evolution



Source: 2012 and 2013 Q1-Q3 actual; 2013 Q4 and 2014 forecast, Previsivo Osservatorio Energia REF, Oct 2013

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9M 2013 - From EBITDA to net income (1/2)

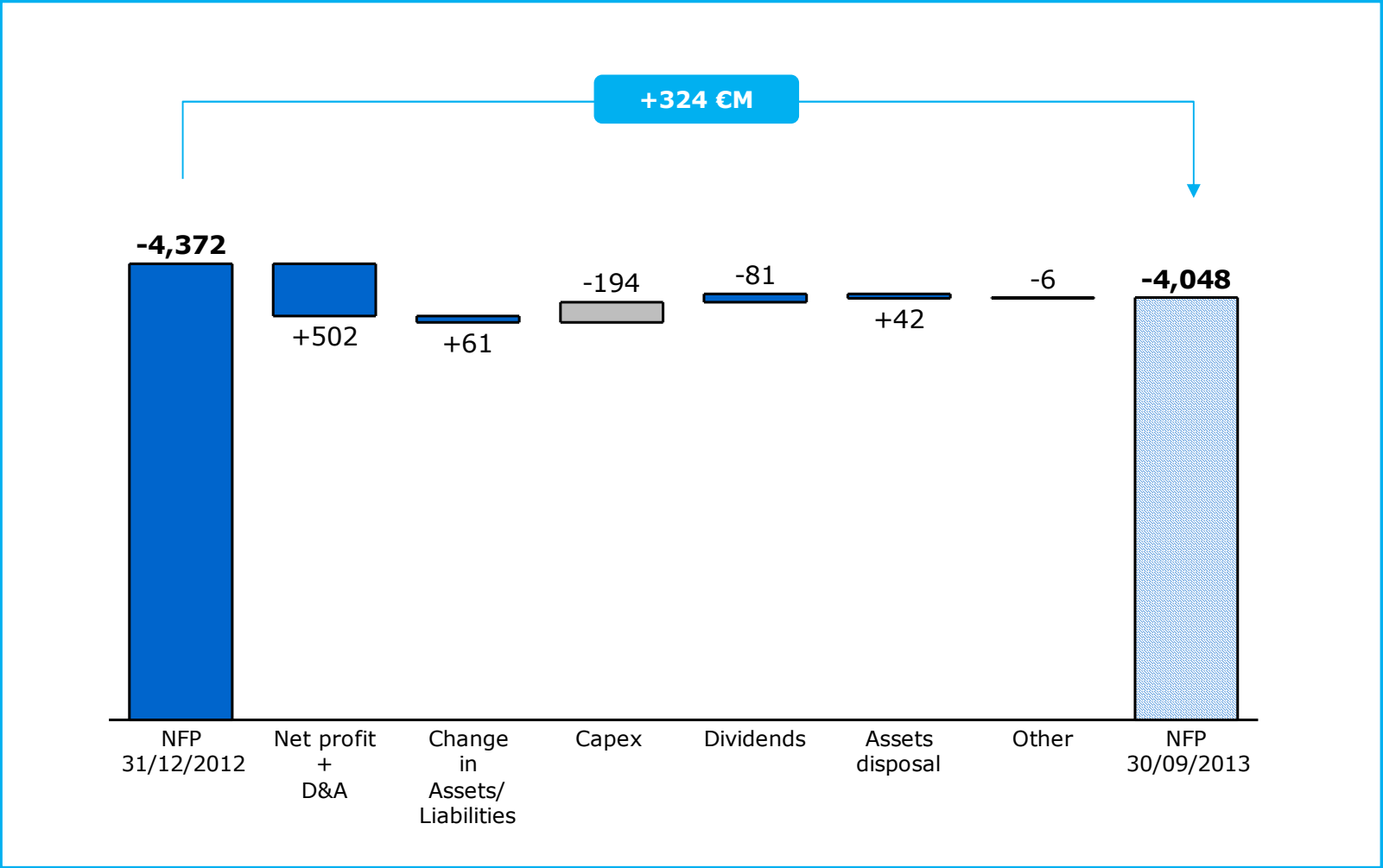
€M	9M2012	9M2013	Change	Key points
EBITDA	776	839	+63	
D&A, write downs and provisions	-371	-432	-61	<p>↓ <i>Edipower consolidation</i></p> <p>↓ <i>9M 2012 Epcg bad debt release (-15)</i></p>
Financial charges and derivates	-155	-142	+13	<p>↓ <i>Edipower consolidation and higher financial charges (-40)</i></p> <p>↓ <i>2012 positive one-off (-28)</i></p> <p>↑ <i>Bond-fair value option (expiring in October 2013) (+28)</i></p> <p>↑ <i>Other derivatives (+51)</i></p>
Associates and JV and others	+16	+8	-8	<p>↓ <i>2012 Edipower valuation (-12)</i></p>
Others	-	-6	-6	<p>↓ <i>9M 2013 Epcg Group</i></p>

9M 2013 - From EBITDA to net income (2/2)

€M	9M2012	9M2013	Change	Key points
EBT	266	267	+1	
TAXES	-128	-118	+10	
IFRS 5	+43	+23	-20	<p>↑ 9M 2013 Small hydroelectric plants capital gain (+23)</p> <p>↓ 9M 2012 e-Utile and Coriance capital gains (-41)</p>
MINORITIES	-3	-13	-10	<p>↓ 9M 2013 Epcg minorities income (-14)</p>
NET INCOME	178	159	-19	

9M 2013 - Net debt and cash flow

A2A GROUP NET FINANCIAL POSITION EVOLUTION 2012-9M 2013 (€M)



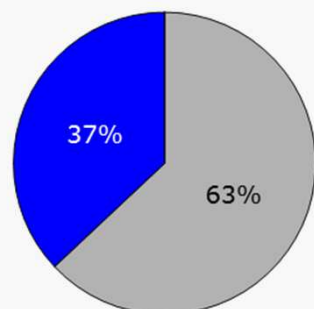
9M 2013 A2A Group debt structure

9M 2013 GROSS DEBT - 4.6 €B

AVERAGE RATE

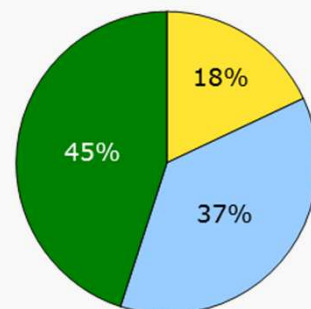
~4.2%

DEBT BREAKDOWN BY SOURCES



□ Bonds ■ Loans

DEBT BREAKDOWN BY INTEREST



■ Variable ■ Fixed ■ Hedged

Q3 2013 KEY FACTS

In July, issued 500 €M 7yr-long Senior bond, and partial repurchase of ~440 €M of outstanding notes due 2014 and 2016:

➤ **proforma average maturity after the repayment of the 500 €M bond due October 2013: ~5.1 yrs**

LIQUIDITY POSITION

2.4 €B liquidity position, of which:

- 0.6 €B cash
- 1.8 €B undrawn committed lines and loans, of which 1.2 €B with maturities longer than the next 12 months

OUTSTANDING BONDS as of 30/9/2013

Amount (€M)	Coupon	Maturity
500	4.875%	Oct 2013
299	4.875%	May 2014
762	4.500%	Nov 2016
750	4.500%	Nov 2019
500	4.375%	Jan 2021
98	5.405%	Aug 2036
Total: 2,909		

Note: EPCG not included.
500 €M bond due 2013, reimbursed on October 30, 2013.



Back-up

9M 2013 Volumes

		9M 2012	9M 2013	Δ
A2A Group Thermal production	GWh	8,037	6,420	-1,617
	<i>of which</i>			
CCGT production	GWh	4,801	2,936	-1,865
Coal production	GWh	1,979	1,717	-262
Oil production	GWh	393	848	455
EPCG production	GWh	864	919	55
A2A Group Hydro production	GWh	3,619	5,643	2,024
	<i>of which</i>			
A2A and Edipower production	GWh	2,689	3,674	985
EPCG production	GWh	930	1,969	1,039
Eligibles and wholesale electricity sales	GWh	14,558	15,474	916
Captive customers electricity sales	GWh	2,226	2,007	-219
Ipex sales*	GWh	3,993	4,842	850
Foreign markets sales	GWh	8,923	8,628	-295
Electricity sales to EPCG customers	GWh	2,531	1,954	-577
EPCG Electricity export	GWh	25	502	476
Gas sales	Mmc	3,140	1,648	-1,492
Heat volumes sales	GWht	1,399	1,557	158
Cogeneration electricity sales	GWh	191	196	5
Collected waste	Kton	674	661	-12
Waste disposal	Kton	1,828	1,875	46
WTE electricity production	GWh	869	831	-38
WTE heat production	GWht	654	738	84
Electricity distributed	GWh	8,541	8,301	-240
EPCG Electricity distributed	GWh	1,953	1,897	-56
Gas distributed	Mmc	1,329	1,365	37
Water distributed	Mmc	52	48	-4

* without Intermediated Ipex volumes

As of June 2012 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
As of January to May 2012, Edipower production includes 20% of production of the plants managed in tolling regime

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