



LETTER TO SHAREHOLDERS

Dear Shareholders,

2014 was a year of change for your Company. The Board of Directors, at the forefront in Italy and indeed Europe in terms of the representation of women, has accelerated and introduced structural and concrete innovations, with the aim, by 2016, of making ACEA more efficient and technological, and closer to the changing needs of customers and citizens. The very satisfactory results achieved in this financial year are a first, fundamental step on the path towards change and the creation of shared value, along which we want to quickly move.

Thanks to significant improvements in results in the second half of the year, the 2014 financial year closed with all objectives set in the business plan having been achieved and even surpassed.

Operating costs for the year fell by 11.5% compared with 2013, and great efforts were made to recoup trade receivables, which fell by over 86 million euros. We worked hard to reduce debt, which fell by 159.5 million euros compared with the end of 2013, reversing the trend that was seen in the first half of the year. We also constantly undertook scheduled investments, totalling 318.5 million euros, compared with 268.6 million euros the previous year.

The ACEA share out-performed the stock market in general, with a gain of 8.04%, compared to a 3.86% drop in the FTSE Italia Mid Cap value. ACEA's share price stood at 8.94 euros on the final day of trading of the year, corresponding to a capitalisation of 1,903.9 million euros. If we consider the period from 31 December 2013 to 27 March 2015, ACEA's share has grown by more than 46%, out-performing the market average. In the same period the stock rose beyond 12.00 euros for the first time since 2008.

These results were obtained thanks to the commitment of ACEA's workers and to the credibility of strategies pursued by management, as shown by the bond issue last July, which enabled us to acquire funding from the capital market at interest rates below those of State securities.

The market has begun to look more closely at the digitalisation process commenced immediately after we took office, which will give us, by 2016, an "ACEA 2.0", i.e. a large, innovative industrial structure capable of managing networks and supplying services in a completely different way. This process will affect all our work processes, from the creation of infrastructures and maintenance services to the management of networks, customer care, and so on.

Behind all this change is the Work Force Management (WFM) system, a digital platform that will enable us to coordinate and monitor in real time all our activities and, an equally fundamental objective, the activities of our suppliers.

The aim is to ensure that ACEA strives to respond every day to market forces, as if it were operating in a system of full competition. In this way we want to give you, the Shareholders, and all of ACEA's customers a reactive, top-class company determined to fully meet expectations and create the conditions for a reasonable profit margin.

We want to make this breakthrough while holding on to our traditional fundamental values, allowing them to evolve, and leaving behind everything that may have slowed us down in the past.

We must be ready to reassure our customers – who view ACEA as a point of reference, as a vital part of their city – that the Company is always at their service, and that it intends to do all in its power to improve its services, committing more and more technological and human resources to achieve this aim.

We must at the same time be able to seek out new markets, potential customers, and attract them, or re-attract them to us, persuading them that we can improve their condition if they decide to put their trust in us.

We have important weeks and months ahead of us, when we will be undertaking structural changes to the way in which your Company manages networks and services and deals with customers. The results we present to you today give a tangible demonstration that healthy accounts, efficiency, consolidated ties with the territory and the management of public services are vital tiles of the same mosaic. It is with this awareness that we seek to carry forward our commitment, preparing your multiutility to be a protagonist and to face up to the challenges of coming years.

The CEO
Alberto Irace



The Chairman
Catia Tomasetti

