

Acea Group





1H2015 Results

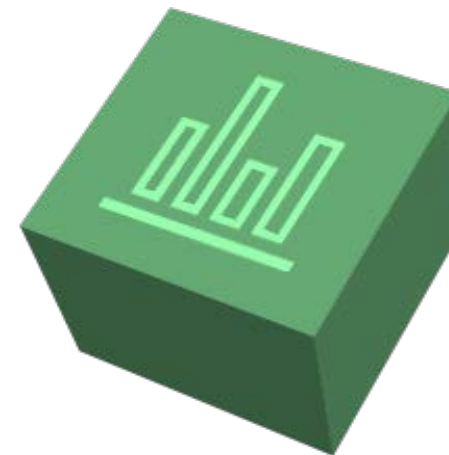


Rome 29 July 2015

Financial highlights



(€m)	1H14	1H15	Change %
 Consolidated revenues	1,511.2	1,441.1	-4.6%
 EBITDA	331.0	353.3	+6.7%
 EBIT	188.4	202.7	+7.6%
 Group net profit/(loss)	80.5	99.3	+23.4%
 Capex	142.3	167.5	+17.7%

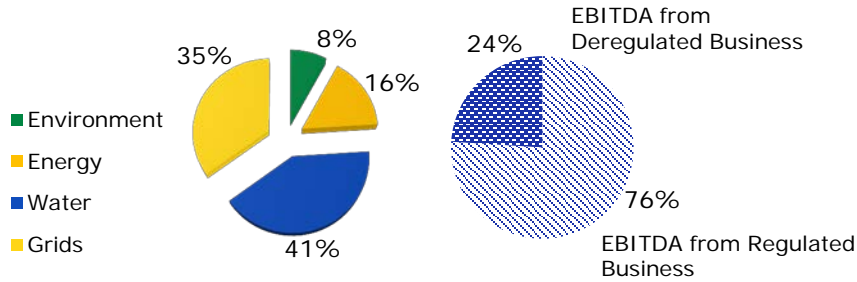


(€m)	30 June 2014 (a)	31 Dec. 2014 (b)	30 June 2015 (c)	Change % (c/a)	Change % (c/b)
NET DEBT	2,376.7	2,089.1	2,128.9	-10.4%	+1.9%
Shareholders' Equity	1,427.0	1,502.4	1,518.6	+6.4%	+1.1%
Invested Capital	3,803.7	3,591.5	3,647.5	-4.1%	+1.6%

EBITDA



EBITDA 1H2015



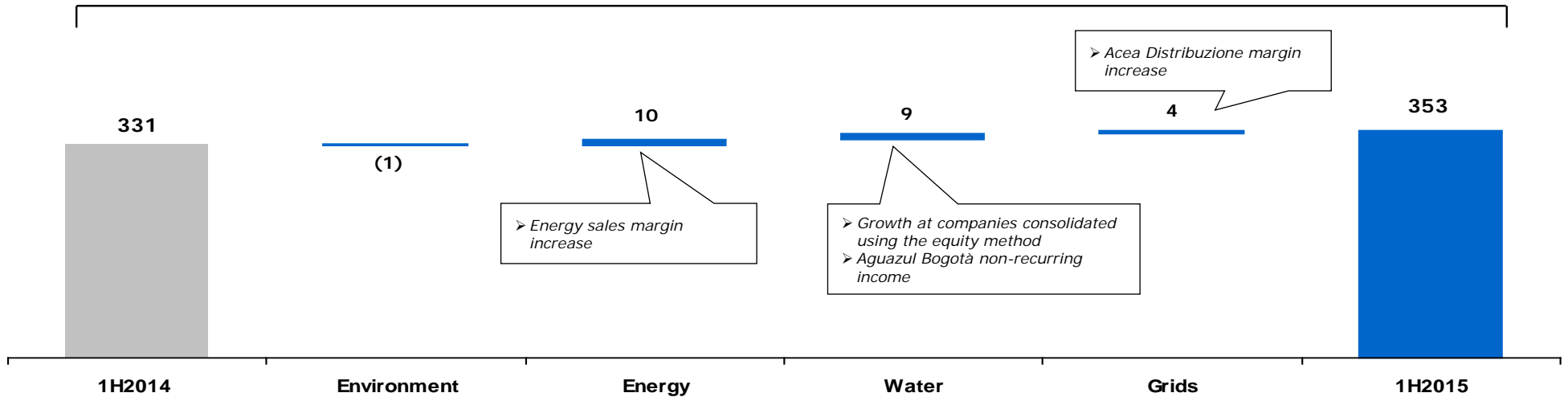
Total number of employees	1H2014	1H2015
Acea Spa	671	652
Environment	216	220
Energy	533	541
Water °	2,004	1,967
Network	1,380	1,344
Total	4,804	4,724

° Figures do not include:

- 1H2014 Overseas water operations: 410
- 1H2015 Overseas water operations: 264

EBITDA €m

+6.7%



EBITDA and Key quantitative data



Environment

EBITDA main drivers



Increase of volume of electricity sold by ARIA's plants +1.3€m



Shutdown of the Kyklos plant -1.9€m

(€m)	1H14	1H15	Change %	Key quantitative data	1H14	1H15
EBITDA	27.8	27.1	-2.5%	Treatment and disposal (/000s of tonnes)	399	380
Capex	4.6	9.8	+113.0%	WTE electricity sold (GWh)	121	132



Energy

EBITDA main drivers



Energy sales margin increase +11.0€m



Energy production margin decrease (fall in energy prices and volumes decrease) -0.8€m

(€m)	1H14	1H15	Change %	Key quantitative data	1H14	1H15
EBITDA	45.7	55.9	+22.3%	Total Electricity production (GWh)	293	280
<i>Production</i>	<i>19.1</i>	<i>18.3</i>	<i>-4.2%</i>	Total Electricity sold (GWh)	5,533	4,793
<i>Sales</i>	<i>26.6</i>	<i>37.6</i>	<i>+41.4%</i>	Enhanced Protection Market	1,568	1,526
				Free Market	3,965	3,267
Capex	6.6	6.6	–	Total Gas sold (Mmc)	66	78

EBITDA and Key quantitative data



Water

EBITDA main drivers



↑ Growth at companies consolidated using the equity method +4.8€m

↓ Extraordinary items -11.6€m (including Aguazul Bogotá non-recurring income 2.5€m)

(€m)	1H14	1H15	Change %	Key quantitative data	1H14	1H15
Profit/(Loss) on investments consolidated under IFRS 11	8.3	13.1	+57.8%	Total volumes of water sold (Mmc)	276	270
<i>of which: EBITDA</i>	60.3	67.6	+12.1%			
<i>of which: Depreciation, write-off and provision</i>	(39.4)	(43.3)	+9.9%			
<i>of which: Financial income/(expense)</i>	(5.0)	(4.4)	-12.0%			
<i>of which: Income tax expense</i>	(7.6)	(6.8)	-10.5%			
EBITDA	138.2	146.7	+6.2%			
Capex	67.6	74.6	+10.4%			

EBITDA and Key quantitative data



Grids

EBITDA main drivers



Acea Distribuzione margin increase +4.3€m



Photovoltaic activity margin increase +0.2€m



Public Lighting margin decrease -0.3€m

(€m)	1H14	1H15	Change %	Key quantitative data	1H14	1H15
EBITDA	119.1	123.3	+3.5%	Total Electricity distributed (GWh)	5,061	5,087
Capex	59.1	67.7	+14.6%			



Corporate

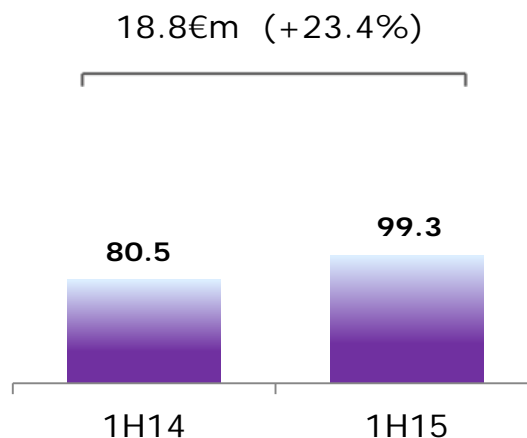
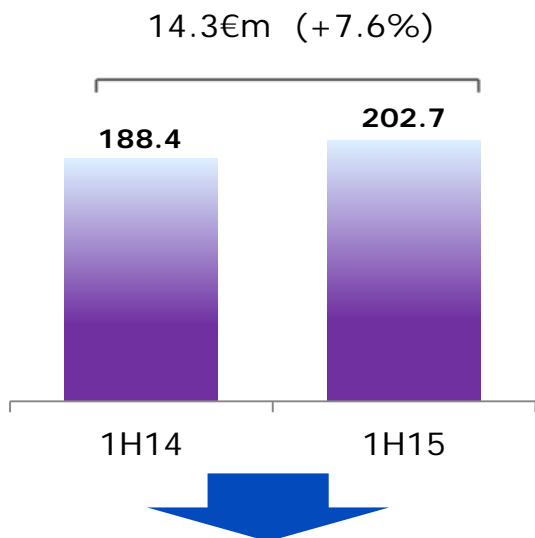
(€m)	1H14	1H15	Change %
EBITDA	0.2	0.3	n.s.
Capex	4.4	8.8	+100%

EBIT and Net Profit



EBIT €m

NET PROFIT €m



TAX RATE 33.9%



✓ Elimination of one-off hike in corporation tax IRES ("Robin Hood Tax")

✓ Deductibility for the purposes of IRAP of the cost of staff hired on permanent contracts (2015 Stability Law)

€m	1H14	1H15	Change %
Depreciation	93.2	110.3	+18.3%
Write-off	40.6	32.7	-19.5%
Provision	8.8	7.6	-13.6%
Total	142.6	150.6	+5.6%

✓ Higher depreciation:

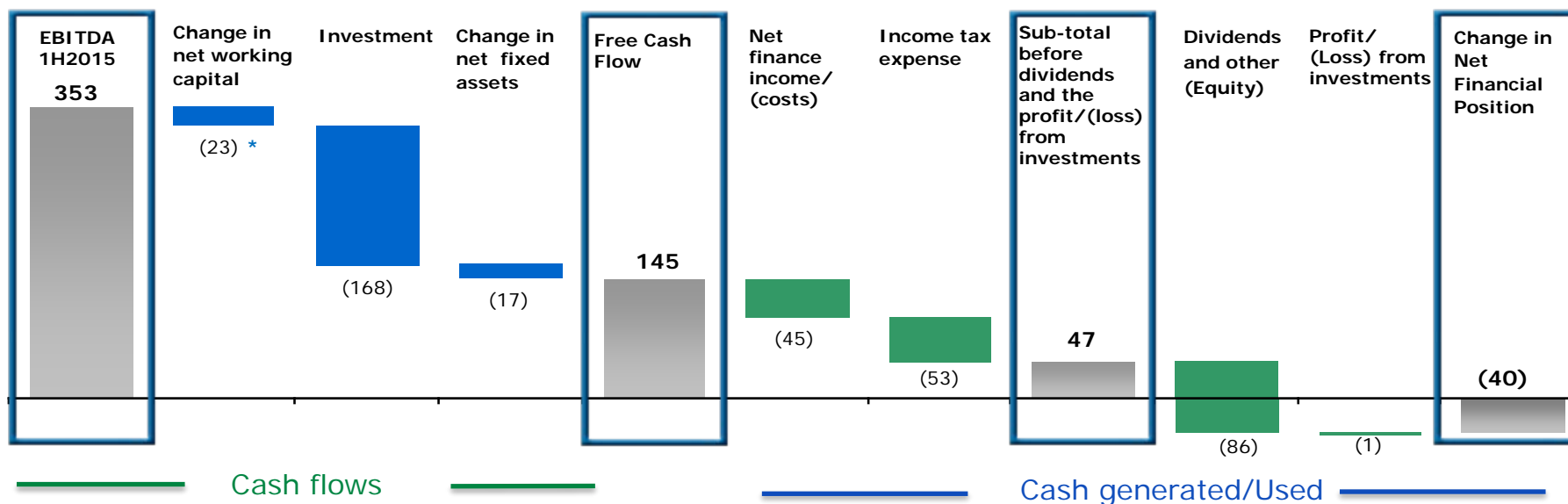
- capex growth
- growth in tangible assets resulting from the entry in operation of information technology

✓ Write-off decrease mainly in Water and Energy segments

Cash flow



CASH FLOW ANALYSIS (€m)	1H14	2014	1H15
EBITDA	331	718	353
Change in net working capital	(121)	76	(23)
Investment	(66)	(317)	(168)
Change in net fixed assets	(104)	(21)	(17)
Free Cash Flow 1	40	455	145
Net finance income/(costs)	(51)	(101)	(45)
Income tax expense	(55)	(121)	(53)
Free Cash Flow 2	(66)	233	47
Dividends and other (Equity)	(63)	(74)	(86)
Profit/(loss) from investments	1	1	(1)
Change in Net Financial Position	(128)	160	(40)



* Before impairment losses on receivables

Net Debt



(€m)	30 June 2014 (a)	31 Dec. 2014 (b)	30 June 2015 (c)	Change (c-a)	Change (c-b)
NET DEBT	2,376.7	2,089.1	2,128.9	(247.8)	39.8
Medium/Long-term	2,317.3	3,006.4	2,671.2	353.9	(335.2)
Short-term	59.4	(917.3)	(542.3)	(601.7)	375.0

NET DEBT/ SHAREHOLDER'S EQUITY 31 Dec. 2014	NET DEBT/ SHAREHOLDER'S EQUITY 30 June 2015
1.4x	1.4x

(€m) NET DEBT 31 Dec. 2013 – 30 June 2014	(€m) NET DEBT 31 Dec. 2014 – 30 June 2015
2,249 ← 128 → 2,377	2,089 ← 40 → 2,129
+5.7%	+1.9%

Semester vs Semester improvement: $128 - 40 = 88$ €m

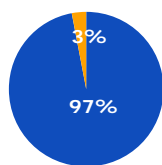
Debt structure

(maturity and interest rates at 30 June 2015)

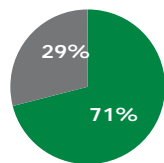
> 71% Fixed rate

> Average overall cost
3.37%

> Average term to
maturity $\cong 7.4$ years



■ 2015-2016
■ From 2017 onwards



■ Floating Rate
■ Fixed Rate

Rating

**STANDARD
& POOR'S**

FitchRatings
KNOW YOUR RISK

MOODY'S

BBB-

Stable Outlook

BBB+

Stable Outlook

Baa2

Stable Outlook

Disclaimer



THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT REFLECT THE COMPANY'S MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND FINANCIAL AND OPERATIONAL PERFORMANCE OF THE COMPANY AND ITS SUBSIDIARIES.

THESE FORWARD-LOOKING STATEMENTS ARE BASED ON ACEA S.P.A.'S CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS. BECAUSE THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES, ACTUAL FUTURE RESULTS OR PERFORMANCE MAY DIFFER MATERIALLY FROM THOSE EXPRESSED IN OR IMPLIED BY THESE STATEMENTS DUE TO ANY NUMBER OF DIFFERENT FACTORS, MANY OF WHICH ARE BEYOND THE ABILITY OF ACEA S.P.A. TO CONTROL OR ESTIMATE PRECISELY, INCLUDING CHANGES IN THE REGULATORY ENVIRONMENT, FUTURE MARKET DEVELOPMENTS, FLUCTUATIONS IN THE PRICE AND AVAILABILITY OF FUEL AND OTHER RISKS.

YOU ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THE FORWARD-LOOKING STATEMENTS CONTAINED HEREIN, WHICH ARE MADE ONLY AS OF THE DATE OF THIS PRESENTATION. ACEA S.P.A. DOES NOT UNDERTAKE ANY OBLIGATION TO PUBLICLY RELEASE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE OF THIS PRESENTATION.

THIS PRESENTATION DOES NOT CONSTITUTE A RECOMMENDATION REGARDING THE SECURITIES OF THE COMPANY.

* * *

PURSUANT TO ART. 154-BIS, PAR. 2, OF THE UNIFIED FINANCIAL ACT OF FEBRUARY 24, 1998, THE EXECUTIVE IN CHARGE OF PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AT ACEA, FRANCO BALSAMO – CFO OF THE COMPANY, DECLARES THAT THE ACCOUNTING INFORMATION CONTAINED HEREIN CORRESPOND TO DOCUMENT RESULTS, BOOKS AND ACCOUNTING RECORDS.



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