PRESS RELEASE
ACEA: BOARD APPROVES RESULTS FOR H1 2016

- **EBITDA €443.7m (up 25.6% on €353.3m of H1 2015)**
- **EBIT €274.1m (up 35.2% on €202.7m of H1 2015)**
- **Net profit €149.5m (up 50.6% on €99.3m of H1 2015)**
- **Net debt €2,131.9m (€2,010.1m at 31 December 2015)**
- **Investment €220.8m (up 31.8% on €167.5m of H1 2015)**

Rome, 28 July 2016 – The Board of Directors of ACEA SpA, chaired by Catia Tomasetti, has approved the interim report for the six months ended 30 June 2016 ("H1 2016").

"Implementation of a major investment programme continued in the first half of 2016," commented Acea's Chairwoman, Catia Tomasetti, "with the aim of expanding and maintaining our water and electricity networks. This is having a positive impact on the local area and on the quality of the services offered. Acea thus continues to be driving force for growth in the city of Rome and the other cities/other territories in which we operate."

"The innovation and technological transformation resulting from Project Acea 2.0," stated Acea's CEO, Alberto Irace, "has enabled us to boost organisational and operational efficiency at a faster pace and to optimise the management of working capital. As a result, the first half of the year has seen the Company once again beat the challenging objectives set in the Business Plan. These results allow us to confirm our previous EBITDA guidance for 2016, which we expect to be towards the upper end of the range previously announced to the market."

FINANCIAL HIGHLIGHTS

(€m)	H1 2015	H1 2016	% inc./(dec.)
Consolidated revenue	1,441.1	**1,386.7**	**-3.8%**
EBITDA	353.3	**443.7**	**+25.6%**
EBIT	202.7	**274.1**	**+35.2%**
Profit/(Loss) before tax	156.8	**232.3**	**+48.2%**
Group net profit/(loss) (before non-controlling interests)	103.6	**154.3**	**+48.9%**
Group net profit/(loss) (after non-controlling interests)	99.3	**149.5**	**+50.6%**

(€m)	30 June 2015	30 June 2016	% inc./(dec.)
Investment	167.5	**220.8**	**+31.8%**

(€m)	30 June 2015 (a)	31 Dec 2015 (b)	30 June 2016 (c)	% inc./(dec.) (c/a)	% inc./(dec.) (c/b)
Net debt	2,128.9	2,010.1	**2,131.9**	**+0.1%**	**+6.1%**
Equity	1,518.6	1,596.1	**1,631.4**	**+7.4%**	**+2.2%**
Invested capital	3,647.5	3,606.2	**3,763.3**	**+3.2%**	**+4.4%**

ACEA GROUP'S RESULTS FOR H1 2016

Revenue of €1,386.7m is down 3.8% on H1 2015. The reduction primarily reflects a decline in the volume of electricity sold on the free market, following the decision to take a more selective approach to our energy customer base. This has led us to focus attention on the more profitable small business and mass market segments.

Consolidated EBITDA is up 25.6% to €443.7m. The result includes recognition of income of €63.3m in the Grids segment (of which €36.0m due to investment carried out in previous years), linked to the regulatory change introduced by AEEGSI Resolution 654/2015, which has eliminated the so-called regulatory lag. This has resulted in recognition of non-recurring income of approximately €90m for the year. After stripping out this component, EBITDA is up 7.7%, continuing the positive trend witnessed in the first quarter of the year, thanks to the positive contribution from the Water and Energy segments, to the steps taken to boost operational efficiency and the re-engineering of operating processes.
Contributions to total EBITDA are as follows: Water 37%, Grids 41%, Energy 16% and Environment 6%.

Consolidated EBIT is up from the €202.7m of H1 2015 to €274.1m for H1 2016 (an increase of

35.2%). In addition to the improvement in EBITDA, this result reflects a reduction in bad debt provisions due to an overall improvement in the collection of receivables. Provisions, amortisation and depreciation have risen, the latter due to increased investment.

Finance costs are down €6.8m (12.0%) to €49.8m.

Net profit attributable to owners of the Parent, after non-controlling interests, amounts to €149.5m (up 50.6% on the €99.3m of H1 2015). The tax rate is 33.6% (broadly in line with H1 2015).

The Group's **investment** in H1 2016 amounts to €220.8m (€167.5m in H1 2015), with 82% of this relating to our regulated businesses and focused on expansion and maintenance of the water and electricity networks. Investment breaks down as follows: Water €100.6m; Grids €80.1m; Energy €27.4m; Environment €8.0m; Parent Company €4.7m.

Net debt at 30 June 2016, amounting to €2,131.9m, is up €121.8m on the figure for the end of 2015. Net debt is substantially stable compared with 30 June 2015, despite the notable increase in investment and the increase in dividend, also thanks to rigorous management of working capital, which has declined by approximately €100m year on year.

SEGMENT INFORMATION FOR H1 2016

Environment

The Environment segment contributed EBITDA of €29.2m, up 7.7% on H1 2015 (€27.1m). The improvement reflects positive performances from ARIA and SAO.

ENVIRONMENT – operational highlights	**H1 2015**	**H1 2016**
Treatment and disposal ('000 tonnes)	380	**411**
WTE electricity sold (GWh)	132	**134**

Energy

The Energy segment's EBITDA is up 24.7% to €69.7m. The improvement reflects growth in earnings from enhanced protection market sales, thanks to an increase in the sale price. The effect of the reduction in the volume of electricity sold on the free market was partially offset by the improvement in the margin resulting from the strategy of boosting our presence in the small business and mass market segments.
EBITDA from production reflects falling energy prices and a decline in the volume of energy produced.

ENERGY – EBITDA (€m)	**H1 2015**	**H1 2016**
Energy segment	55.9	**69.7**
Production	*18.3*	*17.5*
Sales	*37.6*	*52.2*
ENERGY – operational highlights	**H1 2015**	**H1 2016**
Electricity production (GWh)	282	**211**
Electricity sold (GWh)	4,793	**4,205**
Enhanced protection market	*1,526*	*1,364*
Free market	*3,267*	*2,841*
Gas sold (million m^3)	78	**66**

Water

The Water segment's EBITDA is up from the €146.7m of H1 2015 to €164.5m for H1 2016 (up 12.1%). The improvement reflects the efficiencies achieved and tariff trends.

Grids

EBITDA for the Grids segment is up from the €123.3m of H1 2015 to €180.7m for H1 2016 (up 46.6%). The increase reflects recognition of the above income linked to the regulatory change introduced by AEEGSI Resolution 654/2015, which has eliminated the so-called regulatory lag.

GRIDS – operational highlights	**H1 2015**	**H1 2016**
Electricity distributed (GWh)	5,087	**4,945**

Parent Company
The Parent Company's cost cutting drive is continuing, with the Company closing the first half with negative EBITDA of €0.4m.

EVENTS AFTER 30 JUNE 2016
As provided for in EU and Italian legislation and required by the energy industry regulator, from 1 July 2016, Acea Distribuzione has changed its name to Areti. Areti has been created in response to the obligation to establish separate identity, branding and communication policies, as required by paragraphs 23.3 and 38.2 of Legislative Decree 93/11.

On 27 July 2016, the Mayors' Conference for the ATO2 concession area approved the tariff determinations for the period 2016-2019. The determinations establish that the tariff increases to be applied in 2016 are to be spread out over time, in return for recognition of a financial charge as compensation for the deferral.

Acea has entered into fruitful dialogue with Roma Capitale, starting from operational aspects where there is potential for increased cooperation.

OUTLOOK
Over the coming months, the Group will continue to pursue its commitment to rationalising and streamlining operating processes in all areas of business and its corporate departments. This will involve major changes to information systems that will enable us, by the end of this year, to introduce innovative methods of managing our grids and providing services. This process of change and modernisation will give us the competitiveness and customer-centric strategy that will be key to future growth.

We will also continue to focus on progressive improvements to the billing process, with the aim of boosting customer satisfaction and keeping working capital in check.

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The Board of Directors has also today elected Mr. Angel Simon Grimaldos as an independent Director, to serve as a member of the Related Party Transactions Committee and as coordinator of this Committee, in place of Diane d'Arras, who has resigned. The members of this Committee are now as follows: Angel Simon Grimaldos (Coordinator), Massimiliano Capece Minutolo del Sasso and Roberta Neri.

The following schedules are attached:
- CONSOLIDATED ACCOUNTS: STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016, INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2016, ANALYSIS OF NET DEBT AT 30 JUNE 2016 AND STATEMENT OF CHANGES IN EQUITY.

A conference call will be held at 5.00pm (Italian time) on Thursday, 28 July 2016 in order to present the results for the six months ended 30 June 2016. To coincide with the start of the conference call, back-up material will be made available at www.acea.it.

The Executive Responsible for Financial Reporting, Demetrio Mauro, declares that, pursuant to section two of article 154 bis of the Consolidated Finance Act, the information contained in this release is consistent with the underlying accounting records.

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CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2016

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	H1 2016	H1 2015	Increase/ (Decrease)	% increase/ (decrease)
Sales and service revenues	1,356,886	1,406,115	(49,229)	(3.5%)
Other operating income	29,817	35,028	(5,211)	(14.9%)
Consolidated net revenue	**1,386,703**	**1,441,143**	**(54,440)**	**(3.8%)**
Staff costs	109,124	117,054	(7,930)	(6.8%)
Cost of materials and overheads	848,743	983,722	(134,978)	(13.7%)
Consolidated operating costs	**957,867**	**1,100,776**	**(142,908)**	**(13.0%)**
Net profit/(loss) from commodity risk management	0	0	0	0.0%
Profit/(loss) on non-financial investments	14,906	12,901	2,004	15.5%
Gross operating profit	**443,742**	**353,269**	**90,473**	**25.6%**
Amortisation, depreciation, provisions and impairment losses	169,679	150,597	19,082	12.7%
Operating profit/(loss)	**274,062**	**202,672**	**71,390**	**35.2%**
Finance income	7,519	11,365	(3,846)	(33.8%)
Finance costs	(49,814)	(56,608)	6,794	(12.0%)
Profit/(loss) on investments	571	(604)	1,175	(194.6%)
Profit/(loss) before tax	**232,338**	**156,825**	**75,513**	**48.2%**
Income tax expense	78,086	53,201	24,886	46.8%
Net profit/(loss)	**154,252**	**103,624**	**50,627**	**48.9%**
Net profit/(loss) attributable to non-controlling interests	4,713	4,295	417	9.7%
Net profit/(loss) attributable to owners of the Parent	**149,539**	**99,329**	**50,210**	**50.5%**
Earnings/(Loss) per share attributable to owners of the Parent (€)				
Basic	0.70218	0.46641	0.23577	50.5%
Diluted	0.70218	0.46641	0.23577	50.5%
Earnings/(Loss) per share attributable to owners of the Parent after treasury shares (€)				
basic	0.70355	0.46733	0.23623	50.5%
diluted	0.70355	0.46733	0.23623	50.5%

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016

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ASSETS	30 June 2016	31 December 2015	Increase/ (Decrease)
Property, plant and equipment	2,112,624	2,087,324	25,300
Investment property	2,668	2,697	(30)
Goodwill	155,373	155,381	(8)
Concessions	1,580,323	1,520,304	60,019
Other intangible assets	126,653	104,696	21,957
Investments in subsidiaries and associates	252,600	247,490	5,111
Other investments	2,586	2,750	(164)
Deferred tax assets	273,910	274,577	(667)
Financial assets	32,271	31,464	807
Other assets	36,480	39,764	(3,284)
NON-CURRENT ASSETS	**4,575,487**	**4,466,446**	**109,041**
Inventories	31,636	26,623	5,013
Trade receivables	1,147,170	1,098,674	48,496
Other current assets	125,039	130,675	(5,636)
Current tax assets	83,219	75,177	8,043
Current financial assets	97,115	94,228	2,886
Cash and cash equivalents	582,855	814,653	(231,797)
CURRENT ASSETS	**2,067,034**	**2,240,030**	**(172,996)**
Non-current assets held for sale	497	497	0
TOTAL ASSETS	**6,643,018**	**6,706,972**	**(63,954)**

EQUITY AND LIABILITIES	30 June 2016	31 December 2015	Increase/ (Decrease)
Equity			
Share capital	1,098,899	1,098,899	0
Legal reserve	95,188	87,908	7,280
Other reserves	(351,525)	(350,255)	(1,271)
Retained earnings/(accumulated losses)	566,310	512,381	53,929
Profit/(loss) for the period	149,539	174,992	(25,453)
Total equity attributable to owners of the Parent	**1,558,411**	**1,523,924**	**34,486**
Equity attributable to non-controlling interests	72,957	72,128	828
Total equity	**1,631,367**	**1,596,053**	**35,314**
Staff termination benefits and other defined-benefit obligations	117,918	108,630	9,289
Provisions for liabilities and charges	200,346	189,856	10,490
Borrowings and financial liabilities	2,669,673	2,688,435	(18,762)
Other liabilities	188,263	184,100	4,163
Deferred tax liabilities	82,397	87,059	(4,662)
NON-CURRENT LIABILITIES	**3,258,597**	**3,258,079**	**518**
Trade payables	1,178,217	1,245,257	(67,039)
Other current liabilities	247,135	306,052	(58,917)
Borrowings	171,547	259,087	(87,540)
Tax liabilities	156,055	42,346	113,709
CURRENT LIABILITIES	**1,752,954**	**1,852,741**	**(99,787)**
Liabilities directly associated with assets held for sale	99	99	0
TOTAL EQUITY AND LIABILITIES	**6,643,018**	**6,706,972**	**(63,954)**

STATEMENT OF CHANGES IN EQUITY

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€000	Share capital	Legal reserve	Other reserves	Net profit/ (loss) for period	Total	Non-controlling interests	Total equity
Balance at 1 January 2015	**1,098,899**	**176,119**	**15,381**	**140,167**	**1,430,566**	**71,825**	**1,502,391**
Reclassification		(92,691)	92,691				0
Net profit/(loss) in income statement				50,509	50,509	3,040	53,549
Other comprehensive income/(losses)				(3,507)	(3,507)	(122)	(3,629)
Total comprehensive income/(loss)	***0***	***0***	***0***	***47,002***	***47,002***	***2,918***	***49,919***
Appropriation of net profit/(loss) for 2014			140,167	(140,167)	0	0	0
Change in basis of consolidation			543		543	(156)	387
Balance at 31 March 2015	**1,098,899**	**83,428**	**248,782**	**47,002**	**1,478,111**	**74,586**	**1,552,697**
Net profit/(loss) in income statement				48,820	48,820	1,256	50,076
Other comprehensive income/(losses)				14,616	14,616	285	14,902
Total comprehensive income/(loss)	***0***	***0***	***0***	***63,436***	***63,436***	***1,541***	***64,978***
Appropriation of net profit/(loss) for 2014		4,480	(4,480)	0	0		0
Dividends paid			(95,834)		(95,834)	(2,686)	(98,520)
Change in basis of consolidation			(239)		(239)	(311)	(550)
Balance at 30 June 2015	**1,098,899**	**87,908**	**148,229**	**110,438**	**1,445,474**	**73,131**	**1,518,605**

€000	Share capital	Legal reserve	Other reserves	Net profit/ (loss) for period	Total	Non-controlling interests	Total equity
Balance at 1 January 2016	**1,098,899**	**87,908**	**155,533**	**181,584**	**1,523,924**	**72,128**	**1,596,053**
Net profit/(loss) in income statement				66,878	66,878	2,281	69,160
Other comprehensive income/(losses)				(8,600)	(8,600)	(69)	(8,669)
Total comprehensive income/(loss)	*0*	*0*	*0*	*58,278*	*58,278*	*2,213*	*60,491*
Appropriation of net profit/(loss) for 2015			181,584	(181,584)	0	0	0
Dividends paid					0		0
Change in basis of consolidation			(908)		(908)	734	(175)
Other changes					0		
Balance at 31 March 2016	**1,098,899**	**87,908**	**336,209**	**58,278**	**1,581,295**	**75,075**	**1,656,369**
Net profit/(loss) in income statement				*82,661*	*82,661*	*2,431*	*85,092*
Other comprehensive income/(losses)				876	876	(13)	864
Total comprehensive income/(loss)	0	0	0	83,537	83,537	2,419	85,956
Appropriation of net profit/(loss) for 2015		7,280	(7,280)	0	0	0	0
Dividends paid			(106,274)		(106,274)	(4,439)	(110,713)
Change in basis of consolidation			(147)		(147)	(98)	(245)
Balance at 30 June 2016	**1,098,899**	**95,188**	**222,508**	**141,815**	**1,558,411**	**72,956**	**1,631,367**

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016

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ACEA GROUP STATEMENT OF FINANCIAL POSITION	30 June 2016	31 December 2015	Increase/ (Decrease)	% increase/ (decrease)	30 June 2015	Increase/ (Decrease)	% increase/ (decrease)
NON-CURRENT ASSETS AND LIABILITIES	**3,957,586**	**3,868,612**	**88,973**	**2.3%**	**3,746,974**	**210,611**	**5.6%**
Property, plant and equipment and intangible assets	3,978,137	3,870,899	107,238	2.8%	3,734,593	243,544	6.5%
Investments	255,186	250,239	4,947	2.0%	233,384	21,803	9.3%
Other non-current assets	310,390	314,341	(3,951)	(1.3%)	334,454	(24,064)	(7.2%)
Staff termination benefits and other defined-benefit obligations	(117,918)	(108,630)	(9,289)	8.6%	(112,054)	(5,865)	5.2%
Provisions for liabilities and charges	(197,549)	(187,078)	(10,471)	5.6%	(167,490)	(30,059)	17.9%
Other non-current liabilities	(270,660)	(271,159)	498	(0.2%)	(275,912)	5,252	(1.9%)
NET WORKING CAPITAL	**(194,343)**	**(262,505)**	**68,162**	**(26.0%)**	**(99,494)**	**(94,850)**	**95.3%**
Current receivables	1,147,170	1,098,674	48,496	4.4%	1,211,076	(63,906)	(5.3%)
Inventories	31,636	26,623	5,013	18.8%	30,052	1,584	5.3%
Other current assets	208,258	205,852	2,406	1.2%	151,122	57,136	37.8%
Current payables	(1,178,217)	(1,245,257)	67,039	(5.4%)	(1,098,126)	(80,091)	7.3%
Other current liabilities	(403,190)	(348,397)	(54,792)	15.7%	(393,617)	(9,572)	2.4%
INVESTED CAPITAL	**3,763,242**	**3,606,107**	**157,135**	**4.4%**	**3,647,481**	**115,762**	**3.2%**
NET DEBT	**(2,131,875)**	**(2,010,054)**	**(121,821)**	**6.1%**	**(2,128,876)**	**(2,999)**	**0.1%**
Medium/long-term loans and receivables	32,271	31,464	807	2.6%	35,862	(3,591)	(10.0%)
Medium/long-term borrowings	(2,669,673)	(2,688,435)	18,762	(0.7%)	(2,707,036)	37,363	(1.4%)
Short-term loans and receivables	94,318	91,450	2,868	3.1%	122,855	(28,536)	(23.2%)
Cash and cash equivalents	582,855	814,653	(231,797)	(28.5%)	594,502	(11,646)	(2.0%)
Short-term borrowings	(171,646)	(259,187)	87,540	(33.8%)	(175,058)	3,412	(1.9%)
Total equity	**(1,631,367)**	**(1,596,053)**	**(35,314)**	**2.2%**	**(1,518,604)**	**(112,763)**	**7.4%**
BALANCE OF NET DEBT AND EQUITY	**(3,763,242)**	**(3,606,107)**	**(157,135)**	**4.4%**	**(3,647,481)**	**(115,762)**	**3.2%**

ANALYSIS OF CONSOLIDATED NET DEBT AT 30 JUNE 2016

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	30 June 2016	31 December 2015	Increase/ (Decrease)	30 June 2015	Increase/ (Decrease)
	(a)	(b)	(a)-(b)	(d)	(a)-(d)
Non-current financial assets/(liabilities)	3,105	2,355	750	2,361	745
Non-current financial assets/(liabilities) due from and to the parent	29,165	29,109	56	33,501	(4,336)
Non-current borrowings and financial liabilities	(2,669,673)	(2,688,435)	18,762	(2,707,036)	37,363
Net medium/long-term debt	**(2,637,402)**	**(2,656,971)**	**19,569**	**(2,671,174)**	**33,772**
					0
Cash and cash equivalents and securities	582,855	814,603	(231,748)	594,502	(11,646)
Short-term bank borrowings	(81,611)	(58,718)	(22,893)	(54,385)	(27,226)
Current financial assets/(liabilities)	(63,800)	(147,696)	83,896	(61,099)	(2,701)
Current financial assets/(liabilities) due from and to the parent and associates	68,083	38,727	29,355	63,280	4,803
Net short-term debt	**505,527**	**646,916**	**(141,389)**	**542,298**	**(36,771)**
Total net debt	**(2,131,875)**	**(2,010,054)**	**(121,821)**	**(2,128,876)**	**(2,999)**