PRESS RELEASE – 3 April 2017

The A2A S.p.A. Board of Directors has approved the 2016 results

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Strong growth in Group Net Profit to 224 million euros (73 million euros in 2015)

Gross Operating Margin up by 17.46% to 1,231 million euros: the best result since the creation of the A2A Group

Investments at 424 million euros, up by 23%

The Net Financial Position, excluding the acquisition of LGH, is further reduced by 230 million euros (at 2,667 million euros)
The effects of acquiring 51% of the *Linea Group Holding* Share Capital, equal to 469 million euros, bring the overall NFP to 3,136 million euros (NFP/EBITDA equal to 2.5x)

Approved the first integrated report, according to the framework "International Integrated Reporting Council", which will be submitted to the Shareholders' Meeting

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A dividend of 0.0492 euros per share up by 20% compared to the previous year, was proposed to the Shareholders' Meeting

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Milan, 3 April 2017 – At today's meeting of the Board of Directors of A2A S.p.A., chaired by Mr. Giovanni Valotti, the Board approved the draft of the Separate Financial Statements and the consolidated annual financial Report as at 31 December 2016.

The implementation of the 2015-2019 Strategic Plan (and subsequent developments), with the majority of operating targets better than expected, helped achieve exceptional economic and financial results which confirm the validity of the strategic path undertaken and inspire confidence about future developments.

A2A Group - Consolidated results at 31 December 2016

In addition to the traditional organic growth and the acquisition of a majority stake in 6 companies operating above all in the Waste and Heat (Energy Efficiency) sectors, the year 2016 also saw the acquisition of 51% of the share capital of Linea Group Holding S.p.A (hereinafter "LGH"), the second multi-utility company, in terms of size, in Lombardy and the [sixth] in Italy. The contribution of the LGH Group to the consolidated results of A2A, for the 5 months from August to December 2016, is indicated specifically, where relevant, in the following performance indicators:

millions of euros	**Year 2016**	**Year 2015**	**Δ**	**Δ %**
Revenues	**5,093**	**4,921**	+172	+3.5%
Gross Operating Income - EBITDA	**1,231**	**1,048**	+183	+17.5%
Net Operating Income - EBIT	**456**	**215**	+241	n.s.
"Ordinary" Net Result	**377**	**278**	+99	35.6%
"Reported" Net Result	**224**	**73**	+151	n.s.

In 2016, the **Revenues** of the A2A Group amounted to 5,093 million euros, up by 172 million euros on the previous year (+3.5%). Net of the LGH group contribution (which amounts to approximately 194 million euros), the consolidated revenues in 2016 are substantially in line with the previous year.

The **Gross Operating Margin** amounted to 1,231 million euros, recording a significant increase of 183 million euros compared to 2015 (+17.5%). The consolidation of LGH had a positive effect of around 32 million euros on the group margins.

Contributions to the growth of the margin came from 128 million euros of non-recurring items of income (19 million euros in 2015), including:

- the adjustment relating to the previous tariff items of the water cycle;
- the disposal of some parts of the thermoelectric plant in Cassano;
- some insurance reimbursements for damages to the plants suffered in previous years and an adjustment relating to the capacity payment for the years 2010-2011;
- the recognition of a compensatory amount on gas volumes sold;
- some non-recurring revenues relating to the Commercial Business Unit;

Net of non-recurring items, all the Group's Business Units, with the exception of the Networks and Heat Business Unit (-5 million euros), which was negatively affected by the new electricity distribution regulatory period and the updating of the WACC (Weighted Average Cost of Capital) for gas distribution, saw a growth in results.

The **Net Operating Result** of 456 million euros, up by 241 million euros on the previous year (215 million euros in 2015), benefits not only from the effects described above with regards to Gross Operating Margin but also from the effects of the lower write-downs of assets and goodwill (94 million euros less).
The write-downs for 2016, which amount to 312 million euros in total, relate to the Monfalcone power plant (202 million euros following the transfer, at fair value, of the business branch to A2A Energiefuture S.p.A.) and to the results of the impairment process. Impairment testing resulted in the writing down, for 68 million euros, of certain “CCGT” plants, for 37 million euros of some goodwill and for 5 million euros of shareholdings. The impairment reversal of 51 million euros refers exclusively to the San Filippo del Mela plant (220kV) following the recent admission to the asymmetric regime for the reintegration of costs for the five years 2017-2021.
Depreciation and amortisation for the year have instead increased slightly compared to 2015 (30 million euros more compared to the previous year), particularly as a result of the consolidation of the LGH group during the year. The provisions for risks are substantially in line with the ones made in 2015.

The **Net Profit pertaining to the Group** of 2016 amounted to 224 million euros (73 million euros in 2015).
The growth in the net profit of +151 million euros, in addition to the EBIT contribution, was determined by:

- a non-monetary capital gain of 52 million euros, related to the partial, non-proportional demerger of Edipower with effect as from 1 January 2016, in the favour of Cellina Energy, a full subsidiary of Società Elettrica Altoatesina S.p.A.;
- higher net financial charges (20 million euros) entirely attributable to the negative accounting effect of the bond reimbursement in November 2016 (36 million euros), and to the consolidation of the charges of the LGH group (10 million euros), partly offset by the effects of a reduction in the average net financial position and continued efficiency achieved on the cost of debt;
- the lower tax load (approximately 16 million euros less than in 2015), despite the increase in the pre-tax profit, attributable to a balance of non-recurring items which, comparing the two financial years, affected 2015 negatively and 2016 positively;
- a lower result attributable to the minority interests in EPCG (around 145 million euros less than in 2015) resulting from the write-downs in 2015 (143 million euros) of assets owned by the Montenegro subsidiary.

Ordinary Net Profit. Net of the Group’s non-recurring items mentioned above, these being the write-downs of assets, goodwill and equity investments (312 million euros in total, only 304 million euros of which pertain to the A2A Group), the impairment reversal of San Filippo del Mela (51 million euros), the tax effects of these write-downs (-62 million euros), and the positive effects of the demerger of Edipower S.p.A. in favour of Cellina Energy for -38 million euros, the Ordinary Net Profit was 377 million euros, a net increase of 35.6% compared to the previous financial year (which had been affected by negative non-recurring items totalling 205 million euros).

The cash flow generated in 2016 was positive and amounted to 230 million euros, after the payment of dividends for 126 million euros, Group investments of 424 million euros, as well as the payment of 39 million euros to Cellina Energy S.r.l. (following the partial, non-proportional demerger of Edipower S.p.A.). This cash generation partially offset the effect of the first consolidation of LGH group (net financial position negative by 379 million euros at 31 July 2016) and the cash-out relating

to the acquisition (overall amounting to 90 million euros), thereby resulting in a **Net Financial Position** at the end of 2016 of 3,136 million euros (2,897 million euros at 31 December 2015).
The NFP/EBITDA improved from 2.8x in 2015 to 2.5x in 2016.

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A2A Group - Results by Business Unit

The following table shows the breakdown of the Gross Operating Income by Business Unit:

Millions of euros	12.31.2016	12.31..2015	Change	Change %
Generation and Trading	404	348	56	16.1%
Commercial	144	102	42	41.2%
Environment	240	210	30	14.3%
Networks and Heat	397	353	44	12.5%
EPCG	69	53	16	30.2%
Other services and Corporate	-23	-18	-5	n.s.
Total	**1,231**	**1,048**	**183**	**17.5%**

Generation and Trading Business Unit

During 2016, the Generation and Trading Business Unit contributed to fulfilling the sales demand of the A2A Group through production by the plants it owns amounting to approximately 13.1 TWh (12.9 TWh in 2015).

The revenues stood at 2,736 million euros, slightly down (-0.7%) compared to the previous year.

The Gross Operating Margin of the Generation and Trading Business Unit equalled 404 million euros, an increase of 56 million euros compared to the year 2015. The following contributed to this growth:

- the consolidation of the LGH Group's Generation and Trading Business Unit (approximately 4 million euros);
- the change in the scope resulting from the allocation of the hydroelectric plants of the Udine unit (except for Ampezzo and Somplago) –known as "Cellina Branch" – to Cellina Energy S.r.l. (approximately -7 million euros);
- the impact of non-recurring income of 52 million euros (8 million euros in 2015).

Net of the non-recurring effects and changes in the scope, the Gross Operating Margin of the Generation and Trading Business Unit grew by 15 million euros(+4.5%), despite the San Filippo del Mela thermoelectric plant being pulled out of the must-run regime at the end of May 2016 (-32 million euros). The energy scenario, which was negative in the first nine months of 2016 compared to the same period of the previous year, recorded a significant turnaround in the last quarter, partly due to the stoppage of some French nuclear power plants, which resulted in a significant reduction in quantities imported and a consequent increase in demand (and price) on the domestic market, both day-ahead (MPG) and ancillary services. This scenario was especially beneficial for gas - CCGT - plants which, after years of negative or in any case limited profitability, recorded a strong growth in margins. The excellent performance of environmental certificates, combined with the operational efficiency plan, also contributed to the ordinary growth in the margin. The lower margin achieved in Trading portfolio however contributed negatively to the performance of the Business Unit.

Investments amounted to around 36 million euros (64 million euros in 2015) for maintenance, the improvement of the flexibility of the Chivasso plant and the acquisition of the Mazzunno hydroelectric power plant by the LGH group.

Commercial Business Unit

In the financial year 2016, the Commercial Business Unit recorded 8.3 TWh of electricity sales (+9.8% compared to 2015) and 1,372 million cubic metres of gas sales (+22.4% compared to the previous year).
The growth in the electricity sector is due to the higher sales made on the free market (+12.7% net of the LGH contribution) to large customers and, to a lesser extent, mass-market customers, partly offset by the decline in quantities sold to customers served under the protected regime.
Growth in the gas sector, on the other hand, is mainly due to a greater number of redelivery points served on the free market (+33% net of the LGH Group contribution) and larger volumes sold to major customers.

The revenues amounted to 1,433 million euros (1,333 million euros at 31 December 2015). Net of the LGH Group contribution of 108 million euros, the revenues are substantially in line.

The Gross Operating Margin of the Commercial Business reached 144 million euros, an increase of 42 million euros compared to the year 2015.
Net of non-recurring items (24 million euros in 2016; 12 million euros in 2015) and of the contribution from the first consolidation of the LGH Group (7 million euros), the Gross Operating Margin of the Business Unit was up by 26% (23 million euros). The greatest growth was recorded in the electricity sales sector, particularly thanks to the effects of AEEGSI resolution 659/2015, which updated the regulated components to cover the marketing costs of both the protected and free markets. Net of the regulatory components, the Business Unit benefited from the positive contribution resulting from the commercial development on the free market, which led to an increase in the number of customers served of over 100,000 units, in line with the objectives of the strategic plan.

Investments made by the Commercial Business Unit in the year 2016 amounted to 8 million euros (4 million euros in 2015).

Environment Business Unit

The amount of waste collected in the year 2016, 1.5 million tonnes in total, grew compared to the previous year (+14%), mainly thanks to the new Municipalities served and the consolidation of the LGH Group and the company La Bi.Co Due. The quantities of waste disposed of increased (+242, thousands tonnes) compared to 2015: the consolidation of the LGH group and the contribution of newly acquired companies RI.ECO and RESMAL more than offset for the lower amounts of waste disposed in the exhausted landfills in Cavaglià and Montichiari and the inert lots landfill in Corteolona.

During 2016 the Business Unit recorded revenues of 852 million euros (809 million euros at 31 December 2015). Net of the contribution of the LGH Group, amounting to 50 million euros, the revenues were down by 7 million euros mainly due to decreased activity on orders.

The Gross Operating Margin of the Environment Business Unit amounted to 240 million euros, up by 30 million euros compared to the same period of the previous year.
The result includes the positive contribution of around 11 million euros deriving from the consolidation of the LGH environment business unit.
Net of the non-recurring positive items, which grew by 5 million euros compared to the previous year, and the first consolidation of the LGH group, the industrial operating margin of the Business Unit grew by 14 million euros (+6.8%) compared to 2015. The following contributed to the growth in results for the period:

- the increased margins of the collection segment following greater quantities collected (despite more services being offered throughout the previous year for EXPO 2015), the higher number of inhabitants served, as well as greater proceeds deriving from the sale of after-treatment paper;
- the good performance of the Group's waste-to-energy plants, mainly deriving from greater electricity production, higher sales of heat (following greater demand in the district heating sector), the reduction of costs for the disposal of slag from the waste-to-energy plants, the reduction in the cost of electricity to activate the Efficient System for Users (SEU) at the WTE in Bergamo, as well as the positive dynamic of prices for disposing of waste deemed similar to urban waste;
- the start of the disposal activity at the new landfill in Giussago from January 2016.

This trend was partially offset by a negative price effect (albeit mitigated by forward sales to the Generation & Trading Business Unit) due to the sale of electricity and heat produced by the Group's waste-to-energy plants, and the reduction in the amounts disposed.

Investments over the period amounted to 102 million euros (59 million euros in 2015), including 23 million euros for the acquisition of a majority stake in the share capital of 5 companies operating in waste collection and disposal, 44 million euros for work development and maintenance of waste-to-energy, treatment plants and landfills, and 27 million euros for the purchase of waste collection vehicles and containers, mainly following the award of contracts to serve new Municipalities.

Networks and Heat Business Unit

The electricity distributed in 2016 amounted to 11.2 TWh, substantially in line with the year 2015. The quantity of gas distributed during the year 2016 amounted to 2,096 million cubic metres (1,832 million cubic metres in the previous year), with a contribution from LGH of 255 million cubic meters. The water distributed amounted to 62 million cubic metres, down by 1 million cubic meters compared to the previous year. The heat sales to end users increased compared to the previous year by 115 GWht, thanks to the contribution from the LGH group of 99 GWht. The lower sales due to the mild climate recorded in 2016 were more than offset by the greater quantities sold resulting from the ongoing commercial development.

The revenues of the Networks and Heat Business Unit during the year 2016 stood at 954 million euros (903 million euros as at 31 December 2015). This trend was affected both by the consolidation

of the LGH Group for an amount equal to 34 million euros and by the posting in 2016 of 51.4 million euros of non-recurring revenues for the company A2A Ciclo Idrico S.p.A..
This trend was however partially offset by the lower revenues recorded in the electricity and gas distribution sectors following the review of the WACC (Weighted Average Cost of Capital) starting from 2016 as well as the new regulatory framework for the distribution of electricity, the sale of environmental certificates, as well as the strong contraction of the average sales prices for heat in the district heating and heat management sector.
The Gross Operating Margin of the Networks and Heat Business Unit amounted to 397 million euros, an increase of 44 million euros compared to the year 2015.
Net of the positive non-recurring items of 43 million euros (+49 million compared to 2015), the operating margin of the Business Unit was down by approximately 5 million euros (-1.4%) compared to the previous year. This performance is mainly due to:

- lower revenues allowed for the distribution of electricity and gas and other regulated items of around 21 million euros overall mainly attributable, in the distribution of gas, to the updating of the WACC (Weighted Average Cost of Capital) by AEEGSI from 2016 and, in the distribution of electricity, to the general change of the regulatory period, as well as the updating of the aforementioned WACC;
- lower margins relating to district heating and heat management activities for around 11 million euros, predominately attributable to the reduction of unit sales prices of heat, linked to the decreasing price of gas, as well as lower revenues recorded in the environmental certificates market;
- greater revenues pertaining to the year 2016 relating to the aqueduct, purification and sewage service for approximately 2 million euros, following the tariff increases acknowledged by AEEGSI;
- lower fixed costs for the entire Networks and Heat Business Unit for approximately 18 million euros deriving partly from the Group's current operative efficiency plan and partly from greater cost capitalizations.

The margins relating to public lighting activities were instead down by 2 million euros with respect to those of 2015.
Lastly, the consolidation of the LGH group Networks and Heat Business Unit led to a growth in the profit margins of the Business Unit of approximately 12 million euros in 2016.

Investments in the year 2016 amounted to 228 million euros (181 million euros in 2015) and included 15 million euros for the acquisition of a majority stake in the share capital of Consul System S.p.A., which operates in the energy efficiency sector, 88 million euros for maintenance of the network and plants, 82 million euros for development work and 43 million euros for work required by legal obligations (mainly the gas smart meter project).

Foreign Business Unit (EPCG)

EPCG group electricity sales on the domestic market stood at a total of 2,321 GWh, down 17.2% on the t previous year, mainly following the March 2016 interruption of the electricity supply to major energy-hungry customer Montenegro Bonus.
The EPCG plants contributed to fulfilling the demand, producing a total of 3 TWh (up by 4.5% compared to 2015), of which 1.2 TWh came from thermoelectric sources (-13.9%) and 1.8 TWh from

hydroelectric sources (+22.5%). The period in question also recorded a decrease in imports (-0.3 TWh), as well as a slight increase in quantities exported (+ 0.4 TWh).
Moreover, in the period in question, the electricity distributed on the medium and low voltage network in Montenegro amounted to 2.2 TWh, in line with the previous year.

The revenues amounted to 233 million euros (242 million euros at 31 December 2015). The reduction in revenues in 2016 was mainly due to the lower electricity sales to the Montenegro Bonus customer (supply interrupted from March 2016), partly offset by higher exports of electricity.

The Gross Operating Margin was 69 million euros, entirely attributable to the subsidiary EPCG, an increase of 16 million euros compared to the previous year. The lower margins deriving from lower electricity sales to the customer Montenegro Bonus was more than offset by lower costs for thermoelectric production, the greater quantities exported and lower operating costs.

Investments amounted to 27 million euros, in line with the amount recorded the previous year.

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Economic results of the Parent Company A2A S.p.A.

Consistently with the execution of the 2015-2019 Business Plan and the 2016-2020 subsequent one, the A2A Group carried out multiple corporate transactions in the year 2016, mainly regarding the Generation and Trading Business Unit, aimed at reorganising the production assets into specific companies with homogeneous plants. The following extraordinary transactions were carried out in particular:

- merger by incorporation of the subsidiary A2A Trading S.r.l., with effect from 1 January 2016;
- merger by incorporation of the subsidiary Edipower S.p.A., with effect from 1 January 2016;
- demerger, with effect from 1 July 2016, of the business branches relating to thermoelectric plants, transferred partly to A2A gencogas S.p.A. (Sermide, Piacenza, Chivasso) and partly to A2A Energiefuture S.p.A. (Brindisi and San Filippo del Mela). In A2A S.p.A., the economic effect of these branches is recorded for the period January-June 2016.
- the transfer of the CCGT thermoelectric plants branch (Mincio and Cassano D'Adda) to the subsidiary A2A gencogas S.p.A. with effect from 1 July 2016. In A2A S.p.A., therefore, the economic effect of the branches transferred is recorded for the period January-June 2016;
- the transfer to A2A Energiefuture S.p.A. of the thermoelectric plant branch related to the Monfalcone power plant with effect from 31 December 2016. In the period between 1st July and 31st December 2016, a branch leasing contract was in force between A2A S.p.A and A2A Energiefuture S.p.A., consequently the economic effects recorded by A2A S.p.A. relating to the branch transferred relate to the period January/June 2016.

Following the extraordinary transactions described above, the data regarding the financial and income statement as at 31 December 2016 are therefore not referred to perimeters uniform with those relating to the previous year and are therefore not immediately comparable.
A2A S.p.A. shows revenues for a total of 2,760.9 million euros (494 million euros in the previous year).

The growth in turnover is affected by the market revenues of all the Group's plants resulting from the merger of A2A Trading S.r.l. for the whole year 2016, as well as by the growth in revenues attributable to the green certificates for all the Group's hydro plants (in 2015, A2A S.p.A. did not record any revenues from green certificates relative to the former Edipower hydro plants).
The operating costs amount to 2,326.2 million euros (290.9 million euros in 2015) and the labour cost stood at 151.7 million euros (119.7 million euros in 2015). The cost increase is primarily attributable to the dispatching of thermoelectric plants due to the change in scope resulting from the merger of A2A Trading S.r.l.

Due to the effect of the dynamics explained above, the **"Gross Operating Margin"** equals 283 million euros (83.4 million euros in 2015).

The "**Amortisation and depreciation, provisions and write-downs** " of the year amounted to 360.8 million euros (132.0 million euros at 31 December 2015) and include amortisation, depreciation and write-downs of the intangible and tangible assets for 333.2 million euros (85.8 million euros al 31 December 2015) and provisions for 27.6 million euros (46.2 million euros at 31 December 2015). The item includes 203.3 million euros relating essentially to the write-down of the Monfalcone thermoelectric plant following the results of the evaluation carried out by an external independent expert as part of the transfer to the subsidiary A2A Energiefuture S.p.A.. The item includes 23.1 million euros of provisions for risk funds, mainly relating to fees for the water usage and contractual charges, in addition to 4,5 million euros of credit risk provisions.

The "**Net Operating Income**" is negative by 77.8 million euros (negative by 48.6 million euros at 31 December 2015).

The "**Result from non-recurring transactions**" was 48.3 million euros (no value as at 31 December 2015) and incorporates the income derived from the demerger of the so-called "Cellina Branch" (former Edipower S.p.A.) in favour of Cellina Energy S.r.l., effective as of 1 January 2016, following the deed of demerger signed by the parties on 28 December 2015.

The "**Financial balance"** was positive for258.4 million euros (negative for 71.8 million euros as at31 December 2015). This item incorporates dividends from subsidiaries for 446.9 million euros (234.9 million euros as at 31 December 2015) and the write-down of the shareholdings in A2A gencogas S.p.A., for 54 million euros, in Rudnik Uglja Ad Pljevlja for 5 million euros, performed following the results of the Impairment Test (in 2015 the write-downs of shareholdings came to 221.4 million euros).

The "**Result before taxes**" was positive for 228.9 million euros (negative for 120.4 million euros at 31 December 2015).

The "**Income Taxes**" was positive for 45.2 million euros (positive for 46.9 million euros at 31 December 2015). The positive tax position essentially stems from the registration of *i)* positive current taxes due to remuneration for the transfer to the tax consolidation system of interests payable, *ii)* reduction of deferred tax liabilities following the reversal of temporary differences from previous financial years, partly offset by a reduction in deferred tax assets, also due to the reversal of temporary differences from previous years and, secondly, to the specific reversal of part of the deferred tax assets for IRAP to adapt them to future taxable income under the plan.

Following the dynamics explained above the “**Net result for the year**” is positive for 274.1 million euros (negative for 73.5 million euros in the previous year).

The investments for the year amounted to 127.3 million euros and in particular concerned work on hydroelectric plants, improvements to third party assets, investments in the Group's IT systems, as well as equity investments for the acquisition of LGH.

Financial position and assets of the Parent Company A2A S.p.A.

The “**Net financial position**” of 2,726.9 million euros, improved by 72.2 million euros compared to 31 December 2015 and includes the effect of the extraordinary transactions during the year, which was negative by 70.2 million euros. Operations during the year generated resources of 373.3 million euros, partly offset by the resources absorbed by net investments in tangible and intangible assets and shareholdings of 121.3 million euros and dividends paid to shareholders of 125.9 million euros.

Dividends distribution proposal

The Board of Directors resolved to submit a proposal to the ordinary Shareholders’ Meeting to approve an ordinary dividend of 0.0492 euros per ordinary share in circulation (corresponding to paid dividends of approximately 153 million euros), 20% up compared to the previous year.

The dividend will be paid from 24 May 2017 (ex-dividend date 22 May 2017 – record date 23 May 2017).

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Improvement in Sustainability indicators

In 2016, A2A generated and distributed to stakeholders a global gross added value of 1,634 million euros. The Group also distributed wealth through more than 835 million euros spent on supplies, 97% of which benefited Italian companies. 58.5 million euros were investments with environmental implications. 728 people were hired in 2016.
As regards the environment, A2A achieved a reduction of 6% in CO_2 average emission factor from energy production (electricity and heat) of the Group. The volume served by the district heating network increased by 3%. Waste sorting reached 56.2%, while A2A increased its treatment capacity for recovered materials to 600,000 tonnes per year, which correspond to over 80% of the urban waste collected and sorted by the Group's environmental companies.
A2A Energia confirmed its excellent position in national customer satisfaction rankings, having reached the top position in the Monitor Energia Cerved survey, while AMSA was rated 7.6 (on a scale of 0 to 10) by the citizens of Milan for the environmental services provided in the city. Educational activities involved over 29,000 students and teachers. Local listening programmes continued with two multistakeholder forums in Valtellina-Valchiavenna and Bergamo, while there

are 11 ongoing projects based on ideas that emerged during the aforementioned multistakeholder forums, including the Energy Bank, a solidarity initiative to respond to the problem of emerging poverty.

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Some alternative performance measures (APMs) are used in the press released, not envisaged by the international financial reporting standards adopted by the European Union (IFRS-EU); the purpose of this is to allow for a better assessment of the economic-financial management performance of the A2A Group. In compliance with the recommendations of the Guidelines published in October 2015 by the ESMA, below is the meaning, contents and basis for calculation of said indicators:

- ***Gross operating income (EBITDA)*** *is an alternative measure of operating performance, calculated as the sum of the "Net operating income" plus "Amortisation, depreciation, write-downs and provisions".*
- The ***"Ordinary" Net Result*** *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 parties) and the write-down of assets, goodwill and equity investments, as well as impairment reversals (net of the relative tax effects).*
- *The* ***Net financial position*** *is an indicator of the Company's 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).*
- ***Investments*** *are an alternative performance measure used by the A2A Group as a financial target under the scope of performance both within the Group (Business Plan) and externally (presentations to financial analysts and investors); it constitutes a useful measurement of the resources used in maintaining and developing investments of the A2A Group.*

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The Executive responsible for drawing up A2A S.p.A. company accounting documents, Andrea Eligio Crenna, declares – in accordance with article 154-bis, subsection 2 of the Financial Act (TUF) (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 following are attached: the accounting tables of the A2A Group, extracted from the consolidated annual financial Report as at 31 December 2016 and from the separate financial Statements as at 31 December 2016.

The consolidated annual financial Report and the separate financial Statements together with the report on operations are subject to auditing and are under completion.

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CONSOLIDATED BALANCE SHEET (millions of euro)	12.31.2016	12.31.2015
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	5,080	5,067
Intangible assets	1,724	1,348
Shareholdings carried according to equity method	67	68
Other non-current financial assets	69	69
Deferred tax assets	363	308
Other non-current assets	12	6
TOTAL NON-CURRENT ASSETS	**7,315**	**6,866**
CURRENT ASSETS		
Inventories	159	184
Trade receivables	1,821	1,485
Other current assets	388	183
Current financial assets	218	171
Current tax assets	70	71
Cash and cash equivalents	402	636
TOTAL CURRENT ASSETS	**3,058**	**2,730**
NON-CURRENT ASSETS HELD FOR SALE	**6**	**205**
TOTAL ASSETS	**10,379**	**9,801**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,629	1,629
(Treasury shares)	(54)	(61)
Reserves	918	1,005
Result of the year	224	73
Equity pertaining to the Group	**2,717**	**2,646**
Minority interests	554	613
Total equity	**3,271**	**3,259**
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current financial liabilities	3,436	3,089
Employee benefits	365	332
Provisions for risks, charges and liabilities for landfills	668	576
Other non-current liabilities	112	99
Total non-current liabilities	**4,581**	**4,096**
CURRENT LIABILITIES		
Trade payables	1,384	1,170
Other current liabilities	744	521
Current financial liabilities	359	692
Tax liabilities	33	43
Total current liabilities	**2,520**	**2,426**
Total liabilities	**7,101**	**6,522**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**7**	**20**
TOTAL EQUITY AND LIABILITIES	**10,379**	**9,801**

CONSOLIDATED INCOME STATEMENT (millions of euro)	**01.01.2016 12.31.2016**	**01.01.2015 12.31.2015**
Revenues		
Revenues from the sale of goods and services	4,813	4,732
Other operating income	280	189
Total Revenues	**5,093**	**4,921**
Operating expenses		
Expenses for raw materials and services	2,968	2,992
Other operating expenses	253	252
Total Operating expenses	**3,221**	**3,244**
Labour costs	**641**	**629**
Gross operating income - EBITDA	**1,231**	**1,048**
Depreciation, amortization, provisions and write-downs	**775**	**833**
Net operating income - EBIT	**456**	**215**
Result from non-recurring transactions	**56**	**(1)**
Financial balance		
Net financial charges	(154)	(134)
Affiliates	(4)	(4)
Result from disposal of other shareholdings (AFS)	-	-
Total financial balance	**(158)**	**(138)**
Result before taxes	**354**	**76**
Income taxes	**117**	**133**
Result after taxes from operating activities	**237**	**(57)**
Net result from discontinued operations	2	-
Net result	**239**	**(57)**
Minorities	**(15)**	**130**
Group result of the year	**224**	**73**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	**12.31.2016**	**12.31.2015**
Net result of the year (A)	**239**	**(57)**
Actuarial gains/(losses) on Employee's Benefits booked in the Net equity	(27)	17
Tax effect of other actuarial gains/(losses)	9	(3)
Total actuarial gains/(losses) net of the tax effect (B)	**(18)**	**14**
Effective part of gains/(losses) on cash flow hedge	31	35
Tax effect of other gains/(losses)	(8)	(9)
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**23**	**26**
Other gains/(losses) of companies valued at equity net of the tax effect (D)	-	-
Total comprehensive result (A)+(B)+(C)+(D)	**244**	**(17)**
Total comprehensive result attributable to:		
Shareholders of the parent company	**229**	**113**
Minority interests	**15**	**(130)**

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)		**12.31.2016**		**12.31.2015**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**636**		**544**
Edipower demerger in favour of Cellina Energy		**(38)**		
Contribution of first consolidation of LGH and other acquisitions of 2016		**86**		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**684**		**544**
<u>Operating activities</u>				
Net Result (**)		**181**		**(57)**
Tangible assets depreciation		374		341
Intangible assets amortization		55		54
Fixed assets write-downs/disposals		267		364
Result from affiliates		4		4
Net taxes paid (a)	*(168)*		*(59)*	
Gross change in assets and liabilities (b)	*89*		*249*	
Total change of assets and liabilities (a+b) (*)		(79)		190
Cash flow from operating activities		**802**		**896**
<u>Investment activities</u>				
Investments in tangible assets		(259)		(253)
Investments in intangible assets and goodwill		(127)		(88)
Investments in shareholdings and securities (*)		(123)		(4)
Disposal of fixed assets and shareholdings		6		7
Dividends received		1		2
Cash flow from investment activities		**(502)**		**(336)**
FREE CASH FLOW		**300**		**560**
<u>Financing activities</u>				
Change in financial assets (*)		37		(88)
Change in financial liabilities (*)		(355)		(133)
Net financial interests paid		(133)		(129)
Dividends paid by the parent company		(126)		(113)
Dividends paid by the subsidiaries		(5)		(5)
Cash flow from financing activities		**(582)**		**(468)**
CHANGE IN CASH AND CASH EQUIVALENTS		**(282)**		**92**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**402**		**636**

(*) Cleared of balances in return of shareholders' equity and other balance sheet tems.
(**) Net Result is exposed net of gains on shareholdings', fixed assets' disposals and from discontinued operations (equal to 52 millions of euro - included in the item "Result from non-recurring transactions" of Consolidated Income statement).

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 year	Total Equity pertaining to the Group	Minority interests	Total Net shareholders equity
Net equity at December 31, 2014	**1,629**	**(61)**	**(51)**	**1,099**	**(37)**	**2,579**	**600**	**3,179**
2014 result allocation				(37)	37			
Distribution of dividends				(113)		(113)	**(5)**	(118)
IAS 19 Revised reserves (*)				14		14		14
IAS 32 and 39 reserves (*)			26			26		26
Put option on Aspem S.p.A. shares							**1**	1
Other changes				67		67	**147**	214
Group and minorities result of the year (*)					73	73	**(130)**	(57)
Net equity at December 31, 2015	**1,629**	**(61)**	**(25)**	**1,030**	**73**	**2,646**	**613**	**3,259**
2015 result allocation				73	(73)			
Distribution of dividends				(126)		(126)	**(5)**	(131)
Operations on own shares		7				7		7
IAS 19 Revised reserves (*)				(18)		(18)		(18)
IAS 32 and 39 reserves (*)			23			23		23
Other changes				(39)		(39)	**(69)**	(108)
Group and minorities result of the year (*)					224	224	**15**	239
Net equity at December 31, 2016	**1,629**	**(54)**	**(2)**	**920**	**224**	**2,717**	**554**	**3,271**

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

A2A S.p.A. BALANCE SHEET *(amounts in euro)*	12.31.2016	12.31.2015
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	1,193,119,976	1,266,693,752
Intangible assets	115,786,296	52,605,327
Shareholdings	3,901,566,008	3,890,927,319
Other non-current financial assets	406,463,302	405,362,171
Deferred tax assets	73,426,087	48,261,061
Other non-current assets	4,453,710	452,429
TOTAL NON-CURRENT ASSETS	**5,694,815,379**	**5,664,302,059**
CURRENT ASSETS		
Inventories	71,635,325	4,777,441
Trade receivables	650,195,136	146,947,980
Other current assets	370,735,926	104,703,500
Current financial assets	382,645,017	605,367,617
Current tax assets	51,359,537	38,987,274
Cash and cash equivalents	278,207,406	587,049,592
TOTAL CURRENT ASSETS	**1,804,778,347**	**1,487,833,404**
NON-CURRENT ASSETS HELD FOR SALE	**-**	**469,000**
TOTAL ASSETS	**7,499,593,726**	**7,152,604,463**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,629,110,744	1,629,110,744
(Treasury shares)	(53,660,996)	(60,891,196)
Reserves	466,984,916	666,859,220
Net result of the year	274,049,714	(73,487,107)
Total equity	**2,316,484,378**	**2,161,591,661**
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current financial liabilities	2,922,181,214	2,973,930,319
Employee benefits	164,559,678	125,996,516
Provisions for risks, charges and liabilities for landfills	179,628,845	144,313,123
Other non-current liabilities	32,261,924	27,231,315
Total non-current liabilities	**3,298,631,661**	**3,271,471,273**
CURRENT LIABILITIES		
Trade payables	667,474,444	162,012,623
Other current liabilities	333,766,188	115,139,335
Current financial liabilities	857,449,886	1,400,512,790
Tax liabilities	25,787,169	41,876,781
Total current liabilities	**1,884,477,687**	**1,719,541,529**
Total liabilities	**5,183,109,348**	**4,991,012,802**
LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**7,499,593,726**	**7,152,604,463**

A2A S.p.A. INCOME STATEMENT (amounts in euro)	01.01.2016 12.31.2016	01.01.2015 12.31.2015
Revenues		
Revenues from the sale of goods and services	2,554,203,010	465,963,699
Other operating income	206,691,561	28,044,921
Total Revenues	**2,760,894,571**	**494,008,620**
Operating expenses		
Expenses for raw materials and services	2,083,797,799	221,374,062
Other operating expenses	242,403,978	69,493,703
Total Operating expenses	**2,326,201,777**	**290,867,765**
Labour costs	**151,699,176**	**119,732,850**
Gross operating income - EBITDA	**282,993,618**	**83,408,005**
Depreciation, amortization, provisions and write-downs	**360,854,186**	**132,013,925**
Net operating income - EBIT	**(77,860,568)**	**(48,605,920)**
Result from non-recurring transactions	**48,336,439**	**-**
Financial balance		
Net financial income	258,358,374	(71,807,252)
Result from disposal of other shareholdings (AFS)	-	-
Total financial balance	**258,358,374**	**(71,807,252)**
Result before taxes	**228,834,245**	**(120,413,172)**
Income taxes	**(45,215,469)**	**(46,926,065)**
Result after taxes from operating activities	**274,049,714**	**(73,487,107)**
Net result from discontinued operations	-	-
Net result of the year	**274,049,714**	**(73,487,107)**

STATEMENT OF COMPREHENSIVE INCOME (amounts in euro)	12.31.2016	12.31.2015
NET RESULT OF THE YEAR (A)	**274,049,714**	**(73,487,107)**
Actuarial gains/(losses) on Employee's Benefits booked in the Net equity	(36,144,144)	6,086,047
Tax effect of other actuarial gains/(losses)	11,214,346	(1,544,790)
Total actuarial gains/(losses) net of the tax effect (B)	**(24,929,798)**	**4,541,257**
Effective part of gains/(losses) on cash flow hedge	24,378,320	23,443,082
Tax effect of other gains/(losses)	(6,302,733)	(5,052,274)
Total other gains/(losses) net of the tax effect (C)	**18,075,587**	**18,390,808**
Gains/(losses) from recalculation of availiable for sale	-	(248)
Tax effect of other gains/(losses)	-	145,942
Gains/(losses) from the restatement of financial assets available for sale (D)	**-**	**145,694**
Total comprehensive result (A)+(B)+(C)+(D)	**267,195,503**	**(50,409,348)**

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.

A2A S.p.A. CASH-FLOW STATEMENT (amounts in euro)		12.31.2016		12.31.2015
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**587,049,592**		**410,501,055**
Contribution from non recurring transactions		**28,102,900**		**-**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**615,152,492**		**410,501,055**
Operating activities				
Result of the year (**)		**219,713,275**		**(73,487,107)**
Tangible assets depreciation		121,488,437		74,160,540
Intangible assets amortization		8,429,260		6,664,143
Fixed assets write-downs		205,394,156		5,716,663
Shareholdings write-downs		60,130,442		221,372,219
Net taxes paid/receivables for disposed taxes (a)	*7,958,109*		*44,053,403*	
Gross change in assets and liabilities (b)	*(249,871,300)*		*(57,747,217)*	
Total change of assets and liabilities (a+b) (*)		(241,913,191)		(13,693,814)
Cash flow from operating activities		**373,242,379**		**220,732,644**
Investment activities				
Investments in tangible assets		(27,568,056)		(39,532,919)
Investments in intangible assets and goodwill		(10,650,456)		(5,908,823)
Investments in shareholdings and securities (*)		(89,067,015)		(35,802,787)
Disposal of fixed assets and shareholdings		6,010,000		4,788,391
Cash flow from investment activities		**(121,275,527)**		**(76,456,138)**
FREE CASH FLOW		**251,966,852**		**144,276,506**
Financing activities				
Change in financial assets (*)		22,501,414		96,644,887
Change in financial liabilities (*)		(380,884,578)		150,497,221
Net financial interests paid		(104,618,280)		(102,122,725)
Dividends paid		(125,910,494)		(112,747,352)
Cash flow from financing activities		**(588,911,938)**		**32,272,031**
CHANGE IN CASH AND CASH EQUIVALENTS		**(336,945,086)**		**176,548,537**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**278,207,406**		**587,049,592**

(*) Cleared of balances in return of shareholders' equity and other balance sheet items.
(**) Result of the year is exposed net of gains on shareholdings' and fixed assets' disposals.

A2A S.p.A.
Statement of changes in equity
(amounts in euro)

Description	**Share capital**	**Treasury shares**	**Reserves**	**Cash flow hedge *Reserve***	**Available for sale *Reserve***	**Net result of the year**	**Total equity**
Equity at December 31, 2014	**1,629,110,744**	**(60,891,196)**	**787,947,001**	**(39,068,957)**	**(607,840)**	**8,257,733**	**2,324,747,485**
Allocation of 2014 net result			8,257,733			(8,257,733)	
Ordinary dividend distribution			(112,747,352)				(112,747,352)
IAS 32 and 39 reserves (*)				18,390,808	145,694		18,536,502
IAS 19 Revised reserve "Employee Benefits" (*)			4,541,257				4,541,257
Other changes			876				876
Net result of the year (*)						(73,487,107)	(73,487,107)
Equity at December 31, 2015	**1,629,110,744**	**(60,891,196)**	**687,999,515**	**(20,678,149)**	**(462,146)**	**(73,487,107)**	**2,161,591,661**
Allocation of 2014 net result			(73,487,107)			73,487,107	
Ordinary dividend distribution			(125,910,494)				(125,910,494)
Contribution from non-recurring transactions			(4,770,421)	(3,981,983)		48,336,439	39,584,035
Operations on own shares		7,230,200	2,833,104				10,063,304
IAS 32 and 39 reserves (*)				22,057,570			22,057,570
IAS 19 Revised reserve "Employee Benefits" (*)			(16,614,973)				(16,614,973)
Net result of the year (*)						225,713,275	225,713,275
Equity at December 31, 2016	**1,629,110,744**	**(53,660,996)**	**470,049,624**	**(2,602,562)**	**(462,146)**	**274,049,714**	**2,316,484,378**
Availability of Equity Reserves			**A-B-C**	**D**			
A: For share capital increase B: To cover losses C: For distribution to Shareholders - availablefor euro 214,940,217 (**) D: Reserves not avaliable							

(*) These form part of the statement of comprehensive income.
(**) of which to fyscal moderate suspension equal to euro 124,783,022.