PRESS RELEASE – April 3, 2019

The Board of Directors of A2A S.p.A. has approved the 2018 results

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Net profit shows strong growth (+17%) to 344 million euro (293 million euro in 2017): the best result since the A2A Group was established

Gross Operating Margin at 1,231 million euro, up 3% on 2017

Investments for 500 million euro, up 11%

Strong cash generation in 2018 too: +204 million euro.
The NFP/EBITDA ratio decreased to 2.45x

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A dividend of 0.07 euro per share up 21% compared to 2017, was proposed to the Shareholders' Meeting

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Milan, April 3, 2019 – At today's meeting the Board of Directors of A2A S.p.A., chaired by Giovanni Valotti, approved the Separate financial statements and the Consolidated annual financial report drafts at December 31, 2018.

A2A Group - Consolidated results at December 31, 2018

In 2018, the A2A Group completed the territorial aggregation of the utilities of Como, Monza, Lecco, Sondrio and Varese, through a corporate and industrial partnership to establish the "Multiutility del Nord" and consolidated its presence in the photovoltaic segment thanks to the year acquisitions.

The following are the main indicators:

millions of euro	**Year 2018**	**Year 2017**	**Δ**	**Δ%**
Revenues	**6,494**	**5,796**	+698	+12.0%
Gross Operating Margin - EBITDA	**1,231**	**1,199**	+32	+2.7%
Net Operating Income - EBIT	**588**	**710**	-122	-17.2%
"Ordinary" Net Result	**438**	**413**	+25	+6.1%
"Reported" Net Result	**344**	**293**	+51	+17.4%

In 2018, **Revenues** amounted to 6,494 million euro, up 12% compared to 2017. The revenues increase is mainly due to revenues from the sale of electricity and gas - following the growth in wholesale volumes and the rise in prices - the increase in sales on the free market, particularly to customers, and the increase in green certificates revenues. The consolidation of the ACSM-AGAM group in the second half of the year generated a positive impact of 187 million euro on consolidated revenues.

Gross Operating Margin equalled 1,231 million euro, a 32 million euro rise compared to 2017 (+2.7%). The ACSM-AGAM group consolidation, starting July 1 2018, contributed 32 million euro to the Gross Operating Margin.
Net of the non-recurring items (64 million euro in 2017; 39 million euro in 2018) and changes in the consolidation scope, mainly for the ACSM-AGAM transaction, the Gross Operating Margin grew by 33 million euro (+3%).

Net Operating Income amounted to 588 million euro, down 122 million euro compared to 2017 (710 million euro in 2017). The reduction was due to:

- higher impairment loss for assets and goodwill write-off in 2018 (160 million euro in 2018; 34 million euro in 2017);
- increase in depreciation due to changes in the perimeter in 2017 and 2018 and to new investments.

Write off of Electricity Networks CGU goodwill amounted to 44 million euro (34 million in 2017) and impairment loss of Monfalcone plant asset amounted to 116 million euro.

Group Net Result reached 344 million euro in 2018 (293 million euro in 2017), up 51 million euro (+17%).
The EPCG put option exercised on July 1 2017 on the stake held by A2A S.p.A. in the share capital of the company had a negative impact of 86 million euro on Group net profit in 2017.
On the other hand, in 2018:

- the put option agreement was renegotiated in April, reducing the instalments number (from 7 to 4) and speeding up the payment dates for the shares sale (instalments between May 1, 2018 and July 31, 2019); the positive impact on the income statement was 21 million euro (5 million euro actuarial effect relative to the exercise of the first two instalments of said put option, which fell due in 2018 and 16 million euro relative to the collection of dividends from the investee EPCG);

- the equity investment in the Rudnik Uglija ad Pljevjia coal mine was sold, generating a gain of 6 million euro;
- badwill was recorded for approximately 8 million euro in relation to the acquisition of the Italian plants in the photovoltaic segment, owned by Talesun;
- as mentioned above, impairment loss and goodwill write off was 160 million euro; 128 million euro net of the related tax effects (net impairment in 2017 was 34 million euro).

Excluding the above mentioned effects and the impairment loss registered in 2017 and 2018, "Ordinary" Group Net Result for the year was 438 million euro (413 million euro in 2017).

Net Financial Position at December 31, 2018 amounted to 3,022 million euro (3,226 million euro as at December 31, 2017). In 2018, cash generation, after dividends payment for 180 million euro and Group investments of 500 million euro, was 235 million, partially offset for 31 million euro by the net effect of the perimeter change.

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A2A Group - Results by Business Unit

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

Millions of euro	**12.31.2018**	**12.31.2017**	**Change**	**Change %**
Generation	370	356	14	3.9%
Market	206	216	-10	-4.6%
Waste	268	261	7	2.7%
Networks and District Heating	410	391	19	4.9%
A2A Smart City	11	7	4	57.1%
International	0	-2	2	n.s.
Other Services and Corporate	-34	-30	-4	n.s.
Total	**1,231**	**1,199**	**32**	**2.7%**

Generation and Trading

Revenues amounted to 3,854 million euro, up 592 million euro compared to 2017. The increase was driven by greater sales of electricity and gas, increase in prices and higher green certificate revenues.

Gross Operating Margin amounted to 370 million euro, evidencing an increase of 14 million euro compared to 2017; 2 million were attributable to ACSM/AGAM Group.
Net of non-recurring items recorded in 2018 and 2017 (+11 million euro in 2018 and +3 million euro in 2017) and changes in scope, Gross Operating Margin increased by 5 million euro.
The positive result was boosted by the sale of the entire long position held in green certificates, together with the May 2018 recording of the contribution made by Ampezzo green certificates, the increased hydroelectric and gas productions, the rise in electricity prices (+14% of the PUN baseload) and the contribution of the newly-acquired companies operating in the photovoltaic industry.
These positive effects were partially offset by the lower contribution made by the ancillary services market in 2018 fourth quarter compared with the 2017 fourth quarter and the negative impacts deriving from the worsening of some variables of the energy scenario (gas and CO_2). The high gas prices (+23%

on 2017 of the average gas price at PSV) and the increase in environmental expenses (CO_2) resulted in a significant worsening, as compared to 2017, of the spreads on the MGP, in particular for CCGT plants (clean spark spread peakload), which were down 60% vis-a-vis 2017.
The gas portfolio recorded a significant decline in margins following higher procurement costs.

In 2018, investments amounted to 57 million euro and mainly concerned the extraordinary maintenance activities at the hydroelectric plants in Mese, Udine, Calabria and Valtellina for about 15 million euro, the CCGT plants for approximately 13 million euro and the traditional cycle plants of Monfalcone (9 million euro) and San Filippo del Mela (2 million euro). Development activities were implemented as well (7 million euro) and standards compliance for 9 million euro, of which 8 million euro related to Chivasso CCGT.

Market Business Unit

Revenues were 2,230 million euro (1,810 million euro as at December 31, 2017), up 23.2% due to larger quantities sold, particularly to large electricity customers. Revenues rose by 124 million euro in the second half of the year following the consolidation of the ACSM-AGAM group.

Gross Operating Margin amounted to 206 million euro, including 30 million euro from non-recurring items (+51 million euro in 2017) and 7 million euro from the consolidation of the ACSM-AGAM group.
Net of non-recurring items and changes in the consolidation scope, the Gross Operating Margin grew by 5 million euro (+3% on the previous year). In 2018, the contribution margin of the electricity and gas segments rose by approximately 19 million euro thanks to the increase in the number of mass market customers (approximately 190,000 at the end of 2017, net of the ACSM-AGAM effect) and larger electricity and natural gas sales volumes to large customers on the free market. Growth in the retail energy sector was only partly offset by higher costs, mainly for marketing and communication to attract new customers.
Moreover, the New Energy Solutions sector contributed to the increase in the Gross Operating Margin (approximately 2 million euro) thanks to the optimization of the energy efficiency certificate portfolio (TEE).

In 2018, investments totalled approximately 21 million euro, including the ACSM-AGAM group's investments of 3 million. Particularly, about 14 million euro were for the energy retail segment, mainly for evolutive maintenance and the development of hardware and software platforms; approximately 5 million euro were invested in new projects to develop the public lighting segment and 2 million euro to improve mobility (e-moving) and energy efficiency in the New Energy Solutions segment.

Waste Business Unit

In 2018, the Waste Business Unit recorded revenues of 1,022 million euro (980 million euro at December 31, 2017), up by 42 million euro compared to 2017. The contribution of the ACSM-AGAM group consolidation was 16 million euro.

Gross Operating Margin amounted to 268 million euro (261 million euro in 2017), of which 3 million euro from the ACSM-AGAM Group.

Net of the non-recurring items in 2017 and 2018 (+10 million euro in 2017; -1 million euro in 2018) and changes in scope, Gross Operating Margin from continuing operations was up 17 million euro (+7%).
Results were driven by both the management of waste-to-energy plants, thanks to greater revenues from the sale of energy, the increase in the quantities disposed of and, especially, the positive trend in urban waste transfer prices, and the management of industrial treatment plants (waste-to-energy plant in Filago and greater revenues from transfers to the inert lots landfill of Corteolona). These effects more than offset the lower margins following the lower revenues from recycled paper due to the drop in sales prices and the increase in costs to dispose of collected waste (multi-material and large items).

Investments in 2018 amounted to 105 million euro, of which 2 million euro relative to the ACSM/AGAM Group, and were mainly related to development and maintenance work on waste-to-energy plants (38 million euro), treatment plants and landfills (33 million euro), the purchase of collection vehicles and containers for both the awarding of tenders for the management of new Municipalities and for the renewal of the vehicle fleet, as well as other refurbishments works on company buildings and maintenance of operating systems relative to the collection segment, for a total of 34 million euro.

Networks and District Heating Business Units

Revenues amounted to 1,110 million euro (960 million euro as at December 31, 2017). Growth in revenues was mainly due to the greater revenues relating to the sale of heat and tariff contributions recognised to distributors to cancel out the energy savings obligations (TEE) as well as the contribution made by the ACSM-AGAM Group for 61 million euro.

The Gross Operating Margin amounted to 410 million euro (391 million euro as at December 31, 2017). The consolidation of the ACSM-AGAM group contributed 26 million euro to this total.
Net of non-recurring items (+4 million euro in 2017 and +3 million euro in 2018) and changes in scope, the Business Unit recorded a decrease of 2 million euro in the ordinary Gross Operating Margin (-1% vis-à-vis 2017): the positive effects deriving from the increase of the allowed revenues for gas distribution, the increase in water sector tariffs approved by the Regulatory Authority and the greater margins recorded in the district heating segment, although penalised by the rising costs of CO2, offset the reduction in allowed revenues for electricity distribution and other revenues for gas distribution.

Investments in 2018 equalled 275 million euro (14 million euro relative to the ACSM-AGAM Group) and regarded:

- in the electricity distribution segment, development and maintenance work on plants and in particular the connection of new users, maintenance work on secondary cabins, the extension and refurbishment of the medium and low voltage network and the maintenance and upgrading of primary plants (81 million euro);
- in the gas distribution segment, development and maintenance work on plants relating to the connection of new users and the replacement of medium and low pressure piping and smart gas meters (94 million euro);
- in the integrated water cycle segment, work carried out on the water transportation and distribution network and the sewerage networks and purification plants (51 million euro);
- in the district heating and heat management segment, development and maintenance of plants and networks for a total of 49 million euro.

International Business Unit

The International business unit generated revenues of 8 million euro as at December 31, 2018 through the construction of high-tech waste treatment plants.

Gross Operating Margin and Net Operating Income were almost nil (negative for 2 million euro in the previous year).

A2A Smart City

In 2018, the revenues of A2A Smart City S.p.A. amounted to 53 million euro, up by 23 million euro compared to 2017 due to both the contribution of Linea Com S.r.l. - a company operating in the telecommunications sector of the LGH Group incorporated into A2A Smart City starting from February 2018 - and the expansion of the services offered to other Group companies and to third-party operators.

Gross Operating Margin was 11 million euro, up approximately 4 million euro with respect to 2017. The increase in profit margins was mainly due to projects started in the second half of 2017 for the construction of infrastructure to lay optical fibre cables, mainly in Brescia.

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A2A Group - Economic and Financial Results

"**Net fixed Assets**" were 6,131 million euro and, net of the first consolidations which shows a contribution of 484 million euro, was down by 133 million euro with respect to December 31, 2017.
The main changes were related to:

- write-offs of 160 million euro, 116 million euro related to the "Monfalcone" CGU and 44 million euro to the goodwill of the "A2A Reti Elettriche" CGU;
- ordinary depreciation for the year for 463 million euro;
- net decrease in deferred tax assets of 22 million euro;
- investments for 500 million euro;
- reduction in equity investments and other non-current financial assets by 52 million euro, mainly due to the first-time consolidation of the ACSM-AGAM Group;
- decrease in the industrial portfolio of environmental certificates for 71 million euro;
- contributions from acquisitions during the year and effects resulting from the Purchase Price Allocation processes for 116 million euro;
- other positive changes amounting to 19 million euro.

"**Working Capital**" was 302 million euro, net of the contribution deriving from the first-time consolidations of 18 million euro, up by 49 million euro vis-a-vis December 31, 2017.
The main changes were related to:

- net increase of 29 million euro in trade receivables and payables, primarily due to the changes in scope, offset by an improved management of the customer portfolio;
- increase in inventories for 35 million euro, mainly due to gas and fuel oil deposits;
- net increase in current tax liabilities for 87 million euro;
- decrease in amount payable to the tax authority for VAT for 52 million euro;
- decrease in the amounts payable to CSEA, excise duties and tariff components for 22 million euro;
- other negative changes in current liabilities for 2 million euro.

"**Assets held for sale**" amounted to 112 million euro and mainly refer to the investment in EPCG, 18.7% held by A2A S.p.A., booked as a discontinued operation in compliance with the provisions of IFRS 5, following the decision of 3 July 2017 to exercise the sale put option on the entire shareholding.
The consolidated "**Employed capital**" at December 31, 2018 amounted to 6,545 million euro and was financed by Equity for 3,523 million euro and the Net Financial Position for 3,022 million euro.

"**Equity**" amounted to 3,523 million euro and shows a positive change for a total of 510 million euro. The positive change was driven by:

- the result of the year for 354 million euro (344 million euro pertaining to the Group and 10 million euro to minorities);
- the first-time consolidation of the ACSM-AGAM Group for 331 million euro;
- the measurements in accordance with IFRS 9 and IAS 19 for a total of 10 million euro (of which +9 million euro from the measurement of cash flow hedges and the provision for doubtful debt).

This performance was partially offset by the distribution of dividends for 180 million euro.

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

The comparison between the years 2018 and 2017 of the Parent Company A2A S.p.A. is non-homogeneous because of the various corporate restructuring operations that affected 2017 (for details see the Press Release of March 20, 2018) and 2018.
In particular, the following operations were carried out in 2018:

- conferral of the e-mobility business unit in favour of the subsidiary A2A Energy Solutions S.r.l. with effect starting 1 January 1 2018;
- conferral of the "RAMO IDRO" business unit comprising the hydroelectric powerhouses in San Pietro Sovera, Rescia, Gravedona and Cremia in the favour of the subsidiary A2A IDRO4 S.r.l., with effect April 1, 2018.

In 2018, **Revenues** were 3,826 million euro (3,089 million euro in 2017). Sales revenues (3,578 million euro) mainly refer to electricity sales to wholesalers, institutional operators, on IPEX markets (Italian Power Exchange) and subsidiaries, sales of gas and fuels to third parties and subsidiaries and the sale of environmental certificates. Revenues from services (165 million euro) mainly refer to administrative, fiscal, legal, managerial and technical services provided to subsidiaries. Other revenues (83 million euro) mainly included incentives on net production from renewable sources.
Operating costs amounted to 3,516 million euro (2,788 million euro at December 31, 2017) and refer to raw materials costs (2,983 million euro) related primarily to purchases of energy and fuels, both for electricity production and for resale, purchases of materials and environmental certificates; service

costs (221 million euro), which refer to the costs for the transport and storage of natural gas, costs for plant maintenance as well as for professional and technical services costs and other operating costs (312 million euro), which include the contracting of thermoelectric production plants "tolling agreement" of both subsidiaries and associates, as well as water derivation fees, damages and penalties. Labour costs amounted to 135 million euro (128 million euro at December 31, 2017).

Due to the above dynamics **Gross Operating Margin** amounted to 175 million euro (174 million euro at December 31, 017).

"**Amortisation and depreciation, provisions and impairment**" amounted to 90 million euro in 2018(88 million euro at 31 December 2017) and includes amortisation, depreciation and impairment of tangible and intangible assets for 87 million euro (81 million euro at December 31, 2017) and provisions for 3 million euro (6 million euro at December 31, 2017).

"**Net Operating Income**" was positive for 85 million euro (positive for 86 million euro at December 31, 2017).

"**Result from non-recurring transactions**" amounted to 6 million euro and includes the gain deriving from the sale of the investment held in the company Rudnik Uglja ad Pljevlja.

"Financial operations" reported a positive balance of 276 million euro (positive for 239 million euro at December 31, 2017). This item includes dividends from investees for 367 million euro (346 million euro at December 31, 2017), impairment of equity investments for a total of 73 million euro relative to A2A Energiefuture S.p.A. (following the impairment loss on the Monfalcone plant), the measurement of the exchange deriving from the transaction on the equity investment of ACSM-AGAM S.p.A. of 76 million euro net of the capital loss of 8 million euro deriving from the restoration of the float on the stock exchange of its shares and net financial expenses for 86 million euro (107 million euro as at December 31, 2017).

"Result before taxes" was positive for 366 million euro (positive for 325 million euro at December 31, 2017).

"Income taxes" were 14 million euro (2 million euro at December 31, 2017).
Taxation mainly derives from the booking of: i) current tax calculated on taxable income for IRES and IRAP; ii) reduction in deferred tax liabilities following reversal of the temporary differences from previous years, partly offset by a reduction in prepaid tax, also due to the reversal of temporary differences from previous years.

"**Net result from discontinued operations"** was positive for 21 million euro, including 16 million euro in collections of dividends from the investee EPCG and 5 million euro as proceeds from discounting, to adjust the value of the equity investment in EPCG to fair value.
As at December 31, 2017, this item had a negative value of 55 million euro, referring 29 million euro to the impairment of the investee EPCG and 26 million euro to the discounting expenses for the equity investment held in EPCG, so as to adjust the value to fair value.

"Investments" for the year amounted to 52 million euro and in particular concerned work on hydroelectric plants, improvements to third party assets, investments on the Group's IT systems, as well as investments in shareholdings, mainly in connection with the acquisition of ACSM-AGAM S.p.A..

Financial position and assets of A2A S.p.A.

"Net Financial Position" amounted to 2,082 million euro improving by 277 million euro with respect to December 31, 2017. Operations during the year generated resources of 495 million euro, partly offset by the resources absorbed by net investments in tangible and intangible assets and shareholdings for 52 million euro and dividends paid to shareholders for 180 million euro.

Dividends distribution proposal

The Board of Directors resolved to propose to the ordinary Shareholders' Meeting an ordinary dividend of 0.07 euro per ordinary share outstanding (corresponding to total dividends of approximately 218 million euro), up 21% compared to 2017.

The dividend will be paid from 22 May 2019 (ex-dividend date May 20, 2019 – record date May 21, 2019).

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Improvement in Sustainability indicators

In 2018, A2A generated and distributed to stakeholders gross global added value of 1,814 million euro (+10% compared to 2017). The Group has distributed wealth also through the 1,500 million euro (+47%) spent on orders, 92% of which for the benefit of Italian companies. 113.5 million euro were investments in activities with environmental implications. Training increased (20 hours per capita) and the frequency and severity indexes of injuries improved (-8% and -13%). CO_2 emissions avoided up by 11% (2.8 million tonnes), thanks to renewable sources, cogeneration and energy recovery from waste. The volume served by the district heating network increased. Separate waste collection reached 67.6% on average (vs. 63.2% in 2017) and 99.7% of urban waste collected was sent for material recovery (68.7%) or energy (31.0%).
A2A Energia confirms its excellent standing in terms of customer satisfaction, remaining in the top three of all market segments, in the Monitor Energia Cerved survey. Group plant tours involved over 34 thousand (+7%) students and teachers. The listening programme continued on the territories with two multi-stakeholder forums, in Udine and Piedmont, followed by the launch of two calls to action aiming to promote entrepreneurial projects in line with the needs of local communities. In 2018, 16 projects were launched, winning the "Doniamo Energia" tender promoted in cooperation with the Cariplo Foundation, with the aim of assisting families in vulnerable social and economic positions throughout Lombardy and the "Doniamo Energia 2" tender has now been launched. To date, 6,000 people have benefited from these interventions.

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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 accordance with the recommendations in the ESMA Guidelines published in October 2015, the indicators are described below, with an explanation of their content and calculation base:

- ***Gross operating margin (EBITDA)*** *is an alternative measure of operating performance, calculated as the sum of the "Net operating income" plus "Depreciation, amortisation, write downs and provisions".*
- ***Gross operating margin before non-recurring items*** *is an alternative performance indicator calculated as the gross operating margin described above by excluding non-recurring transactions or operations (e.g., adjustments relating to previous years, extraordinary redundancy plans, etc.);*
- ***"Ordinary" Net Result (Ordinary Net Profit)*** *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 items) and the write-down of assets, goodwill and equity investments, as well as impairment reversals (net of the relative tax effects);*
- ***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.'s corporate accounting documents, Andrea Crenna, states – in accordance with article 154-bis, sub-section 2 of the Financial Act del (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 at December 31, 2018 and from the Separate Financial Statements at December 31, 2018.

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)	12.31.2018	12.31.2017
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	4,620	4,606
Intangible assets	2,302	1,863
Shareholdings carried according to equity method	16	63
Other non-current financial assets	29	44
Deferred tax assets	264	301
Other non-current assets	20	8
TOTAL NON-CURRENT ASSETS	**7,251**	**6,885**
CURRENT ASSETS		
Inventories	187	147
Trade receivables	1,781	1,671
Other current assets	313	216
Current financial assets	16	8
Current tax assets	49	107
Cash and cash equivalents	624	691
TOTAL CURRENT ASSETS	**2,970**	**2,840**
NON-CURRENT ASSETS HELD FOR SALE	**112**	**224**
TOTAL ASSETS	**10,333**	**9,949**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,629	1,629
(Treasury shares)	(54)	(54)
Reserves	1,216	1,010
Result of the year	344	293
Equity pertaining to the Group	**3,135**	**2,878**
Minority interests	388	135
Total equity	**3,523**	**3,013**
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current financial liabilities	2,984	3,501
Employee benefits	314	319
Provisions for risks, charges and liabilities for landfills	642	625
Other non-current liabilities	148	148
Total non-current liabilities	**4,088**	**4,593**
CURRENT LIABILITIES		
Trade payables	1,413	1,381
Other current liabilities	581	521
Current financial liabilities	694	437
Tax liabilities	34	4
Total current liabilities	**2,722**	**2,343**
Total liabilities	**6,810**	**6,936**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**10,333**	**9,949**

CONSOLIDATED INCOME STATEMENT (millions of euro)	01.01.2018 12.31.2018	01.01.2017 12.31.2017
Revenues		
Revenues from the sale of goods and services	6,271	5,590
Other operating income	223	206
Total Revenues	**6,494**	**5,796**
Operating expenses		
Expenses for raw materials and services	4,332	3,681
Other operating expenses	266	281
Total Operating expenses	**4,598**	**3,962**
Labour costs	**665**	**635**
Gross operating income - EBITDA	**1,231**	**1,199**
Depreciation, amortization, provisions and write-downs	**643**	**489**
Net operating income - EBIT	**588**	**710**
Result from non-recurring transactions	**14**	**-**
Financial balance		
Financial income	16	19
Financial expenses	132	158
Affiliates	4	5
Result from disposal of other shareholdings	-	-
Total financial balance	**(112)**	**(134)**
Result before taxes	**490**	**576**
Income taxes	**157**	**192**
Result after taxes from operating activities	**333**	**384**
Net result from discontinued operations	21	(85)
Net result	**354**	**299**
Minorities	**(10)**	**(6)**
Group result of the year	**344**	**293**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	12.31.2018	12.31.2017
Net result of the year (A)	**354**	**299**
Actuarial gains/(losses) on Employee's Benefits booked in the Net equity	2	19
Tax effect of other actuarial gains/(losses)	(1)	(7)
Total actuarial gains/(losses) net of the tax effect (B)	**1**	**12**
Effective part of gains/(losses) on cash flow hedge	18	(26)
Tax effect of other gains/(losses)	(5)	8
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**13**	**(18)**
Other gains/(losses) of companies valued at equity net of the tax effect (D)	-	-
Total comprehensive result (A)+(B)+(C)+(D)	**368**	**293**
Total comprehensive result attributable to:		
Shareholders of the parent company	**358**	**287**
Minority interests	**(10)**	**(6)**

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)		12.31.2018		12.31.2017
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**691**		**402**
Change in EPCG consolidation method		-		(55)
Contribution of first consolidation of acquisitions of 2018/2017		26		7
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**717**		**354**
Operating activities				
Net Result (**)		**348**		**297**
Tangible assets depreciation		372		338
Intangible assets amortization		91		72
Fixed assets write-downs/disposals		167		43
Result from affiliates		(4)		(5)
Held for sale activities write off		-		86
Net financial interests		116		139
Net financial interests paid		(114)		(115)
Net taxes paid (a)	*(102)*		*(192)*	
Gross change in assets and liabilities (b)	*149*		*203*	
Total change of assets and liabilities (a+b) (*)		47		11
Cash flow from operating activities		**1,023**		**866**
Investment activities				
Investments in tangible assets		(305)		(306)
Investments in intangible assets and goodwill		(195)		(148)
Investments in shareholdings and securities (*)		(25)		(23)
Disposal of fixed assets and shareholdings		13		-
Dividends received		2		2
Cash flow from investment activities		**(510)**		**(475)**
FREE CASH FLOW		**513**		**391**
Financing activities				
Changes in financial assets				
Monetary changes:				
Issuance of loans	*-*		*-*	
Proceeds from loans	*5*		*7*	
Other monetary changes	*11*		*(10)*	
Total monetary changes	***16***		***(3)***	
Non-monetary changes:				
Other non-monetary changes	*79*		*5*	
Total non-monetary changes	***79***		***5***	
TOTAL CHANGES IN FINANCIAL ASSETS (*)		**95**		**2**
Changes in financial liabilities				
Monetary changes:				
Borrowings/bonds issued	*68*		*743*	
Repayment of borrowings/bond	*(521)*		*(613)*	
Lease payments	*(2)*		*(2)*	
Dividends paid by the parent company	*(180)*		*(153)*	
Dividends paid by the subsidiaries	*(5)*		*(2)*	
Other monetary changes	*(2)*		*(3)*	
Total monetary changes	***(642)***		***(30)***	
Non-monetary changes:				
Amortized cost valuations	*4*		*-*	
Other non-monetary changes	*(63)*		*(26)*	
Total non-monetary changes	***(59)***		***(26)***	
TOTAL CHANGES IN FINANCIAL LIABILITIES (*)		**(701)**		**(56)**
Cash flow from financing activities		**(606)**		**(54)**
CHANGE IN CASH AND CASH EQUIVALENTS		**(93)**		**337**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**624**		**691**

(*) Cleared of balances in return of shareholders' equity and other balance sheet items.
(**) Net Result is exposed net of gains on shareholdings', fixed assets' disposals and from discontinued operations.

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, 2016 *Restated*	**1,629**	**(54)**	**(2)**	**921**	**232**	**2,726**	**553**	**3,279**
2016 result allocation				232	(232)			
Distribution of dividends				(153)		(153)	(1)	(154)
IAS 19 reserves (*)				12		12		12
Cash flow hedge reserves (*)			(18)			(18)	1	(17)
EPCG equity method							(420)	(420)
Other changes				18		18	(4)	14
Group and minorities result of the year					293	293	6	299
Net equity at December 31, 2017	**1,629**	**(54)**	**(20)**	**1,030**	**293**	**2,878**	**135**	**3,013**
IFRS 9 - FTA				**(4)**		**(4)**		**(4)**
Net equity at January 1, 2018	**1,629**	**(54)**	**(20)**	**1,026**	**293**	**2,874**	**135**	**3,009**
2017 result allocation				293	(293)			
Distribution of dividends				(180)		(180)	(5)	(185)
IAS 19 reserves (*)				1		1		1
Cash flow hedge reserves (*)			13			13		13
Other changes				83		83	248	331
Group and minorities result of the year					344	344	10	354
Net equity at December 31, 2018	**1,629**	**(54)**	**(7)**	**1,223**	**344**	**3,135**	**388**	**3,523**

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

A2A S.p.A. **BALANCE SHEET** *(amounts in euro)*	**12.31.2018**	**12.31.2017**
ASSETS		
NON-CURRENT ASSETS		
Tangible assets	1,038,947,161	1,118,635,048
Intangible assets	80,249,610	95,200,291
Shareholdings	3,702,584,390	3,653,742,408
Other non-current financial assets	609,165,937	75,696,307
Deferred tax assets	65,999,810	61,172,835
Other non-current assets	8,401,311	604,072
TOTAL NON-CURRENT ASSETS	**5,505,348,219**	**5,005,050,961**
CURRENT ASSETS		
Inventories	94,736,836	78,566,348
Trade receivables	717,191,968	551,660,011
Other current assets	260,381,762	164,991,718
Current financial assets	661,376,728	878,625,624
Current tax assets	35,542,548	87,134,265
Cash and cash equivalents	509,947,205	611,941,606
TOTAL CURRENT ASSETS	**2,279,177,047**	**2,372,919,572**
NON-CURRENT ASSETS HELD FOR SALE	**108,960,169**	**224,186,503**
TOTAL ASSETS	**7,893,485,435**	**7,602,157,036**
EQUITY AND LIABILITIES		
EQUITY		
Share capital	1,629,110,744	1,629,110,744
(Treasury shares)	(53,660,996)	(53,660,996)
Reserves	687,046,600	586,135,725
Net result of the year	373,091,108	268,461,294
Total equity	**2,635,587,456**	**2,430,046,767**
LIABILITIES		
NON-CURRENT LIABILITIES		
Non-current financial liabilities	2,841,406,962	3,392,948,136
Employee benefits	142,277,393	143,512,115
Provisions for risks, charges and liabilities for landfills	180,304,233	164,897,725
Other non-current liabilities	18,622,107	28,945,973
Total non-current liabilities	**3,182,610,695**	**3,730,303,949**
CURRENT LIABILITIES		
Trade payables	776,005,156	689,579,544
Other current liabilities	250,475,901	242,079,728
Current financial liabilities	1,019,911,736	510,147,048
Tax liabilities	28,894,491	
Total current liabilities	**2,075,287,284**	**1,441,806,320**
Total liabilities	**5,257,897,979**	**5,172,110,269**
LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**7,893,485,435**	**7,602,157,036**

A2A S.p.A. INCOME STATEMENT (amounts in euro)	01.01.2018 12.31.2018	01.01.2017 12.31.2017
Revenues		
Revenues from the sale of goods and services	3,742,583,396	3,037,519,957
Other operating income	83,044,739	51,791,339
Total Revenues	**3,825,628,135**	**3,089,311,296**
Operating expenses		
Expenses for raw materials and services	3,203,793,757	2,486,302,113
Other operating expenses	312,079,537	301,574,408
Total Operating expenses	**3,515,873,294**	**2,787,876,521**
Labour costs	**134,536,395**	**127,819,310**
Gross operating income - EBITDA	**175,218,446**	**173,615,465**
Depreciation, amortization, provisions and write-downs	**90,452,044**	**87,733,466**
Net operating income - EBIT	**84,766,402**	**85,881,999**
Result from non-recurring transactions	**5,723,742**	**156,721**
Financial balance		
Financial income	460,220,389	361,022,925
Financial expenses	184,096,679	121,591,560
Result from disposal of other shareholdings	-	-
Total financial balance	**276,123,710**	**239,431,365**
Result before taxes	**366,613,854**	**325,470,085**
Income taxes	**14,172,353**	**2,177,578**
Result after taxes from operating activities	**352,441,501**	**323,292,507**
Net result from discontinued operations	20,649,607	(54,831,213)
Net result of the year	**373,091,108**	**268,461,294**

STATEMENT OF COMPREHENSIVE INCOME (amounts in euro)	12.31.2018	12.31.2017
NET RESULT OF THE YEAR (A)	**373,091,108**	**268,461,294**
Actuarial gains/(losses) on Employee's Benefits booked in the Net equity	(2,276,775)	17,889,911
Tax effect of other actuarial gains/(losses)	692,421	(5,332,920)
Total actuarial gains/(losses) net of the tax effect (B)	**(1,584,354)**	**12,556,991**
Effective part of gains/(losses) on cash flow hedge	19,453,212	(19,968,842)
Tax effect of other gains/(losses)	(4,737,540)	5,484,777
Total other gains/(losses) net of the tax effect (C)	**14,715,672**	**(14,484,065)**
Gains/(losses) from recalculation of availiable for sale	-	-
Tax effect of other gains/(losses)	-	-
Gains/(losses) from the restatement of financial assets available for sale (D)	**-**	**-**
Total comprehensive result (A)+(B)+(C)+(D)	**386,222,426**	**266,534,220**

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)		12.31.2018		12.31.2017
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**611,941,606**		**278,207,406**
Operating activities				
Result of the year (**)		298,845,667		268,044,777
Tangible assets depreciation		72,868,919		72,961,284
Intangible assets amortization		10,420,174		8,299,165
Fixed assets write-downs		4,317,618		423,449
Shareholdings write-downs		73,118,996		1,458,940
Net financial interests		86,063,433		106,326,911
Net financial interests paid		(90,002,400)		(74,043,539)
Net taxes paid/receivables for disposed taxes (a)	*(6,246,891)*		*23,433,395*	
Gross change in assets and liabilities (b)	*45,451,234*		*206,172,308*	
Total change of assets and liabilities (a+b) (*)		*39,204,343*		*229,605,703*
Cash flow from operating activities		**494,836,750**		**613,076,690**
Investment activities				
Investments in tangible assets		(22,021,758)		(24,753,413)
Investments in intangible assets and goodwill		(22,552,233)		(17,617,453)
Investments in shareholdings and securities (*)		(20,087,607)		(7,563,057)
Disposal of fixed assets and shareholdings		12,849,050		660,869
Cash flow from investment activities		**(51,812,548)**		**(49,273,054)**
FREE CASH FLOW		**443,024,202**		**563,803,636**
Financing activities				
Changes in financial assets				
Monetary changes:				
Change in intercompany currency accounts	*286,180,791*		*(482,471,142)*	
Issuance of loans	*(611,257,260)*		*(86,845,341)*	
Proceeds from loans	*10,538,593*		*403,389,260*	
Other monetary changes			*200,000*	
Total monetary changes	***(314,537,876)***		***(165,727,223)***	
Non-monetary changes:				
Other non-monetary changes	*(4,210,394)*		*3,144,944*	
Total non-monetary changes	***(4,210,394)***		***3,144,944***	
TOTAL CHANGES IN FINANCIAL ASSETS (*)		**(318,748,270)**		**(162,582,279)**
Changes in financial liabilities				
Monetary changes:				
Change in intercompany currency accounts	*3,215,599*		*(154,781,888)*	
Borrowings/bond issued	*30,000,000*		*742,000,000*	
Repayment of borrowings/bond	*(77,695,807)*		*(476,886,822)*	
Dividends paid	*(179,710,827)*		*(152,971,846)*	
Other monetary changes	*(2,651,742)*		*2,649,117*	
Total monetary changes	***(226,842,777)***		***(39,991,439)***	
Non-monetary changes:				
Amortized cost valuations	*3,237,235*		*(1,826,939)*	
Other non-monetary changes	*(2,664,791)*		*(25,668,779)*	
Total non-monetary changes	***572,444***		***(27,495,718)***	
TOTAL CHANGES IN FINANCIAL LIABILITIES (*)		**(226,270,333)**		**(67,487,157)**
Cash flow from financing activities		**(545,018,603)**		**(230,069,436)**
CHANGE IN CASH AND CASH EQUIVALENTS		**(101,994,401)**		**333,734,200**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**509,947,205**		**611,941,606**

(*) Cleared of balances in return of shareholders' equity and other balance sheet items.
(**) Net Result 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, 2016	**1,629,110,744**	**(53,660,996)**	**470,049,624**	**(2,602,562)**	**(462,146)**	**274,049,714**	**2,316,484,378**
Allocation of 2016 net result			274,049,714			(274,049,714)	
Ordinary dividend distribution			(152,971,846)				(152,971,846)
Contribution from non-recurring transactions						156,721	156,721
Cash flow hedge reserves (*)				(14,484,064)			(14,484,064)
IAS 19 reserve "Employee Benefits" (*)			12,556,991				12,556,991
Other changes			14				14
Net result of the year (*)						268,304,573	268,304,573
Equity at December 31, 2017	**1,629,110,744**	**(53,660,996)**	**603,684,497**	**(17,086,626)**	**(462,146)**	**268,461,294**	**2,430,046,767**
IFRS9 - FTA			**(970,910)**				**(970,910)**
Equity at January 1, 2018	**1,629,110,744**	**(53,660,996)**	**602,713,587**	**(17,086,626)**	**(462,146)**	**268,461,294**	**2,429,075,857**
Allocation of 2017 net result			268,461,294			(268,461,294)	
Ordinary dividend distribution			(179,710,827)				(179,710,827)
Cash flow hedge reserves (*)				14,715,672			14,715,672
IAS 19 reserve "Employee Benefits" (*)			(1,584,354)				(1,584,354)
Other changes							
Net result of the year (*)						373,091,108	373,091,108
Equity at December 31, 2018	**1,629,110,744**	**(53,660,996)**	**689,879,700**	**(2,370,954)**	**(462,146)**	**373,091,108**	**2,635,587,456**
Availability of Equity Reserves			**A-B-C**	**D**			
A: For share capital increase							
B: To cover losses							
C: For distribution to Shareholders - available for euro 407,031,497 (**)							
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.