PRESS RELEASE

Business partnership between the shareholders of LGH and A2A finalised

A2A Group acquires a 51% stake in the share capital of LGH

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Milan, August 4th 2016 - A2A and AEM Cremona, ASM Pavia, ASTEM Lodi, Cogeme and SCS Crema have today finalised the business partnership transaction specified in the contract signed on 4 March 2016, through A2A's acquisition of a 51% stake in the share capital of LGH.

The agreement was finalised after fulfilment of all the conditions precedent, including, in particular, authorisation from the Italian Competition Authority on 28 July 2016, subject to compliance with some commitments and corrective measures, which was announced in the press release of 29 July 2016, and the signing and legalization of the recovery plan of AEM Cremona prepared pursuant to article 67, subsection 3, letter d) of the Bankruptcy Law, which occurred today.

The purchase price, 58% of which was paid in cash and 42% in A2A shares, amounted to 113 million euros, a part of which will be paid three years after closing, subject to the completion of certain initiatives under development.

After A2A, LGH is the main multi-utility company in Lombardy, with **revenues of over 550 million euros** and an **EBITDA of around 80 million euros**. The company has a significant presence in **environmental activities**, **distribution and the sale of electricity and gas**.

A2A and the shareholders of LGH agree on the strategic value of the partnership for both companies, the first actual implementation of the "**Multi-utility of the Territories"** model.
The operation is highly significant as a positive example of a virtuous process for all stakeholders involved: the expected business and financial benefits are in fact accompanied by the full exploitation of the company's presence in the reference regions, with goals for further industrial development, the improvement of operational efficiency and the raising of quality standards.

The partnership between A2A and LGH is in line with the strategic guidelines of A2A's Business Plan. The cornerstones established for the joint Business Plan of LGH, which will be presented in September, are the development of the regions, safeguarding the environment, continuous improvement in the quality of the services offered, and the application of technological and digital innovations.

In each business area significant opportunities to generate value have been identified, through the optimisation of investments in adjoining regions, better purchasing conditions, improved commercial efficiency, the internalisation of some activities now entrusted to third parties, logistics optimisation and the sharing of best practices.

"A2A and LGH represent a virtuous example of a strategic vision - commented Valerio Camerano, Chief Executive Officer of the A2A Group - *Together they will be able to increase their shared competitive capacity, more effectively address business challenges, and relaunch investments for future development. We are excited about working together".*

"We are very satisfied with the completion of this transaction - stated Giovanni Valotti, Chairman of the A2A Group- *It is the first important example of a new aggregation model which, based on respecting the identities of the existing companies, will be able to ensure LGH's growth path benefits the regions and citizens".*

The Chairmen Dario Lazzaroni (Cogeme), Massimo Siboni (AEM), Duccio Bianchi (ASM), Cristiano Galletti (Astem) and Pietro Moro (SCS), representatives of the historical shareholders of LGH, also expressed their satisfaction with the creation of this important business partnership capable of ensuring opportunities for growth and improvement in the quality of the services offered to the citizens in the reference regions.

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