PRESS RELEASE – 15 May 2015

The A2A S.p.A. Board of Directors has examined and approved the Interim Report on operations at 31 March 2015

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The Gross Operating Margin equalled 337 million euros, an increase of 32 million euros compared to the first quarter of 2014 (+10.5%)

An increase compared to the first three months of 2014 was also recorded for the Net Operating Income which amounted to 228 million euros (+25.3%) and the Net Profit which, in the quarter in question, reached 117 million euros (+46.3%)

The Net Financial Position, amounting to 3,307 million euros, was down by further 56 million euros compared to 31 December 2014

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Milan, 15 May 2015 – At today's meeting of the Board of Directors of A2A S.p.A., chaired by Mr. Giovanni Valotti, the Board examined and approved the Interim Report on Operations at 31 March 2015.

The period in question was characterized by a higher industrial margin than that of the corresponding quarter of 2014 and a further reduction of the company's net debt.
These results were achieved also thanks to the positive contribution of the plan to improve operational efficiency currently in progress, which made it possible to counteract the current economic situation in the electricity sector which continues to be very negative.
With reference to the Gross Operating Margin, a positive performance was achieved by all the Business Units.
In particular, the following should be noted:

- the positive contribution of the Generation and Trading Business Unit (+6 million euros compared to the first quarter of 2014) following the greater margins achieved in the thermoelectric sector which almost completely offset the lower and expected hydroelectric productions, on the environmental certificates markets and on the reduction of operating costs;

- the increased margin of the Environment Business Unit (+4 million euros compared to the first three months of 2014) mainly due to the effect of the greater quantities of waste disposed of at the Group's treatment plants;
- the increase in the Gross Operating Margin of the Heat and Services Business Unit (+7 million euros compared to the first quarter of 2014), mainly resulting from more favourable climatic conditions compared to the same period of the previous year;
- the increase, with regard to the Networks Business Unit, of the margin of the public lighting sector (+3 million euros) following the launch, in July 2014, of the project to replace the lighting equipment in the Municipality of Milan with new LED lamps;
- the improved results of the subsidiary EPCG (+5 million euros compared to 31 March 2014) following the greater quantities of electricity sold to end users.

The Net Operating Income of the period amounted to 228 million euros (+25.3%), while the Net Profit reached 117 million euros (+46.3%).
This performance can essentially be attributed to the lower amortisation and depreciation in the period deriving from the review (starting from July 2014) of the useful life of the CCGT plants, the write-downs of assets resulting from the Impairment Test performed at 31 December 2014 as well as a lighter tax load starting from 2015 due to the abolition of the "*Robin Hood Tax*" and the full deductibility from the IRAP taxable amount of the labour costs relative to employees with permanent contracts.

During the period the generation of net cash was positive and equalled 56 million euros, after investments for 49 million euros. The Net Financial Position at the end of March 2015 thus amounted to 3,307 million euros (3,363 million euros at 31 December 2014).

Main consolidated results of the A2A Group at 31 March 2015

in millions of euros	**3 months 2015**	**3 months 2014**	**Δ %**
Revenues	**1,379**	**1,451**	-5.0%
Gross Operating Income - EBITDA	**337**	**305**	+10.5%
Net Operating Income - EBIT	**228**	**182**	+25.3%
Group net Result	**117**	**80**	+46.3%

in millions of euros	**3 months 2015**	**Year 2014**	**Δ**
Net financial position	**3,307**	**3,363**	-56

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Operating performance of the Group

The electricity sold on the wholesale and retail markets by the Group's companies (net of the contribution of the subsidiary company EPCG in Montenegro) equalled[1] 12.3 TWh (billion kilowatt hours), in line with the first quarter of 2014.
The Group's plants contributed, for 3.5 TWh, to fulfil the demand.
The thermoelectric production equalled 2.0 TWh (+24%) while hydroelectric production reached 1.1 TWh (-14%).
Specifically, the increased thermoelectric production, mainly attributable to greater brokerage on the ancillary services market, more than offset the reduction in hydroelectricity production compared to the first quarter of 2014 which benefited from extraordinary hydraulicity.
On the other hand the production of electricity from co-generation, waste-to-energy and biogas plants amounted to 0.4 TWh.

In the quarter in question, gas sales amounted to 1,007 million cubic metres, in line with the first quarter of 2014: the greater volumes sold on the wholesale markets offset the lower sales to end users.

The EPCG group produced a total of 1.0 TWh (+11%), of which 0.4 TWh was from thermoelectric sources (+6%) and 0.6 TWh from hydroelectric sources (+14%). The increased production of thermoelectricity can be attributed to fewer days of stoppage at the Pljevlja plant compared to the first quarter of the previous year while, with reference to hydroelectricity production, the increase was caused by the greater hydraulicity recorded in the first months of 2015.
The import and other energy purchases recorded a reduction (-0.1 TWh) compared to the first quarter of 2014.
In the same period sales of electricity to end users increased by 7.3%, while the electricity exported recorded a decrease of 0.1 TWh.
The electricity distributed on the medium and low voltage network in Montenegro also amounted to 0.6 TWh (+10% compared to the first quarter of 2014).

Sales of heat recorded a growth of 0.2 thermal TWh compared to the first quarter of 2014 essentially attributable to the climatic conditions recorded in the first months of 2015 and to the incremental volumes deriving from new connections (+5%). The co-generation and waste-to-energy plants contributed to covering the thermal load with an overall production of 1.1 thermal TWh (+17%).

The quantities of waste collected, amounting to 0.2 million tonnes, were essentially in line with the first quarter of 2014. The quantities of waste disposed of, amounting to 0.7 million tonnes, were up by 5% compared to the first three months of the previous year, mainly following the coming into operation of the glass treatment plant in Asti (from July 2014) and the greater quantities of waste disposed of at the landfill in Montichiari.

The electricity distributed amounted to 2.8 TWh, in line with the first quarter of the previous year. The quantities of gas distributed amounted to 890 Mcm (+30 Mcm compared to 31 March 2014), while the water distributed amounted to 14 Mcm (15 Mcm in the first quarter of 2014).

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[1] Net of the energy sold and simultaneously reacquired by the Power Exchange.

Consolidated Economic Results

"**Revenues"** of the Group, amounting to 1,379 million euros, were down by 72 million euros compared to the first three months of 2014.
This performance can mainly be attributed to the reduction in the volumes of electricity and gas sold to end users, as well as the reduction of electricity sales on the IPEX platform.

The **Gross Operating Margin** equalled 337 million euros, an increase of 32 million euros compared to the first quarter of 2014. The following table highlights the composition by Business Unit:

Millions of euro	**03.31.2015**	**03.31.2014**	**Delta**	**Delta %**
Generation and Trading	113	107	6	5.6%
Commercial	28	25	3	12.0%
Environment	61	57	4	7.0%
Heat and Services	46	39	7	17.9%
Networks	69	62	7	11.3%
Epcg	25	20	5	25.0%
Other Services and Corporate	-5	-5	0	n.s.
Total	**337**	**305**	**32**	**10.5%**

The Gross Operating Margin of the *Generation and Trading Business Unit* amounted to 113 million euros, up by 6 million euros compared to the first quarter of the previous year essentially following the good performance recorded in the thermoelectric sector due to the effect of an improvement of the spreads and greater quantities traded on the secondary markets, the greater margins achieved on the environmental certificates market and a significant reduction of the operating costs.
This performance was partially offset by the reduction of the margin in the hydroelectric sector, resulting from the lower productions recorded compared to the first quarter of 2014, which was characterized by exceptional hydraulicity.

The Gross Operating Margin of the *Commercial Business Unit* amounted to 28 million euros, up by 3 million euros compared to the same period of the previous year.
The 2014 result, however, included negative non-recurring elements of income for an amount equal to 5 million euros. Net of these charges, the Gross Operating Margin of the Business Unit was essentially in line with the first quarter of 2014: the reduction of the margins recorded on the gas protected market was more than offset by greater profitability of the gas free market. The Business Unit also incurred greater costs for the acquisition of new customers to support the objectives announced in the 2015-2019 Strategic Plan.

The Gross Operating Margin of the *Environment Business Unit* equalled 61 million euros, an increase of 4 million euros compared to the first quarter of 2014.
The increase in the margin is mainly due to the greater quantities of waste disposed of at the glass treatment plant in Asti (which came into operation in July 2014) and the landfill in Montichiari, as well as the greater quantities of electricity produced by the waste-to-energy plant in Acerra.

The Gross Operating Margin of the *Heat and Services Business Unit*, amounting to 46 million euros, was up by 7 million euros compared to the first three months of 2014: the increase, resulting from more favourable climatic conditions compared to the same period of the previous year and the effective commercial development action, was partially offset by the lower results achieved on the environmental certificates markets.

The margin of the *Networks Business Unit* amounted to 69 million euros, up by 7 million euros compared to the first three months of the previous year. The increase can mainly be attributed to the electricity distribution sector (+5 million euros) following the higher revenues allowed by AEEGSI for the year 2015 with Resolution 146/15/R/eel. This comparative effect will be more than offset, from June 2015, by the increase in the 2014 tariff revenues approved by the sector Authority in June 2014 with Resolution 258/14/R/eel. The quarter in question also recorded a higher margin in the public lighting sector (+3 million euros), resulting from the launch, in July 2014, of the project to replace the lighting equipment in the Municipality of Milan with new low energy consumption LED lamps.

The Gross Operating Margin of the *EPCG Business Unit* amounted to 25 million euros, an increase of 5 million euros compared to the first three months of 2014.
This performance, attributable to both the energy sector and the distribution sector, is essentially due to the greater quantities of electricity sold to end users.

The “**Amortisation and depreciation, provision and write-downs**” amounted to a total of 109 million euros (123 million euros at 31 March 2014) and include amortisation and depreciation of the tangible and intangible assets for 98 million euros (115 million euros at 31 March 2014) and net provisions for 11 million euros (8 million euros at 31 March 2014).
The item recorded an overall reduction of 14 million euros compared to the corresponding period of the previous year, due to the effect of lower depreciations of the tangible assets caused by both the review of the useful life of the CCGT plants, starting from July 2014, and the write-downs from the Impairment Test performed at 31 December 2014, partially offset by the greater provisions for bad and doubtful debt made in the period (+3 million).

Due to the effect of the dynamics explained above, the "**Net Operating Income (EBIT)**" amounted to 228 million euros, up by 46 million euros (+25.3%) compared to the first quarter of 2014 (182 million euros at 31 March 2014).

"**Net financial charges**" equalled 42 million euros (44 million euros in the first quarter of 2014). The reduction compared to the corresponding period of the previous year, equal to 2 million euros, can mainly be attributed to lower net payable financial interest on the debt for 4 million euros obtained thanks to the various measures to improve the efficiency of the debt carried out in the previous quarters adjusted by the variation of the fair values of the financial derivatives negative for 2 million euros.

"**Affiliates**" were positive for 1 million euros (positive for 4 million euros at 31 March 2014), which can mainly be attributed to the valuation, according to the equity method, of the shareholding in ACSM-AGAM S.p.A..
The first quarter of 2014 benefited from the results of the associated company Dolomiti Energia S.p.A., sold in September 2014, positive for 2 million euros.

"**Income taxes"** in the period in question equalled 60 million euros (54 million euros at 31 March 2014). As a consequence of Sentence 10/2015 of the Constitutional Court, which declared the additional IRES of 6.50% (so called “Robin Hood Tax”) to be unconstitutional, with effect from 12

February 2015, these financial statements do not present any effect relative to that tax, as the deferred taxes allocated on the temporary differences generated in previous years were entirely reversed in the year 2014, while at 31 March 2014 the effects of the application of the Robin Hood Tax were implemented. It should also be noted that, following the provisions of art. 1, subsection 20, of Law no. 190 of 23 December 2014 (so called “2015 Stability Law”), the entire labour cost relative to employees with permanent contracts shall be deducted from the IRAP for the current tax period.

The **"Group result for the period**", after the “Minorities” were deducted, came to 117 million euros (80 million euros at 31 March 2014).

Financial position and assets

The consolidated “**Net Employed capital**” at 31 March 2015 came to 6,614 million euros and was covered by the Net Equity for 3,307 million euros and the net financial position for 3,307 million euros.

The “**Net working capital**” amounts to 478 million euros, up by 130 million euros compared to 31 December 2014 mainly following the reduction of the trade payables and other current liabilities, partially offset by the reduction of the gas inventories existing at 31 December 2014.

The “**Net fixed assets**” amounted to 6,136 million euros, a reduction of 58 million euros compared to 31 December 2014 mainly due to the amortisation and depreciation pertaining to the period.

The “**Net financial position**”, equal to 3,307 million euros, improved by 56 million euros compared to 31 December 2014 following the positive generation of cash flow from operations, partially offset by the resources absorbed by the investment activities in tangible and intangible assets for 49 million euros.

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Business outlook for operations

The results achieved by the Group in the first quarter of the year, also determined by the benefits deriving from the operational efficiency initiatives underway , support, on an annual basis, a Gross Operating Margin and a net financial position forecast in line with the targets identified in the 2015-2019 industrial plan.

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The Executive responsible for drawing up A2A S.p.A. company accounting documents 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 Interim Report on Operations at 31 March 2015.

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Duty to notify the public in accordance with Consob decision no. 11971 of 14.5.1999 as amended.

CONSOLIDATED BALANCE SHEET	03.31.2015	12.31.2014	03.31.2014
(millions of euro)			
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	5,579	5,625	5,870
Intangible assets	1,320	1,318	1,320
Shareholdings carried according to equity method	75	74	191
Other non-current financial assets	74	65	51
Deferred tax assets	307	323	375
Other non-current assets	39	43	57
TOTAL NON-CURRENT ASSETS	**7,394**	**7,448**	**7,864**
CURRENT ASSETS			
Inventories	180	284	214
Trade receivables	1,671	1,591	2,036
Other current assets	231	255	268
Current financial assets	131	126	116
Current tax assets	62	85	44
Cash and cash equivalents	599	544	551
TOTAL CURRENT ASSETS	**2,874**	**2,885**	**3,229**
NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**	**-**
TOTAL ASSETS	**10,268**	**10,333**	**11,093**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1,629	1,629	1,629
(Treasury shares)	(61)	(61)	(61)
Reserves	1,012	1,048	1,186
Result of the year	-	(37)	-
Result of the period	117	-	80
Equity pertaining to the Group	**2,697**	**2,579**	**2,834**
Minority interests	610	600	565
Total equity	**3,307**	**3,179**	**3,399**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current financial liabilities	3,938	3,931	4,003
Employee benefits	363	369	337
Provisions for risks, charges and liabilities for landfills	498	498	578
Other non-current liabilities	374	364	349
Total non-current liabilities	**5,173**	**5,162**	**5,267**
CURRENT LIABILITIES			
Trade payables	1,080	1,254	1,166
Other current liabilities	563	611	818
Current financial liabilities	122	125	420
Tax liabilities	23	2	23
Total current liabilities	**1,788**	**1,992**	**2,427**
Total liabilities	**6,961**	**7,154**	**7,694**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**10,268**	**10,333**	**11,093**

CONSOLIDATED INCOME STATEMENT (millions of euro)	**01.01.2015 03.31.2015**	**01.01.2014 03.31.2014**	**01.01.2014 12.31.2014**
Revenues			
Revenues from the sale of goods and services	1,339	1,409	4,761
Other operating income	40	42	223
Total Revenues	**1,379**	**1,451**	**4,984**
Operating expenses			
Expenses for raw materials and services	828	936	3,049
Other operating expenses	57	49	262
Total Operating expenses	**885**	**985**	**3,311**
Labour costs	**157**	**161**	**649**
Gross operating income - EBITDA	**337**	**305**	**1,024**
Depreciation, amortization, provisions and write-downs	**109**	**123**	**662**
Net operating income - EBIT	**228**	**182**	**362**
Result from non-recurring transactions	**-**	**-**	**9**
Financial balance			
Net financial charges	(42)	(44)	(165)
Affiliates	1	4	(45)
Result from disposal of other shareholdings (AFS)	-	-	-
Total financial balance	**(41)**	**(40)**	**(210)**
Result before taxes	**187**	**142**	**161**
Income taxes	**60**	**54**	**179**
Result after taxes from operating activities	**127**	**88**	**(18)**
Net result from discontinued operations	-	-	-
Net result	**127**	**88**	**(18)**
Minorities	**(10)**	**(8)**	**(19)**
Group result of the period	**117**	**80**	**(37)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	**03.31.2015**	**03.31.2014**	**12.31.2014**
Net result of the year (A)	**-**	**-**	**(18)**
Net result of the period (A)	**127**	**88**	**-**
Actuarial gains/(losses) on Employee's Benefits booked in the Net equity	-	-	(37)
Tax effect of other actuarial gains/(losses)	-	-	7
Total actuarial gains/(losses) net of the tax effect (B)	**-**	**-**	**(30)**
Effective part of gains/(losses) on cash flow hedge	2	(57)	(37)
Tax effect of other gains/(losses)	(1)	21	9
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**1**	**(36)**	**(28)**
Other gains/(losses) of companies valued at equity net of the tax effect (D)	-	-	-
Total comprehensive result (A)+(B)+(C)+(D)	**128**	**52**	**(76)**
Total comprehensive result attributable to:			
Shareholders of the parent company	**118**	**44**	**(95)**
Minority interests	**10**	**8**	**19**

CONSOLIDATED CASH-FLOW STATEMENT (millions of euro)	03.31.2015	12.31.2014	03.31.2014
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	**544**	**376**	**376**
Operating activities			
Net Result (**)	**127**	**(30)**	**88**
Tangible assets depreciation	82	385	100
Intangible assets amortization	16	61	15
Fixed assets write-downs/disposals	1	169	-
Result from affiliates	(1)	45	(4)
Net taxes paid (a)	-	(133)	-
Gross change in assets and liabilities (b)	(117)	443	7
Total change of assets and liabilities (a+b) (*)	(117)	310	7
Cash flow from operating activities	**108**	**940**	**206**
Investment activities			
Investments in tangible assets	(35)	(237)	(37)
Investments in intangible assets and goodwill	(14)	(70)	(13)
Investments in shareholdings and securities (*)	-	-	-
Disposal of fixed assets and shareholdings	-	-	-
Dividends received	-	4	-
Cash flow from investment activities	**(49)**	**(303)**	**(50)**
FREE CASH FLOW	**59**	**637**	**156**
Financing activities			
Change in financial assets (*)	(17)	(46)	(14)
Change in financial liabilities (*)	64	(195)	46
Net financial interests paid	(51)	(122)	(13)
Dividends paid by the parent company	-	(102)	-
Dividends paid by the subsidiaries	-	(4)	-
Cash flow from financing activities	**(4)**	**(469)**	**19**
CHANGE IN CASH AND CASH EQUIVALENTS	**55**	**168**	**175**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	**599**	**544**	**551**

(*) 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.

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 period/year	Total Equity pertaining to the Group	Minority interests	Total Net shareholders equity
Net equity at December 31, 2013	**1,629**	**(61)**	**(23)**	**1,184**	**62**	**2,791**	**557**	**3,348**
Changes of the first quarter of 2014								
2013 result allocation				62	(62)			
IAS 32 and 39 reserve (*)			(36)			(36)		(36)
Other changes				(1)		(1)		(1)
Group and minorities result of the period (*)					80	80	**8**	88
Net equity at March 31, 2014	**1,629**	**(61)**	**(59)**	**1,245**	**80**	**2,834**	**565**	**3,399**
Changes from 1st april to 31st december of 2014								
Distribution of dividends				(102)		(102)	**(4)**	(106)
IAS 19 reserve (*)				(30)		(30)		(30)
IAS 32 and 39 reserve (*)			8			8		8
Put option su azioni Edipower S.p.A.				(1)		(1)		(1)
Other changes				(13)		(13)	**28**	15
Group and minorities result of the period (*)					(117)	(117)	**11**	(106)
Net equity at December 31, 2014	**1,629**	**(61)**	**(51)**	**1,099**	**(37)**	**2,579**	**600**	**3,179**
Changes of the first quarter of 2015								
2014 result allocation				(37)	37			
IAS 32 and 39 reserve (*)			1			1		1
Group and minorities result of the period (*)					117	117	**10**	127
Net equity at March 31, 2015	**1,629**	**(61)**	**(50)**	**1,062**	**117**	**2,697**	**610**	**3,307**

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