PRESS RELEASE – 31 July 2013

The A2A S.p.A. Management Board has examined and approved the Half year financial report at 30 June 2013

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Positive economic-financial results for the first half of 2013

Gross Operating Margin of 610 million euros, up by 126 million euros compared to the corresponding period of 2012

Net profit for the period of 133 million euros, up by 8 million euros compared to the result of the first half of 2012 which benefited from greater reversals of funds and net capital gains for around 40 million euros

Net Financial Debt down by 298 million euros in the half year.

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Brescia, 31 July 2013 – At today's meeting of the Management Board of A2A S.p.A., chaired by Mr. Graziano Tarantini, the Board examined and approved *the Half year financial report at 30 June 2013.*

The ordinary operations show a Gross Operating Margin of 610 million euros, up by 126 million euros (+26.0%) compared to the same period of the previous year. This result includes the entry, for a total of 22 million euros, of charges relating to the plan to gradually reduce the workforce pertaining to the entire three-year period of the 2013-2015 Plan.

The Energy Business made a significant contribution to the performance of the Gross Operating Margin with a growth of 126 million euros compared to the first half of 2012. This benefited from the consolidation for the entire period of the company Edipower (which entered the Group's perimeter from June 2012) and the results of the subsidiary company EPCG in Montenegro which, also in the second quarter of the year, showed an increase in results compared to the year 2012. The profit trend of the Environment Business and the Cogeneration and District Heating Business was also positive, while the margin of the Networks Business was slightly reduced due to the effect of the aforementioned entry of a part of the mobility charge.

The net profit for the period equalled 133 million euros (125 million euros at 30 June 2012). It should be pointed out that the first half of 2012 benefited, compared to the first half of 2013, from greater reversals of funds and net capital gains for 40 million euros.

During the period, the generation of net cash flows was positive and amounted to 298 million euros, after investments of 118 million euros and the payment of dividends for 81 million euros. The Net Financial Position at the end of June 2013 thus amounted to 4,074 million euros (4,372 million euros at 31 December 2012).

Main consolidated results of the A2A Group at 30 June 2013

in millions of euros	**30 June 2013**	**30 June 2012**	**Δ %**
Revenues	**2,845**	3,290	-13.5%
Gross Operating Income - EBITDA	**610**	484	+26.0%
Net Operating Income - EBIT	**330**	280	+17.9%
Group Net Profit	**133**	125	+6.4%

in millions of euros	**30 June 2013**	**Year 2012**	**Δ**
Consolidated net financial debt	**4,074**	4,372	-298

Business outlook for operations

The positive economic performance highlighted in the first half of the year suggests that in 2013 the A2A Group may achieve an increased industrial result (EBITDA) compared to the previous year (1,068 million euros).

In keeping with the results achieved in the last 5 quarters, the management will remain committed, also in the second part of the year, to pursuing the objective of a further reduction of the levels of debt.

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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 19.4 TWh (billion kilowatt hours)[1], in line with the first half of 2012.
Sales concerned the domestic market for 14.5 TWh and foreign markets for 4.9 TWh.
The Group's plants (6.5 TWh) which, from June 2012 onwards, included the thermoelectric and hydroelectric plants owned by Edipower, contributed to fulfil the demand[2].
Specifically, in the period in question, thermoelectric production came to 3.5 TWh while hydroelectric production amounted to 2.4 TWh.
The production of electricity from co-generation, waste-to-energy and biogas plants (0.5 TWh) was instead down compared to the first half of 2012 (0.7 TWh at 30 June 2012).

The EPCG Group produced a total of 2.3 TWh (+87% compared to the first half of 2012), of which 0.5 TWh was from thermoelectric sources and 1.8 TWh from hydroelectric sources.
Thermoelectric production, despite the halt due to extraordinary maintenance of the thermoelectric plant in Pljevlja, was up by 0.1 TWh, while hydroelectric production, which benefited from extraordinary hydraulicity, showed an increase of 1.0 TWh.
These dynamics, combined with a reduction in sales on the end markets (-0.5 TWh) due to the lack of supply to a large energy consumer, allowed, with respect to the first six months of 2012, a reduction of imports (-0.6 TWh) and the simultaneous growth of exports (+0.4 TWh).
The electricity distributed on the medium and low voltage network in Montenegro amounted to 1.3 TWh (-3% compared to the first six months of 2012).

In the period in question, gas sales amounted to 1,294 million cubic metres, down by 1,327 million cubic metres due to reduced trading activities on the wholesale markets.

Sales of heat reached 1.5 thermal TWh (+12% compared to the same period of the previous year).
The Group's co-generation and waste-to-energy plants contributed to covering the thermal load with a total production of 1.3 thermal TWh, up by 12% compared to the first half of 2012.

The quantity of waste disposed of equalled 1.3 million tonnes (up by 2% compared to 30 June 2012) following the acquisition of new contracts in the Milan and Pavia areas.

The electricity distributed amounted to 5.5 TWh, down by 4% compared to the same period of the year 2012. The quantities of gas distributed were instead up compared to the first six months of the previous year and amounted to 1,227 million cubic metres (+3%).
The water distributed amounted to 32 million cubic metres (33 million cubic metres at 30 June 2012).

[1] Net of the energy sold and simultaneously reacquired by the Power Exchange.
[2] 23% of the production capacity of the Edipower plants is covered by a contract with the Iren Group. The production data is therefore stated net of the electricity underlying that contract.

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Economic results

"**Revenues**" of the A2A Group amounted to 2,845 million euros, down compared to the first half of 2012 (3,290 million euros) mainly due to the effect of a significant reduction in methane gas trading activities on the wholesale markets.

The "**Gross Operating Income**" equalled 610 million euros, an increase of 126 million euros compared to the first half of the previous year (+26.0%).

The following table shows the Gross Operating Income (EBITDA) by business area:

Millions of euros	**06.30.2013**	**06.30.2012**
Energy business	293	167
Environment Business	155	140
Heat and Services Business	57	44
Networks Business	121	134
Other Services and Corporate	(16)	(1)
Total Ebitda	**610**	**484**

The *Energy Business* shows a Gross Operating Income of 293 million euros, up by 126 million euros (+75%) compared to 30 June 2012.
The increase in the margin can be attributed to the good performance of the Industrial Portfolio which, despite the further fall in demand recorded in the second quarter of the year, benefited from the greater availability of energy produced by hydroelectric sources and the results achieved on the end markets and the platforms for forward sales of energy. The contribution of the Trading Portfolio was also positive.
EPCG Group contributed to the Business result for 53 million euros (-4 million euros in 2012), confirming the positive trend shown in the first quarter of the year.
The Business result includes the allocation of the mobility charge for around 6 million euros.

The Gross Operating Income of the *Environment Business* equalled 155 million euros (140 million euros in the first half of 2012). This result includes a positive income component pertaining to the previous year equal to 27 million euros and relative to the component to cover the fuel cost of the CIP6 tariff (so-called CEC) applied to the Group's waste-to-energy plants, whose expected reduction in the year 2012 did not in fact occur.
The margin of the Environment Business also incorporates lower revenues with respect to the previous year due to the effect of the expiry of the CIP 6 agreement relative to the waste-to-energy plant in Corteolona (Pavia), due to fewer foreign orders concluded in 2012 as well as the effects of the regulatory measures (Ministerial Decree 20/11/2012 and Legislative Decree no. 69 of 21 June 2013, the so-called "Decreto Fare") on determining the value of the CEC component for the year 2013.

The Gross Operating Income of the *Heat and Services Business* reached 57 million euros, an increase of 13 million euros compared to the first half of 2012. Both the District Heating Business – which in addition to the effects of the commercial development benefited from greater per capita consumption due to the particularly harsh climate – and the Management of heating plants owned by third parties contributed to this positive performance.

The margin of the *Networks Business*, equal to 121 million euros, shows a decrease of 13 million euros compared to the first half of 2012. This dynamic can mainly be attributed to the allocation of the mobility charges relative to the corporate restructuring plan. Net of this effect, the Gross Operating Income of the Business was essentially in line with the same period of the previous year.

The result of the *Other Services and Corporate Business* was negative for 16 million euros (-1 million euros in the first half of 2012). The result of the first six months is influenced by the allocation of non-recurring items (mobility charges and costs associated with the settlement of disputes) and compares with a result of the 2012 six-month period which on the contrary benefited from non-recurring revenues due to the positive outcome of previous disputes.

The "**Amortization and depreciation, write-downs and provisions**" amount to a total of 280 million euros (204 million euros at 30 June 2012). The increase of 76 million euros can be mainly attributed to the greater amortization and depreciation and provisions resulting from the consolidation of Edipower S.p.A..

Due to the effect of the dynamics explained above, the **"Net Operating Income (EBIT)"** equals 330 million euros (280 million euros at 30 June 2012).

The "**Net financial charges**" amount to 88 million euros (84 million euros in the first half of 2012). Compared to the first half of 2012, the period in question recorded greater financial charges to serve the debt for 22 million euros and a positive variation, for 47 million euros, of the fair value of the financial derivatives (at 30 June 2013 they show a positive result of 7 million euros while in the first half of 2012 they showed a negative result of 40 million euros). The result of the first half of 2012 included the positive effects deriving from the entering of badwill of 18 million euros deriving from the first consolidation of Edipower S.p.A..

"**Affiliates**" are positive by 7 million euros while at 30 June 2012 they were positive by 16 million euros, of which 12 million euros referred to the valuation of the results of the subsidiary company Edipower S.p.A. in the period prior to the acquisition of control.

The "**Other net non-operating expenses**" show a net negative value of 3 million euros (no value at 30 June 2012) and refer to the charges incurred by the subsidiary company EPCG.

"**Income taxes"** in the period in question equalled 94 million euros, in line with the corresponding period of 2012.

The "**Net results from non-current assets sold and held for sale**" did not show any value at 30 June 2013, while this item was positive for 13 million euros at 30 June 2012 and included the capital gain deriving from the disposal of the shareholding in the company e-Utile S.p.A. as well as the results for the period of the Coriance Group.

The "**Group net profit for the period**", after the Minorities were deducted, equalled 133 million euros (125 million euros at 30 June 2012).

Financial position and assets

The consolidated "Net Employed capital" at 30 June 2013 came to 7,826 million euros and was covered by the Net Equity for 3,752 million euros and the net financial debt for 4,074 million euros.

The "Net working capital" amounts to 696 million euros, down by 127 million euros compared to 31 December 2012.

The "Net fixed assets", including the "Assets/Liabilities held for sale", equalled 7,130 million euros, down by 116 million euros compared to 31 December 2012.

The "Net financial position", equal to 4,074 million euros was down by 298 million euros following the positive generation of cash flow attributable to the operating activities, partially offset by the resources absorbed by the investment activities for 118 million euros and by dividends distributed by the Parent Company for 81 million euros.

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The Executive responsible for drawing up A2A S.p.A.'s 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 A2A Group's accounting tables, extracted from the Half year financial report at 30 June 2013, subject to auditing.

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Duty to notify the public in accordance with Consob decision no. 11971 of 05/14/1999 as amended

CONSOLIDATED BALANCE SHEET (millions of euro)	06.30.2013	12.31.2012	06.30.2012 (*)
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	6,231	6,370	6,716
Intangible assets	1,384	1,393	1,392
Shareholdings carried according to equity method	217	210	229
Other non-current financial assets	54	53	50
Deferred tax assets	261	269	289
Other non-current assets	79	89	163
TOTAL NON-CURRENT ASSETS	**8,226**	**8,384**	**8,839**
CURRENT ASSETS			
Inventories	263	340	354
Trade receivables	1,849	1,907	1,912
Other current assets	473	318	352
Current financial assets	81	27	97
Current tax assets	49	90	8
Cash and cash equivalents	710	553	269
TOTAL CURRENT ASSETS	**3,425**	**3,235**	**2,992**
NON-CURRENT ASSETS HELD FOR SALE	**346**	**326**	**195**
TOTAL ASSETS	**11,997**	**11,945**	**12,026**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1,629	1,629	1,629
(Treasury shares)	-61	-61	-61
Reserves	1,189	1,018	1,076
Net profit for the year	-	260	-
Net profit for the period	133	-	125
Equity pertaining to the Group	**2,890**	**2,846**	**2,769**
Minority interests	862	851	849
Total equity	**3,752**	**3,697**	**3,618**
LIABILITIES			
NON - CURRENT LIABILITIES			
Non-current financial liabilities	3,506	4,371	4,762
Employee benefits	321	325	318
Provisions for risks, charges and liabilities for landfills	597	611	581
Other non-current liabilities	407	413	378
Total non-current liabilities	**4,831**	**5,720**	**6,039**
CURRENT LIABILITIES			
Trade payables	1,158	1,332	1,126
Other current liabilities	732	486	514
Current financial liabilities	1,452	653	514
Tax liabilities	20	8	57
Total current liabilities	**3,362**	**2,479**	**2,211**
Total liabilities	**8,193**	**8,199**	**8,250**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**52**	**49**	**158**
TOTAL EQUITY AND LIABILITIES	**11,997**	**11,945**	**12,026**

(*) The comparative figures at June 30, 2012 have been restated to reflect the adoption of IAS 19 Revised "Employee Benefits".

CONSOLIDATED INCOME STATEMENT (millions of euro)	01.01.2013 06.30.2013	01.01.2012 06.30.2012	01.01.2012 12.31.2012
		(*)	
Revenues			
Revenues from the sale of goods and services	2,739	3,232	6,281
Other operating income	106	58	199
Total Revenues	**2,845**	**3,290**	**6,480**
Operating expenses			
Expenses for raw materials and services	1,775	2,384	4,559
Other operating expenses	112	133	251
Total Operating expenses	**1,887**	**2,517**	**4,810**
Labour costs	**348**	**289**	**602**
Gross operating income - EBITDA	**610**	**484**	**1,068**
Depreciation, amortization, provisions and write-downs	**280**	**204**	**567**
Net operating income - EBIT	**330**	**280**	**501**
Financial balance			
Net financial charges	88	84	193
Affiliates	7	16	13
Total financial balance	**-81**	**-68**	**-180**
Other net non-operating (expenses)/income	**-3**	**-**	**-3**
Income before taxes	**246**	**212**	**318**
Income taxes	**94**	**94**	**128**
Income after taxes from operating activities	**152**	**118**	**190**
Net result from non-current assets sold or held for sale	-	13	81
Net profit	**152**	**131**	**271**
Minorities	**-19**	**-6**	**-11**
Group net profit for the period/year	**133**	**125**	**260**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	01.01.2013 06.30.2013	01.01.2012 06.30.2012	01.01.2012 12.31.2012
		(*)	
Net income/(loss) for the period/year (A)	**152**	**131**	**271**
Actuarial gains/(losses) on employee benefits booked as net equity	4	-12	-33
Tax effect of other actuarial gains/(losses)	-1	3	8
Total actuarial gains/(losses) net of the tax effect (B)	**3**	**-9**	**-25**
Effective part of gains/(losses) on cash flow hedge	-16	-12	-54
Tax effect of other gains/(losses)	6	5	18
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**-10**	**-7**	**-36**
Other gains/(losses) of companies valued at equity net of the tax effect (D)	**-**	**1**	**2**
Total comprehensive income/(loss) (A+B+C+D)	**145**	**116**	**212**
Total comprehensive income/(loss) attributable to:			
Shareholders of the parent company	**125**	**108**	**201**
Minority interests	**20**	**8**	**11**

(*) The comparative figures for the period January-June 2012 have been restated to reflect the adoption of IAS 19 Revised "Employee benefits".

CONSOLIDATED CASH-FLOW STATEMENT (millions of euro)	06.30.2013	12.31.2012	06.30.2012
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	**553**	**147**	**147**
Edipower S.p.A. liquidity	**-**	**89**	**89**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	**553**	**236**	**236**
Operating activities			
Net income for the period/year (**)	**152**	**192**	**123**
Tangible assets depreciation	210	417	160
Intangible assets amortization	31	72	33
Fixed assets write-downs	5	10	9
Result from shareholdings in companies carried at equity	(7)	(13)	(16)
Net taxes paid (a)	(29)	(251)	(90)
Changes in assets and liabilities, before tax (b)	135	534	207
Total changes in assets and liabilities (a+b) (*)	106	283	117
Cash flow (net) from operating activities	**497**	**961**	**426**
Investment activities			
Investments in tangible assets	(89)	(275)	(95)
Investments in intangible assets and goodwill	(29)	(85)	(41)
Investments in shareholdings and securities (*)	(3)	(130)	(125)
Disposal of fixed assets and shareholdings	4	234	11
Dividends received from shareholdings carried at equity and other shareholdings	3	6	6
Cash flow (net) from investment activities	**(114)**	**(250)**	**(244)**
FREE CASH FLOW	**383**	**711**	**182**
Financing activities			
Change in financial assets (*)	(75)	151	179
Change in financial liabilities (*)	10	(324)	(222)
Net financial charges paid	(74)	(173)	(58)
Dividends paid by parent company	(81)	(40)	(40)
Dividends paid by subsidiaries	(6)	(8)	(8)
Cash flow from financing activities	**(226)**	**(394)**	**(149)**
CHANGE IN CASH AND CASH EQUIVALENTS	**157**	**317**	**33**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	**710**	**553**	**269**

(*) Cleared of balances in return of shareholders'equity and other consolidated balance sheet items.
(**) Net profit for the period/year 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	Group net income for the period/year	Total Equity pertaining to the Group	Minority interests	Total Net shareholders equity
Net equity at December 31, 2011 (**)	**1,629**	**-61**	**20**	**1,602**	**-423**	**2,767**	**826**	**3,593**
Changes in the first half of 2012								
2011 profit allocation				-423	423			
Distribution of dividends				-40		-40	**-8**	-48
IAS 19 reserve (*)				-9		-9		-9
IAS 32 and 39 reserves (*)			-8			-8	**2**	-6
Put option on Delmi S.p.A. shares (***)				-62		-62	**-131**	-193
Other changes				-4		-4	**154**	150
Group and Minorities net profit for the period					125	125	**6**	131
Net equity at June 30, 2012 (**)	**1,629**	**-61**	**12**	**1,064**	**125**	**2,769**	**849**	**3,618**
Changes in the second half of 2012								
IAS 19 reserve (*)				-16		-16	**-1**	-17
IAS 32 and 39 reserves (*)			-28			-28		-28
Put option on Delmi S.p.A. shares (***)				-22		-22	**4**	-18
Put option on Aspem S.p.A. shares							**-1**	-1
Other changes				8		8	**-5**	3
Group and Minorities net profit for the period					135	135	**5**	140
Net equity at December 31, 2012	**1,629**	**-61**	**-16**	**1,034**	**260**	**2,846**	**851**	**3,697**
Changes in the first half of 2013								
2012 profit allocation				260	-260			
Distribution of dividends				-81		-81	**-6**	-87
IAS 19 reserve (*)				3		3		3
IAS 32 and 39 reserves (*)			-11			-11	**1**	-10
Put option on Edipower S.p.A. shares				-3		-3		-3
Other changes				3		3	**-3**	
Group and Minorities net profit for the period					133	133	**19**	152
Net equity at June 30, 2013	**1,629**	**-61**	**-27**	**1,216**	**133**	**2,890**	**862**	**3,752**

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

(**) Net equity at December 31, 2011 and at June 30, 2012 reflects the application of IAS 19 Revised "Employee Benefits" with the evidence of the reserve regarding the effects of actuarial gains-losses net of the tax effect.

(***) On January 1, 2013 the merger of Delmi S.p.A. into Edipower S.p.A. became effective.