PRESS RELEASE – 7 November 2013

The A2A S.p.A. Management Board has approved the Interim Report on Operations at 30 September 2013 and has examined the progress of the Industrial Plan a year after its launch

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The achievement of the objectives defined in the 2013-2015 Industrial Plan is at an advanced stage, as also confirmed by the positive economic-financial results for the first nine months of 2013

The Gross Operating Margin, of 839 million euros, is up by 63 million euros (+8.1%) compared to the corresponding period of 2012

The Net profit for the period, equal to 159 million euros, shows an increase of 32 million euros (+35.6%) compared to that recorded in 2012 net of the extraordinary items; the year 2012 in fact benefited from greater reversals of funds and net capital gains for 51 million euros

The Net Financial Debt is down by 324 million euros in the period

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Milan, 7 November 2013 – At today's meeting of the A2A S.p.A. Management Board, chaired by Mr Graziano Tarantini, the Board examined the progress of the 2013-2015 Industrial Plan a year after it was launched and approved the Interim Report on Operations at 30 September 2013.

The objectives for the three-year period defined in the Plan are already partly achieved or are already at an advanced stage of implementation. Specifically:

a) The Program to *strengthen the financial structure* has led to a reduction in net debt of over 800 million euros compared with the peak reached following the consolidation of Edipower. The Group simultaneously maintained large financial resources (2.4 billion euros at 30 September 2013) and a residual debt life exceeding 5 years;
b) the *reorganization of the Environment Business* allowed the setting-up and putting into operation, from 1 July last, of A2A Ambiente, the leading company operating in the waste treatment, waste disposal and waste-to energy sector in Italy;
c) from 1 November 2013 the *controlling share in Edipower* increased to 71%. The full control of the company has already allowed the integration of the operating activities to continue and be speeded up, strengthening the A2A Group's position as second electricity operator in Italy;

d) the *Efficiency Plan*, called AXE 80, aimed at achieving significant savings of an operational and financial nature, is operative and is generating results which are proving to be better than those initially planned.

The positive economic-financial results achieved by the Group in the first nine months of the year fit into this scenario, despite the worsening of most of the economic indicators concerning specifically the energy sector.

The ordinary operations show a Gross Operating Margin of 839 million euros, up by 63 million euros (+8.1%) compared to the same period of the previous year. This result includes the entry, for 23 million euros, of the total charges relating to the plan to gradually reduce the workforce in the three-year period of the 2013-2015 Plan.

The Energy Business mainly contributed to the performance of the Gross Operating Margin with a growth of 67 million euros compared to the first nine months 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 positive results of the subsidiary company EPCG in Montenegro. 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 159 million euros (178 million euros at 30 September 2012). It should be pointed out that the first nine months of 2012 benefited from greater reversals of funds and net capital gains for approximately 51 million euros. Net of this effect, the net profit from the ordinary activities was up by 32 million euros (+35.6%) compared with the first nine months of 2012.

During the period, the generation of net cash flows was positive and amounted to 324 million euros, after investments of 194 million euros and the payment of dividends for 81 million euros. The Net Financial Position at the end of September 2013 thus amounted to 4,048 million euros (4,372 million euros at 31 December 2012).

Main consolidated results of the A2A Group at 30 September 2013

in millions of euros	**30 September 2013**	**30 September 2012**	**Δ %**
Revenues	**4,080**	4,917	-17.0%
Gross operating margin - EBITDA	**839**	776	+8.1%
Net Operating Income - EBIT	**407**	405	+0.5%
Group Net Profit	**159**	178	-10.7%
Net capital gains and reversals of funds	***37***	*88*	*-58.0%*
Proforma Group Net Profit	**122**	90	+35.6%

in millions of euros	**30 September 2013**	**Year 2012**	**Δ**
Consolidated net financial debt	**4,048**	4,372	-324

Business Outlook for operations

The positive economic performance highlighted in the first nine months 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 6 quarters, the management will remain committed, also in the last part of the year, to pursuing the objective of a further reduction in 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[1] 31.5 TWh (billion kilowatt hours), up by 3% compared to the first nine months of 2012.
Sales concerned the domestic market for 22.9 TWh and foreign markets for 8.6 TWh.
The Group's plants (9.9 TWh) which, from June 2012 onwards, included the thermoelectric and hydroelectric plants owned by Edipower[2], contributed to fulfil the demand.
Specifically, in the period in question, thermoelectric production equalled 5.5 TWh (-23%) while hydroelectric production reached 3.7 TWh (+37%).
The production of electricity from co-generation, waste-to-energy and biogas plants amounted to 0.7 TWh (-3%).

The EPCG Group produced a total of 2.9 TWh (+61%), of which 0.9 TWh was from thermoelectric sources (+6%) and 2.0 TWh from hydroelectric sources (+112%). Sales to on the end markets were equal to 2.3 TWh, down by -0.6 TWh due to the reduction of supply to a large energy consumer, which allowed the production surpluses to be sold on foreign markets.
The electricity distributed on the medium and low voltage network in Montenegro amounted to 1.9 TWh (-3%).

In the period in question, gas sales amounted to 1,648 million cubic metres, down by 1,492 million cubic metres due to reduced trading activities on the wholesale markets.

Sales of heat reached 1.6 thermal TWh (+11%). The co-generation and waste-to-energy plants contributed to covering the thermal load with an overall production of 1.4 thermal TWh (+11%).

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

The quantity of waste disposed of equalled 1.9 million tonnes (+3%) following the acquisition of new contracts in some municipalities in the provinces of Milan and Pavia.

The electricity distributed amounted to 8.3 TWh, down by 3% compared to the same period of the year 2012. The quantities of gas distributed were instead up compared to the first nine months of the previous year and amounted to 1,365 million cubic metres (+3%).
The water distributed amounted to 48 million cubic metres (-8%).

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Economic results

"**Revenues**" of the A2A Group amounted to 4,080 million euros, down compared to the first nine months of 2012 (4,917 million euros) mainly due to the effect of a significant reduction in gas trading activities on the wholesale markets.

The **"Gross Operating Income"** equalled 839 million euros, an increase of 63 million euros. The following table shows the Gross Operating Income (EBITDA) by business area:

Millions of euros	**09.30.2013**	**09.30.2012**
Energy business	399	332
Environment Business	217	206
Heat and Services Business	48	36
Networks Business	193	205
Other Services and Corporate	(18)	(3)
Total Ebitda	**839**	**776**

The *Energy business* shows a Gross Operating Income of 399 million euros, up by 67 million euros (+20%) compared to 30 September 2012. The subsidiary company EPCG (+64 million euros), which also confirmed in the third quarter the positive trend recorded in the first half of the year, and the Trading activity (+17 million euros) positively contributed to the result. The industrial portfolio margin was substantially in line with the corresponding period of 2012, which benefited in the third quarter of the year from an improvement of the spreads on energy spot markets and an excellent operating performance on the reserve and balancing markets.
The Business result of the first nine months of 2013, finally, includes the allocation of the mobility charge for around 7 million euros.

The Gross Operating Income of the *Environment Business* equalled 217 million euros (206 million euros in the first nine months of 2012). As highlighted in the first half of 2013, 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.
This also incorporates, in comparison with the previous year, lower revenues due to the expiry of the CIP6 agreement relative to the waste-to-energy plant in Corteolona (Pavia), lower margins from the management of some foreign orders concluded in 2012 and the effects of regulatory measures

(Ministerial Decree 20/11/2012 and Legislative Decree no. 69 of 21 June 2013, the so-called "Decreto del fare" converted with Law no. 98 of 9 August 2013) on a lower increase in the value of the CEC component for the year 2013.

The Gross Operating Income of the *Heat and Services Business* reached 48 million euros, an increase of 12 million euros compared to the corresponding period of 2012.
This growth, due to the typically seasonal nature of the sector, is in line with that highlighted in the first half of the year, which in addition to the positive effects of the commercial development benefited from greater per capita consumption due to the particularly harsh climate. A positive contribution also came from the management of heating plants owned by third parties.

The margin of the *Networks Business*, equal to 193 million euros, shows a decrease of 12 million euros compared to the first nine months of 2012. These dynamics can mainly be attributed to the allocation of the mobility charges relative to the company restructuring plan. Net of this effect, the Gross Operating Income of the Business is essentially in line with the same period of the previous year.

The result of the *Other Services and Corporate Business* is negative by 18 million euros (-3 million euros at 30 September 2012). The result of the period is influenced by the allocation of non-recurring items (mobility charges and costs associated with the settlement of disputes) and compares with a 2012 result 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 432 million euros (371 million euros at 30 September 2012). The increase of 61 million euros can be mainly attributed to the greater amortization and depreciation and provisions resulting from the consolidation of Edipower S.p.A. for the entire period.

Due to the effect of the dynamics explained above, the **"Net Operating Income (EBIT)"** equals 407 million euros (405 million euros at 30 September 2012).

The "**Net financial charges**" amount to 142 million euros (155 million euros in the same period of the previous year). Compared with 30 September 2012, the period in question, which includes the effects of Edipower consolidation for the entire period, recorded greater financial charges to serve the debt for approximately 40 million euros and a positive variation for 79 million euros of the financial derivatives. The result at 30 September 2012 also 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 8 million euros while at 30 September 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 non-operating expenses**" show a net negative value of 6 million euros (no value at 30 September 2012) and refer to the charges incurred by the subsidiary company EPCG.

"**Income taxes**" in the period in question equalled 118 million euros, down by 10 million euros compared with the corresponding period of 2012.

The “**Net results from non-current assets sold and held for sale**” show a positive balance of 23 million euros related to the disposal of the company Chi.Na.Co S.r.l., to which A2A S.p.A. had conferred five small run-of-the-river hydroelectric plants for an installed power of approximately 8 MW; in the corresponding period of the previous year the item was positive for 43 million euros and included the contributions deriving from the disposal of the Coriance Group and the shareholding in the company e-Utile S.p.A..

The “**Group net profit for the period**”, after the Minorities were deducted, equalled 159 million euros (178 million euros at 30 September 2012).

Financial position and assets

The consolidated “**Net Employed capital**” at 30 September 2013 came to 7,826 million euros and was covered by the Net Equity for 3,778 million euros and the net financial debt for 4,048 million euros.

The “**Net working capital**” amounts to 764 million euros, down by 59 million euros compared to 31 December 2012.

The “**Net fixed assets**”, including the “Assets/Liabilities held for sale”, equal to 7,062 million euros, down by 184 million euros compared to 31 December 2012.

The “**Net financial position**”, equal to 4,048 million euros is down by 324 million euros compared to 31 December 2012 following the positive generation of cash flow attributable to the operating activities, partially offset by the resources absorbed by the investment activities for 194 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 Interim Report on Operations at 30 September 2013.

<u>For further information:</u>

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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)	09.30.2013	12.31.2012	09.30.2012 (*)
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	6,169	6,370	6,673
Intangible assets	1,383	1,393	1,390
Shareholdings carried according to equity method	218	210	230
Other non-current financial assets	53	53	53
Deferred tax assets	261	269	302
Other non-current assets	81	89	172
TOTAL NON-CURRENT ASSETS	**8,165**	**8,384**	**8,820**
CURRENT ASSETS			
Inventories	307	340	419
Trade receivables	1,714	1,907	1,886
Other current assets	489	318	377
Current financial assets	66	27	38
Current tax assets	46	90	14
Cash and cash equivalents	650	553	225
TOTAL CURRENT ASSETS	**3,272**	**3,235**	**2,959**
NON-CURRENT ASSETS HELD FOR SALE	**346**	**326**	**-**
TOTAL ASSETS	**11,783**	**11,945**	**11,779**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1,629	1,629	1,629
(Treasury shares)	(61)	(61)	(61)
Reserves	1,195	1,018	1,052
Net profit for the year	-	260	-
Net profit for the period	159	-	178
Equity pertaining to the Group	**2,922**	**2,846**	**2,798**
Minority interests	856	851	848
Total equity	**3,778**	**3,697**	**3,646**
LIABILITIES			
NON - CURRENT LIABILITIES			
Non-current financial liabilities	3,913	4,371	4,551
Employee benefits	319	325	317
Provisions for risks, charges and liabilities for landfills	602	611	602
Other non-current liabilities	407	413	414
Total non-current liabilities	**5,241**	**5,720**	**5,884**
CURRENT LIABILITIES			
Trade payables	1,105	1,332	1,325
Other current liabilities	624	486	418
Current financial liabilities	934	653	433
Tax liabilities	46	8	73
Total current liabilities	**2,709**	**2,479**	**2,249**
Total liabilities	**7,950**	**8,199**	**8,133**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**55**	**49**	**-**
TOTAL EQUITY AND LIABILITIES	**11,783**	**11,945**	**11,779**

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

CONSOLIDATED INCOME STATEMENT (millions of euro)	01/01/2013 09/30/2013	01/01/2012 09/30/2012 (*)	3rd Quarter 2013	3rd Quarter 2012 (*)
Revenues				
Revenues from the sale of goods and services	3,922	4,775	1,183	1,543
Other operating income	158	142	52	84
Total Revenues	**4,080**	**4,917**	**1,235**	**1,627**
Operating expenses				
Expenses for raw materials and services	2,579	3,514	804	1,130
Other operating expenses	165	191	53	58
Total Operating expenses	**2,744**	**3,705**	**857**	**1,188**
Labour costs	**497**	**436**	**149**	**147**
Gross operating income - EBITDA	**839**	**776**	**229**	**292**
Depreciation, amortization, provisions and write-downs	**432**	**371**	**152**	**167**
Net operating income - EBIT	**407**	**405**	**77**	**125**
Financial balance				
Net financial charges	142	155	54	71
Affiliates	8	16	1	-
Total financial balance	**(134)**	**(139)**	**(53)**	**(71)**
Other net non-operating (expenses)/income	(6)	**-**	(3)	**-**
Income before taxes	**267**	**266**	**21**	**54**
Income taxes	**118**	**128**	**24**	**34**
Income after taxes from operating activities	**149**	**138**	**-3**	**20**
Net result from non-current assets sold or held for sale	23	43	23	30
Net profit	**172**	**181**	**20**	**50**
Minorities	**(13)**	**(3)**	**6**	**3**
Group net profit for the period	**159**	**178**	**26**	**53**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	09/30/2013	09/30/2012 (*)	3rd Quarter 2013	3rd Quarter 2012 (*)
Net income/(loss) for the period (A)	**172**	**181**	**20**	**50**
Actuarial gains/(losses) on employee benefits booked as net equity	4	(12)	-	-
Tax effect of other actuarial gains/(losses)	(1)	3	-	-
Total actuarial gains/(losses) net of the tax effect (B)	**3**	**(9)**	**-**	**-**
Effective part of gains/(losses) on cash flow hedge	(10)	(17)	6	(5)
Tax effect of other gains/(losses)	4	5	(2)	-
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**(6)**	**(12)**	**4**	**(5)**
Other gains/(losses) of companies valued at equity net of the tax effect (D)	**-**	**2**	**-**	**1**
Total comprehensive income/(loss) (A)+(B)+(C)+(D)	**169**	**162**	**24**	**46**
Total comprehensive income/(loss) attributable to:				
Shareholders of the parent company	**156**	**160**	**31**	**52**
Minority interests	**13**	**2**	**(7)**	**(6)**

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

CONSOLIDATED CASH-FLOW STATEMENT (millions of euro)		09.30.2013		12.31.2012		09.30.2012
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 (**)		**148**		**192**		**139**
Tangible assets depreciation		314		417		273
Intangible assets amortization		48		72		50
Fixed assets write-downs		10		10		16
Result from shareholdings in companies carried at equity		(8)		(13)		(16)
Net taxes paid (a)	(29)		(251)		(119)	
Changes in assets and liabilities, before tax (b)	76		534		314	
Total changes in assets and liabilities (a+b) (*)		47		283		195
Cash flow (net) from operating activities		**559**		**961**		**657**
Investment activities						
Investments in tangible assets		(150)		(275)		(173)
Investments in intangible assets and goodwill		(44)		(85)		(59)
Investments in shareholdings and securities (*)		(3)		(130)		(124)
Disposal of fixed assets and shareholdings		42		234		158
Dividends received from shareholdings carried at equity and other shareholdings		3		6		6
Cash flow (net) from investment activities		**(152)**		**(250)**		**(192)**
FREE CASH FLOW		**407**		**711**		**465**
Financing activities						
Change in financial assets (*)		(59)		151		131
Change in financial liabilities (*)		(80)		(324)		(451)
Net financial charges paid		(84)		(173)		(108)
Dividends paid by parent company		(81)		(40)		(40)
Dividends paid by subsidiaries		(6)		(8)		(8)
Cash flow from financing activities		**(310)**		**(394)**		**(476)**
CHANGE IN CASH AND CASH EQUIVALENTS		**97**		**317**		**(11)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR		**650**		**553**		**225**

(*) 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 nine months 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 (*)			(12)			(12)	**2**	(10)
Put option on Delmi S.p.A. shares (***)				(86)		(86)	**(127)**	(213)
Put option on Aspem S.p.A. shares							**3**	3
Other changes							**149**	149
Group and Minorities net profit for the period					178	178	**3**	181
Net equity at September 30, 2012 (**)	**1,629**	**(61)**	**8**	**1,044**	**178**	**2,798**	**848**	**3,646**
Changes in the fourth quarter of 2012								
IAS 19 reserve (*)				(16)		(16)	**(1)**	(17)
IAS 32 and 39 reserves (*)			(24)			(24)		(24)
Put option on Delmi S.p.A. shares (***)				2		2		2
Put option on Aspem S.p.A. shares							**(4)**	(4)
Other changes				4		4		4
Group and Minorities net profit for the period					82	82	**8**	90
Net equity at December 31, 2012	**1,629**	**(61)**	**(16)**	**1,034**	**260**	**2,846**	**851**	**3,697**
Changes in the first nine months 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 (*)			(6)			(6)		(6)
Put option on Edipower S.p.A. shares				(2)		(2)		(2)
Other changes				3		3	**(2)**	1
Group and Minorities net profit for the period					159	159	**13**	172
Net equity at September 30, 2013	**1,629**	**(61)**	**(22)**	**1,217**	**159**	**2,922**	**856**	**3,778**

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

(**) Net equity at December 31, 2011 and at September 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.