PRESS RELEASE – 12 November 2015

The A2A S.p.A. Board of Directors has examined and approved the Interim Report on operations at 30 September 2015

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Strong increase of the Group Net Result, +49.1%, to 237 million euros

Further reduction of the Net Financial Debt by 225 million euros compared to 31 December 2014

The Gross Operating Margin equalled 814 million euros, an increase of 31 million euros compared to the first nine months of 2014 (+4%)

Revenues amounted to 3.6 billion euros, in line with the first nine months of 2014 (+0.2%)

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Milan, 12 November 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 30 September 2015.

In the first nine months of the year the A2A Group recorded an industrial margin with strong growth compared to the same period of the previous year and a further reduction of the net financial position.

The excellent performance achieved by the thermoelectric plants (even following the high temperatures recorded in the third quarter of 2015) and on the environmental certificates markets, as well as the continuous effort towards operational efficiency, have more than offset the lower margins of the hydroelectric sector which, in 2014, benefited from extraordinary hydraulicity, allowing the margin to be further increased with respect to the levels already recorded in the first six months of the year.

The Gross Operating Margin amounted to 814 million euros, recording an increase of 31 million euros (+4%). The result was influenced by significant non-recurrent elements in both 2014 and 2015 (lower mobility charges for around 12 million euros in 2015 and 31 million euros of non-recurrent positive elements of income recorded, mainly, in the first nine months of 2014).
Net of these non-recurrent effects, the Gross Operating Margin increased by 50 million euros (+6.7%). The growth can be mainly attributed to the Generation and Trading *Business Unit* and the Networks *Business Unit*. The result of the Environment *Business Unit* was down while the margins of other *Business Units* of the Group (Commercial, Heat and EPCG) were essentially in line.

The Net Operating Income of the period amounted to 454 million euros (+8.4%), while the Net Profit reached 237 million euros (+49.1%).
Contributions to the Group's Net Profit were made by:

- lower depreciation and amortisation deriving from the review (effective from July 2014) of the useful life of the thermoelectric plants and the write-downs of assets following the 2014 Impairment Test;
- lower net financial charges mainly attributed to the reduction of the average debt and the effects of the financial strategy implemented by the Group;
- the lower tax load starting from 2015 primarily following the abolition of the "Robin Hood Tax" and the full deductibility of the labour costs relative to employees with permanent contracts.

These positive effects were only partially offset by the greater provisions for risks recorded in the first nine months of 2015 in large part due to the proceedings relating to the dispute linked to the district heating project for the city of Novara.

During the period, the generation of net cash flows was positive and amounted to 225 million euros, after investments of 208 million euros and the payment of dividends for 113 million euros. The Net Financial Position at the end of September 2015 thus amounted to 3,138 million euros (3,363 million euros at 31 December 2014).

Main consolidated results of the A2A Group at 30 September 2015

in millions of euros	**9 months 2015**	**9 months 2014**	**Δ %**
Revenues	**3,638**	**3,632**	+0.2%
Gross Operating Income - EBITDA	**814**	**783**	+4.0%
Net Operating Income - EBIT	**454**	**419**	+8.4%
Pre-tax result	**346**	**298**	+16.1%
Group net result	**237**	**159**	+49.1%

in millions of euros	**30 September 2015**	**31 December 2014**	**Δ**
Net financial position	**3,138**	**3,363**	-225

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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] 36.8 TWh (billion kilowatt hours), up by 5% compared to the first nine months of 2014.

The Group's plants contributed, for 10.8 TWh, to fulfil the demand.
The thermoelectric production equalled 6.1 TWh (+60%) while hydroelectric production reached 3.6 TWh (-25%).
Specifically, the increase in the thermoelectric production, mainly attributable to the greater quantities from combined gas cycles traded on the secondary markets and the greater production of the plant in Monfalcone, more than offset the reduction of hydroelectric production compared to the same period 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 1.1 TWh (1.2 TWh in the first nine months of 2014).

In the period in question, gas sales amounted to 1,818 million cubic metres, down by 209 million cubic metres (-10%) compared to the same period of 2014 mainly as a result of the lower volumes sold on the wholesale markets.

Electricity sales by the EPCG group amounted to a total of 2.2 TWh, up by 6% compared to the same period of the previous year, essentially as a result of the high temperatures recorded in the third quarter of the year.
The group's plants contributed to fulfil the demand producing a total of 2.2 TWh (+1%), of which 1.0 TWh was from thermoelectric sources (+5%) and 1.1 TWh from hydroelectric sources (-3%): the increased thermoelectric production, resulting from fewer days of stoppage at the Pljevlja plant, was partially offset by the reduced hydroelectric production, essentially due to the lower rainfall recorded in the summer months.
For the reasons stated above the electricity distributed on the medium and low voltage network in Montenegro also amounted to 1.6 TWh (+9%), up compared to the first nine months of 2014.

Sales of heat recorded a growth of 0.2 thermal TWh compared to 30 September 2014 essentially attributable to more favourable climatic conditions than the previous year and to the incremental volumes deriving from new connections. The co-generation and waste-to-energy plants contributed to covering the thermal load with an overall production of 1.5 thermal TWh (+14%).

The quantity of waste collected, amounting to 0.7 million tonnes, was up by 1% compared to the same period of the previous year mainly due to greater volumes of waste collected in the city of Milan.
The quantities of waste disposed of amounted to 1.9 million tonnes, showing a decrease of 31 thousand tonnes (-2%), mainly attributable to the lower quantities of waste disposed of at the inert waste landfill in Corteolona and the lower amounts disposed of at the waste-to-energy plant in Brescia, caused by more stoppage days compared to the same period of the previous year. This decrease was partly offset by the glass treatment plant in Asti coming into operation (from July 2014) and the greater contributions made at the landfill in Montichiari.

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

The electricity distributed amounted to 8.5 TWh, up by 0.4 TWh compared to the same period of 2014 following the recovery of industrial consumptions and the high temperatures recorded in the summer period. The quantities of gas distributed amounted to 1,198 million cubic metres (+59 million cubic metres compared to 30 September 2014), while the water distributed amounted to 46 million cubic metres (45 million cubic metres in the first nine months of 2014).

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Consolidated Economic Results

"**Revenues"** of the Group, amounting to 3,638 million euros, were in line with the first nine months of 2014 (3,632 million euros).

The **"Gross Operating Margin"** equalled 814 million euros, an increase of 31 million euros compared to the first nine months of the previous year.

The following table highlights the composition by *Business Unit*:

Millions of euros	**09.30.2015**	**09.30.2014**	**Change**	**Change %**
Generation and Trading	291	287	4	1.4%
Commercial	78	63	15	23.8%
Environment	161	165	-4	-2.4%
Heat	40	34	6	17.6%
Networks	213	208	5	2.4%
Epcg	43	42	1	2.4%
Other services and Corporate	-12	-16	4	n.s.
Total	**814**	**783**	**31**	**4.0%**

The Gross Operating Margin of the *Generation and Trading Business Unit* amounted to 291 million euros, essentially in line with the first nine months of 2014 (287 million euros at 30 September 2014). Compared to the previous year, the 2015 result benefited, nevertheless, from lower mobility charges for around 12 million euros, while it was affected, for around 42 million euros, by the non-recurrent positive elements of income recorded, mainly, in the first nine months of 2014, of which 8 million euros intercompany.
Net of these effects, the Gross Operating Margin of the *Generation and Trading Business Unit* was up by around 34 million euros: the excellent performance recorded in the thermoelectric sector, due to the effect of an improvement of the spreads on gas and coal and the greater quantities from combined gas cycles traded on the secondary markets (even following the high temperatures recorded in the third quarter of 2015), greater sales of environmental certificates, as well as the savings deriving from the plan to improve operational efficiency, more than offset the reduction of the margin in the hydroelectric sector due to the exceptional hydraulicity recorded in 2014 (over 61 million euros less).

The Gross Operating Margin of the *Commercial Business Unit* amounted to 78 million euros, up by 15 million euros compared to the same period of the previous year.
The 2014 result however included negative non-recurrent elements of income for an amount equal to 7 million euros (attributable to the above mentioned intercompany items), while the period in question, on the contrary, recorded non-recurrent positive elements of income equal to 6 million euros. Net of these items, the Gross Operating Margin of the *Business Unit* recorded an increase of 2

million euros (+2.8%) essentially due to the increase of the unit margins on the electricity free market, despite the greater imbalance costs resulting from the high temperatures recorded in the summer period.

The Gross Operating Income of the *Environment Business Unit* equalled 161 million euros (165 million euros at 30 September 2014).
Net of non-recurring items for 5 million euros, the Gross Operating Margin recorded a drop amounting to 9 million euros, essentially due to the lower revenues from the sale of electricity from the waste-to-energy plant in Acerra (following the reduction of the CIP 6 payment caused by the drop in prices of the reference fuels) and the Group's other waste-to-energy plants (due to the drop in electricity prices).
The reduction was partially offset by the increased margin in the collection sector, mainly due to the greater services offered for EXPO 2015 and to the Municipality of Como.

The Gross Operating Margin of the *Heat and Services Business Unit*, amounting to 40 million euros, was up by 6 million euros compared to the first nine months of 2014: the increase, resulting from more favourable climatic conditions compared to the same period of the previous year as well as the continued and effective commercial development action (in particular in the city of Milan), was partially offset by the lower results achieved on the environmental certificates markets.

The Gross Operating Margin of the *Networks Business Unit* amounted to 213 million euros, up by 5 million euros compared to the same period of the previous year.
The 2014 result, however, included, in the electricity distribution sector, non-recurrent items of income for around 12 million euros, relative to the higher revenues recognized for the years 2012 and 2013 by AEEGSI with Resolution 258/14/R/eel.
Net of these items, the Gross Operating Margin of the *Networks Business Unit* was up by 16 million euros. This performance can essentially be attributed to the public lighting sector following the start, in July 2014, of the project to replace the lighting equipment with new low energy consumption led lamps in the Municipality of Milan and the integrated water service, following the tariff increase allowed by AEEGSI.

Whereas the Gross Operating Margin of the *EPCG Business Unit* was essentially in line with the previous year.

The “**Amortisation and depreciation, provisions and write-downs**” amounted to a total of 360 million euros (364 million euros at 30 September 2014) and include amortisation and depreciation of the intangible and tangible assets for 297 million euros (348 million euros al 30 September 2014) and net provisions for 63 million euros (16 million euros at 30 September 2014).
The “Amortisation and depreciation and write-downs” recorded a decrease of 51 million euros mainly deriving from lower depreciations of the tangible assets following the write-downs performed at the end of the previous year, for 29 million euros, as well as from the review of the remaining useful life of the thermoelectric plants for 16 million euros.

The “Provisions for risks” amounted to 51 million euros (2 million euros at 30 September 2014) and refer to the provisions for the period made with regard to ongoing litigation, as well as pending lawsuits. The provisions for the period in question were primarily affected by the provision relating to the dispute linked to the district heating project for the city of Novara. The “Provision for bad and doubtful debt” showed a value of 12 million euros (14 million euros at 30 September 2014).

Due to the effect of the dynamics explained above, the **“Net Operating Income (EBIT)”** amounted to 454 million euros, up by 35 million euros compared to the corresponding period of the previous year (419 million euros at 30 September 2014).

“Net financial charges” equalled 110 million euros (139 million euros at 30 September 2014). The reduction compared to the corresponding period of the previous year, equal to 29 million euros, can be attributed mainly to lower net payable financial interest on the debt for 16 million euros linked to the decrease in the average debt and the effects of the financial strategy implemented by the Group, as well as lower discount charges for 6 million euros as a result of an increase in the interest rates. There was also an improvement in the performance of the variation in the financial derivative contracts positive for 7 million euros.

“Affiliates” were positive for 3 million euros (positive for 7 million euros at 30 September 2014), which can mainly be attributed to the valuation, according to the equity method, of the shareholding in ACSM-AGAM S.p.A..
The corresponding period of the previous year benefited from the results of the associated company Dolomiti Energia S.p.A., positive for 5 million euros.

“Income taxes” in the period in question equalled 97 million euros (127 million euros at 30 September 2014).

As a reminder, following Ruling 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 to the temporary differences generated in previous years were entirely reversed in the year 2014. The Interim Report on Operations at 30 September 2014, on the other hand, implemented the effects of the additional tax.

It should also be noted that, following the provisions of art. 1, subsection 20, of Law no. 190 of 23 December 2014 (“2015 Stability Law”), the entire labour cost relative to employees with permanent contracts shall be deducted from the IRAP for the current tax period with the resulting benefits, compared to the previous year, on current taxes as well as deferred tax assets recorded against the employee benefits fund. Again referring to IRAP, taxes for previous years and those for the period incorporate the new calculation criteria, based on the application of article 6, subsection 9, of Legislative Decree no. 446 of 15 December 1997, (so called “industrial holdings” method), introduced following positive confirmation from the Revenue Agency of the specific consult request submitted by A2A.

The **“Group’s result for the period”**, after the “Minorities” were deducted, came to 237 million euros (159 million euros at 30 September 2014).

Financial position and assets

The consolidated **"Net Employed capital"** at 30 September 2015 came to 6,461 million euros and was covered by the Net Equity for 3,323 million euros and the Net Financial Debt for 3,138 million euros.

The **"Net working capital"** amounted to 406 million euros, up by 58 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 trade receivables and gas inventories existing at 31 December 2014.

The **"Net fixed assets"** amounted to 6,148 million euros, a reduction of 46 million euros compared to 31 December 2014 mainly due to the amortisation and depreciation pertaining to the period.

The "**Net financial position**", equal to 3,138 million euros, improved by 225 million euros compared to 31 December 2014 following the positive generation of cash flow attributable to the operations, partially offset by the resources absorbed by the investments in tangible and intangible assets and in shareholdings for 208 million euros and by dividends paid for 113 million euros.

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Outlook for operations

The excellent results achieved by the Group in the first nine months of the year and the many development and operational efficiency initiatives in place indicate that, in the presence of normal temperatures, the Gross Operating Margin ("Ebitda") of the Group for 2015 may be higher, around 2.5%, than the target set in the 2015-2019 Business Plan and therefore equal to around 1,035 million euros. The improved operating margin combined with the reduction of the tax load deriving from the abolition of the Robin Hood Tax and the regulatory changes concerning IRAP also indicate that the net profit may be higher than originally expected. The Net Financial Position, finally, is expected to be 3.1 billion euros, lower than that stated in the Interim Report at 30 September 2015.

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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 A2A Group's accounting tables, extracted from the Interim Report on Operations at 30 September 2015.

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Duty to notify the public in accordance with Consob decision no. 11971 of 14.05.1999 as amended.

CONSOLIDATED BALANCE SHEET	09.30.2015	12.31.2014	09.30.2014
(millions of euro)			
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	5,364	5,625	5,787
Intangible assets	1,312	1,318	1,310
Shareholdings carried according to equity method	74	74	126
Other non-current financial assets	71	65	49
Deferred tax assets	315	323	331
Other non-current assets	38	43	63
TOTAL NON-CURRENT ASSETS	**7,174**	**7,448**	**7,666**
CURRENT ASSETS			
Inventories	236	284	350
Trade receivables	1,384	1,591	1,407
Other current assets	296	255	275
Current financial assets	139	126	137
Current tax assets	72	85	47
Cash and cash equivalents	514	544	509
TOTAL CURRENT ASSETS	**2,641**	**2,885**	**2,725**
NON-CURRENT ASSETS HELD FOR SALE	**202**	**-**	**-**
TOTAL ASSETS	**10,017**	**10,333**	**10,391**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1,629	1,629	1,629
(Treasury shares)	(61)	(61)	(61)
Reserves	929	1,048	1,086
Result of the year	-	(37)	-
Result of the period	237	-	159
Equity pertaining to the Group	**2,734**	**2,579**	**2,813**
Minority interests	589	600	595
Total equity	**3,323**	**3,179**	**3,408**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current financial liabilities	3,779	3,931	4,016
Employee benefits	332	369	355
Provisions for risks, charges and liabilities for landfills	532	498	518
Other non-current liabilities	115	364	372
Total non-current liabilities	**4,758**	**5,162**	**5,261**
CURRENT LIABILITIES			
Trade payables	993	1,254	1,080
Other current liabilities	540	611	502
Current financial liabilities	97	125	129
Tax liabilities	49	2	11
Total current liabilities	**1,679**	**1,992**	**1,722**
Total liabilities	**6,437**	**7,154**	**6,983**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**257**	**-**	**-**
TOTAL EQUITY AND LIABILITIES	**10,017**	**10,333**	**10,391**

CONSOLIDATED INCOME STATEMENT (millions of euro)	01.01.2015 09.30.2015	01.01.2014 09.30.2014	3rd Quarter 2015	3rd Quarter 2014
Revenues				
Revenues from the sale of goods and services	3,515	3,464	1,138	989
Other operating income	123	168	33	61
Total Revenues	**3,638**	**3,632**	**1,171**	**1,050**
Operating expenses				
Expenses for raw materials and services	2,179	2,183	713	589
Other operating expenses	182	189	57	82
Total Operating expenses	**2,361**	**2,372**	**770**	**671**
Labour costs	**463**	**477**	**149**	**147**
Gross operating income - EBITDA	**814**	**783**	**252**	**232**
Depreciation, amortization, provisions and write-downs	**360**	**364**	**112**	**115**
Net operating income - EBIT	**454**	**419**	**140**	**117**
Result from non-recurring transactions	**(1)**	**11**	**-**	**11**
Financial balance				
Net financial charges	(110)	(139)	(33)	(38)
Affiliates	3	7	-	2
Result from disposal of other shareholdings (AFS)	-	-	-	-
Total financial balance	**(107)**	**(132)**	**(33)**	**(36)**
Result before taxes	**346**	**298**	**107**	**92**
Income taxes	**97**	**127**	**20**	**26**
Result after taxes from operating activities	**249**	**171**	**87**	**66**
Net result from discontinued operations	-	-	-	-
Net result	**249**	**171**	**87**	**66**
Minorities	**(12)**	**(12)**	**(2)**	**(4)**
Group result of the period	**237**	**159**	**85**	**62**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	09.30.2015	09.30.2014	3rd Quarter 2015	3rd Quarter 2014
Net result of the period (A)	**249**	**171**	**87**	**66**
Actuarial gains/(losses) on Employee's Benefits booked in the Net equity	22	(21)	-	-
Tax effect of other actuarial gains/(losses)	(4)	6	-	-
Total actuarial gains/(losses) net of the tax effect (B)	**18**	**(15)**	-	**-**
Effective part of gains/(losses) on cash flow hedge	22	(11)	(8)	28
Tax effect of other gains/(losses)	(6)	4	3	(10)
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**16**	**(7)**	**(5)**	**18**
Other gains/(losses) of companies valued at equity net of the tax effect (D)	-	-	-	-
Total comprehensive result (A)+(B)+(C)+(D)	**283**	**149**	**82**	**84**
Total comprehensive result attributable to:				
Shareholders of the parent company	**271**	**137**	**80**	**80**
Minority interests	**12**	**12**	**2**	**4**

CONSOLIDATED CASH-FLOW STATEMENT (millions of euro)	09.30.2015	12.31.2014	09.30.2014
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	**544**	**376**	**376**
Operating activities			
Net Result (**)	**249**	**(30)**	**159**
Tangible assets depreciation	250	385	301
Intangible assets amortization	47	61	45
Fixed assets write-downs/disposals	3	169	5
Result from affiliates	(3)	45	(7)
Net taxes paid (a)	(14)	(133)	(57)
Gross change in assets and liabilities (b)	4	443	278
Total change of assets and liabilities (a+b) (*)	(10)	310	221
Cash flow from operating activities	**536**	**940**	**724**
Investment activities			
Investments in tangible assets	(153)	(237)	(160)
Investments in intangible assets and goodwill	(53)	(70)	(45)
Investments in shareholdings and securities (*)	(2)	-	-
Disposal of fixed assets and shareholdings	-	-	-
Dividends received	1	4	4
Cash flow from investment activities	**(207)**	**(303)**	**(201)**
FREE CASH FLOW	**329**	**637**	**523**
Financing activities			
Change in financial assets (*)	(67)	(46)	(47)
Change in financial liabilities (*)	(106)	(195)	(189)
Net financial interests paid	(68)	(122)	(48)
Dividends paid by the parent company	(113)	(102)	(102)
Dividends paid by the subsidiaries	(5)	(4)	(4)
Cash flow from financing activities	**(359)**	**(469)**	**(390)**
CHANGE IN CASH AND CASH EQUIVALENTS	**(30)**	**168**	**133**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	**514**	**544**	**509**

(*) 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 in the first nine months of 2014								
2013 result allocation				62	(62)			
Distribution of dividends				(102)		(102)	**(4)**	(106)
IAS 19 reserves (*)				(15)		(15)		(15)
IAS 32 and 39 reserves (*)			(7)			(7)		(7)
Other changes				(13)		(13)	**30**	17
Group and minorities result of the period					159	159	**12**	171
Net equity at September 30, 2014	**1,629**	**(61)**	**(30)**	**1,116**	**159**	**2,813**	**595**	**3,408**
Changes in the fourth quarter of 2014								
IAS 19 reserves (*)				(15)		(15)		(15)
IAS 32 and 39 reserves (*)			(21)			(21)		(21)
Put option on Edipower S.p.A. shares				(1)		(1)		(1)
Other changes				(1)		(1)	**(2)**	(3)
Group and minorities result of the period					(196)	(196)	**7**	(189)
Net equity at December 31, 2014	**1,629**	**(61)**	**(51)**	**1,099**	**(37)**	**2,579**	**600**	**3,179**
Changes in the first nine months of 2015								
2014 result allocation				(37)	37			
Distribution of dividends				(113)		(113)	**(5)**	(118)
IAS 19 reserves (*)				18		18		18
IAS 32 and 39 reserves (*)			16			16		16
Put option on Aspem S.p.A. shares							**1**	1
Other changes				(3)		(3)	**(19)**	(22)
Group and minorities result of the period					237	237	**12**	249
Net equity at September 30, 2015	**1,629**	**(61)**	**(35)**	**964**	**237**	**2,734**	**589**	**3,323**

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