PRESS RELEASE – 29 July 2016

The A2A S.p.A. Board of Directors has examined and approved the Half year financial report at 30 June 2016

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Net profit shows strong growth (+67% to 254 million euros) thanks to the good operating performance and to the benefits deriving from the Edipower demerger

Ordinary Net Profit at 212 million euros, up by 60 million euros (+39% compared to the first half of 2015)

Gross Operating Margin at 614 million euros (+9%): excellent industrial performances, cost efficiencies and non-recurring operating income neutralized the strong deterioration in the energy scenario

The Net Financial Position, amounting to 2,832 million euros, was down by a further 65 million euros compared to 31 December 2015

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Milan, 29 July 2016 – 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 Half year financial report at 30 June 2016.

The energy and climatic scenario in first half of 2016 was particularly penalising, still characterized at national level by a downturn in the electricity demand (-2%) as well as a considerable, generalized reduction in the price of commodities (oil -31%; gas -37%; PUN Baseload -26%).
Despite this unfavourable energy scenario, which, with respect to the previous financial year, had a negative impact of around 40 million euros on the margins of the generation plants portfolio, the Group's industrial performance in all BUs in the first half of 2016 was excellent and made it possible, together with the adjustment obtained, relating to the recognition of previous tariff items (for the financial years 2007-2011) in the water cycle business, to completely neutralize the negative effects

caused by the aforementioned scenario and achieve a Gross Operating Margin of 614 million euros (that is 534 million euros net of the non-recurring items).

The "Ordinary" Net Profit, amounting to 212 million euros, was up by 60 million euros compared to that of the previous financial year (152 million euros). This Ordinary Net Profit excludes the extraordinary items that can be associated with the effects produced by the partial, non-proportional demerger of Edipower with the assignment of the complex comprising the hydroelectric plants of the Udine unit (apart from Ampezzo and Somplago) and its associated assets and liabilities, to Cellina Energy S.r.l. (a full subsidiary of Società Elettrica Altoatesina – SEL S.p.A), with effect as of 1 January 2016.

The "reported" net profit, amounting to 254 million euros, was up by 67% compared to the first six months of the previous year.

The Net Financial Position, down by 65 million euros, came to 2,832 million euros, net of the outlay associated with the buyback of own shares (37 million euros) and the payment of dividends in the month of June (126 million euros).

A2A Group - Consolidated results at 30 June 2016

in millions of euros	**6 months 2016**	**6 months 2015**	**Δ**
Revenues	**2,323**	**2,467**	-144
Gross Operating Income - EBITDA	**614**	**562**	+52
Net Operating Income - EBIT	**380**	**314**	+66
"Ordinary" Net Result	**212**	**152**	+60
"Reported" Net Result	**254**	**152**	+102

in millions of euros	**6 months 2016**	**Year 2015**	**Δ**
Net financial position	**2,832**	**2,897**	-65

Consolidated **Revenues** for the period in question, which come to 2,323 million euros, are down 5.8% on the first half of the previous year, mainly as a result of the reduction in revenues from the sale of electricity on the wholesale markets.
Despite the increased volumes sold, the decline in prices of sale of both gas and electricity recorded on the retail market weighed on the downturn to Group revenues.

The **Gross Operating Margin** equalled 614 million euros, an increase of 52 million euros compared to the first half of 2015.

Contributions to the growth of the margin came from around 80 million euros of non-recurring items of income, among which:

- the disposal of some parts of Cassano thermoelectric plant;
- some insurance reimbursements deriving from damages to plants suffered in previous years and an adjustment related to capacity payment for the years 2010-2011;
- some non-recurring revenues related to the Commercial Business Unit;
- the adjustment pertaining of previous tariff items in the water cycle;

(positive for around 14 million euros – including changes in scope - in the same period of the previous year).
Net of these items, the results of all the Group's Business Units improved, except for the Generation and Trading Business Unit (-28 million euros) and the Networks and Heat Business Unit (-4 million euros), which were respectively affected by the drop in the prices of commodities and the early interruption of the must-run regime at the San Filippo del Mela plant (no longer must-run from 28 May 2016), as well as the updating from 2016 of the WACC (Weighted Average Cost of Capital) by AEEGSI in the distribution of electricity and gas and, in particular in the distribution of electricity, the generalized change of the regulatory period.

The **Net Operating Result** of 380 million euros, up by 66 million euros on the first six months of 2015 (314 million euros as at 30 June 2015), benefits not only from the effects described above with regards to Gross Operating Margin but also from those deriving from a reduction in provisions made for potential risks in the period examined (approximately 13 million euros less compared to the first six months of 2015).
Whereas the amortisation, depreciation and write-downs (overall 1 million euros less than in the first six months of 2015) was essentially in line with the first six months of 2015.

The **Net Profit pertaining to the Group** of the first half of the year amounted to 254 million euros (152 million euros at 30 June 2015).
This growth in profit, which comes to 102 million euros (+67%) is a result of:

- lower net financial charges (14 million euros less than 30 June 2015), primarily due to the change in the realized and fair value of contracts on financial derivatives (negative for 8 million euros in June 2015; negative for 3 million euros in June 2016) and lower net financial charges for 8 million euros, deriving from the reduction in average debt and the effects of the financial strategy actions implemented by the Group;
- the booking of a non-monetary capital gain of 52 million euros, in connection with the partial, non-proportional demerger of Edipower with effect as from 1 January 2016, in the favour of Cellina Energy, a full subsidiary of Società Elettrica Altoatesina S.p.A.;
- the higher tax load (approximately 29 million euros of higher taxes than the first half of 2015), as a consequence of the higher result before taxes recorded in the first half of 2016 as compared with the same period of the previous year;
- the higher result booked by the minorities of EPCG (approximately 3 million euros more than the first half of 2015).

The **Net Financial Position** came to 2,832 million euros (2,897 million euros as at 31 December 2015) following the positive cash generation from operations that enabled an improvement of 65 million euros, after the payment of dividends for 126 million euros, investments for the period of 129 million euros, and the payment of 38.5 million euros to Cellina Energy S.r.l. (following the partial, non-proportional demerger of Edipower S.p.A.), and the purchase of own shares for 37 million euros.

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A2A Group - Results by Business Unit

The following table shows the composition of the Gross Operating Income by Business Unit:

Millions of euro	06.30.2016	06.30.2015	Change	Change %
Generation and Trading	170	192	-22	-11.5%
Commercial	73	54	19	35.2%
Environment	119	110	9	8.2%
Networks and Heat	227	183	44	24.0%
Epcg	35	32	3	9.4%
Other services and Corporate	-10	-9	-1	n.s.
Total	**614**	**562**	**52**	**9.3%**

Generation and Trading *Business Unit*

In the first half of 2016, the Generation and Trading Business Unit contributed to fulfil the sales demand of the A2A Group through production by the plants it owns amounting to approximately 6.0 TWh (in line with 30 June 2015).
Hydroelectric production came to 2.3 TWh (2.3 TWh in the first half of 2015 too), while thermoelectric production amounted to 3.7 TWh (in line with the same period of the previous year).

Revenues amounted to 1,225 million euros, down by 156 million euros compared to the first half of the previous year, essentially due to lower forward sales and the decline recorded in the energy scenario which led to a reduction of both the forward prices and the spot prices.

The Gross Operating Margin of the Generation and Trading Business Unit amounted to 170 million euros, down 22 million euros on the first six months of the previous year.
As compared with the first half of 2015, the 2016 result benefited from greater non-recurring items of approximately 10 million euros, while, for approximately 4 million euros, it suffered the negative effect of changes in scope attributable to the allocation of the hydroelectric plants of the Udine unit (apart from Ampezzo and Somplago) – known as the “Cellina Branch” – to Cellina Energy S.r.l. due to the partial, non-proportional demerger of Edipower S.p.A. which came into effect from 1 January 2016.
Net of these non-recurring items, the Gross Operating Margin of the Generation and Trading Business Unit was down by about 28 million euros. The worsening of the energy scenario, with all the main market parameters in contraction (PUN Baseload -26%; Pun Peak -25%; PSV -37%) resulted in difficult “starting” conditions and a negative comparative effect, with respect to the first half of 2015, of around 40 million euros on the management of the plants, added to which there were difficulties in the gas segment, again due to the scenario effect. The thermoelectric plant of San Filippo del Mela ceasing to operate under the must-run regime at the end of May 2016 and, finally, the lower margin achieved on the activities of the Trading portfolio, due to the compression of the spreads with the export market and the loss of certain opportunities on the environmental certificates markets (such as the conclusion of the Green Certificates mechanism), also negatively contributed to the performance of the Business Unit.
Whereas the good performance recorded in the environmental certificates market, the excellent performance of the CCGT plants on both the day-ahead market and the secondary markets and good hydroelectric production partially offset these dynamics.

In the period in question the Investments of the Generation and Trading Business Unit amounted to 8 million euros (28 million euros in the first half of 2015).

Commercial *Business Unit*

In the first six months of 2016, the Commercial Business Unit recorded 4.0 TWh of electricity sales (+7% compared to H1 2015) and 664 million cubic metres of gas sales (+6% compared to H1 of the previous year).
The growth in the electricity sector is due to the greater sales made on the free market with regards to large customers and mass market, partly offset by the decline in quantities sold to customers served under the protected regime.
Growth in the gas sector, on the other hand, is mainly due to a higher number of delivery points on the free market and larger volumes sold to large customers.

Revenues stood at 669 million euros (699 million euros as at 30 June 2015), down on the first six months of the previous year, mainly due to the reduction in unitary prices in both the electricity and gas segments.

The Gross Operating Income of the Commercial Business Unit equalled 73 million euros, up 19 million euros compared to the first half of 2015.
Net of the positive items of non-recurring income noted during the first six months of 2016, equal to approximately 6 million euros, the Gross Operating Margin for the Business Unit is up 13 million euros on the same period of 2015, mainly following the growth in results recorded in the electricity sales sector.
This trend involved both the free market following the increase in volumes sold and the greater number of points serviced, and the protected market, by virtue of the increased tariff portion to cover the costs of marketing (despite the decline in quantities sold to customers served under the protected regime described above).

In the period in question the Investments of the Commercial Business Unit amounted to around 2 million euros (1 million euros in H1 2015).

Environment *Business Unit*

The quantity of waste collected, amounting to 0.7 million tonnes, was up (by +2%) compared to the previous year. The quantities of waste disposed of instead amounted to 1.2 million tonnes, showing a decrease of 104 thousand tonnes (-8%), mainly attributable to the lower amounts of waste disposed of at the inert waste landfill in Corteolona (due to the interruption of contributions, by ARPA, for environmental analyses of the water table) and the lower amounts disposed of at the Cavaglià landfill (being exhausted as from June 2016) and the Montichiari landfill (the latter being exhausted from December 2015). This trend was partially offset by the greater quantities disposed of at the Giussago landfill (which came into operation in January 2016).

During the half-year, the Business Unit recorded revenues of 403 million euros (406 million euros at 30 June 2015).

The Gross Operating Margin of the Environment Business Unit amounted to 119 million euros, up by 9 million euros compared to the same period of the previous year.
Net of the non-recurring items that characterized the two periods being compared, the industrial operating margin of the Business Unit was up by 3 million euros compared to the first six months of 2015.
The following contributed to the half year's increase in results:

- the increased margins of the collection segment following greater quantities collected, the higher number of inhabitants served, as well as greater proceeds deriving from the sale of after-treatment paper;
- the good performance of the Group's waste-to-energy plants, deriving mainly from higher sales of heat (following greater demand in the district heating sector) and electricity (above all following the stoppage of the turbine in the first half of 2015 carried out by the waste-to-energy plant in Brescia), the reduction of costs for the disposal of slag from the waste-to-energy plants, as well as the increase in prices for disposing of waste deemed similar to urban waste;
- the start of disposal processes at the new landfill in Giussago from January 2016;
- the hedging on the price of electricity produced by the waste-to-energy plants owned by the Group carried out with the Generation BU which made it possible for the BU to sterilize the negative effects of the scenario.

This trend was partially offset by a negative price effect attributable to the sale of electricity (Waste-to-energy plant of Acerra) and heat produced by the Group's waste-to-energy plants, as well as the reduction in the quantities disposed of at the landfill of inert waste of Corteolona (by May 2015) and the landfills of Cavaglià and Montichiari.

The Investments in the half-year equalled 28 million euros (23 million euros at 30 June 2015).

Networks and Heat *Business Unit*

Electricity distributed was 5.5 TWh, slightly down (-1%) on the first six months of year 2015 following the downturn to consumption mainly as a result of use in medium and high voltage. The quantities of gas distributed amounted to 1,039 million cubic metres in the period (1,068 million cubic metres as at 30 June 2015), while the water distributed amounted to 31 million cubic metres, up of around 2 million cubic metres on the first half of 2015. The heat sales of the Business Unit amounted to 1.3 TWh, in line with the first half of 2015 (lower sales due to the mild climate were offset by the higher sales deriving from the commercial development in place).

Revenues of the Networks and Heat Business Unit during the first six months of 2016 stood at 499 million euros (491 million euros as at 30 June 2015). This trend can mainly be attributed to the posting in the first half of 2016 of 51.4 million euros of non-recurring revenues for the company A2A Ciclo Idrico.
In fact, with resolution no. 16/2016 the Board of Directors of the "Ente di Governo dell’Ambito" (Government Authority) for Brescia approved the previous tariff items (for the years 2007-2011) for A2A Ciclo Idrico S.p.A. pursuant to resolution no. 643/2013/R/idr of the Italian Regulatory Authority for Electricity, Gas and the Water System.
This trend was however almost entirely reabsorbed by the lower revenues recorded in the electricity and gas distribution sectors (mainly following the review of the WACC starting from 2016 as well as

the new regulatory structure for the distribution of electricity), the sales of environmental certificates, as well as the strong contraction of the average sales prices for heat and electricity in the district heating and heat management sector.

The Gross Operating Income of the Networks and Heat Business Unit amounted to 227 million euros, an increase of 44 million euros compared to the first six months of 2015.
Net of the positive non-recurring items recorded in the two comparison periods (respectively around 51 million euros in the first half of 2016 and around 2 million euros in the first half of the previous year), the operating margin of the Business Unit was slightly down by around 4 million euros compared to the first half of the previous year, having almost completely neutralized the strong penalization arising from the regulatory review in the electricity and gas networks.
Specifically, this performance is essentially due to:

- greater revenues pertaining to the year 2016 relating to the aqueduct, purification and sewage service for approximately 4 million euros, following the tariff increases acknowledged by AEEGSI (new regulator for the activity in question from 2016) and higher quantities distributed during the period examined;
- lower revenues admitted and expected for the distribution of electricity and gas for around 12 million euros overall mainly attributable, in the distribution of gas, to the updating from 2016 of the WACC (Weighted Average Cost of Capital) by AEEGSI and, in the distribution of electricity, to the change of the regulatory period, the updating of the aforementioned WACC, and lower revenues from connections and services;
- lower margins relating to district heating and heat management activities for around 6 million euros, predominately attributable to the reduction of unitary sales prices of heat, indexed to gas, as well as lower revenues recorded in the environmental certificates market;
- lower fixed costs for the entire Networks and Heat Business Unit for approximately 10 million euros deriving partly from the Group’s current operative efficiency plan and partly from greater capitalizations.

The margins relating to public lighting activities were instead overall in line with those of the first half of the previous year.

In the period in question the Investments of the Business Unit amounted to around 77 million euros (71 million euros in H1 2015).

International Business Unit (EPCG)

EPCG group electricity sales on the domestic market stood at a total of 1.2 TWh, down by 18% on the corresponding period of the previous year, mainly following the interruption of the supply of electricity to a major energy-hungry customer (Montenegro Bonus) as of March 2016.
The group's plants contributed to fulfil the demand producing a total of 1.5 TWh (in line with the first half of 2015), of which 0.4 TWh was from thermoelectric sources (-33%) and 1.1 TWh from hydroelectric sources (+22%): the decrease of thermoelectric production by the Pljevlja plant was mainly due to the failure to supply the major energy-hungry customer specified above, whilst the increase recorded in the hydroelectric production was entirely due to the second quarter of the year.
The period in question also recorded a decrease in imports and other purchases of energy (-0.1 TWh), as well as a slight increase in quantities exported (+0.2 GWh).

Moreover, in the period in question, the electricity distributed on the medium and low voltage network in Montenegro amounted to 1.0 TWh (1.0 TWh as of 30 June 2015).

The revenues of the International Business Unit amounted to 111 million euros (118 million euros at 30 June 2015). The reduction in revenues in the period is mainly due to the lower sales of electricity to the customer Montenegro Bonus (supply interrupted from March 2016) and other end users (lower sales and distribution revenues).

The Gross Operating Margin equalled 35 million euros, an increase of 3 million euros compared to the same period of the previous year. This trend is mainly due to recovery of the margin in the energy sector in the second quarter of the year thanks to the greater quantities of electricity exported and at the same time a reduction in the quantities imported, as well as the further improvement of the distribution sector's performance mainly due to lower operating costs.

In the period in question Investments amounted to around 10 million euros (7 million euros in the first half of last year).

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Outlook for operations

The energy scenario continues to be characterised by great volatility and a commodity price level that is below last year's and - despite the recovery having started in April/May - still below the levels forecast in the 2016-2020 Strategic Plan. The company on the other hand continues to be in line with or ahead of the many operating objectives contained in the same Plan and referred to all BU, and it is therefore confident of achieving the challenging results set. The financial year 2016, thanks to the energy production coverage in place (amounting to around 80% in the second half of the year) which will ensure at least partial indifference to the changes in market prices and the good results achieved in the first half, is expected to close with improved economic-financial results with respect to both the financial year 2015 and the forecast.

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The Executive responsible for drawing up A2A S.p.A. company accounting documents, Andrea Eligio Crenna, 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 2016, subject to auditing.

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CONSOLIDATED BALANCE SHEET (millions of euro)	06.30.2016	12.31.2015	06.30.2015
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	5,013	5,067	5,561
Intangible assets	1,347	1,348	1,303
Shareholdings carried according to equity method	72	68	74
Other non-current financial assets	71	69	70
Deferred tax assets	285	308	302
Other non-current assets	24	6	40
TOTAL NON-CURRENT ASSETS	**6,812**	**6,866**	**7,350**
CURRENT ASSETS			
Inventories	142	184	207
Trade receivables	1,482	1,485	1,400
Other current assets	283	183	233
Current financial assets	181	171	150
Current tax assets	69	71	62
Cash and cash equivalents	633	636	410
TOTAL CURRENT ASSETS	**2,790**	**2,730**	**2,462**
NON-CURRENT ASSETS HELD FOR SALE	3	205	**-**
TOTAL ASSETS	**9,605**	**9,801**	**9,812**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1,629	1,629	1,629
(Treasury shares)	(98)	(61)	(61)
Reserves	916	1,005	937
Result of the year	-	73	-
Result of the period	254	-	152
Equity pertaining to the Group	**2,701**	**2,646**	**2,657**
Minority interests	425	613	586
Total equity	**3,126**	**3,259**	**3,243**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current financial liabilities	3,063	3,089	3,751
Employee benefits	348	332	336
Provisions for risks, charges and liabilities for landfills	590	576	525
Other non-current liabilities	88	99	351
Total non-current liabilities	**4,089**	**4,096**	**4,963**
CURRENT LIABILITIES			
Trade payables	1,054	1,170	1,001
Other current liabilities	561	521	471
Current financial liabilities	658	692	93
Tax liabilities	117	43	41
Total current liabilities	**2,390**	**2,426**	**1,606**
Total liabilities	**6,479**	**6,522**	**6,569**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**	**20**	**-**
TOTAL EQUITY AND LIABILITIES	**9,605**	**9,801**	**9,812**

CONSOLIDATED INCOME STATEMENT (millions of euro)	01.01.2016 06.30.2016	01.01.2015 06.30.2015	01.01.2015 12.31.2015
Revenues			
Revenues from the sale of goods and services	2,180	2,377	4,732
Other operating income	143	90	189
Total Revenues	**2,323**	**2,467**	**4,921**
Operating expenses			
Expenses for raw materials and services	1,289	1,466	2,992
Other operating expenses	109	125	252
Total Operating expenses	**1,398**	**1,591**	**3,244**
Labour costs	**311**	**314**	**629**
Gross operating income - EBITDA	**614**	**562**	**1,048**
Depreciation, amortization, provisions and write-downs	**234**	**248**	**833**
Net operating income - EBIT	**380**	**314**	**215**
Result from non-recurring transactions	**52**	**(1)**	**(1)**
Financial balance			
Net financial charges	(63)	(77)	(134)
Affiliates	4	3	(4)
Result from disposal of other shareholdings (AFS)	-	-	-
Total financial balance	**(59)**	**(74)**	**(138)**
Result before taxes	**373**	**239**	**76**
Income taxes	**106**	**77**	**133**
Result after taxes from operating activities	**267**	**162**	**(57)**
Net result from discontinued operations	-	-	-
Net result	**267**	**162**	**(57)**
Minorities	**(13)**	**(10)**	**130**
Group result of the period/year	**254**	**152**	**73**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	06.30.2016	06.30.2015	12.31.2015
Net result of the year (A)	**-**	**-**	**(57)**
Net result of the period (A)	**267**	**162**	**-**
Actuarial gains/(losses) on Employee's Benefits booked in the Net equity	(24)	22	17
Tax effect of other actuarial gains/(losses)	7	(4)	(3)
Total actuarial gains/(losses) net of the tax effect (B)	**(17)**	**18**	**14**
Effective part of gains/(losses) on cash flow hedge	25	30	35
Tax effect of other gains/(losses)	(6)	(9)	(9)
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (C)	**19**	**21**	**26**
Other gains/(losses) of companies valued at equity net of the tax effect (D)	-	-	-
Total comprehensive result (A)+(B)+(C)+(D)	**269**	**201**	**(17)**
Total comprehensive result attributable to:			
Shareholders of the parent company	**256**	**191**	**113**
Minority interests	**13**	**10**	**(130)**

CONSOLIDATED CASH-FLOW STATEMENT (millions of euro)	06.30.2016	12.31.2015	06.30.2015
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	**636**	**544**	**544**
Edipower demerger in favour of Cellina Energy	**(38)**	**-**	**-**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	**598**	**544**	**544**
Operating activities			
Net Result (**)	**215**	**(57)**	**162**
Tangible assets depreciation	173	341	168
Intangible assets amortization	24	54	31
Fixed assets write-downs/disposals	4	364	2
Result from affiliates	(4)	4	(3)
Net taxes paid (a)	(7)	(59)	(8)
Gross change in assets and liabilities (b)	(35)	249	9
Total change of assets and liabilities (a+b) (*)	(42)	190	1
Cash flow from operating activities	**370**	**896**	**361**
Investment activities			
Investments in tangible assets	(89)	(253)	(102)
Investments in intangible assets and goodwill	(40)	(88)	(31)
Investments in shareholdings and securities (*)	-	(4)	(2)
Disposal of fixed assets and shareholdings	2	7	-
Dividends received	1	2	1
Purchase/disposal of own shares	(37)	-	-
Cash flow from investment activities	**(163)**	**(336)**	**(134)**
FREE CASH FLOW	**207**	**560**	**227**
Financing activities			
Change in financial assets (*)	18	(88)	(35)
Change in financial liabilities (*)	(5)	(133)	(142)
Net financial interests paid	(54)	(129)	(66)
Dividends paid by the parent company	(126)	(113)	(113)
Dividends paid by the subsidiaries	(5)	(5)	(5)
Cash flow from financing activities	**(172)**	**(468)**	**(361)**
CHANGE IN CASH AND CASH EQUIVALENTS	**35**	**92**	**(134)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	**633**	**636**	**410**

(*) Cleared of balances in return of shareholders' equity and other balance sheet items.

(**) Net Result is exposed net of gains on shareholdings', fixed assets' disposals and from discontinued operations (equal to 52 millions of euro - item "Result from non-recurring transactions" of Consolidated Income Statement).

Statement of changes in Group equity

(millions of euro)

Descrizione	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, 2014	**1,629**	**(61)**	**(51)**	**1,099**	**(37)**	**2,579**	**600**	**3,179**
Changes of the first half 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 (*)			21			21		21
Put option on Aspem S.p.A. shares							**1**	1
Other changes							**(20)**	(20)
Group and minorities result of the period (*)					152	152	**10**	162
Net equity at June 30, 2015	**1,629**	**(61)**	**(30)**	**967**	**152**	**2,657**	**586**	**3,243**
Changes of the second half of 2015								
IAS 19 reserves (*)				(4)		(4)		(4)
IAS 32 and 39 reserves (*)			5			5		5
Other changes				67		67	**167**	234
Group and minorities result of the period (*)					(79)	(79)	**(140)**	(219)
Net equity at December 31, 2015	**1,629**	**(61)**	**(25)**	**1,030**	**73**	**2,646**	**613**	**3,259**
Changes of the first half of 2016								
2015 result allocation				73	(73)			
Purchase of own shares		(37)				(37)		(37)
Distribution of dividends				(126)		(126)	**(5)**	(131)
IAS 19 reserves (*)				(17)		(17)		(17)
IAS 32 and 39 reserves (*)			19			19		19
Other changes				(38)		(38)	**(196)**	(234)
Group and minorities result of the period (*)					254	254	**13**	267
Net equity at June 30, 2016	**1,629**	**(98)**	**(6)**	**922**	**254**	**2,701**	**425**	**3,126**

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