2013

Separate financial **statements**

www.a2a.eu

a2a

Contents

0.4 Attachments

This is a translation of the Italian original "Bilancio separato 2013" and has been prepared solely for the convenience of international readers. In the event of any ambiguity the Italian text will prevail. The Italian original is available on the website www.a2a.eu

Overview of performance, financial conditions and net debt

A2A S.p.A.

The Parent Company is responsible for developing the business, strategic vision, planning, control, financial management and coordination of the A2A Group activities. It also provides services to support the business and operating activities of Group companies (administrative, legal, supply, and personnel management services, information technology and communications) in order to optimize the resources available and use existing expertise in the most efficient manner. These services are regulated by designated intercompany service contracts.

Finally, A2A S.p.A. provides its subsidiaries with office space and operating areas, as well as related services.

A2A S.p.A. is the owner of thermoelectric plants in Cassano d'Adda, Ponti sul Mincio and Monfalcone, a few hydroelectric plants located in Valtellina, and the hydroelectric plant in Calabria. Note that as from July 2013, the business unit "Hydroelectric plant in the Province of Brescia" was sold to Chi.Na.Co S.r.l., a wholly-owned subsidiary of A2A S.p.A. On July 5, 2013, the ownership of this company was sold to the Swiss BKW Group.

Financial performance

Millions of euro	01 01 2013 12 31 2013	01 01 2012 12 31 2012 (*)	Changes
Revenues			
Revenues from the sale of goods and services	414.6	431.5	(16.9)
Other operating income	14.6	30.5	(15.9)
Total revenues	**429.2**	**462.0**	**(32.8)**
Operating expenses	(221.2)	(223.1)	1.9
Labour costs	(122.2)	(114.8)	(7.4)
Gross operating income - EBITDA	**85.8**	**124.1**	**(38.3)**
Depreciation, amortization and write-downs	(215.2)	(148.5)	(66.7)
Provisions	(9.7)	(11.6)	1.9
Net operating income - EBIT	**(139.1)**	**(36.0)**	**(103.1)**
Result from non-recurring transactions	**23.4**	**47.9**	**(24.5)**
Net charges/proceeds from financial management	58.1	101.3	(43.2)
Revenue from the sale of shareholdings (AFS)	-	(0.1)	0.1
Result before taxes	**(57.6)**	**113.1**	**(170.7)**
Income taxes	63.0	35.1	27.9
Result after taxes from operating activities	**5.4**	**148.2**	**(142.8)**
Net result from discontinued operations	**-**	**35.0**	**(35.0)**
Result of the year	**5.4**	**183.2**	**(177.8)**

(*) According to the new adopted Income Statement structure the comparative figures for the period from January to December 2012 have been reclassified.

In the year under review, A2A S.p.A. reported revenue of 429.2 million euro (462.0 million euro last year). The decrease of 32.8 million euro is chiefly due to the lower revenue arising from revisions made to the Tolling Agreement contracts by the subsidiary A2A Trading S.r.l., as well as the effect of the positive, non-recurring profit items reported in the previous years.

Operating expenses were essentially in line with December 31, 2012.

Labour costs show growth of 7.4 million euro, increasing from 114.8 million euro in 2012 to 122.2 million in 2013. This trend is largely due to the allocation in 2013 of expenses of some 7 million euro for redundancy schemes related to the company restructuring.

Due to the dynamics shown above, EBITDA was 85.8 million euro (124.1 million euro in 2012).

"Amortization, depreciation, provisions and write-downs" in the year totalled 224.9 million euro and include amortization, depreciation and write-downs of the plant, property and equipment and intangible assets in the amount of 215.2 million euro (148.5

million euro at December 31, 2012) and provisions in the amount of 9.7 million euro (11.6 million euro at December 31, 2012). The increase in the year was affected by the 111.9 million euro in write-downs of certain thermoelectric plants pursuant to the results in the impairment test phase, executed on these by a non-employee independent expert appointed by the Group. These write-downs aim to adjust their value to the lower expected revenue resulting from a market undergoing excess production capacity.

The net operating loss for the year came to 139.1 million euro (as compared to a loss of 36 million euro at December 31, 2012).

The “Result from non-recurring transactions” comes to 23.4 million euro (47.9 million euro at December 31, 2012) and refers to the capital gain earned by the sale of Chi.Na.Co S.r.l., to which A2A S.p.A. had sold five small hydroelectric plants for installed power capacity of 8 MW. Last year, this entry referred to the capital gains on sales of shareholdings in Metroweb S.p.A. and e-Utile S.p.A..

Financial balance reported a positive balance of 58.1 million euro (positive in the amount of 101.2 million euro at December 31, 2012). In the year in question, this item mainly represented write-downs on shareholdings in Abruzzoenergia S.p.A., Edipower S.p.A. and Ergosud S.p.A. made as a result of the results of the impairment test performed by an external expert as illustrated above.

The pre-tax loss comes to 57.6 million euro (as compared to pre-tax income of 113.1 million euro at December 31, 2012).

Income taxes, which include deferred tax liabilities, were positive in the amount of 63 million euro (at December 31, 2012, the amount was 35.1 million euro).

“Net revenue from discontinued operations” does not report any value at December 31, 2013, while the value was 35 million euro at December 31, 2012, and included the capital gain generated by the sale of the shareholding A2A Coriance S.a.s..

Further to the above dynamics, net income for the year comes to 5.4 million euro (183.2 million euro a year earlier).

Capital expenditures for the year amounted to 28.7 million euro and involved special actions on the hydroelectric and thermoelectric plants. Furthermore, investments continued on the Group’s IT systems.

Balance sheet and net debt

millions of euro	12 31 2013	12 31 2012
EMPLOYED CAPITAL		
Net fixed assets	**5,304.5**	**5,555.8**
- Tangible assets	1,365.2	1,564.3
- Intangible assets	54.1	83.6
- Shareholdings and other non-current assets (*)	4,096.0	4,167.6
- Other non-current assets/liabilities (*)	(2.7)	(2.7)
- Prepaid/deferred tax assets/liabilities	28.0	(29.7)
- Provisions for risks, charges and liabilities for landfills	(111.2)	(109.5)
- Employee benefits	(124.9)	(117.8)
of which with counter-entry to equity	(6.9)	(3.9)
Working capital	**82.5**	**(25.1)**
- Inventories	5.6	5.4
- Trade receivables and other current assets (*)	287.7	173.2
- Trade payables and other current liabilities (*)	(257.1)	(261.3)
- Assets for current assets/liabilities for taxes	46.3	57.6
Assets/liabilities held for sale (*)	**-**	**-**
of which with counter-entry to equity	-	-
TOTAL EMPLOYED CAPITAL	**5,387.0**	**5,530.7**
SOURCES OF COVERAGE		
Equity	**2,448.0**	**2,537.5**
Total financial position beyond one year	3,163.9	3,231.6
Total financial position within one year	(224.9)	(238.4)
Total net financial position	**2,939.0**	**2,993.2**
of which with counter-entry to equity	(30.9)	(20.4)
TOTAL SOURCES	**5,387.0**	**5,530.7**

(*) Net of balances included in the Net Financial Position.

"Employed capital" totalled 5,387 million euro at December 31, 2013, partly covered by equity in the amount of 2,448 million euro and net debt of 2,939 million euro.

The amount of "employed capital" decreased by 143.7 million euro. This decrease is due, in the amount of 251.3 million euro, to the decrease in "Net fixed assets", mainly as a result of the decrease in property, plant and equipment and shareholdings, due to the write-downs made during the year. "Working capital" reported an increase of 107.6 million euro, arising chiefly from the increase in receivables, partly offset by the decrease in assets for taxes.

"Net financial position" amounted to 2,939 million euro at December 31, 2013, while it was higher at December 31, 2012, in the amount of 2,993.2 million euro.

“Net cash flow from operations” for the year amounted to 108.9 million euro.

“Net cash flow used in investment” amounts to 36.6 million euro and includes revenue from the sale of shareholdings net of the resources absorbed by investments in non-current tangible and intangible assets.

During the year, dividends were distributed in the amount of 80.8 million euro, while the variations of the assets/liabilities with an entry under share capital were negative in the amount of 10.5 million euro.

Millions of euro	**12 31 2013**	**12 31 2012**
NET FINANCIAL POSITION AT THE START OF THE YEAR	**(2,993.2)**	**(3,224.3)**
EXTRAORDINARY TRANSACTIONS	**-**	**(1.5)**
Result of the year (**)	(18.4)	95.8
Amortization and depreciation	103.3	148.5
Net taxes paid/receivables for taxes paid	24.6	15.2
Write-downs on shareholdings and fixed assets	183.1	8.4
Changes in the assets and liabilities (*)	(183.7)	(14.4)
Cash flow from operating activities	**108.9**	**253.5**
Cash flow from investment activities	**36.6**	**71.9**
Dividends paid	(80.8)	(40.4)
Changes in financial assets/liabilities with counter-entry to equity	(10.5)	(52.4)
NET FINANCIAL POSITION AT YEAR END	**(2,939.0)**	**(2,993.2)**

(*) Net of balances with offsetting entry under shareholders' equity.
(**) Net of capital gains for sale of shareholdings.

Below is a detail of net financial position:

Millions of euro	**12 31 2013**	**12 31 2012**
Medium/long-term debt	3,871.9	3,306.8
Medium/long-term financial receivables	(708.0)	(75.2)
Total non-current net debt	**3,163.9**	**3,231.6**
Short-term debt	835.0	938.7
Short-term financial receivables	(873.0)	(876.6)
Cash and cash equivalents	(186.9)	(300.5)
Total current net debt	**(224.9)**	**(238.4)**
Net financial debt	**2,939.0**	**2,993.2**

0.1

Financial Statements

Balance sheet ([1])

Assets

Amounts in euro	Note	12 31 2013	12 31 2012
NON-CURRENT ASSETS			
Tangible assets	1	1,365,227,848	1,564,309,284
Intangible assets	2	54,082,986	83,571,431
Shareholdings carried according to equity method	3	4,091,965,853	4,162,918,601
Other non-current financial assets	3	668,533,301	9,671,246
Deferred tax assets	4	28,052,579	-
Other non-current assets	5	44,014,844	70,762,645
TOTAL NON-CURRENT ASSETS		**6,251,877,411**	**5,891,233,207**
CURRENT ASSETS			
Inventories	6	5,634,434	5,383,632
Trade receivables	7	164,885,785	150,587,673
Other current assets	8	122,846,213	30,372,162
Current financial assets	9	872,983,019	868,820,567
Current tax assets	10	46,657,285	57,674,136
Cash and cash equivalents	11	186,891,718	300,505,177
TOTAL CURRENT ASSETS		**1,399,898,454**	**1,413,343,347**
NON-CURRENT ASSETS HELD FOR SALE		**-**	**-**
TOTAL ASSETS		**7,651,775,865**	**7,304,576,554**

(1) As prescribed by Consob Resolution no. 17221 of March 12, 2010 the effects of related party transactions on the separate financial statements are provided in the statements in section 0.2 and discussed in Note 36.
Significant non-recurring events and transactions in the separate financial statements are provided in Note 37, as required by Consob Communication DEM/6064293 of July 28, 2006.

Equity and liabilities

Amounts in euro	Note	12 31 2013	12 31 2012
EQUITY			
Share capital	12	1,629,110,744	1,629,110,744
(Treasury shares)	13	(60,891,196)	(60,891,196)
Reserves	14	874,376,650	786,109,156
Net result of the year	15	5,419,854	183,154,840
Total equity		**2,448,016,052**	**2,537,483,544**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current financial liabilities	16	3,824,338,383	3,258,742,029
Deferred tax liabilities	17	-	29,691,400
Employee benefits	18	124,965,637	117,771,560
Provisions for risks, charges and liabilities for landfills	19	111,167,713	109,515,361
Other non-current liabilities	20	50,786,583	51,330,566
Total non-current liabilities		**4,111,258,316**	**3,567,050,916**
CURRENT LIABILITIES			
Trade payables	21	117,550,625	152,706,560
Other current liabilities	21	139,619,152	108,626,895
Current financial liabilities	22	834,991,941	938,708,639
Tax liabilities	23	339,779	-
Total current liabilities		**1,092,501,497**	**1,200,042,094**
Total liabilities		**5,203,759,813**	**4,767,093,010**
LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE		**-**	**-**
TOTAL EQUITY AND LIABILITIES		**7,651,775,865**	**7,304,576,554**

Income statement (1)

Amounts in euro	Note	01 01 2013 12 31 2013	01 01 2012 12 31 2012 (*)
Revenues			
Revenues from the sale of goods and services		414,558,491	431,505,959
Other operating income		14,644,794	30,486,173
Total revenues	**25**	**429,203,285**	**461,992,132**
Operating expenses			
Expenses for raw materials and services		164,904,124	173,948,125
Other operating expenses		56,294,790	49,160,701
Total operating expenses	**26**	**221,198,914**	**223,108,826**
Labour costs	**27**	**122,223,138**	**114,742,230**
Gross operating income - EBITDA	**28**	**85,781,233**	**124,141,076**
Depreciation, amortization, provisions and write-downs	**29**	**224,897,807**	**160,124,596**
Net operating income - EBIT	**30**	**(139,116,574)**	**(35,983,520)**
Result from non-recurring transactions	**31**	**23,387,585**	**47,964,030**
Financial balance			
Financial income		309,864,690	294,629,674
Financial expense		251,730,858	193,357,913
Result from disposal of other shareholdings (AFS)		6,750	(136,789)
Total financial balance	**32**	**58,140,582**	**101,134,972**
Result before taxes		**(57,588,407)**	**113,115,482**
Income taxes	**33**	**(63,008,261)**	**(35,097,185)**
Result after taxes from operating activities		**5,419,854**	**148,212,667**
Net result from discontinued operations	**34**	**-**	**34,942,173**
NET RESULT OF THE YEAR	**35**	**5,419,854**	**183,154,840**

(1) As prescribed by Consob Resolution no. 17221 of March 12, 2010, the effects of related party transactions on the separate financial statements are provided in the statements in section 0.2 and discussed in Note 36.
Significant non-recurring events and transactions in the separate financial statements are provided in Note 37 as required by Consob Communication DEM/6064293 of July 28, 2006.

(*) According to the new adopted Income Statement structure, the comparative figures for 2012 have been reclassified.

Statement of comprehensive income

Amounts in euro	**12 31 2013**	**12 31 2012**
Net result of the year (A)	**5,419,854**	**183,154,840**
Actuarial gains/(losses) on employee benefits booked in net equity	(10,657,515)	(7,916,596)
Tax effect on other actuarial gains/(losses)	4,097,445	2,162,044
Total actuarial gains/(losses) net of the tax effect (B)	**(6,560,070)**	**(5,754,552)**
Effective part of gains/(losses) on cash flow hedge	(10,551,148)	(52,498,840)
Tax effect of other gains/(losses)	3,587,390	17,849,606
Total other gains/(losses) net of the tax effect (C)	**(6,963,758)**	**(34,649,234)**
Gains/(losses) from the remeasurement of financial assets available for sale (D)	**(607,839)**	**-**
Total comprehensive result (A) + (B) + (C) + (D)	**(8,711,813)**	**142,751,054**

With the exception of the actuarial effects on employee benefits recognized in equity, the other effects stated above will be reclassified to profit or loss in subsequent years.

Cash flow statement

Amounts in euro	12 31 2013	12 31 2012
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**300,505,177**	**39,380,472**
Operating activities		
Result of the year (**)	(18,354,481)	95,825,450
Tangible assets depreciation	92,455,083	129,755,710
Intangible assets amortization	10,887,826	18,705,569
Fixed assets write-downs	112,048,464	131,579
Write-downs/disposals of Shareholdings write-downs	71,034,346	8,234,794
Net taxes paid/tax credits transferred (a)	*24,625,682*	*15,200,753*
Gross change in assets and liabilities (b)	*(183,763,909)*	*(14,395,073)*
Total change of assets and liabilities (a+b) (*)	(159,138,227)	805,680
Cash flow from operating activities	**108,933,011**	**253,458,782**
Investment activities		
Investments in tangible assets	(20,955,998)	(54,245,003)
Investments in intangible assets and goodwill	(7,782,385)	(23,423,596)
Investments in shareholdings and securities (*)	(97,000)	(6,841,740)
Disposal of fixed assets and shareholdings	65,391,509	156,399,237
Cash flow from investment activities	**36,556,126**	**71,888,898**
FREE CASH FLOW	***145,489,137***	***325,347,680***
Financing activities		
Change in financial assets (*)	(696,208,481)	165,950,852
Change in financial liabilities (*)	628,878,485	(109,135,723)
Net financial interests paid	(111,016,921)	(80,660,264)
Dividends paid	(80,755,679)	(40,377,840)
Cash flow from financing activities	**(259,102,596)**	**(64,222,975)**
CHANGE IN CASH AND CASH EQUIVALENTS	**(113,613,459)**	**261,124,705**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**186,891,718**	**300,505,177**

(*) Cleared of balances in return of shareholders' equity and other balance sheet items.
(**) Result of the year is exposed net of gains on shareholdings' and fixed assets' disposals.

Statement of changes in equity

Description *Amounts in euro*	**Share Capital Note 12**	**Treasury Shares Note 13**
Equity at December 31, 2011 (**)	**1,629,110,744**	**(60,891,196)**
2011 result allocation		
Ordinary dividend distribution		
IAS 32 and IAS 39 reserves (*)		
IAS 19 Revised reserve "Employee Benefits" (*)		
Net result of the year (*)		
Equity at December 31, 2012	**1,629,110,744**	**(60,891,196)**
2012 result allocation		
Ordinary dividend distribution		
IAS 32 and IAS 39 reserves (*)		
IAS 19 Revised reserve "Employee Benefits" (*)		
Net result of the year (*)		
Equity at December 31, 2013	**1,629,110,744**	**(60,891,196)**
Availability of Equity Reserves		

A: For share capital increase
B: To cover losses
C: For distribution to shareholders - available for 593,860,357 euro
D: Reserves not available

(*) These form part of the statement of comprehensive income
(**) Net equity at December 31, 2011, 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.

Reserves Note 14	Cash flow hedge reserve Note 14	Available-for-sale reserve Note 14	Net result of the year Note 15	Total equity
1,309,552,018	**21,198,237**		**(463,859,473)**	**2,435,110,330**
(463,859,473)			463,859,473	
(40,377,840)				(40,377,840)
	(34,649,234)			(34,649,234)
(5,754,552)				(5,754,552)
			183,154,840	183,154,840
799,560,153	**(13,450,997)**		**183,154,840**	**2,537,483,544**
183,154,840			(183,154,840)	
(80,755,679)				(80,755,679)
	(6,963,757)	(607,840)		(7,571,597)
(6,560,070)				(6,560,070)
			5,419,854	5,419,854
895,399,244	**(20,414,754)**	**(607,840)**	**5,419,854**	**2,448,016,052**
A-B-C	**D**			

0.2

Financial Statements pursuant to Consob Resolution no. 17221 of March 12, 2010

Balance sheet

pursuant to Consob Resolution no. 17221 of March 12, 2010

Assets

Amounts in euro	12 31 2013	of which Related parties (note 36)	12 31 2012	of which Related parties (note 36)
ASSETS				
NON-CURRENT ASSETS				
Tangible assets	1,365,227,848		1,564,309,284	
Intangible assets	54,082,986		83,571,431	
Shareholdings carried according to equity method	4,091,965,853	4,091,965,853	4,162,918,601	4,162,918,601
Other non-current financial assets	668,533,301	664,397,528	9,671,246	4,923,552
Deferred tax assets	28,052,579		-	
Other non-current assets	44,014,844		70,762,645	
TOTAL NON-CURRENT ASSETS	**6,251,877,411**		**5,891,233,207**	
CURRENT ASSETS				
Inventories	5,634,434		5,383,632	
Trade receivables	164,885,785	154,979,031	150,587,673	140,534,595
Other current assets	122,846,213	41,348,313	30,372,162	12,889,605
Current financial assets	872,983,019	872,983,019	868,820,567	868,820,567
Current tax assets	46,657,285		57,674,136	
Cash and cash equivalents	186,891,718		300,505,177	
TOTAL CURRENT ASSETS	**1,399,898,454**		**1,413,343,347**	
NON-CURRENT ASSETS HELD FOR SALE	**-**		**-**	
TOTAL ASSETS	**7,651,775,865**		**7,304,576,554**	

Equity and liabilities

Amounts in euro	12 31 2013	of which Related parties (note 36)	12 31 2012	of which Related parties (note 36)
EQUITY				
Share capital	1,629,110,744		1,629,110,744	
(Treasury shares)	(60,891,196)		(60,891,196)	
Reserves	874,376,650		786,109,156	
Net result of the year	5,419,854		183,154,840	
Total equity	**2,448,016,052**		**2,537,483,544**	
LIABILITIES				
NON-CURRENT LIABILITIES				
Non-current financial liabilities	3,824,338,383		3,258,742,029	
Deferred tax liabilities	-		29,691,400	
Employee benefits	124,965,637		117,771,560	
Provisions for risks, charges and liabilities for landfills	111,167,713		109,515,361	
Other non-current liabilities	50,786,583		51,330,566	
Total non-current liabilities	**4,111,258,316**		**3,567,050,916**	
CURRENT LIABILITIES				
Trade payables	117,550,625	40,403,163	152,706,560	53,168,988
Other current liabilities	139,619,152	82,309,061	108,626,895	54,342,733
Current financial liabilities	834,991,941	470,175,304	938,708,639	370,094,045
Tax liabilities	339,779		-	
Total current liabilities	**1,092,501,497**		**1,200,042,094**	
Total liabilities	**5,203,759,813**		**4,767,093,010**	
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**		**-**	
TOTAL EQUITY AND LIABILITIES	**7,651,775,865**		**7,304,576,554**	

Income statement

pursuant to Consob Resolution no. 17221 of March 12, 2010

Amounts in euro	01 01 2013 12 31 2013	of which Related parties (note 36)	01 01 2012 12 31 2012 (*)	of which Related parties (note 36)
Revenues				
Revenues from the sale of goods and services	414,558,491	402,413,044	431,505,959	415,729,037
Other operating income	14,644,794	7,467,426	30,486,173	6,936,521
Total revenues	**429,203,285**		**461,992,132**	
Operating expenses				
Expenses for raw materials and services	164,904,124	57,600,635	173,948,125	62,248,687
Other operating expenses	56,294,790	182,678	49,160,701	975,507
Total operating expenses	**221,198,914**		**223,108,826**	
Labour costs	**122,223,138**	**3,048,000**	**114,742,230**	**3,157,666**
Gross operating income - EBITDA	**85,781,233**		**124,141,076**	
Depreciation, amortization, provisions and write-downs	**224,897,807**		**160,124,596**	
Net operating income - EBIT	**(139,116,574)**		**(35,983,520)**	
Result from non-recurring transactions	**23,387,585**		**47,964,030**	
Financial balance				
Financial income	309,864,690	259,955,992	294,629,674	291,265,747
Financial charges	251,730,858	77,038,837	193,357,913	11,712,548
Result from disposal of other shareholdings (AFS)	6,750		(136,789)	
Total financial balance	**58,140,582**		**101,134,972**	
Result before taxes	**(57,588,407)**		**113,115,482**	
Income taxes	**(63,008,261)**		**(35,097,185)**	
Result after taxes from operating activities	**5,419,854**		**148,212,667**	
Net result from discontinued operations	**-**		**34,942,173**	
Net result of the year	**5,419,854**		**183,154,840**	

(*) According to the new adopted Income Statement structure, the comparative figures for 2012 have been reclassified.

0.3

Notes

General information on A2A S.p.A.

A2A S.p.A. is a company incorporated under Italian law.

A2A S.p.A. and its subsidiaries (the "Group") operate both in Italy and abroad, in particular following the acquisition in Montenegro which took place in recent years.

In particular, as the "Parent Company", A2A S.p.A. is responsible for developing the business, guiding strategy; overseeing administration, planning and control; handling the financial management, and coordinating the activities of the A2A Group.

As such, the direct subsidiaries receive services of an administrative, fiscal and legal nature, as well as services concerning human resources, provisioning, marketing and communication, so as to optimize the resources available within the Group and to use existing know-how efficiently and in a cost-effective manner.

The A2A Group mainly operates in the following sectors:

- the production, sale and distribution of electricity;
- the sale and distribution of gas;
- the production, distribution and sale of heat through district heating networks;
- waste management (from collection and sweeping to disposal) and the construction and management of integrated waste disposal plants and systems, also making these available for other operators;
- integrated water cycle management.

The separate financial statements for A2A S.p.A. are presented in euro, which is also the functional currency in the economies in which the company operates. The following explanatory notes are presented in thousands of euro.

The separate financial statements of A2A S.p.A. for the year ended December 31, 2013, have been prepared based on the assumption of going concern and include the balance sheet, income statement, cash flow statement, statement of changes in equity, and these explanatory notes.

The financial statements have been prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union, as well as in accordance with the interpretations of the International Financial Reporting Interpretation Committee (IFRIC) and the measures issued in implementation of Article 9 of Italian Legislative Decree no. 38/2005.

These explanatory notes to the financial statements include the supplemental information required by the Italian civil code, by Consob Resolutions no. 15519 and 15520 of July 27, 2006, and Consob communication no. 6064293 of July 28, 2006.

This separate annual report for the year ended December 31, 2013, was approved on March 14, 2014, by the Management Board, which authorized its publication, and has been audited by PricewaterhouseCoopers S.p.A. in accordance with their appointment by the shareholders of April 26, 2007, for the nine years from 2007 to 2015.

Financial statements

A2A S.p.A. has adopted a format for the balance sheet which presents current and non-current assets and current and non-current liabilities as separate classifications, as required by paragraphs 60 and following of IAS 1 (Revised).

The income statement is presented by nature, a format which is considered more representative than a presentation by function. The selected format is in agreement with the presentation used by the Group's major competitors and in line with international practice.

On preparing these financial statements, the specific line items "Result from non-recurring transactions" and "Result from disposal of other shareholdings (AFS)" have been added to the format of the income statement in order to provide clear and immediate identification of the results arising from non-recurring transactions forming part of continuing operations, separating these from the results from discontinued operations. The line item "Non-recurring transactions" consists of the gains and losses arising from the measurement at fair value less costs to sell or from the sale or disposal of non-current assets (or disposal groups) classified as held for sale within the meaning of IFRS 5, the gains or losses arising on the disposal of shareholdings in unconsolidated subsidiaries and associates and other non-operating income and expenses. This item is presented between net operating income and the financial balance. In this way net operating income is not affected by non-recurring operations, making it easier to measure the effective performance of the Group's ordinary operating activities.

This change to the format of the income statement has also led to the restatement of the comparative figures for the previous year, as discussed further in the notes to the income statement.

The cash flow statement has been prepared using the indirect method as permitted by IAS 7.

The statement of changes in equity has been prepared in accordance with IAS 1 (Revised).

The formats adopted for the financial statements are the same as those used to prepare the annual separate financial statements at December 31, 2012.

Basis of preparation

The separate financial statements as at December 31, 2013, have been prepared on a historical cost basis, with the exception of those items which under IFRS must be or can be measured at fair value, as discussed in further detail in the accounting policies.

The accounting principles, the accounting policies and the methods of measurement used in the preparation of the separate financial statements are consistent with those used to prepare the annual separate financial statements at December 31, 2012, except as specified below.

Changes in international accounting standards

The accounting principles adopted for 2013 are the same as those used in the prior year, with the exception of those discussed below in the paragraph "Accounting principles, amendments and interpretations applied by the company from the current year".

A summary is provided in the following paragraphs "Accounting principles, amendments and interpretations approved by the European Union but applicable after December 31, 2013" and "Accounting principles, amendments and interpretations not yet approved by the European Union" of the changes that will be adopted in future periods, stating the expected effects on the company's financial statements to the extent this is possible.

Accounting principles, amendments and interpretations applied by the company from the current year

A series of amendments introduced by international accounting standards and interpretations have been applied from January 1, 2013, none of which however has led to a significant effect on the company's financial statements. The main changes are described in the following:

- IAS 1 - "Presentation of Financial Statements" – presentation of Items of Other Comprehensive Income: this amendment, applicable from July 1, 2012, was issued on June 5, 2012, and regards the classification of items in "other comprehensive income" on the basis of whether they a are potentially reclassifiable to profit or loss subsequently;
- IFRS 1 "Government Loans": this amendment, applicable from January 1, 2013, was issued on March 12, 2012, and regards government loans at a below-market rate of interest. More specifically, the amendment requires that a first-time adopter classify all outstanding government loans received as a financial liability or an equity instrument in accordance with IAS 32 "Financial Instruments: Presentation". In addition, the amendment states that a first-time adopter may not recognize the corresponding benefit of a government loan at a below-market rate of interest as a government grant;

- IFRS 7 "Financial Instruments: Disclosures": on December 16, 2011, the IASB issued an amendment to this standard, which is applicable retrospectively for financial years beginning on or after January 1, 2013. This amendment requires information to be provided on the effects or potential effects on the statement of financial position of netting agreements for financial assets and liabilities;
- IFRS 13 "Fair Value Measurement": this standard was issued by the IASB on May 12, 2011, and is applicable from January 1, 2013. IFRS 13 defines fair value, provides guidelines on how to measure it, and introduces disclosure requirements.
  The standard does not specify when fair value measurement is applicable but establishes how it should be calculated when it is required by other standards. The new standard applies to all transactions, both financial and non-financial, for which international accounting standards require or permit fair value measurements, with the exception of transactions recognized on the basis of IFRS 2 "Share-based Payments", lease agreements governed by IAS 17 "Leases" and transactions recognized on the basis of "net realizable value" as specified in IAS 2 "Inventories" and "value in use" as specified in IAS 36 "Impairment of Assets".
  The standard defines "fair value" as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". If transactions can be observed directly in the marketplace, fair value can be measured fairly easily; where this is not possible, valuation techniques are used. The standard describes three of these techniques which can be used to measure fair value; the first is the market approach, which uses prices and other relevant information generated by market transactions involving comparable assets and liabilities; the second is the income approach, which consists in discounting future cash inflows and outflows; the third is the cost approach, which requires an entity to produce a value that reflects the amount that would be required currently to replace the service capacity of an asset.
  As regards the disclosures to be provided in the financial statements, IFRS 13 extends the hierarchy of three levels of fair value which vary depending on the input used in the valuation techniques, as stated in IFRS 7 "Financial Instruments: Disclosures", to all assets and liabilities within its scope of application. Certain disclosure requirements vary depending on whether the fair value measurement is carried out on a recurring or non-recurring basis: recurring means the fair value measurements required by other accounting standards at the end of each reporting period, whereas non-recurring means fair value measurements required in special circumstances only.
- On March 28, 2013, a set of proposed amendments to the IFRSs, "Annual Improvements to IFRSs 2009 - 2011 Cycle", was approved after being issued by the IASB in May 2012;

these amendments are applicable retrospectively from January 1, 2013, and more specifically regard:

a) IAS 1 “Financial Instruments: Presentation” sets out the criteria for presenting current and non-current liabilities as separate classifications in the balance sheet;
b) IAS 16 “Property, Plant and Equipment” clarifies that servicing equipment shall be classified as property, plant and equipment if used for more than one year, otherwise such items shall be classified as inventory;
c) IAS 32 “Financial Instruments: Presentation” clarifies the fiscal treatment for direct taxation arising from distributions to equity holders and from transaction costs on equity instruments, stating that this should follow the rules of IAS 12 “Income Taxes”;
d) IAS 34 “Interim Financial Reporting” addresses segment reporting disclosures; in particular, it clarifies that total assets for a particular reportable segment shall only be reported if that information is regularly provided to the entity’s chief operating decision maker and if there has been a material change from the amount disclosed in the last financial statements for that reportable segment.

- The amendment to IAS 19 “Employee Benefits” was approved on June 6, 2012, and is applicable from January 1, 2013, and A2A S.p.A. has early applied this from January 1, 2012.

The changes made in the amendment may be grouped into three main categories:

(i) recognition and presentation in the financial statements;
(ii) disclosures;
(iii) additional changes.

The first category of changes concerns defined benefit plans. In particular, the corridor method used as a means of recognizing actuarial gains and losses has been eliminated, with the simultaneous requirement being introduced to recognize “remeasured” items (actuarial gains and losses) in other comprehensive income.

The change in the defined benefit obligation is then separated into the following three components in the income statement presentation:

1. an operating component (service cost);
2. a financial component (finance cost);
3. a measurement component (remeasurement cost).

As far as disclosures are concerned, in addition to the elimination of the disclosure relating to the deferral of the recognition of income components (which is no longer required following the elimination of the option to select the corridor method), disclosures are required of the features of the plans and the related amounts recognized in the financial statements, the risks involved in the plans, which includes a sensitivity analysis for the demographic risk, and details of any participation in multiemployer pension plans.

Accounting standards, amendments and interpretations approved by the European Union but applicable after December 31, 2013

The following principles and interpretations already approved by the European Union and currently not applied by the company could be adopted in the next few years if the conditions arise:

- IFRS 11 "Joint Arrangements" was issued by the IASB on May 12, 2011, and is effective from January 1, 2014. This standard establishes that in a joint arrangement two or more parties have joint control and decisions regarding relevant activities require the unanimous consent of the parties.
  IFRS 11 identifies two different types of joint arrangement:
  1. joint operations;
  2. joint ventures.

  The two types differ in the rights and obligations of each party to the joint arrangement. In a joint operation, the parties have rights to the assets and obligations for the liabilities of the arrangement, whereas in a joint venture the parties have rights linked to the net assets of the arrangement. IFRS 11 requires an entity to fully recognize the assets, liabilities, revenues and expenses relating to a joint operation on the basis of its interest, while it should account for a joint venture using the equity method, as required by IAS 28 "Investments in Associates and Joint Ventures".
  Joint operations are recognized in the same way in both the separate and consolidated financial statements, with an entity recognizing the assets, liabilities, revenues and expenses on the basis of its interest; joint ventures and investments in subsidiaries and associates on the other hand may be recognized in the separate financial statements either at cost or on the basis of IFRS 9 "Financial Instruments" (and IAS 39 "Financial Instruments: Recognition and Measurement"), as also specified in IAS 27 "Separate Financial Statements". As regards disclosures for the purpose of completeness, reference should be made to the new IFRS 12 "Disclosures of Interests in Other Entities".
- IFRS 12 "Disclosure of Interests in Other Entities" was issued by the IASB on May 12, 2011, and is applicable from January 1, 2014. This standard establishes the minimum disclosure requirements, combining them with those established by other standards, that entities must provide about all types of interests, including those in a subsidiary, a joint arrangement, an associate, a special-purpose entity or an unconsolidated vehicle;
- IAS 27 (Revised) "Separated Financial Statements" was issued by the IASB on May 12, 2011, and is applicable from January 1, 2014; a revised version of IAS 27 was issued at the same time as IFRS 10 "Consolidated Financial Statements" was introduced, which retains its role as the general standard of reference for separate financial statements.

This standard applies to the measurement of investments in subsidiaries, associates and joint ventures in the separate financial statements of the parent. Joint ventures, as is also the case for investments in subsidiaries and associates, may be recognized in the separate financial statements either at cost or on the basis of IFRS 9 "Financial Instruments" (and IAS 39 "Financial Instruments: Recognition and Measurement"). When, in accordance with IFRS 10 "Consolidated Financial Statements", a parent elects not to prepare consolidated financial statements, in its separate financial statements it must disclose information about its investments in subsidiaries, associates and joint ventures, their principal places of business (and their registered offices if different), their activities, the ownership interest in each individual investee and a description of the method used to account for the investment;

- IAS 28 (Revised) "Investments in Associates and Joint Ventures" was issued by the IASB on May 12, 2011, and is applicable from January 1, 2014; a revised version of IAS 28 was issued at the same time as IFRS 10 "Consolidated Financial Statements" was introduced, whose scope is to prescribe the accounting for investments in associates and joint ventures. An entity that exercises joint control or has significant influence over another entity must account for its investment using the equity method;
- IAS 32 "Financial Instruments: Presentation" was issued by the IASB on December 16, 2011, and is applicable retrospectively for annual periods beginning on or after January 1, 2014. This amendment clarifies the application of certain criteria for offsetting the financial assets and liabilities included in IAS 32;
- IAS 36 "Impairment of Assets": the amendments to IAS 36, which are applicable from January 1, 2014, were issued on May 29, 2013, and regard the disclosures required on recognizing impairment losses when the recoverable amount of impaired assets is based on fair value less costs of disposal. The amendments remove the requirement to disclose the recoverable amount of assets when the cash generating unit (CGU) includes goodwill or intangible assets with indefinite useful lives but the asset is not impaired. In addition, disclosures are required of the recoverable amount of an asset or CGU and the way in which fair value less costs of disposal has been calculated when an impairment loss has been recognized for the asset;
- IAS 39 "Financial Instruments: Recognition and Measurement": the amendments to this standard, issued on June 27, 2013, regard the accounting for derivatives which have been designated as hedging instruments if there is novation of the counterparty. Before the introduction of these amendments, in the event of the novation of derivative instruments designated as being for hedging, IAS 39 required an interruption to cash flow hedge accounting on the assumption that the novation led to the conclusion and extinguishment of the pre-existing hedging instrument. These amendments are applicable retrospectively from January 1, 2014.

Accounting standards, amendments and interpretations not yet approved by the European Union

The following standards and interpretations have not been applied, since at the present time the competent bodies of the European Union have still to complete their approval process.

- IFRS 9 "Financial Instruments": this standard represents the first of a three-stage process whose scope is to fully replace IAS 39 "Financial Instruments: Recognition and Measurement" and introduces new criteria for classifying and measuring financial assets and liabilities. The main changes introduced by IFRS 9 may be summarized as follows: financial assets are classified into two categories alone - "at fair value" or "at amortized cost". As a result, the categories "loans and receivables", "available-for-sale financial assets" and "held-to-maturity investments" disappear. Classification within the two categories is carried out on the basis of an entity's business model and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost if both of the following requirements are met: the objective of the entity's business model is to hold assets to collect contractual cash flows (and therefore in substance not to earn trading profits) and the characteristics of the cash flows of the asset are solely payments of principal and interest. A financial asset is measured at fair value if it is not measured at amortized cost. The rules for accounting for embedded derivatives have been simplified: separate accounting for the embedded derivative and the financial asset "hosting" it is no longer required.

  All equity instruments - listed or unlisted - must be measured at fair value IAS 39 established, on the other hand, that unlisted equity instruments should be valued at cost if fair value could not be reliably measured.

  An entity has the option of presenting changes in the fair value of equity instruments that are not held for trading in equity; that option is not permitted for equity instruments that are held for trading. This designation is permitted on initial recognition, may be adopted for each individual instrument and is irrevocable. If an election is made for this option, changes in the fair value of these instruments may never be reclassified from equity to profit or loss. Dividends on the other hand continue to be recognized in profit or loss.

  IFRS 9 does not permit reclassifications between the two categories of financial asset except in the rare case of a change in an entity's business model. In this case the effects of the reclassification are applied prospectively.

  The disclosures required to be made in the notes have been adjusted to the classification and measurements rules introduced by IFRS 9.

On November 19, 2013, the IASB issued an amendment to this standard which mainly regards the following:

(i) bringing into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements;
(ii) enabling entities to change the accounting of liabilities measure at fair value: in particular the effects of a worsening of an entity's own credit risk will no longer be recognized in profit or loss;
(iii) deferring the effective date of the standard, originally January 1, 2015, effective as of January 1, 2015;

- IAS 19 Revised "Employee Benefits": the amendments to this standard, issued by the IASB on November 21, 2013, regard contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service (for example employee contributions that are calculated according to a fixed percentage of salary). The amendments are effective from July 1, 2014;
- IFRIC 21 "Levies": this interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" was issued on May 20, 2013 and regards the accounting for levies imposed by governments which do not fall within the scope of IAS 12 "Income Taxes". IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the legislation that triggers the payment of the levy. The interpretation is applicable from January 1, 2014.

On December 12, 2013, the IASB issued a series of amendments to certain accounting standards which may be summarized as follows:

a) IFRS 2 "Share-based Payment": the amendment clarifies the definition of "vesting condition" by separately defining a "performance condition" and a "service condition";
b) IFRS 3 "Business Combinations": the amendment clarifies that the obligation to pay consideration in a business combination that meets the classification requirements for a financial instrument is classified in the financial statements as a financial liability on the basis of IAS 32 "Financial Instruments: Presentation". The amendment also clarifies that the standard is not applicable to the joint ventures and joint arrangements regulated by IFRS 11 "Joint Arrangements";
c) IFRS 8 "Operating Segments": the standard is amended in terms of the disclosures required when different operating segments having similar economic characteristics are aggregated;

d) IFRS 13 “Fair Value Measurements”: the amendment clarifies that the exemption permitting an entity to measure the fair value of financial assets and liabilities on a net basis is applicable to all contracts, regardless of whether they meet the definition of financial assets or financial liabilities;
e) IAS 16 “Property, Plant and Machinery” and IAS 38 “Intangible Assets”: both standards are amended to clarify how recoverable amounts and useful lives are treated when an entity carries out a revaluation;
f) IAS 24 “Related Party Disclosures”: the standard is amended in order to include an entity providing key management personnel services as a related party.

Accounting principles and policies

Translation of foreign currency items

Transactions in currencies other than the euro are initially recognized at the exchange rates at the date of the transaction. Monetary assets and liabilities denominated in a foreign currency are converted into euro at the exchange rates at the balance sheet date.

Non-monetary items measured at historical cost in foreign currency are translated at the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated at the exchange rates at the date when the fair value was determined.

Property, plant and equipment

Assets for business use are classified as “non-current tangible assets”, while non-business assets are classified as investment property.

Non-current tangible assets are measured at cost, including any additional charges directly attributable to bringing the asset into an operating condition (e.g. transport, customs duty, installation and testing costs, notary and land registry fees and any non-deductible VAT), increased when material and where there are obligations by the present value of the estimated cost of restoring the location from an environmental point of view or dismantling the asset. Borrowing costs, where directly attributable to the purchase or construction of an asset, are capitalized as part of the cost of the asset if the type of asset so warrants.

If important components of tangible assets have different useful lives, they are accounted for separately using the “component approach”, assigning to each component its own useful life for the purpose of calculating depreciation (the component approach).

Land, whether occupied by residential or industrial buildings or devoid of construction, is not depreciated as it has an unlimited useful life, except for land used in production activities that is subject to deterioration over time (e.g. landfills, quarries).

Ordinary maintenance costs are fully expensed to profit or loss in the year they are incurred. Costs for maintenance carried out at regular intervals are attributed to the assets to which they refer and are depreciated over the specific residual possibility of use of such.

Assets acquired under finance leases are accounted for on the basis of IAS 17 “Leases”, which requires the leased asset to be recognized as a tangible asset together with a financial liability of the same amount. The liability is progressively reduced on the basis of the scheme for the repayment of the capital portion of the contractual lease installments, while the carrying amount of the asset is systematically depreciated over its economic and technical life or over the shorter of the lease term and the asset’s useful life, but only if there is reasonable certainty that the lessee will obtain ownership by the end of the lease term.

For assets acquired in leasing by Group companies, the guidance contained in IFRIC 4 “Determining whether an Arrangement contains a Lease” is applied. This interpretation provides guidance for arrangements which do not take the legal form of a finance lease but in substance transfer the risks and rewards of ownership of the assets included in the arrangement.

Applying the interpretation leads to the same accounting treatment as that required by IAS 17.

Tangible assets are stated net of accumulated depreciation and any impairment losses. Depreciation is charged from the year in which the individual asset enters service on a straight-line basis over the estimated useful life of the asset for the business. The estimated realizable value which is deemed to be recoverable at the end of an asset’s useful life is not depreciated. The useful life of each asset is reviewed annually and any changes, if needed, are made with a view to showing the correct value of the asset.

Landfills are depreciated on the basis of the percentage filled, which is calculated as the ratio between the volume occupied at the end of the period and the total volume authorized.

The main depreciation rates used, which are based on technical and economic considerations, are as follows:

• buildings	1.0 % - 17.3 %
• production plants	1.0 % - 33.3 %
• transport lines	1.4 % - 100.0 %
• transformation stations	1.8 % - 33.3 %
• distribution networks	1.4 % - 33.3 %
• miscellaneous equipment	3.3 % - 100.0 %
• mobile phones	100.0 %
• furniture and fittings	10.0 % - 25.0 %
• electric and electronic office machines	10.0 % - 33.3 %
• vehicles	10.0 % - 25.0 %
• leasehold improvements	12.5 % - 33.3 %

Tangible assets are subjected to impairment testing if there is any indication that an asset may be impaired in accordance with the paragraph below "Impairment of assets"; impairment losses may be reversed in subsequent periods if the reasons for which they were recognized no longer apply.

When an asset is disposed of or if future economic benefits are no longer expected from using an asset, it is removed from the balance sheet and any gain or loss (being the difference between the disposal proceeds and the carrying amount) is recognized in profit or loss in the year of the derecognition.

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance which are controlled by the enterprise and able to produce future economic benefits, and include goodwill when acquired for consideration.

The fact of being identifiable distinguishes an intangible asset that has been acquired from goodwill; this requirement is normally met when: (i) the intangible asset is attributable to a legal or contractual right, or (ii) the asset is separable, in other words it can be sold, transferred, rented or exchanged individually or as an integral part of other assets.

Control by the enterprise consists of the right to enjoy the future economic benefits flowing from the asset and to restrict the access of others to those benefits.

Intangible assets are stated at purchase or production cost, including ancillary charges, determined in the same way as for tangible assets. Intangible fixed assets produced internally are not capitalized but recognized in profit or loss in the period in which the costs are incurred.

Intangible assets with a definite useful life are stated net of the related accumulated amortization and any impairment losses in the same way as for tangible assets. Changes in the expected useful life of an asset or in the ways in which the future economic benefits of an asset are obtained are recognized by suitably adjusting the period or method of amortization and treated as changes in accounting estimate. The amortization of intangible fixed assets with a definite useful life is charged to profit or loss in the cost category that reflects the function of the intangible asset concerned.

Intangible assets are subjected to impairment testing if there are specific indications that they may be impaired, in accordance with the paragraph below "Impairment of assets"; impairment losses may be reversed in subsequent periods if the reasons for which they were recognized no longer apply.

Intangible assets with an indefinite useful life and those that are not yet available for use are subjected to impairment testing on an annual basis, whether or not there are any specific indications that they may be impaired, in accordance with the paragraph below "Impairment of assets". Impairment losses recognized for goodwill are not reversed.

Gains or losses on the disposal of an intangible asset are calculated as the difference between the disposal proceeds and the carrying amount of the asset and recognized in profit or loss at the time of the disposal.

The following amortization rates are applied to intangible assets with a definite useful life:

- industrial patents and intellectual property rights ________ 12.5% – 33.3%
- concessions, licenses and trademarks ________ 6.7% – 33.3%

Service concession arrangements

IFRIC 12 states that, based on the characteristics of the concession arrangement, the infrastructures used in the provision of public services under concession are to be recognized as intangible assets if the operator has the right to receive a payment from the customer for the service provided, or as a financial asset if the operator has the right to receive payment from the public sector entity.

Impairment of non-current assets

Tangible and intangible non-current assets are subjected to impairment testing if there is any specific indication that they may be impaired.

Goodwill, other intangible assets with an indefinite useful life and assets not available for use are tested for impairment at least annually or more frequently if there is any specific indication that they may be impaired.

Impairment testing consists of comparing the carrying amount of an asset with its recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. To determine an asset's value in use, the entity calculates the present value of the estimated future cash flows on the basis of business plans prepared by management, before tax, applying a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is lower than its carrying amount, a loss is recognized in profit or loss. If a loss recognized for an asset other than goodwill no longer exists or is reduced, the carrying amount of the asset or cash-generating unit is increased to the new estimate of recoverable value, which may not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset. The reversal of an impairment loss is immediately recognized in profit or loss.

When the recoverable amount of the individual asset cannot be estimated, it is based on the cash generating unit (CGU) or group of CGUs that the asset belongs to and/or to which it may be reasonably allocated.

CGUs are identified on the basis of the Group's organizational and business structure as homogeneous aggregations that generate independent cash inflows deriving from the continuous use of the assets allocated to them.

Emission quotas, Green Certificates and White Certificates

Different accounting policies are applied to quotas or certificates held for own use in the "Industrial Portfolio" and those held for trading purposes in the "Trading Portfolio".

Surplus quotas or certificates held for own use in the "Industrial Portfolio" which are in excess of the Group's requirements in relation to the obligations accruing at year end are recognized as other intangible assets at the actual cost incurred. Quotas or certificates assigned free of charge are recognized at a zero carrying amount. Given that they are assets for instant use, they are not amortized but subjected to impairment testing. The recoverable amount is the higher of value in use and market value. If, on the other hand, there is a deficit because the requirement exceeds the quotas or certificates in portfolio at the balance sheet date, a provision is recognized for the amount needed to meet the residual obligation, estimated on the basis of any purchase contracts, spot or forward, already signed at the balance sheet date; otherwise on the basis of market prices.

Quotas or certificates held for trading in the "Trading Portfolio" are recognized in inventories and measured at the lower of purchase cost and estimated realizable value based on market trends. Quotas or certificates assigned free of charge are recognized at a zero carrying amount. Market value is established on the basis of any sales contracts, spot or forward, already signed at the balance sheet date; otherwise on the basis of market prices.

Shareholdings in subsidiaries, associates and joint ventures

Subsidiaries are companies in which the company has the autonomous power to determine the strategic decisions of a business in order to obtain the associated benefits. Control is generally assumed to exist when a company holds, either directly or indirectly, more than half of the exercisable voting rights at an ordinary shareholders' meeting, also considering potential voting rights, meaning voting rights deriving from convertible financial instruments.

Associates are companies in which the parent has a significant influence over strategic decisions, despite not having control, also considering potential voting rights, meaning voting rights deriving from convertible financial instruments; significant influence is assumed to exist when A2A S.p.A. holds, either directly or indirectly, more than 20% of voting rights exercisable at an ordinary shareholders' meeting.

A joint venture is a contractual agreement whereby two or more parties undertake an income generating activity subject to joint control.

Investments in subsidiaries, associates and joint ventures are recognized on the separate financial statements at their purchase cost less any distributions of capital or impairment losses.

Should the portion attributable to the company of any impairment losses for the shareholding exceed the carrying value of the investment, the value of the investment is set to zero, and the excess share of the loss is recognized among liabilities as a provision in the event the company in responsible for said liability.

The cost is restored in subsequent periods if the reasons for the impairment should cease to apply.

Construction contracts

Construction contracts currently in progress are measured on the basis of the contractual fees that have accrued with reasonable certainty on the basis of the stage of completion, using the “cost to cost” method, so as to allocate the revenues and net result of the contract to the individual periods to which they belong in proportion to the progress being made on the project. Any difference, positive or negative, between the value of the contracts and advances received is recognized as an asset or a liability respectively.

In addition to the contractual fees, contract revenues include variants, price revisions and incentive awards to the extent that it is probable that they represent actual revenues that can reliably determined. Ascertained losses are recognized independently of the stage of completion of contracts.

Inventories

Inventories of materials and fuel are measured at the lower of weighted average cost and market value at the balance sheet date. Weighted average cost is determined for the period of reference for each inventory code. Weighted average cost includes any additional costs (such as sea freight, customers charges, insurance and lay or demurrage days in the purchase of fuel). Inventories are constantly monitored and, where necessary, obsolete stocks are written down with a charge to profit or loss.

Financial instruments

Financial instruments include investments (excluding investments in subsidiaries, entities under joint control and associates) held for trading (trading investments) or available for sale, and non-current receivables and loans, trade and other receivables deriving from company operations and other current financial assets such as cash and cash equivalents. The latter consist of bank and postal deposits, readily negotiable securities used as temporary investments of surplus cash and financial receivables due within three months. Financial instruments also include financial payables (bank borrowings and bonds), trade payables, other payables, and other financial liabilities and derivatives.

Financial assets and liabilities are recognized at the time that the contractual rights and obligations forming part of the instrument arise.

Financial assets and liabilities are accounted for in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

Financial assets are initially recognized at fair value, increased by ancillary charges (purchase/issue costs) in the case of assets and liabilities not measured at fair value through profit or loss.

Measurement subsequent to initial recognition depends on which of the following categories the financial instrument falls into:

- non-derivative financial assets and liabilities at fair value through profit or loss regarding:
  - financial assets and liabilities held for trading (HFT), meaning with the intention of reselling or repurchasing them in the short term;
  - financial liabilities which on initial recognition have been designated as being at fair value through profit or loss;
- other non-derivative financial assets and liabilities which consist of:
  - loans and receivables (L&R);
  - investments held to maturity (HTM);
  - financial liabilities measured at amortized cost;
- available-for-sale (AFS) financial assets;
- derivative instruments.

The following is a detailed explanation of the accounting policies applied in measuring each of the above categories after initial recognition:

- non-derivative financial assets and liabilities at fair value through profit or loss are measured at fair value;
- other non-derivative financial assets and liabilities, other than investments with fixed or determinable payments, are measured at amortized cost. Any transaction costs incurred during the acquisition or sale are treated as direct adjustments to the nominal value of the asset or liability (e.g. issue premium or discount, loan acquisition costs, etc.). Interest income and expense is then remeasured on the basis of the effective interest method. Financial assets are assessed regularly to see if there is any indication that they are impaired. In the assessment of receivables in particular, account is taken of the solvency of debtors, as well as the characteristics of credit risk which is indicative of the ability of the individual debtors to pay. Any impairment losses are recognized in profit or loss for the period. This category includes investments held with the intent and ability to hold them to maturity, non-current loans and receivables, trade receivables and other

receivables originated by the operations of the business, financial payables, trade payables, other payables and other financial liabilities;

- available-for-sale financial assets are non-derivative financial assets that are not classified as financial assets at fair value through profit or loss or other financial assets, which therefore makes them a residual item. They are measured at fair value and any gains or losses generated are recognized directly in equity until the assets are written-down or realized, at which stage they are reclassified to profit or loss. Losses recognized in equity are in any case reversed and recognized in profit or loss, even if the financial asset has not been eliminated, if there is objective evidence that the asset is impaired. Unlisted investments with a fair value that cannot be reliably measured are measured at cost less any impairment losses. Impairment losses are reversed when the reasons originating the loss no longer exist, with the exception of impairment losses on equity instruments. This category essentially includes the other investments (i.e. not subsidiaries, jointly controlled entities or associates), except for those held for trading (trading investments);
- derivative instruments including embedded derivatives separate from the main agreement are measured at current value (fair value) and any changes are recognized in profit or loss if they do not qualify as hedging instruments. Derivatives qualify as hedging instruments when the relationship between the derivative and the hedged item is formally documented and the effectiveness of the hedge is high, this being checked periodically. When derivatives hedge the risk of fluctuation in the fair value of hedged items (fair value hedges), they are measured at fair value through profit or loss; consistent with this, the hedged items are adjusted to reflect variations in the fair value associated with the hedged risk. When derivatives hedge the risk of changes in the cash flows of the instruments being hedged (cash flow hedges), the effective portion of changes in the fair value of the derivatives is recognized directly in equity, while the ineffective portion is recognized in profit or loss. The amounts recognized directly in equity are then reflected in profit or loss in line with the economic effects produced by the hedged item.

Changes in the fair value of derivatives that do not meet the conditions to qualify as hedging instruments are recognized in profit or loss. In particular, changes in the fair value of derivatives which hedge interest rate risk or currency risk but do not qualify for hedge accounting are recognized in “Financial income/expense” in the income statement; on the other hand changes in the fair value of derivatives which hedge commodity risk but do not qualify for hedge accounting are recognized in “Other operating income” in the income statement;

A financial asset (or where applicable, part of a financial asset or parts of a group of similar financial assets) is derecognized when:

- contractual rights to the cash flows from the financial asset expire; in particular, the time frame for derecognition relates to the “value date”;

- the company has retained the right to receive the future cash flows of the assets but has assumed a contractual obligation to pass them on to a third party without material delay;
- the company has transferred the right to receive the cash flows from the asset and (i) has transferred substantially all of the risks and rewards of ownership of the financial asset, or (ii) it has neither transferred nor retained substantially all of the risks and rewards of the asset but has transferred control of the asset.

In the cases in which the company has transferred the rights to receive financial flows from an asset and has neither transferred nor retained substantially all of the risks and rewards or has not lost control of the asset, it continues to recognize the asset to the extent of its continuing involvement in the asset. When continuing involvement takes the form of guaranteeing the transferred asset the extent of the continuing involvement is the lower of the initial carrying amount of the asset and the maximum amount that the company could be required to repay. Trade receivables considered definitively unrecoverable after all necessary recovery procedures have been completed are also removed from the balance sheet.

A financial liability is removed from the balance sheet when the underlying obligation is either discharged or cancelled or when it expires.

Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this exchange or modification is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference in carrying amounts is recognized in profit or loss.

The fair value of financial instruments that are listed in an active market is based on market prices at the balance sheet date. The fair value of instruments that are not listed on an active market is determined by using valuation techniques. In particular, in the absence of a forward market curve the measurement at fair value of financial derivatives for electricity has been estimated internally, using models based on industry best practice.

Non-current assets held for sale, disposal groups and discontinued operations - IFRS 5

Non-current assets held for sale, disposal groups and discontinued operations whose carrying amount will be recovered principally through sale rather than continuous use are measured at the lower of their carrying amount and fair value less costs to sell. A disposal group is a group of assets to be disposed of together as a group in a single transaction together with the liabilities directly associated with those assets that will be transferred in that transaction. Discontinued operations on the other hand consist of a significant component of the Group such as a separate major line of business or a geographical area of operations or a subsidiary acquired exclusively with a view to resale.

In accordance with IFRSs, the figures for non-current assets held for sale, disposal groups and discontinued operations are shown on two specific lines in the balance sheet: non-current assets held for sale and liabilities directly associated with non-current assets held for sale.

Non-current assets held for sale are not depreciated or amortized and are measured at the lower of carrying amount and fair value less costs to sell; any difference between carrying amount and fair value less costs to sell is recognized in profit or loss as a write-down.

The net economic results arising from discontinued operations, and only discontinued operations, pending the disposal process, any gains or losses on disposal and the corresponding comparative figures for the previous year or period are recognized in a specific line of the income statement: “Net result from discontinued operations”.

Employee benefits

The employees’ leaving entitlement (TFR) and pension provisions are determined using actuarial methods; the rights accrued by employees during the year are recognized in the income statement as “labour costs”, whereas the figurative financial cost that the company would have to bear if it were to ask the market for an loan of the same amount as the TFR is recognized as part of the “financial balance”. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in profit or loss taking into account the residual average working life of the employees.

As of December 27, 2006, only the portion of accrued employees’ leaving entitlement that remained in the company has been measured in accordance with IAS 19, as amounts are now paid over to a separate entity as they accrue (either to a supplementary pension scheme or to funds held by INPS). As a result of these payments the company no longer has any obligations in connection with the services employees may render in the future.

Guaranteed employee benefits paid on or after the termination of employment through defined benefit plans (energy discount, health care or other benefits) or long-term benefits (loyalty bonuses) are recognized in the period when the right vests.

The liability for defined benefit plans, net of any plan assets, is determined by independent actuaries on the basis of actuarial assumptions and recognized on an accrual basis in line with the work performed to obtain the benefits.

Gains and losses arising from actuarial calculations are recognized in profit or loss; the corridor method is not applied.

Provisions for risks, charges and liabilities for landfills

Provisions for risks and charges regard costs of a determinate nature and of certain or probable existence which at the balance sheet date are uncertain in terms of timing or amount. Provisions are recognized when there is a legal or constructive present obligation arising from past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits, and it is possible to make a reasonable estimate of the obligation.

Provisions are recognized at the best estimate of the amount that the Group would have to pay to settle the liability or to transfer it to third parties at the balance sheet date. If the effect of discounting is significant, provisions are calculated by discounting expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time value of money. If discounting is used the increase in the provision due to the passage of time is recognized as financial expense.

If the liability relates to tangible assets (such as the dismantling and reclamation of industrial sites), the initial provision is recognized as a counter-entry to the assets to which it refers; expense is then charged to profit and loss as the asset in question is depreciated.

Treasury shares

Treasury shares are accounted for as a deduction from equity. In particular, treasury shares are recognized as a negative equity reserve.

Grants

Grants, both from public entities and from third party private entities, are measured at fair value when there is the reasonable certainty that they will be received and that the Group will be able to comply with the terms and conditions for obtaining them.

Grants received to provide support for the cost of specific assets are recognized as a direct deduction from the assets concerned and credited to profit or loss over the life of the depreciable asset to which they refer.

Revenue grants (given to provide the company with immediate financial support or as compensation for expenses or losses incurred in a previous accounting period) are recognized in their entirety in profit or loss as soon as the conditions for recognizing the grants are met.

Revenues and costs

Revenues from sales and services are recognized to the extent that it is possible to establish their fair value on a reliable basis and it is probable that the related economic benefits will flow to the Group on the transfer of all significant risks and benefits normally deriving from ownership of the asset or on completion of the service. Depending on the type of transaction, revenues are recognized on the basis of the following specific criteria:

- revenues for the sale and transport of electricity and gas are recognized at the time that the energy is supplied or the service rendered, even if invoicing has not yet taken place, and are determined by adding estimates of consumption to amounts resulting from pre-established meter-reading schedules. Where applicable these revenues are based on the tariffs and related tariff restrictions prescribed by the law in force during the year or period, and by the Electricity, Gas and Water Authority or equivalent organizations abroad;
- connection contributions paid by users, if not for costs incurred to extend the network, are recognized in profit or loss on collection and presented as "revenues from services";
- the revenues billed to users for an extension of the gas network are accounted for as a reduction in the carrying amount of tangible assets and are recognized in profit or loss as a reduction in the depreciation charged over the useful life of the cost capitalized to extend the network;
- the revenues and costs involved in withdrawing quantities that are higher or lower than the Group's share are measured at the prices envisaged in the related purchase or sale contract;
- revenues from the provision of services are recognized according to the stage of completion based on the same criteria as for contract work in progress. If it is impossible to calculate revenues on a reliable basis they are recognized up to the amount of the costs incurred providing they are expected to be recovered;
- revenues from the sale of certificates are recognized at the time of sale.

Revenues are stated net of returns, discounts, allowances and rebates, as well as directly related taxes.

Expenses relate to goods or services sold or consumed during the year or as a result of systematic allocation; if no future use is envisaged they are recognized directly in profit or loss.

Non-recurring transactions

The line item “Non-recurring transactions” consists of the gains and losses arising from the measurement at fair value less costs to sell or from the sale or disposal of non-current assets (or disposal groups) classified as held for sale within the meaning of IFRS 5, the gains or losses arising on the disposal of shareholdings in unconsolidated subsidiaries and associates and other non-operating income and expense.

Financial income and expense

Financial income is recognized when interest income arises using the effective interest method, i.e. at the rate that exactly discounts expected future cash flows over the expected life of the financial instrument.

Financial expense is recognized in profit or loss on an accrual basis on the basis of the effective interest.

Dividends

Dividend income is recognized when it is established that the shareholders have a right to receive payment, and is recognized as financial income in profit or loss.

Income taxes

Current taxes

Current income taxes are based on an estimate of taxable income in compliance with tax regulations in force or substantially approved at the balance sheet date, bearing in mind any exemptions or tax credits due. Account is also taken of the fact that the Group now files for tax on a consolidated basis.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are calculated on the temporary differences between the carrying amount of assets and liabilities in the balance sheet and their tax bases, with the exception of goodwill which is not deductible for tax purposes and any differences resulting from investments in subsidiaries which are not expected to reverse in the foreseeable future. The tax rates used are those expected to apply to the period when the temporary differences reverse. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the tax benefit will be realized. The measurement of deferred tax assets takes account of the period for which business plans are available.

When transactions are recognized directly in equity, any related current or deferred tax effects are also recognized directly in equity. Deferred taxes on the undistributed profits of Group companies are only provided for if there is the real intention to distribute such profits and, in any case, if the taxation is not offset as the result of filing a Group tax return.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Taxes are only offset when they are levied by the same tax authority, when there is the legal right of set-off and when settlement of the net balance is expected.

Use of estimates

Preparing the financial statements and notes requires the use of estimates and assumptions in determining certain assets and liabilities and measuring contingent assets and liabilities. The actual results after the event could differ from such estimates.

Estimates have been used for making assessments for impairment testing, for calculating certain sales revenues, provisions for risks and charges, provisions for receivables and other provisions, depreciation and amortization and for measuring derivatives, employee benefits and taxation. The underlying estimates and assumptions are regularly reviewed and the effect of any change is immediately recognized in profit or loss.

The following are the key assumptions made by management as part of the process of making these accounting estimates. The inherently critical element of such estimates comes from using assumptions or professional opinions on matters that are by their very nature uncertain. Changes in the conditions underlying the assumptions and opinions used could have a material impact on subsequent results.

Impairment testing

The carrying amount of non-current assets (including goodwill and other intangible assets) and of assets held for sale is reviewed periodically and whenever circumstances or events require a more frequent assessment. If it is considered that the carrying amount of a group of non-current assets is impaired, the group is written down to its recoverable amount which is estimated with reference to its use or future disposal, depending on the Group's latest plans. Management is of the opinion that the estimates of such recoverable amounts are reasonable, although possible changes in the factors underlying the estimates on which these recoverable amounts have been calculated could produce different measurements. For further details on the way in which impairment testing was carried out and the results of such testing, reference should be made to the specific paragraph below.

Revenue recognition

Revenues from sales to retail and wholesale customers are recognized on an accrual basis. Revenues from sales of electricity and gas to customers are recognized when the supply takes place, based on periodic meter readings; they also include an estimate of the usage of electricity and gas from the date of the last reading to the balance sheet date. Revenues from the date of the last reading to the balance sheet date are based on estimates of customers' daily usage, according to their historical profile, and are adjusted to reflect weather conditions or other factors that may affect the usage being estimated.

Provisions for risks and charges

In certain circumstances it is not easy to identify whether a legal or constructive present obligation exists. The directors assess these situations case by case, together with an estimate of the economic resources required to settle the obligation. Estimating such provisions is the result of a complex process that involves subjective judgments on the part of Group management. When the directors are of the opinion that it is only possible that a liability could arise, the risks are disclosed in the section on commitments and contingent liabilities without making any provision.

Bad debts provision

The provision for bad debts reflects the estimated losses in the Group's receivables portfolio. Provisions have been made to cover specific cases of insolvency as well as estimated losses expected on the basis of past experience with balances of similar credit risk

Although the provision is considered adequate, the use of different assumptions or changes in prevailing economic conditions, even more so in this period of recession, could give rise to adjustments to the bad debts provision.

Depreciation and amortization

Depreciation and amortization charges are a significant cost for the Group. Non-current assets are depreciated or amortized on a straight-line basis over the useful lives of the assets. The useful lives of the Group's non-current assets is established by the directors, with the assistance of expert appraisers, when they are purchased. The Group periodically reviews technological and sector changes, dismantling/closure charges and the recovery amount of assets to update their residual useful lives. This periodic update could lead to a change in the period of depreciation or amortization and hence also in the depreciation or amortization charge in future years.

Measurement of derivative instruments

The derivatives used by the Group are measured at fair value based on the forward market curve at the balance sheet date, if the underlying of the derivative is traded on markets that provide official, liquid forward prices. If the market does not provide forward prices, forecast price curves are used based on simulation models developed by Group companies internally. However the actual results of derivatives could differ from the measurements made.

The serious turbulence on markets for the energy commodities traded by the Group, as well the fluctuations in exchange and interest rates, could lead to greater volatility in cash flows and in expected results.

Employee benefits

The calculations of expenses and the related liabilities are based on actuarial assumptions. The full effects of any changes in these actuarial assumptions are recognized in profit or loss.

Business combinations

Accounting for business combinations entails allocating the difference between purchase cost and net carrying amount to the assets and liabilities of the acquired business. For the majority of assets and liabilities this difference is allocated by recognizing the assets and liabilities at fair value. If positive, the unallocated portion is recognized as goodwill. If negative, it is recognized in profit or loss. The A2A Group bases its allocations on available information and, for the more significant business combinations, on external appraisals.

Current taxes and future recovery of deferred tax assets

The uncertainties that exist regarding the way of applying certain tax regulations have led the company to taking an interpretative stance when providing for current taxes in the financial statements; such interpretations could be overturned by official clarifications on the part of the tax authorities.

Deferred tax assets are accounted for on the basis of the taxable profit expected to be available in future years. Assessing the expected taxable profit for the purpose of accounting for deferred taxation depends on factors that can vary over time, and may lead to significant effects on the measurement of deferred tax assets.

Notes to the balance sheet

Changes with respect to December 31, 2012

During the fiscal year, the following extraordinary transactions have taken effect:

- the merger of Delmi S.p.A. into Delmi Edipower S.p.A. on January 1, 2013, and the non-proportional partial demerger of Edipower S.p.A. in favor of Iren Energia S.p.A. on November 1, 2013, resulting in an increase in the share held by A2A S.p.A. to 70.95%;
- transfer at book value of the business unit "hydroelectric plants in province of Brescia" to the subsidiary company Chi.Na.Co. S.r.l. effective July 2013. As of July 5, 2013, the shareholdings were ceded to the Swiss BKW Group;
- conferment on December 31, 2013, of the shareholding in the associated company Metamer S.r.l. to the subsidiary company A2A Energia S.p.A., resulting in a subsequent increase in capital held by the latter;
- transfer of treatment and disposal plants from Aprica S.p.A. and Amsa S.p.A. to Ecodeco S.r.l., which changed its name to A2A Ambiente S.r.l. on July 1, 2013; on November 11, 2013, A2A Ambiente S.r.l. changed its legal status to A2A Ambiente S.p.A.;
- the merger of Partenope Ambiente S.p.A. into A2A Ambiente S.p.A., having retroactive effect from January 1, 2013;
- conferment of the shareholdings in the subsidiary companies Amsa S.p.A. and Aprica S.p.A. to the subsidiary company A2A Ambiente S.p.A. on December 2, 2013.

As at December 31, 2013, the company's financial standing presented total assets amounting to 7,651,776 thousand euro and total liabilities amounting to 5,203,760 thousand euro; shareholders' equity amounted to 2,448,016 thousand euro. The net result of the year was positive and amounted to 5,420 thousand euro.

ASSETS

Non-current assets

1) Tangible assets

Thousands of euro	Balance at 12 31 2012	Results of non-recurring transac-tions	Changes during the year					Balance at 12 31 2013
			Investm.	Other changes	Disposals and sales	Deprecia-tion and write-downs	Total changes	
Land	30,142	(313)					-	29,829
Buildings	313,998	(3,935)	1,070	1,104		(25,523)	(23,349)	286,714
Plant and machinery	1,194,495	(9,842)	1,559	24,875	(10)	(177,559)	(151,135)	1,033,518
Industrial and commercial equipment	1,665		266	21		(391)	(104)	1,561
Other assets	4,301	(10)	426	(997)		(837)	(1,408)	2,883
Construction in progress and advances	19,678	(170)	17,635	(26,447)			(8,812)	10,696
Leasehold improvements	30					(3)	(3)	27
Total tangible assets	**1,564,309**	**(14,270)**	**20,956**	**(1,444)**	**(10)**	**(204,313)**	**(184,811)**	**1,365,228**
of which:								
Historical cost	3,376,278	(19,475)	20,956	(6,824)	(1,187)		12,945	3,369,748
Accumulated depreciation	(1,811,969)	5,205		5,380	1,177	(92,455)	(85,898)	(1,892,662)
Write-downs						(111,858)	(111,858)	(111,858)

As at December 31, 2013, “Tangible assets” amounted to 1,365,228 thousand euro (1,564,309 thousand euro as of the previous fiscal year).

“Tangible assets” presented a net decrease of 199,081 thousand euro resulting from the following:

- a balance of 14,270 thousand euro for the transfer of “hydroelectric plants in province of Brescia” unit to Chi.Na.Co. S.r.l.;
- investments amounting to 20,956 thousand euro;
- other negative changes amounting to 1,444 thousand euro;
- disposal of assets, net of accumulated depreciation, for 10 thousand euro;
- write-downs of 111,858 thousand euro regarding the depreciation of certain thermoelectric plants as a consequence of results obtained from impairment testing performed by an independent external entity appointed by the Group; such write-downs have been made to adjust the carrying amount of the assets to the lower earnings prospects deriving from a market in structural production overcapacity. Further details on the work carried out within impairment testing may be found in note 2.
- yearly depreciation amounting to 92,455 thousand euro.

For a detailed analysis of changes occurring during the fiscal year, please see annex “1.Statement of changes in non-current tangible assets”.

Investments were made during the fiscal year as follows:

- "Buildings" for a total amount of 1,070 thousand euro. In detail, the specific amounts are as follows: 236 thousand euro for services on buildings in Monfalcone; 37 thousand euro for services on buildings at the main plant in Calabria; 595 thousand euro for various services on buildings in Via Caracciolo, Piazza Trento, Piazza Po, Via Orobia, Canavese and on the warehouses in Via Gonin in Milan, as well as investments made on properties in Cassano d'Adda and Premadio; 39 thousand euro for investments made on the property located at Via della Signora in Milan; 114 thousand euro for investments in the location at Via Lamarmora in Brescia; 11 thousand euro for services on buildings at Via Suardi in Bergamo; 30 thousand euro for services on buildings at Via Codussi in Bergamo; 8 thousand euro for cabling at buildings in Brescia and Bergamo;
- "Plant and machinery" for an amount of 1,559 thousand euro. In detail, the specific amounts are as follows: 126 thousand euro for services on the main office at Cassano d'Adda; 710 thousand euro for the main offices at Grosio, Premadio, Prevalle, Pompegnino and Mincio; 495 thousand euro for the main offices at Timpagrande, Magisano, Orichella and Albi and water intake structures in Cardinale, Calabria; 112 thousand euro on the main office at Monfalcone and, finally, 116 thousand euro for wiring and cabling at Valtellina.
- "Industrial and commercial equipment" for an amount of 266 thousand euro;
- "Other assets" relating to furniture, furnishings, technological equipment, motor vehicles and assets of a value inferior to 516 euro, totaling the amount of 426 thousand euro;
- "Construction in progress and advances" for an amount of 17,635 thousand euro.

Tangible assets include "Construction in progress and advances" totaling 10,696 thousand euro (19,678 thousand euro as at December 31, 2012), presenting a decrease of 8,982 thousand euro resulting from the effects of the following:

- an increase in 17,636 thousand euro, divided as follows: 964 thousand euro for works on buildings (mainly at the main office in Monfalcone, the location in Via Lamarmora in Brescia and the main office in Cassano); 16,669 thousand euro for services at the main office in Monfalcone (6,035 thousand euro), at the main hydroelectric plant in Calabria (6,280 thousand euro), at the main offices in Prevalle, Roè Volciano, Pompegnino and Cogozzo (137 thousand euro), on the plants in Lovero, Grosio, Grosotto, Braulio, Stazzona (2,800 thousand euro), on the main office in Cassano d'Adda (256 thousand euro), on the main office in Mincio (1,161 thousand euro); approximately 1 thousand euro for services on the telephone lines at Valtellina; approximately 1 thousand euro for other assets at Cassano d'Adda;
- decrease due to commissioning amounted to 26,000 thousand euro and is divided as follows: 897 thousand euro for the completion of work on buildings at Monfalcone, Cassano d'Adda, Brescia and the plant in Calusia, Calabria; 24,866 thousand euro for works on production plants and distribution networks (of which 4,967 thousand euro for the main offices at Monfalcone, 13,192 thousand euro for the hydroelectric plants

in Calabria, 3,037 thousand euro for the hydroelectric plants in Valtellina, 2,300 thousand euro for the main office at Cassano d'Adda, 1,370 thousand euro for the plant at the main office in Mincio, 480 thousand euro for the telephone and data network in Valtellina and 237 thousand euro for the completion of works regarding functional hardware for the control and management of Turbogas di Cassano;

- a decrease of 170 thousand euro due to the transfer of "hydroelectric plants in province of Brescia" unit to Chi.Na.Co. S.r.l.;
- a decrease of 447 thousand euro due to other changes during the fiscal year.

2) Intangible assets

Thousands of euro	Balance at 12 31 2012	Changes during the year					Balance at 12 31 2013
		Investm.	Other changes	Disposals net of accumulated amortization	Amortization	Total changes	
Industrial patents and intellectual property rights	31,572	4,594	1,428	(21,779)	(9,249)	(25,006)	6,566
Concessions, licenses, trademarks and similar	2,879	1,349	(16)	(22)	(1,583)	(272)	2,607
Goodwill	39,612						39,612
Assets in progress	9,218	1,840	(415)	(5,579)		(4,154)	5,064
Other intangible assets	290				(56)	(56)	234
Total intangible assets	**83,571**	**7,783**	**997**	**(27,380)**	**(10,888)**	**(29,488)**	**54,083**

As at December 31, 2013, "Intangible assets" amounted to 54,083 thousand euro (83,571 thousand euro as at December 31, 2012). In applying IFRIC 12, from 2010 intangible assets also include assets in concession.

A decrease of 29,488 thousand euro was the result of the combined effect of the following:

- investments amounting to 7,783 thousand euro;
- positive changes in the amount of 997 thousand euro;
- disposal of assets, net of relative accumulated depreciation, in the amount of 27,380 thousand euro, mainly resulting from the sale of IT assets to the subsidiary companies A2A Trading S.r.l., A2A Energia S.p.A., A2A Servizi alla Distribuzione S.p.A., A2A Reti Gas S.p.A. and A2A Reti Elettriche S.p.A.;
- amortization amounting to 10,888 thousand euro recorded during the fiscal year.

More specifically, investments made during the fiscal year refer to the following:

- 4,594 thousand euro for industrial patents and intellectual property rights mainly concerning the implementation of information technology and computer systems;
- 1,349 thousand euro for concessions, licenses, trademarks and similar rights, resulting in 1,333 thousand euro for the purchase of software and 16 for votive lighting (reclassified after application of IFRIC 12);
- 1,840 thousand euro for intangible assets in progress.

Included in the total balance of "Intangible assets" are "Assets in progress" which amounted to 5,064 thousand euro (9,218 thousand euro as at December 31, 2012), resulting in a decrease of 4,154 thousand euro due to the combined effect of the following:

- an increase of 1,840 thousand euro mainly relating to the implementation of information systems;
- a decrease of 415 thousand euro due to the transition to use of software and computer applications;
- a decrease of 5,579 thousand euro resulting from the sale of IT assets to subsidiary companies.

For more in-depth information, see annex "2.Statement of changes in intangible assets".

Goodwill

Thousands of euro	Balance at 12 31 2012	Results of extra-ordinary transac-tions	Changes during the year						Balance at 12 31 2013
			Investm.	Other changes	Reclass.	Disposals/ Write downs	Amortiza-tion	Total changes	
Goodwill	39,612								39,612
Total	**39,612**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**39,612**

As an intangible asset with an indefinite useful life and in accordance with IAS 36, the value of goodwill is not amortized, but is subject to verification (impairment tests) to be carried out at least on an annual basis. As goodwill neither generates independent cash flow nor can it be sold separately, IAS 36 calls for a secondary audit of its recoverable amount, determining cash flows generated by a set of assets that constitute the business to which it belongs, i.e. the cash generating unit (CGU).

The value entered in the separate financial statements is a portion of the amount recorded within the consolidated financial statements, totaling 37,480 thousand euro as a result of extraordinary transactions with third parties. Therefore, the method used for identifying cash generating units, allocating goodwill and determining recoverable amounts is consistent with that which has been adopted within the consolidated financial statements, to which reference is made for further information (note 2).

As at December 31, 2013, impairment tests have not determined losses in value as regards the goodwill balance of 2,132 thousand euro resulting from extraordinary transactions made with Group entities.

Shown below is the goodwill and employed capital allocated to the individual cash generating unit, along with specification of type and discount rates applied.

CGU with goodwill *Millions of euro*	**Value at 12 31 2013**	**Recoverable value**	**WACC 2013 (1)**	**Value at 12 31 2012**	**WACC 2012 (1)**
Buildings (*)	1.1	Value in use	10.59%	1.1	8.86%
Administrative services (*)	1.0	Value in use	10.59%	1.0	8.86%
	2.1			**2.1**	

(1) Nominal discount rate before taxes applied to future cash flows.
(*) For the years 2012-2013, WACCs that include the effect of the additional Robin tax have been used.

3) Shareholdings and other non-current financial assets

Thousands of euro	**Balance at 12 31 2012**	**Results of extra-ordinary transac-tions**	**Changes during the year**	**Balance at 12 31 2013**	***of which included in the NFP***	
					12 31 2012	***12 31 2013***
Shareholdings in subsidiaries	3,980,472	15,272	(61,218)	3,934,526		
Shareholdings in affiliates	182,446	(885)	(24,121)	157,440		
Other non-current financial assets	9,671	-	658,862	668,533	5,016	664,491
Total shareholdings and other non-current financial assets	**4,172,589**	**14,387**	**573,523**	**4,760,499**	**5,016**	**664,491**

Shareholdings in subsidiaries

“Shareholdings in subsidiaries” amounted to 3,934,526 thousand euro (3,980,472 thousand euro as at December 31, 2012).

The following table illustrates the changes during the fiscal year:

Shareholdings in subsidiaries - *Thousands of euro*	**Total**
Balance at December 31, 2012	**3,980,472**
Changes during the fiscal year:	
- results of extraordinary transactions	15,272
- disposals and decreases	(14,412)
- acquisitions and increases in capital	107
- appreciation	-
- depreciation	(46,913)
- reclassifications	-
Total changes during the fiscal year	**(45,946)**
Total changes net of extraordinary transactions	**(61,218)**
Balance as of December 31, 2013	**3,934,526**

As at December 31, 2013, the value of shareholdings in subsidiary companies presented a decrease of 61,218 thousand euro with respect to the close of the previous fiscal year and is attributed as follows:

- 15,272 thousand euro, the increase resulting from extraordinary transactions and, in particular, the conferment of five small hydroelectric plants to the subsidiary company Chi.Na.Co. S.r.l. (14,402 thousand euro), the increase in the shareholding of A2A S.p.A. resulting from the conferment to the aforementioned shareholdings in the associated company Metamer S.r.l. (885 thousand euro) and from the net effect of the conferment of the shareholding in the subsidiary companies Amsa S.p.A. and Aprica S.p.A. to the subsidiary company A2A Ambiente S.p.A. (-15 thousand euro);
- 14,412 thousand euro, the decrease resulting from the transfer taking place on July 5, 2013, to the Swiss BKW Group of shareholdings in Chi.Na.Co S.r.l., a subsidiary company 100% controlled by A2A S.p.A., established in the month of July, and to which the same A2A had transferred five small run-of-river hydroelectric plants totaling an installed capacity of approximately 8 MW;
- 107 thousand euro, an increase resulting from the purchase of a further quota of equities in Aprica S.p.A., before the transfer of the shareholding (87 thousand euro), the establishment of A3A S.r.l. (10 thousand euro) and of Chi.Na.Co S.r.l. (10 thousand euro);
- 46,913 thousand euro for the write-down of the shareholding in Abruzzoenergia S.p.A. (42,500 thousand euro), Edipower S.p.A. (4,215 thousand euro), following the results of a specific impairment test carried out by an external auditor on the shareholding falling under the “Electricity” cash generating unit, as well as the write-down of the shareholding of A2A Montengro d.o.o. (198 thousand euro).

As at December 1, 2013, the merger for incorporation of Delmi S.p.A. into Edipower S.p.A. taking place on December 18, 2012, had taken effect, bringing A2A S.p.A.’s shareholding in Edipower S.p.A. to 56.09%. Furthermore, starting November 2013, the non-proportional demerger of Edipower S.p.A. in favor of Iren Energia S.p.A. had come into effect, increasing A2A S.p.A.’s shareholding in Edipower S.p.A. to 70.95%.

It is also noted that in July 2013, the separation contract of the waste treatment subsidiaries Aprica S.p.A. and AMSA S.p.A., for a total balance of 231,748 thousand euro in favor of the subsidiary A2A Ambiente S.r.l. (then Ecodeco S.r.l.), resulting in a simultaneous increase in the shareholding of the latter in the same amount, came into effect. As of November 11, 2013, the company changed its name and legal status from A2A Ambiente S.r.l. to A2A Ambiente S.p.A.. On December 31, 2013, and having retroactive effect starting on January 1, 2013, Partenope Ambiente S.p.A. was merged by incorporation into A2A Ambiente S.p.A., resulting in a simultaneous increase in the shareholdings by the latter of 140 thousand euro.

On December 2, the transfer of shareholdings in the associated companies Amsa S.p.A. and Aprica S.p.A. to A2A Ambiente S.p.A. came into effect.

Further information regarding movements involving shareholdings in subsidiary companies may be found within annexes 3a and 4a to compare their book value and corresponding portions of net assets.

Shareholdings in affiliaties and joint ventures

"Shareholdings in affiliaties and joint ventures" amounted to 157,440 thousand euro (182,446 thousand euro as at December 31, 2012).

Transactions carried out during the fiscal year are detailed as follows:

Shareholdings in affiliaties and joint ventures - *Thousands of euro*	**Total**
Balance at December 31, 2012	**182,446**
Changes during the fiscal year:	
- results of extraordinary transactions	(885)
- acquisitions and increases in capital	
- disposals and decreases	
- appreciation	
- write-downs	(24,121)
- reclassifications	
Total changes during the fiscal year	**(25,006)**
Balance at December 31, 2013	**157,440**

As at December 31, 2013, the value of shareholdings in affiliaties and joint ventures presented a decrease of 25,006 thousand euro with respect to the close of the previous fiscal year and is attributed as follows:

- a decrease in 885 thousand euro relative to the transfer of the shareholding in Metamer S.r.l. to the subsidiary company A2A Energia S.p.A.;
- 24,121 thousand euro for the write-down of the shareholding in Ergosud S.p.A. (24,100 thousand euro) following the results of the specific impairment test carried out by an external auditor on the shareholding relate to the Electricity CGU, as well as the write-down of the shareholding in the company Sviluppo Turistico Lago d'Iseo S.p.A. (21 thousand euro).

Further details regarding shareholdings in affiliaties may be found in annexes 3b and 4b.

Impairment of shareholdings in subsidiaries, associates and joint ventures

The recoverable value of shareholdings has been measured based on the present value of the corresponding expected net cash flows attributable to the shareholdings of A2A S.p.A. The cash flows used are in line with those used for the impairment test of the Energy CGU for the consolidated financial statements. The same is true for the approach followed and the discount rates used. For more information, see the consolidated annual report (note 2).

Shown below are the carrying values of the individual shareholdings along with a specification of the type and discount rate applied.

Shareholding *Millions of euro*	**Value at 12 31 2013**	**WACC 2014-2021**	**WACC beyond 2021**	**Recoverable value**
Edipower S.p.A.	762.7	6.7%	6.9%	value in use
Abruzzoenergia S.p.A.	99.0	6.7%	6.9%	value in use
Ergosud S.p.A.	50.3	6.7%	6.9%	value in use

Shareholding *Millions of euro*	**Value at 12 31 2012**	**WACC 2014-2020**	**WACC beyond 2020**	**Recoverable value**
Edipower S.p.A.	766.9	6.7%	7.0%	value in use
Abruzzoenergia S.p.A.	141.5	6.7%	7.0%	value in use
Ergosud S.p.A.	74.4	6.7%	7.0%	value in use

Other non-current financial assets

"Other non-current financial assets" amounted to 668,533 thousand euro (9,671 thousand euro as at December 31, 2012), of which:

- financial assets represented by government bonds held to maturity, for an amount totaling 93 thousand euro (92 thousand euro as of the previous fiscal year);
- financial assets with related parties in the amount of 664,398 thousand euro (4,924 thousand euro at December 31, 2012). This item refers both to financial receivables from subsidiaries, primarily attributable to Eidpower S.p.A. (660,000 thousand euro), for an interest-bearing loan on December 31, 2013, and expiring on December 31, 2017, and to Seasm S.r.l. (1,272 thousand euro), as well as receivables from the city of Brescia (3,126 thousand euro) in application of IFRIC 12;
- financial assets available for sale amounting to 4,042 thousand euro (4,655 thousand euro as at December 31, 2012), representing a decrease of 613 thousand euro due to the write-down of the shareholding in Immobiliare-Fiera Brescia S.p.A., E.M.I.T. S.p.A. and Brixia Expo-Fiera Brescia S.p.A., for a total of 608 thousand euro, as well as the sale of shareholding in A.C.B. Servizi S.r.l. for 5 thousand euro.

4) Deferred tax assets

Thousands of euro	Balance at 12 31 2012	Results of extraordinary transactions	Changes during the year	Balance at 12 31 2013
Deferred tax assets	-	364	27,689	**28,053**

This item, which includes the net effect of deferred tax liabilities and deferred tax assets as per corporate income tax and regional tax as well as provisions made solely for tax purposes, resulted in a net asset of 28,053 thousand euro.

As at December 31, 2013, the amounts relative to deferred tax assets/deferred tax liabilities have been expressed as net (“offsetting”) as per IAS 12.

This item is detailed within the table below:

Thousands of euro	Balance at 12 31 2013	Balance at 12 31 2012
Measurement differences for tangible assets	128,799	162,507
Application of leasing standard (IAS 17)	7,655	7,678
Application of financial instrument standards (IAS 39)	-	-
Measurement differences for intangible assets	8,184	9,322
Severance pay/employee leaving entitlement	629	629
Other differed taxes	6,820	6,999
Deferred tax liabilities (A)	**152,087**	**187,135**
Unused tax losses	112	280
Taxed provisions	66,371	63,303
Asset amortization and depreciation	40,715	20,026
Application of financial instrument standards (IAS 39)	509	4,537
Bad debt provision	2,335	2,320
Grants	3,535	3,535
Goodwill	52,308	57,384
Other deferred tax assets	14,255	6,059
Deferred tax assets (B)	**180,140**	**157,444**
Net deferred tax assets (B-A)	**28,053**	**(29,691)**

Company forecasts confirm the recoverability of receivables by the future realization of adequate positive results.

For further details and information, please refer to the item “Income/expenses for income tax” on the income statement.

5) Other non-current assets

Thousands of euro	Balance at 12 31 2012	Results of extra-ordinary transac-tions	Changes during the year	Balance at 12 31 2013	*of which included in the NFP*	
					12 31 2012	*12 31 2013*
Non-current derivatives	70,218	-	(26,747)	43,471	*70,218*	*43,471*
Other non-current assets	546	-	(2)	544		
Total other non-current assets	**70,764**	**-**	**(26,749)**	**44,015**	***70,218***	***43,471***

"Other non-current assets" amounted to 44,015 thousand euro (70,764 thousand euro as at December 31, 2012), presenting a decrease of 26,749 thousand euro, and consist of the following:

- 43,471 thousand euro relative to current derivatives, consisting mainly of interest rate swap contracts hedging the risk of adverse change in interest rates on bonds and long-term loans. The decrease in this item of 26,747 thousand euro with respect to the previous fiscal year was mainly due to measurement at fair value;
- 554 thousand euro for other non-current assets relative to other claims in line with the previous year.

CURRENT ASSETS

6) Inventories

Thousands of euro	Balance at 12 31 2012	Results of extraordinary transactions	Changes during the year	Balance at 12 31 2013
Inventories	**5,384**	**-**	**250**	**5,634**

As at December 31, 2013, inventories amounted to 5,634 thousand euro (5,384 thousand euro as at December 31, 2012), resulting in a positive change of 250 thousand euro. This items includes inventories of materials amounting to 5,583 thousand euro, net of relative provisions for obsolescence, as well as fuel for 51 thousand euro.

7) Trade receivables

Thousands of euro	Balance at 12 31 2012	Results of extraordinary transactions	Changes during the year	Balance at 12 31 2013
Trade receivables	156,380	(615)	14,986	170,751
Bad debt provision	(5,792)	-	(73)	(5,865)
Total trade receivables	**150,588**	**(615)**	**14,913**	**164,886**

As at December 31, 2013, “Trade receivables” amounted to 164,886 thousand euro (150,588 thousand euro as at December 31, 2012), representing an increase, net of extraordinary transactions (negative by 615 thousand euro), of 14,913 thousand euro, as follows:

- 15,077 thousand euro, an increase in receivables from subsidiaries, parent companies and associated companies;
- 164 thousand euro, a decrease in accounts receivable.

As of the balance sheet date, the bad debt provision amounted to 5,865 thousand euro, an increase of 73 thousand euro. This provision is considered adequate to cover the risks to which it relates.

The changes in the provisions to adjust the value of receivables for the sale of electricity and the provision of services are detailed in the following table:

Thousands of euro	Balance at 12 31 2012	Results of extraordinary transactions	Accruals	Utilizations	Other changes	Balance at 12 31 2013
Bad debt provision	**5,792**	**-**	**85**	**(12)**	**-**	**5,865**

8) Other current assets

Thousands of euro	Balance at 12 31 2012	Results of extra-ordinary transac-tions	Changes during the year	Balance at 12 31 2013	*of which included in the NFP*	
					12 31 2012	*12 31 2013*
Current derivatives	7,770	-	(7,770)	-	*7,770*	-
Other current assets	22,602	-	100,244	122,846		
Total other current assets	**30,372**	**-**	**92,474**	**122,846**	***7,770***	**-**

“Other current assets” presented a balance of 122,846 thousand euro (30,372 thousand euro as at December 31, 2012), an increase of 92,474 thousand euro with respect to the previous year.

This item relates to receivables for tax consolidation from subsidiaries, totaling an amount of 41,348 thousand euro; to VAT credits and other tax credits in the amount of 73,703 thousand euro, to advances to suppliers in the amount of 31 thousand euro, and to other receivables in the amount of 7,764 thousand euro.

As at December 31, 2012, this item comprised 7,770 thousand euro relative to current derivatives, consisting mainly of interest rate swap (IRS) contracts hedging the risk of adverse change in interest rates on bonds.

9) Current financial assets

Thousands of euro	Balance at 12 31 2012	Results of extra-ordinary transac-tions	Changes during the year	Balance at 12 31 2013	*of which included in the NFP*	
					12 31 2012	*12 31 2013*
Financial assets due from related parties	868,821	-	4,162	872,983	*868,821*	*872,983*
Total current financial assets	**868,821**	**-**	**4,162**	**872,983**	***868,821***	***872,983***

“Current financial assets” amounted to 872,983 thousand euro and are as follows:

- 872,733 thousand euro in receivables from subsidiaries for the balance of intragroup accounts. It must be noted that interest rates applied to intragroup accounts are based on three-month Euribor plus a spread.
- 250 thousand euro in loans receivable from associated companies.

The increase amounted to 4,162 thousand euro and refers to the greater receivable on the current accounts held with subsidiaries, as well as to financing (250 thousand euro) granted to the associated company Ergon Energia S.r.l. (in liquidation).

10) Deferred tax assets

Thousands of euro	Balance at 12 31 2012	Results of extraordinary transactions	Changes during the year	Balance at 12 31 2013
Deferred tax assets	**57,674**	**-**	**(11,017)**	**46,657**

As at December 31, 2013, this item amounted to 46,657 thousand euro (57,674 thousand euro as at December 31, 2012) and refers to the corporate income tax (IRES) credits for the year.

11) Cash and cash equivalents

Thousands of euro	Balance at 12 31 2012	Results of extra-ordinary transac-tions	Changes during the year	Balance at 12 31 2013	*of which included in the NFP*	
					12 31 2012	*12 31 2013*
Cash and cash equivalents	300,505	-	(113,613)	186,892	*300,505*	*186,892*

As at December 31, 2013, “Cash and cash equivalents” amounted to 186,892 thousand euro (300,505 thousand euro as at December 31, 2012), representing a decrease of 113,613 thousand euro with respect to the close of the previous year. Bank deposits include accrued interest not yet credited by the end of the year.

EQUITY AND LIABILITIES

Equity

Equity, which as of December 31, 2013, amounted to 2,448,016 thousand euro (2,537,484 thousand euro as of December 31, 2012), is set forth within the following table:

Thousands of euro	Balance at 12 31 2012	Results of extrordinary transactions	Changes during the year	Balance at 12 31 2013
Equity				
Share capital	1,629,111			1,629,111
(Treasury shares)	(60,891)			(60,891)
Reserves	786,109		88,267	874,376
Net income	183,155		(177,735)	5,420
Total equity	**2,537,484**	**-**	**(89,468)**	**2,448,016**

12) Share capital

As of December 31, 2013, the “Share Capital” amounted to 1,629,111 thousand euro and is comprised of 3,132,905,277 ordinary shares with a unitary value of 0.52 euro each.

13) Treasury shares

As of December 31, 2013, the “Treasury Shares” amounted to 60,891 thousand euro (unchanged with respect to December 31, 2012) and consist of 26,917,609 own shares held by the company.

14) Reserves

Thousands of euro	Balance at 12 31 2012	Changes during the year	Balance at 12 31 2013
Reserves	**786,109**	**88,267**	**874,376**
of which			
Changes in the fair value of cash flow hedge derivatives	(13,451)	(6,964)	(20,415)
Changes in available-for-sale	-	(608)	(608)
Cash flow hedge and available-for-sale reserves	**(13,451)**	**(7,572)**	**(21,023)**

Changes in the “Reserves”, which as of December 31, 2013, amounted to 874,376 thousand euro (786,109 thousand euro as of December 31, 2012), were positive in the amount of 88,267 thousand euro, mainly due to the allocation of the 2012 results and partially offset by dividend distribution. The balance also includes negative reserves of 13,333 thousand euro arising from the adoption of IAS 19 Revised “Employee Benefits” requiring actuarial profits and losses to be recognized directly in an equity reserve. There was a negative change of 6,560 thousand euro during the year.

This item includes the following unavailable reserves:

- 128,614 thousand euro for the reserve arising from the corporate separation taking place in 1999. Such reserve shall be available for distribution in function of the amortization carried out by the receiving company on the higher values determining capital gains from contribution;
- 20,415 thousand euro for the negative cash flow hedge reserve including the fair value of hedging derivatives, net of tax;
- 608 thousand euro for the negative available-for-sale reserve including the fair value of certain available-for-sale shares;
- legal reserves amounting to 185,784 thousand euro.

15) Net profit for the year

Net profits were positive, amounting to 5,420 thousand euro and including the results for the fiscal year under review.

It should be noted that the total value adjustments and provisions made as per Article 109(4), paragraph B, of the Consolidated Tax Act amounted to 149,874 thousand euro, net of deferred tax relating to amounts deducted.

It should be noted that during 2013, dividends amounting to 80,756 thousand euro corresponding to 0.026 euro per share were distributed, as approved by the shareholders on June 13, 2013.

LIABILITIES

NON-CURRENT LIABILITIES

16) Non-current financial liabilities

Thousands of euro	Balance as of 12 31 2012	Results of extra-ordinary transac-tions	Changes during the year	Balance as of 12 31 2013	*of which included in the NFP*	
					12 31 2012	*12 31 2013*
Non-convertible bonds	2,462,136		504,621	2,966,757	2,462,136	2,966,757
Due to banks	796,606		60,975	857,581	796,606	857,581
Total non-current financial liabilities	**3,258,742**	-	**565,596**	**3,824,338**	**3,258,742**	**3,824,338**

"Non-current financial liabilities" amounted to 3,824,338 thousand euro (3,258,742 thousand euro as of December 31, 2012), for an increase of 565,596 thousand euro.

"Non-convertible bonds" are bonds issued as follows:

- a thirty-year bond in yen issued on August 10, 2006, bearing interest at a fixed rate of 5.405% and having a carrying amount, calculated at amortized cost, of 97,551 thousand euro;
- a seven-year bond issued on November 2, 2009, bearing interest at a nominal fixed rate of 4.50% and having a carrying amount of 813,678 thousand euro. It has been partially redeemed as a result of the early repurchase of 238,409 thousand euro carried out on July 11, 2013. The nominal value of this bond is currently 761,591 thousand euro. The accompanying derivative has been accounted for as a fair value hedge and, accordingly, the bond is calculated at amortized cost adjusted for the change in fair value of the underlying derivative;
- a seven-year bond having a nominal value of 744,413 thousand euro issued on November 28, 2012, bearing interest at a nominal fixed rate of 4.50% and having a carrying amount, calculated at amortized cost, of 750,000 thousand euro;
- a seven-year bond having a nominal value of 494,166 thousand euro issued on July 10, 2013, bearing interest at a nominal fixed rate of 4.375% and having a carrying amount, calculated at amortized cost, of 500,000 thousand euro;
- a ten-year bond having a nominal value of 298,625 thousand euro issued through a private placement on December 4, 2013, bearing interest at a nominal fixed rate of 4.00% and having a carrying amount, calculated at amortized cost, of 300,000 thousand euro;

- a bond with a term of eight years and one month having a nominal value of 495,535 thousand euro, bearing interest at a nominal fixed rate of 3.625% and having a carrying amount, calculated at amortized cost, of 500,000 thousand euro.

The year-end measurement of the non-convertible bonds at fair value and amortized cost led to a decrease of 6,912 thousand euro in "Non-current financial liabilities".

As of December 31, 2013, interest of 22,789 thousand euro had accrued on the bonds.

The ten-year bond issued on May 28, 2004, has been reclassified under "Current financial liabilities".

Non-current amounts "Due to banks" increased by 60,975 thousand euro over the year, mainly due to new loans partially offset by the reclassification of the portion due within twelve months as "Current financial liabilities".

17) Deferred tax liabilities

Thousands of euro	**Balance at 12 31 2012**	**Results of extrordinary transactions**	**Changes during the year**	**Balance at 12 31 2013**
Deferred tax liabilities	29,691		(29,691)	-

This item, which includes the net effect of deferred tax liabilities and deferred tax assets for corporate income tax (IRES) and the Italian regional business tax (IRAP) for changes and provisions made solely for tax purposes, resulted in a net asset as of December 31, 2013, while as of December 31, 2012, resulted in a debt of 29,691 thousand euro.

As of December 31, 2013, the amounts relative to deferred tax assets/deferred tax liabilities have been expressed as net ("offsetting") as per IAS 12 standards. Further details regarding deferred tax assets and liabilities may be found in the note "Deferred tax assets".

18) Employee Benefits

At the end of the fiscal year, “Employee Benefits” amounted to 124,966 thousand euro (117,772 thousand euro as of December 31, 2012) with changes as follows during the period:

Thousands of euro	Balance at 12 31 2012	Results of extraordinary transactions	Accruals	Utilizations	Other changes	Balance at 12 31 2013
Severance packages	31,481	(59)	4,598	(1,649)	(1,876)	32,495
Employee benefits	86,291	(40)	–	(6,232)	12,452	92,471
Total employee benefits	**117,772**	**(99)**	**4,598**	**(7,881)**	**10,576**	**124,966**

Technical valuations in estimating severance packages and employee benefits were carried out on the basis of the following assumptions:

	2013	2012
Discount rate	2.5%	3.5%
Yearly inflation rate	2.0%	2.0%

The company has chosen these rates based on the yield curve of high-quality, fixed-income securities for which the amounts and maturities correspond to those of liabilities for pensions and other post-employment benefits.

19) Provisions for risks, charges and liabilities for landfills

Thousands of euro	Balance at 12 31 2012	Results of extraordinary transactions	Accruals	Utilizations	Other changes	Balance at 12 31 2013
Provisions for risks, charges and liabilities for landfills	**109,515**	**-**	**9,612**	**(13,836)**	**5,877**	**111,168**

As of December 31, 2013, the balance of these funds amounted to 111,168 thousand euro (109,515 thousand euro as of December 31, 2012) and mainly relate to disputes with local authorities, social security institutions and third parties.

Accruals had a net effect of 9,612 thousand euro resulting from fiscal year accruals totaling 24,650 thousand euro. This amount is adjusted by the release of risk funds totaling 15,038 thousand euro resulting from the loss of certain existing disputes.

Utilizations totaling 13,836 thousand euro mainly refer to the amounts used for payments made during the fiscal year.

Other changes presented a positive balance of 5,877 thousand euro, resulting mainly from the overall expenses related to the company restructuring plan for future staff turnover. Further details regarding the business restructuring plan may be found in the section "Significant Events during the Year" included in the Report on Operations.

20) Other non-current liabilities

Thousands of euro	Balance at 12 31 2012	Results of extra-ordinary transac-tions	Changes during the year	Balance at 12 31 2013	*of which included in the NFP*	
					12 31 2012	*12 31 2013*
Other non-current liabilities	3,221		10	3,231	-	-
Non-current derivatives	48,110		(555)	47,555	*48,110*	*47,555*
Total other non-current liabilities	**51,331**	-	**(545)**	**50,786**	***48,110***	***47,555***

"Other non-current liabilities" amounted to 50,786 thousand euro and are divided as follows:

- 3,231 thousand of euro mainly including water fees due to the Office of the Territory of Mantua in relation to water used by the Mincio plant;
- 47,555 thousand euro for the fair value of derivatives to hedge interest rate risk on variable rate mortgages and bonds.

CURRENT LIABILITIES

21) Trade payables and other current liabilities

Thousands of euro	Balance at 12 31 2012	Results of extrordinary transactions	Changes during the year	Balance at 12 31 2013
Advances	7		-	7
Trade payables	100,022		(22,170)	77,852
Trade payables to related parties:	52,677		(12,985)	39,692
- to subsidiaries	*52,119*		*(12,623)*	*39,496*
- to parent companies	*43*		*(21)*	*22*
- to affiliates	*515*		*(341)*	*174*
Total trade payables	**152,706**	**-**	**(35,155)**	**117,551**
Payable to social security institutions	13,994		(249)	13,745
Other payables:	92,822	(20)	31,117	123,919
- combined reporting	*54,194*		*27,914*	*82,108*
- payables to personnel	*13,590*	*(20)*	*2,935*	*16,505*
- payables to CCSE	*3*		*-*	*3*
- VAT and similar	*11,369*		*570*	*11,939*
- other	*13,666*		*(302)*	*13,364*
Other current liabilities	1,811		144	1,955
Total other current liabilities	**108,627**	**(20)**	**31,012**	**139,619**
Total trade payables and other current liabilities	**261,333**	**(20)**	**(4,143)**	**257,170**

"Trade payables and other current liabilities" amounted to 257,170 thousand euro (261,333 thousand euro as of December 31, 2012), representing an overall decrease of 4,143 thousand euro net of extraordinary transactions totalling 20 thousand euro. This line includes the effects of application of the tax transparency agreement stipulated with an affiliate company.

22) Current financial liabilities

Thousands of euro	Balance at 12 31 2012	Changes during the year	Balances at 12 31 2013	*of which included in the NFP*	
				12 31 2012	*12 31 2013*
Non-convertible bonds	518,063	(210,519)	307,544	*518,063*	*307,544*
Due to banks	50,552	6,721	57,273	*50,552*	*57,273*
Payables to related parties	370,094	100,081	470,175	*370,094*	*470,175*
Total current financial liabilities	**938,709**	**(103,717)**	**834,992**	***938,709***	***834,992***

“Current financial liabilities” amounted to 834,992 thousand euro, compared to 938,709 thousand euro as of the close of the preceding fiscal year.

Specifically, the item “Non-convertible bonds” consists of:

- a residual value of 298,958 thousand euro for a ten-year bond issued on May 28, 2004, bearing a nominal fixed interest rate of 4.875% and having a carrying amount, measured at amortized cost, of 500,000 thousand euro, which, on July 11, 2013, was partially repurchased and canceled in advance for a nominal value of 200,900 thousand euro. As of December 31, 2013, interest of 8,586 thousand euro had accrued on the bond.

The ten-year bond issued on October 30, 2003, bearing interest at a nominal fixed rate of 4.875% was reimbursed in October. This bound was accounted under the value option available on transition to IAS/IFRS standards and was reclassified under “Current financial liabilities” upon closure of fiscal year 2012 for an amount of 518,063 thousand euro.

Current liabilities “Due to banks” have increased by 6,721 thousand euro during the fiscal year, mainly due to the reclassification of the current portion due within one year included within the item “Non-current financial liabilities”.

“Payables to related parties” showed an increase of 100,081 thousand euro; it should be noted that the interest rates on intercompany accounts have been obtained by applying a three-month Euribor spread.

23) Tax liabilities

Thousands of euro	Balance at 12 31 2012	Results of extrordinary transactions	Changes during the year	Balance at 12 31 2013
Tax liabilities	-	-	340	340

As of December 31, 2013, this item amounted to 340 thousand euro (no value as of December 31, 2012) and refers to the fiscal year’s IRAP credit.

Net debt

24) Net debt

(pursuant to Consob Communication no. DEM/6064293 of July 28, 2006)

The details regarding net debt are as follows:

Thousands of euro	Note	12 31 2013	12 31 2012
Non-current bonds	16	2,966,757	2,462,136
Non-current bank loans	16	857,581	796,606
Other non-current liabilities	20	47,555	48,110
Total medium/long-term debt		**3,871,893**	**3,306,852**
Non-current financial assets with related parties	3	(664,398)	(4,924)
Other non-current financial and other assets	3-5	(43,564)	(70,310)
Total medium/long-term financial receivables		**(707,962)**	**(75,234)**
Total non-current net debt		***3,163,931***	***3,231,618***
Current bonds	22	307,544	518,063
Current bank loans	22	57,273	50,552
Current financial liabilities to related parties	22	470,175	370,094
Total short-term debt		**834,992**	**938,709**
Current financial assets with related parties	9	(872,983)	(868,821)
Other current assets	8	-	(7,770)
Total short-term financial receivables		**(872,983)**	**(876,591)**
Cash and cash equivalents	11	**(186,892)**	**(300,505)**
Total current net debt		***(224,883)***	***(238,387)***
Net debt		***2,939,048***	***2,993,231***

Notes to the income statement

In preparing these financial statements, the specific line items "Result from non-recurring transactions" and "Result from disposal of other shareholdings (AFS)" have been included in the income statement in order to provide clear and explicit identification of the results arising from non-recurring transactions regarding continuing operations, separating these from the results from discontinued operations, as discussed in further detail in the section "Financial statements" of these Separate Financial Statements.

25) Revenues

Revenues in 2013 totaled 429,203 thousand euro (461,992 thousand euro in the year ended December 31, 2012), therefore decreasing by 32,789 thousand euro.
Details of the most significant revenue line items are as follows:

Revenues - *thousands of euro*	**12 31 2013**	**12 31 2012**
Revenues from the sale of goods	71,524	61,481
Revenues from services	343,034	370,025
Total revenues from the sale of goods and services	**414,558**	**431,506**
Other operating income	**14,645**	**30,486**
Total revenues	**429,203**	**461,992**

"Revenues from the sale of goods and services" totaled 414,558 thousand euro (431,506 thousand euro in 2012), down 16,948 thousand euro from last year. This decrease is due to a reduction of 26,991 thousand euro in service revenues, chiefly due to a decrease in contract revenues from the tolling agreement and power purchase agreement entered into with A2A Trading S.r.l. for hydroelectric and thermoelectric production plants because of lower levels of production during the year. This was partly offset by higher sales revenues of 10,043 thousand euro mainly due to the increase in sales of green certificates to the subsidiary A2A Trading S.r.l..

"Other operating income", amounting to 14,645 thousand euro (30,486 thousand euro in the previous year), relates to rents from subsidiaries and associates, releases from provisions made in prior years, reimbursements for losses and penalties from customers, insurance companies and individuals, as well as the sale of equipment and materials.

Details of the most significant items are as follows:

thousands of euro	12 31 2013	12 31 2012
Sale of electricity, of which:	**18,328**	**21,030**
- third-party customers	2,835	1,702
- subsidiaries	15,493	19,328
Sale of heat, of which:	**370**	**293**
- subsidiaries	370	293
Sale of materials, of which:	**2,304**	**1,453**
- third-party customers	-	-
- subsidiaries	2,273	1,432
- affiliaties	31	21
Sale of certificates and emission rights, of which:	**50,522**	**38,705**
- third-party customers	750	5,492
- subsidiaries	49,772	33,213
Total revenues from the sale of goods:	**71,524**	**61,481**
Services, of which:		
- third-party customers	8,571	8,620
- subsidiaries	312,771	339,489
- Municipalities of Milan and Brescia	19,278	20,360
- affiliaties	2,414	1,556
Total revenues from services	**343,034**	**370,025**
Total revenues from the sale of goods and services	**414,558**	**431,506**
Other operating income, of which:		
- subsidiaries	7,458	6,936
- affiliaties	9	–
Other revenues	7,178	23,550
Total other operating income	**14,645**	**30,486**
Total revenues	**429,203**	**461,992**

26) Operating expenses

“Operating expenses” amounted to 221,199 thousand euro (223,109 thousand euro in 2012), representing a decrease of 1,910 thousand euro.

The main components of this item are as follows:

Operating expenses - *thousands of euro*	12 31 2013	12 31 2012
Raw materials and consumables	24,786	27,085
Service costs	140,118	146,863
Total expenses for raw materials and services	**164,904**	**173,948**
Other operating expenses	**56,295**	**49,161**
Total operating expenses	**221,199**	**223,109**

"Expenses for raw materials and services" amounted to 164,904 thousand euro (173,948 thousand euro in 2012), decreasing by 9,044 thousand euro.

This decrease is due to the combined effect of lower costs incurred for the purchase of raw materials and consumables, amounting to 2,299 thousand euro, and lower costs for services, amounting to 6,745 thousand euro, relating to contracts and works, and various services provided by third parties, subsidiaries and associates.

Details of the most significant components are provided in the following table:

Expenses for raw materials and services - *thousands of euro*	**12 31 2013**	**12 31 2012**
Purchase of power and fuel, of which:	**18,379**	**16,876**
- third-party suppliers	1,386	1,186
- subsidiaries	16,993	15,690
Change in inventories of fuel	**2**	**(18)**
Purchase of industrial demineralized water	**-**	**27**
Purchase of materials, of which:	**6,554**	**7,202**
- third-party suppliers	6,492	6,905
- subsidiaries	62	297
Change in inventories of materials	**(253)**	**(103)**
Purchase of emission certificates and allowances, of which:	**104**	**3,101**
- third-party suppliers	104	469
- subsidiaries	-	2,632
Total expenses for raw materials and consumables	**24,786**	**27,085**
Electricity delivery and transport expenses	**62**	**66**
Transport from subsidiaries	**11**	**-**
Subcontracted works	**18,363**	**21,429**
Services, of which:	**121,682**	**125,368**
- third-party suppliers	81,578	82,094
- subsidiaries	39,750	42,960
- affiliaties	354	314
Total service costs	**140,118**	**146,863**
Total expenses for raw materials and services	**164,904**	**173,948**
Use of third-party assets:	**5,870**	**5,234**
- third-party suppliers	5,725	5,060
- subsidiaries	145	174
Sundry operating expenses	**50,381**	**43,005**
Other expenses from subsidiaries	**38**	**802**
Losses on disposal of tangible assets	**6**	**120**
Other operating expenses	**56,295**	**49,161**
Total operating expenses	**221,199**	**223,109**

During the year, the Company paid 2,000 thousand euro in donations to the AEM and ASM foundations.

27) Labour costs

Net of capitalized expenses, labour costs in the year ended December 31, 2013, amounted to 122,223 thousand euro (114,742 thousand euro in the previous year). The increase over the previous year is mainly due to the recognition of the total cost of the business restructuring plan for the future exit of employees under the redundancy scheme, amounting to approximately 7,054 thousand euro. This plan will reach the peak of its effectiveness, in particular for the redundancy scheme, in the two-year period 2013-2014 and will continue for the following two years. Further details of the business restructuring plan can be found in the section "Significant events during the year" in the Report on Operations.
"Labour costs" may be analyzed as follows:

Labour costs - *thousands of euro*	12 31 2013	12 31 2012
Wages and salaries	72,524	73,132
Social security charges	24,640	23,887
Employee leaving entitlement (TFR)	4,598	4,679
Other costs	20,461	13,044
Total labour costs	**122,223**	**114,742**

The table below shows the average number of employees during the year, broken down by category:

	2013	2012
Managers	66	65
Middle managers	158	154
White-collar workers	934	974
Blue-collar workers	235	250
Total	**1,393**	**1,443**

The item also includes the directors' fees paid by A2A S.p.A..

28) Gross operating income

Due to the effect of the dynamics explained above, "Gross operating income" totaled 85,781 thousand euro (124,141 thousand euro in 2012).

29) Depreciation, amortization, provisions and write-downs

"Depreciation, amortization provisions and write-downs" totaled 224,898 thousand euro (160,125 thousand euro in the year ended December 31, 2012), representing an increase of 64,773 thousand euro.

The following table provides details of the individual items:

Depreciation, amortization, provisions and write-downs- *thousands of euro*	**12 31 2013**	**12 31 2012**
Amortization of intangible assets	10,888	18,706
Depreciation of tangible assets	92,455	129,756
Total amortization and depreciation	**103,343**	**148,462**
Other write-downs of assets	111,858	-
Bad debt provision (receivables recognized as current assets and cash and cash equivalents)	85	469
Provisions for risks and charges	9,612	11,194
Total depreciation, amortization, provisions and write-downs	**224,898**	**160,125**

In particular, “Depreciation and amortization” totaled 103,343 thousand euro (148,462 thousand euro in 2012), reflecting a net decrease of 45,119 thousand euro mainly due to the decrease in depreciation of property, plant and equipment. Depreciation is calculated on the basis of technical and economic rates considered representative of the remaining useful life of the related property, plant and equipment.

Regarding the transposition of the “Growth Decree”, which establishes procedures for calculating the surrender value of the water system works used to supply water under concession to hydroelectric power plants (the “wet works”), the calculation criteria (revaluation coefficients and useful lives) needed to quantify the surrender value at the end of the relative concessions have not been set yet by the relevant authorities. In the absence of a regulatory framework, the company has carried out a series of simulations using ISTAT coefficients, which were found to be the only possible data that is objectively usable, and estimates of the economic and technical lives of the assets. The results of these simulations led to a very wide range of variability, confirming that it is currently impossible to make a reliable estimate of the surrender values at the end of the concessions. Nevertheless, the net carrying amount of the wet works, for which concessions are close to expiry, was significantly lower than the range of results obtained. As a result, therefore, since June 30, 2012, depreciation and amortization is no longer charged only for those concessions nearing expiry, while the same valuation methods continue to be applied to the remaining concessions.

Write-downs of assets totaled 111,858 thousand euro and regard the write-down of some thermoelectric plants carried out following the results obtained in the impairment test, performed by an external independent expert appointed by the Group. This was performed as a result of the continuation of the economic crisis in Italy and the resulting decrease in requirements which, together with the further increase in production from non-programmable renewable sources, has caused a substantial decrease in production of all thermoelectric plants. Further details of the work carried out for the impairment test can be found in the Consolidated Annual Report (note 2).

The "Bad debt provision" amounted to 85 thousand euro (469 thousand euro in 2012), decreasing by 384 thousand euro.

"Provisions for risks and charges" totaled 9,612 thousand euro (11,194 thousand euro in the previous year) and relate to the provisions made for outstanding disputes with third parties, tax authorities and other local entities.

30) Net operating income

"Net operating income (loss)" showed a net operating loss of 139,117 thousand euro (loss of 35,984 thousand euro in the year ended December 31, 2012).

31) Result from non-recurring transactions

This item amounted to 23,388 thousand euro and includes the capital gain on the sale of Chi.Na.Co S.r.l. to which A2A S.p.A. had contributed five small run-of-the-river hydroelectric plants having an installed power of approximately 8 MW; the previous year figures, reclassified to conform with the new structure adopted for the Income statement, as set out in more detail in the section "Financial Statements", came to 47,964 thousand euro and included the capital gain on the sale of the investments in Metroweb S.p.A. and e-Utile S.p.A..

32) Financial balance

The “Financial balance” reported a positive balance of 58,141 thousand euro (101,135 thousand euro at December 31, 2012). Details of the most significant items are as follows:

Financial income

Financial income - *thousands of euro*	12 31 2013	12 31 2012
Income on derivatives	**44,128**	-
Income from financial assets:	**265,737**	**294,630**
Income from dividends:	219,910	241,032
- subsidiaries	216,305	238,234
- affiliates	3,558	2,748
- other companies	47	50
Income on receivables/securities booked under non-current assets:	3	7
- others	3	7
Income on receivables/securities booked under current assets:	45,794	53,584
- subsidiaries	33,843	43,566
- affiliates	115	284
- parent companies	6,135	6,434
- others:	5,701	3,300
a) bank accounts	5,636	595
b) other receivables	65	2,705
Foreign exchange gains	30	7
Total financial income	**309,865**	**294,630**

“Financial income” totaled 309,865 thousand euro (294,630 thousand euro in the year ended December 31, 2012), and relate to income from financial assets.

In particular, the income on derivatives amounted to 44,128 thousand euro (it amounted to less than 1 thousand euro at December 31, 2012) and related to the positive performance of the fair value of, and realized gains on, financial derivative contracts.

Income on financial assets amounted to 265,737 thousand euro (294,630 thousand euro at December 31, 2012) and concerned:

- income on dividends in the amount of 219,910 thousand euro (241,032 thousand euro in the previous year) which refer to dividends distributed by subsidiaries, 216,305 thousand euro, associates, 3,558 thousand euro, and certain investees of A2A S.p.A., 47 thousand euro;
- income on receivables/securities booked under non-current assets in the amount of 3 thousand euro (7 thousand euro at December 31, 2012), relating mainly to interest on fixed-income securities and guarantee deposits;

- income on receivables/securities booked under current assets in the amount of 45,794 thousand euro (53,584 thousand euro at December 31, 2012), including 33,843 thousand euro (43,566 thousand euro at December 31, 2012) in interest income from subsidiaries on intercompany loans, 115 thousand euro in interest income from affiliates, 6,135 thousand euro (6,434 thousand euro at December 31, 2012) in income from the Municipality of Brescia, pursuant to the implementation of IFRIC 12 in connection with the public lighting system, 5,701 thousand euro (3,300 thousand euro at December 31, 2012) in interest on bank deposits and sundry receivables;
- foreign exchange gains in the amount of 30 thousand euro (7 thousand euro in the previous year).

Financial expenses

Financial expenses - *thousands of euro*	**12 31 2013**	**12 31 2012**
Expenses on financial assets held for trading	**71,034**	**8,235**
- Write-down of investments	71,034	8,235
Charges on derivatives	**5,393**	**41,640**
Losses on financial assets	**-**	**-**
Expenses from financial liabilities	**175,304**	**143,483**
- subsidiaries	6,004	6,217
- affiliates	-	300
- parent company	-	-
- others:	169,300	136,966
a) interest on bond loans	143,760	104,044
b) banks	20,234	30,793
c) others	5,286	2,109
e) foreign exchange losses	20	20
Total financial expenses	**251,731**	**193,358**

“Financial Charges” totaled 251,731 thousand euro (193,358 thousand euro in 2012) and relate to:

- 71,034 thousand euro (8,235 thousand euro at December 31, 2012) for the write-down of equity investments held in Abruzzoenergia S.p.A., in Edipower S.p.A., in Ergosud S.p.A., in A2A Montenegro d.o.o. and in Sviluppo Turistico Lago d’Iseo S.p.A., as discussed in greater detail in note 3 “Shareholdings and other non-current financial assets”;
- 5,393 thousand euro (41,640 thousand euro in the year ended December 31, 2012) for realized losses on and negative changes in the fair value of derivatives;

- 175,304 thousand euro (143,483 thousand euro at December 31, 2012) for expenses from financial liabilities, made up of:
  - interest charged by subsidiaries in the amount of 6,004 thousand euro (6,217 thousand euro in 2012) on intercompany loans extended under the Group's cash management system;
  - other financial charges in the amount of 169,300 thousand euro (136,966 thousand euro at December 31, 2012) which mainly relate to interest on bonds and interest on the revolving credit lines used with various banks.

At December 31, 2012, this item included interest payable to affiliates in the amount of 300 thousand euro which had a zero balance at December 31, 2013.

The nature and content of derivatives are described in the section "Other information".

Result from disposal of other shareholdings (AFS)

This item was positive and amounted to 7 thousand euro and includes the capital gain on the sale of the investment in A.C.B. Servizi S.r.l.; the previous year figures reclassified to conform with the new structure adopted for the Income statement, as discussed further in the section "Financial statements", reported a negative balance of 137 thousand euro and included the loss on the sale of the investment in Brescia Mobilità S.p.A..

33) Income taxes

Income taxes - *thousands of euro*	**12 31 2013**	**12 31 2012**
Current taxes	(13,313)	(18,912)
Deferred tax assets	(15,082)	18,537
Deferred tax liabilities	(34,613)	(34,722)
Total income taxes	**(63,008)**	**(35,097)**
included under item:		
Net result from discontinued operations	-	487

For corporate income tax (IRES) purposes, the company files for tax on a consolidated basis, together with its main subsidiaries, in accordance with Articles 117-129 of DPR 917/86.

To this end, a contract has been entered into with each of the subsidiaries to regulate the tax benefits and burdens transferred, with specific reference to current items.

The deferred tax assets and liabilities calculated when determining the subsidiaries' taxable income, again only for IRES purposes, are not transferred to the parent company, A2A S.p.A., but are recognized in the income statement of the individual subsidiary each time there is an effective divergence between net income calculated for tax reporting purposes and net income calculated for financial reporting purposes due to any temporary differences. The deferred tax assets and liabilities shown in the income statement of A2A S.p.A. are therefore calculated exclusively on the divergences between its income for taxable purposes and income for financial reporting purposes.

Current income tax (IRES) of A2A S.p.A. is calculated on its own taxable income net of the adjustments relating to the national tax consolidation filing, in accordance with interpretation OIC 2 of May 2006.

In compliance with the OIC 2 interpretation document, the "income/expense related to consolidation", which constitute the remuneration/contra-entry for the transfer to the parent company A2A S.p.A. of a tax loss or taxable income, are recognized in the balance sheet.

The total amount of IRAP (the Italian regional business tax) has been calculated at 4.20% (rate applied pursuant to the provision laid down in Article 23(5) of Law 111/2011) of the net value of production, suitably adjusted for the items foreseen in the relevant tax legislation.

The deferred tax assets and liabilities for IRAP purposes are booked to the income statement so as to show the total tax charge for the period, taking into account the tax effects of temporary differences in taxation.

No items have been excluded from the calculation of deferred taxation for IRES or IRAP purposes and deferred assets and liabilities are recognized according to the balance sheet method.

At December 31, 2013, income taxes for the year (IRES and IRAP), amounted to -63,008 thousand euro (-35,097 thousand euro at the end of the previous year) and were made up as follows:

- 1,975 thousand euro in current IRES for the year;
- 6,843 thousand euro in current IRAP for the year;
- -20,955 thousand euro for remuneration for the transfer of interest payable to the tax consolidation system;
- -1,176 thousand euro related to taxes of previous years;
- -27,562 thousand euro in deferred tax liabilities for IRES purposes;
- -7,051 thousand euro in deferred tax liabilities for IRAP purposes;
- -13,130 thousand euro in deferred tax assets for IRES purposes;
- -1,952 thousand euro in deferred tax assets for IRAP purposes;

The main permanent increases in IRES include write-downs of shareholding in the amount of 71,034 thousand euro, non-deductible extraordinary expenses in the amount of 800 thousand euro, as well as property taxes (IMU) in the amount of 9,142 thousand euro.

Reconciliation between the statutory tax rate and the effective tax rate for IRES and IRAP purposes are presented in the statements below.

IRES - Reconciliation between statutory and effective taxation

			Rate
Result before taxes	(57,588,407)		
Statutory tax charge		(15,836,812)	27.50%
Permanent differences	(48,497,369)		
Result before taxes adjusted for permanent differences	(106,085,776)		
Temporary differences deductible in future years	77,165,358		
Temporary differences taxable in future years	(118,455)		
Reversal of prior year temporary differences	36,223,869		
Taxable income	7,184,996		
Current income taxes for the year		1,975,874	
Current surtax (Robin Tax)		-	
to deduct: taxes on net result from discontinued operations		-	
to deduct: other income from consolidated tax system		(20,955,489)	
Total current income taxes for the year		(18,979,615)	32.90%

IRAP - Reconciliation between statutory and effective taxation

			Rate
Difference between production value and production costs	95,877,393		
Costs not relevant for IRAP purposes	135,979,172		
Total	(40,101,779)		
Statutory tax charge (4.20%)		(1,684,275)	4.20%
Temporary differences deductible in future years	60,291,664		
Temporary differences taxable in future years	(118,455)		
Reversal of prior year temporary differences	142,865,431		
Taxable income for IRAP purposes	162,936,861		
Current IRAP on income for the year		6,843,348	7.14%

Details are provided below on the analytic situation of the deferred tax assets and liabilities which, as required by international accounting standards, also shows the changes in equity reserves.

IRES - Deferred tax assets and liabilities for the year

Taxable timing differences

Description *units of euro*	Extra-ordinary transactions effects	Deferred taxes previous year	Deferred taxes previous year			Adjustments			Uses in current year		
	Taxable amount	Taxable amount	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
Differences in amounts of property, plant and equipment	(1,220,979)	440,668,364	439,447,385	34.0%	149,412,111	-	34.0%	-	80,223,019	34.0%	27,275,826
Application of lease finance standard (IAS 17)	-	20,974,846	20,974,846	34.0%	7,131,448	-	34.0%	-	267,751	34.0%	91,035
Application of the financial instrument standard (IAS 39)	-	-	-	34.0%	-	-	34.0%	-	-	34.0%	-
Differences in amounts of intangible assets	-	23,886,149	23,886,149	34.0%	8,121,291	-	34.0%	-	-	34.0%	-
Capital gains spread over the years	-	-	-	34.0%	-	-	34.0%	-	-	34.0%	-
Post-employment benefits	-	1,850,053	1,850,053	34.0%	629,018	-	34.0%	-	-	34.0%	-
Other deferred taxes	-	18,635,092	18,635,092	34.0%	6,335,931	-	34.0%	-	182,125	34.0%	61,923
Total	**(1,220,979)**	**506,014,503**	**504,793,524**		**171,629,798**	**-**		**-**	**80,672,895**		**27,428,784**

Deductible timing differences

Description *units of euro*	Extra-ordinary transactions effects	Deferred taxes previous year	Deferred taxes previous year			Adjustments			Uses in current year		
	Taxable amount	Taxable amount	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
Tax loss carryforwards	-	4,307,302	4,307,302	6.5%	279,975	4,600,403	6.5%	299,026	7,184,996	6.5%	467,025
Taxed provisions for risks	-	180,560,586	180,560,586	34.0%	61,390,599	967,638	34.0%	328,997	22,486,700	34.0%	7,645,478
Amortization, depreciation and impairment of non-current assets	(208,475)	54,143,737	53,935,262	34.0%	18,337,989	-	34.0%	-	1,759,987	34.0%	598,396
Application of the financial instrument standard (IAS 39)	-	1,497,250	1,497,250	34.0%	509,065	-	34.0%	-	-	34.0%	-
Allowance for bad debts	-	6,824,545	6,824,545	34.0%	2,320,345	-	34.0%	-	-	34.0%	-
Costs for business combinations	-	-	-	34.0%	-	-	34.0%	-	-	34.0%	-
Grants	-	9,644,123	9,644,123	34.0%	3,279,002	-	34.0%	-	-	34.0%	-
Goodwill	-	149,209,549	149,209,549	34.0%	50,731,247	-	34.0%	-	12,017,343	34.0%	4,085,897
Other deferred tax assets	-	27,613,488	27,613,488	34.0%	9,388,586	-	34.0%	-	1,000,000	34.0%	340,000
Total	**(208,475)**	**433,800,581**	**433,592,106**		**146,236,808**	**5,568,041**		**628,023**	**44,449,026**		**13,136,795**

Sub-total			Changes in tax rate			Increases for the year			Increases/uses through equity			Total deferred taxes		
Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
359,224,366	34.0%	122,136,284	359,224,366	34.0%	122,136,284	-	34.0%	-	-	34.0%	-	359,224,366	34.0%	122,136,284
20,707,095	34.0%	7,040,412	20,707,095	34.0%	7,040,412	-	34.0%	-	-	34.0%	-	20,707,095	34.0%	7,040,412
-	34.0%	-	-	34.0%	-	-	34.0%	-	-	34.0%	-	-	34.0%	-
23,886,149	34.0%	8,121,291	23,886,149	34.0%	8,121,291	118,455	34.0%	40,275	-	34.0%	-	24,004,604	34.0%	8,161,566
-	34.0%	-	-	34.0%	-	-	34.0%	-	-	34.0%	-	-	34.0%	-
1,850,053	34.0%	629,018	1,850,053	34.0%	629,018	-	34.0%	-	-	34.0%	-	1,850,053	34.0%	629,018
18,452,966	34.0%	6,274,009	18,452,966	34.0%	6,274,009	-	34.0%	-	-	34.0%	-	18,452,966	34.0%	6,274,009
424,120,629		**144,201,014**	**424,120,629**		**144,201,014**	**118,455**		**40,275**	**-**		**-**	**424,239,084**		**144,241,289**

Sub-total			Changes in tax rate			Increases for the year			Increases/uses through equity			Total deferred tax assets		
Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
1,722,709	6.5%	111,976	1,722,709	6.5%	111,976	-	6.5%	-	-	6.5%	-	1,722,709	6.5%	111,976
159,041,524	34.0%	54,074,118	159,041,524	34.0%	54,074,118	18,835,279	34.0%	6,403,995	9,010,595	34.0%	3,063,602	186,887,398	34.0%	63,541,715
52,175,275	34.0%	17,739,594	52,175,275	34.0%	17,739,594	56,592,717	34.0%	19,241,524	-	34.0%	-	108,767,992	34.0%	36,981,117
1,497,250	34.0%	509,065	1,497,250	34.0%	509,065	-	34.0%	-	-	34.0%	-	1,497,250	34.0%	509,065
6,824,545	34.0%	2,320,345	6,824,545	34.0%	2,320,345	44,346	34.0%	15,078	-	34.0%	-	6,868,891	34.0%	2,335,423
-	34.0%	-	-	34.0%	-	-	34.0%	-	-	34.0%	-	-	34.0%	-
9,644,123	34.0%	3,279,002	9,644,123	34.0%	3,279,002	-	34.0%	-	-	34.0%	-	9,644,123	34.0%	3,279,002
137,192,206	34.0%	46,645,350	137,192,206	34.0%	46,645,350	-	34.0%	-	-	34.0%	-	137,192,206	34.0%	46,645,350
26,613,488	34.0%	9,048,586	26,613,488	34.0%	9,048,586	1,693,016	34.0%	575,625	13,591,861	34.0%	4,621,233	41,898,365	34.0%	14,245,444
394,711,121		**133,728,036**	**394,711,121**		**133,728,036**	**77,165,358**		**26,236,222**	**22,602,456**		**7,684,835**	**494,478,935**		**167,649,093**

IRES - Deferred tax assets and liabilities for the year

Taxable timing differences

Description *units of euro*	Extra-ordinary transactions effects	Deferred taxes previous year	Deferred taxes previous year			Adjustments			Uses in current year		
	Taxable amount	Taxable amount	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
Differences in amount of intangible assets	-	4,340,067	4,340,067	4.0%	173,603	-	4.0%	-	4,340,067	4.0%	173,603
Application of lease finance standard (IAS 17)	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Application of the financial instrument standard (IAS 39)	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Differences in amounts of intangible assets	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Capital gains spread over the years	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Post-employment benefits	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Other deferred taxes	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Total	**-**	**4,340,067**	**4,340,067**		**173,603**	**-**		**-**	**4,340,067**		**173,603**

Deductible timing differences

Description *units of euro*	Extra-ordinary transactions effects	Deferred taxes previous year	Deferred taxes previous year			Adjustments			Uses in current year		
	Taxable amount	Taxable amount	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
Tax loss carryforwards	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Taxed provisions for risks	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Amortization, depreciation and impairment of non-current assets	-	1,748,365	1,748,365	4.0%	69,935	-	4.0%	-	1,748,365	4.0%	69,935
Application of the financial instrument standard (IAS 39)	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Allowance for bad debts	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Costs for business combinations	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Grants	-	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
Goodwill	-	12,017,343	12,017,343	4.0%	480,694	-	4.0%	-	12,017,343	4.0%	480,694
Other deferred tax assets	-	1,166,393	1,166,393	4.0%	46,656	-	4.0%	-	1,166,393	4.0%	46,656
Total	**-**	**14,932,101**	**14,932,101**		**597,284**	**-**		**-**	**14,932,101**		**597,284**

	Sub-total			Changes in tax rate			Increases for the year			Increases/uses through equity			Total deferred taxes		
	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-		-	-		-	-		-	-		-	-		-

	Sub-total			Changes in tax rate			Increases for the year			Increases/uses through equity			Total deferred tax assets		
	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-	-	4.0%	-
	-		-	-		-	-		-	-		-	-		-

IRAP - Deferred tax assets and liabilities

Taxable timing differences

Description *units of euro*	Extra-ordinary transactions effects	Deferred taxes previous year	Deferred taxes previous year			Adjustments			Uses in current year		
	Taxable amount	Taxable amount	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
Differences in amounts of intangible assets	(461,056)	298,771,461	298,310,405	4.20%	12,529,037	16,847,504	4.20%	707,595	156,527,189	4.20%	6,574,142
Application of lease finance standard (IAS 17)	-	14,629,729	14,629,729	4.20%	614,449	180	4.20%	8	-	4.20%	-
Differences in amounts of intangible assets	-	28,594,367	28,594,367	4.20%	1,200,963	(28,172,164)	4.20%	(1,183,231)	-	4.20%	-
Other deferred taxes	-	13,156,352	13,156,352	4.20%	552,567	-	4.20%	-	156,210	4.20%	6,561
Total	**(461,056)**	**355,151,909**	**354,690,853**		**14,897,016**	**(11,324,480)**		**(475,628)**	**156,683,399**		**6,580,703**

Deductible timing differences

Description *units of euro*	Extra-ordinary transactions effects	Deferred taxes previous year	Deferred taxes previous year			Adjustments			Uses in current year		
	Taxable amount	Taxable amount	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
Taxed provisions for risks	-	62,356,196	62,356,196	4.20%	2,618,960	-	4.20%	-	1,095,082	4.20%	45,993
Amortization, depreciation and impairment of non-current assets	-	35,483,957	35,483,957	4.20%	1,490,326	-	4.20%	-	705,543	4.20%	29,633
Costs for business combinations	-	-	-	4.20%	-	-	4.20%	-	-	4.20%	-
Grants	-	6,087,924	6,087,924	4.20%	255,693	-	4.20%	-	-	4.20%	-
Goodwill	-	146,842,600	146,842,600	4.20%	6,167,389	-	4.20%	-	12,017,343	4.20%	504,728
Other deferred tax assets	-	167,787	167,787	4.20%	7,047	-	4.20%	-	-	4.20%	-
Total	**-**	**250,938,464**	**250,938,464**		**10,539,415**	**-**		**-**	**13,817,968**		**580,355**

Sub-total			Changes in tax rate			Increases for the year			Increases/uses through equity			Total deferred taxes		
Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
158,630,720	4.20%	6,662,490	158,630,720	4.20%	6,662,490	-	4.20%	-	-	4.20%	-	158,630,720	4.20%	6,662,490
14,629,909	4.20%	614,456	14,629,909	4.20%	614,456	-	4.20%	-	-	4.20%	-	14,629,909	4.20%	614,456
422,203	4.20%	17,733	422,203	4.20%	17,733	118,455	4.20%	4,975	-	4.20%	-	540,658	4.20%	22,708
13,000,142	4.20%	546,006	13,000,142	4.20%	546,006	-	4.20%	-	-	4.20%	-	13,000,142	4.20%	546,006
186,682,974		**7,840,685**	**186,682,974**		**7,840,685**	**118,455**		**4,975**	**-**		**-**	**186,801,429**		**7,845,660**

Sub-total			Changes in tax rate			Increases for the year			Increases/uses through equity			Total deferred tax assets		
Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax	Taxable amount	Tax rate	Tax
61,261,114	4.20%	2,572,967	61,261,114	4.20%	2,572,967	6,092,207	4.20%	255,873	-	4.20%	-	67,353,321	4.20%	2,828,839
34,778,414	4.20%	1,460,693	34,778,414	4.20%	1,460,693	54,123,000	4.20%	2,273,166	-	4.20%	-	88,901,414	4.20%	3,733,859
-	4.20%	-	-	4.20%	-	-	4.20%	-	-	4.20%	-	-	4.20%	-
6,087,924	4.20%	255,693	6,087,924	4.20%	255,693	-	4.20%	-	-	4.20%	-	6,087,924	4.20%	255,693
134,825,257	4.20%	5,662,661	134,825,257	4.20%	5,662,661	-	4.20%	-	-	4.20%	-	134,825,257	4.20%	5,662,661
167,787	4.20%	7,047	167,787	4.20%	7,047	76,457	4.20%	3,211	-	4.20%	-	244,244	4.20%	10,258
237,120,496		**9,959,061**	**237,120,496**		**9,959,061**	**60,291,664**		**2,532,250**	**-**		**-**	**297,412,160**		**12,491,311**

34) Net result from discontinued operations

This item had a zero balance for the year ended December 31, 2013, while the figures of the previous year, reclassified to conform with the new structure adopted for the Income statement, as discussed further in the section "Financial statements", reported a positive balance of 34,942 thousand euro and included the net gain on the sale of the Coriance Group.

35) Net result of the year

The net income of the year amounted to 5,420 thousand euro (183,155 thousand euro at December 31, 2012).

Note on related party transactions

36) Note on related party transactions

“Related parties” are those indicated by the international accounting standard that concerns Related Party Disclosures (IAS 24 revised).

Relationships with parent companies and their subsidiaries

The Municipalities of Milan and Brescia signed a Shareholder Agreement on October 5, 2007, which regulates the ownership relationships and governance of A2A S.p.A., giving rise to joint, equitable control or the municipalities on the company through a dual administration and control system. Specifically, the merger effective January 1, 2008, regardless of the legal structure established, is considered a joint venture, whose joint control is exercised by the Municipalities of Milan and Brescia, each of which own a share equal to 27.5%.

The A2A Group companies and the Municipalities of Milan and Brescia routinely entertain commercial relationships related to the supply of gas, electricity, heat, and potable water, management of public lighting systems and street lights, management of water purification and sewers, garbage collection and street sweeping and video surveillance. Similarly, the A2A Group companies entertain commercial relationships with the subsidiaries by the Municipalities of Milan and Brescia, for example, Metropolitana Milanese S.p.A., ATM S.p.A., Brescia Mobilità S.p.A., Brescia Trasporti S.p.A. and Centrale del Latte di Brescia S.p.A., supply of gas, electricity, heat, and potable water, water purification and sewer service at market rates appropriate to the supply conditions and providing the services required. Note that these companies are considered related parties in the preparation of the financial statement schedules pursuant to the Consob Resolution no. 17221 of March 12, 2010.

The relationships between the Municipalities of Milan and Brescia and the A2A Group, in relation to granting the services associated with public lighting, street lights, management and supply of gas, electricity, heat, and water purification and sewer service are regulated by special conventions and specific contracts.

The relationships between the companies controlled by the Municipalities of Milan and Brescia, which refer to the supply of electricity, are at arm's length conditions.

On May 27, 2011, Amsa S.p.A., a company controlled by A2A S.p.A., signed with the Municipality of Milan the extension of the contract for the supply of garbage collection, street cleaning, special services and garbage disposal for a total amount of 711 million euro, including VAT, for the period from January 1, 2011, to June 30, 2013; the contract was extended until December 31, 2013.

Relationships with subsidiaries and affiliates

The Parent Company, A2A S.p.A., operates like a centralized treasury for the majority of the subsidiaries. The relationships between the companies take place through current accounts, entertained between the parent company and the subsidiaries, regulated at the Euribor three-month rate for receivables (of A2A S.p.A.) or decreased by the liabilities by an amount equal to the rate applied by the financial market.

For the financial year 2013, A2A S.p.A. and its subsidiaries have adopted the VAT procedure of the Group.

For the purpose of IRES, A2A S.p.A. joined the so-called "national consolidation" option under articles 117 to 129 of DPR 917/86 with the main subsidiaries. To this end, with each of the subsidiaries joining, a special contract was drawn up to regulate the tax advantages/disadvantages transferred, with specific reference to the current entries. These contracts also govern the transfer of any excesses of ROL as set forth by prevailing legislation.

Note that A2A S.p.A. has signed a contract of fiscal transparency with an affiliated company, effective the financial year 2010.

The Parent Company provides the subsidiaries and affiliates with administrative, fiscal, legal, management and technical services in order to optimize the resources available in the company and to use the existing expertise in terms of economic convenience. These services are regulated by special intercompany service contracts. A2A S.p.A. also provides its subsidiaries and affiliates with office spaces and operating areas, at their own sites, as well as the services related to their use, at market conditions.

In exchange for the monthly consideration, in proportion to the actual availability of the thermoelectric and hydroelectric plant, the Parent Company offers A2A Trading S.r.l. the electrical generation service.

Telecom services are provided by the subsidiary Selene S.p.A..

Finally, note that pursuant to the Consob communication issued on September 24, 2010, bearing the provisions regarding related party transactions in accordance with Consob Resolution no. 17221 of March 12, 2010, as amended, on November 11, 2010, the Board of Directors of A2A S.p.A., subject to the approval of the Internal Audit committee, approved the procedure for Related Party transactions which took effect on January 1, 2011, and which aims to ensure the transparency and substantial fairness of the related party transactions executed by A2A S.p.A. directly, or through subsidiaries, identified in accordance with the IAS 24 revised accounting standard.

Below are the tables with detail of the related party transactions, in accordance with the Consob Resolution no. 17221 of March 12, 2010.

Balance sheet	**Total**	of which with related parties								
Thousands of euro	**12 31 2013**	**Subsidiary companies**	**Affiliates**	**Municipality of Milan**	**Subsidiaries Municipality of Milan**	**Municipality of Brescia**	**Subsidiaries Municipality of Brescia**	**Related parties individuals**	**Total related parties**	**% effect on the balance sheet item**
TOTAL ASSETS:	**7,651,776**	**5,635,148**	**161,842**	**21,686**	**61**	**6,928**	**9**	**-**	**5,825,674**	**76.1%**
Non current assets	*6,251,877*	*4,595,798*	*157,440*	-	-	*3,126*	-	-	*4,756,364*	*76.1%*
Shareholdings	4,091,966	3,934,526	157,440	-	-	-	-	-	4,091,966	100.0%
Other non current financial assets	668,533	661,272	-	-	-	3,126	-	-	664,398	99.4%
Current assets	*1,399,898*	*1,039,350*	*4,402*	*21,686*	*61*	*3,802*	*9*	-	*1,069,310*	*76.4%*
Trade receivables	164,886	125,269	4,152	21,686	61	3,802	9	-	154,979	94.0%
Other current assets	122,846	41,348	-	-	-	-	-	-	41,348	33.7%
Current financial assets	872,983	872,733	250	-	-	-	-	-	872,983	100.0%
Non current assets held for sale	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	**5,203,760**	**581,781**	**10,172**	**20**	**711**	**2**	**-**	**201**	**592,887**	**11.4%**
Current liabilities	*1,092,162*	*581,781*	*10,172*	*20*	*711*	*2*	-	*201*	*592,887*	*54.3%*
Trade payables	117,551	39,496	174	20	711	2	-	-	40,403	34.4%
Other current liabilities	139,619	73,670	8,438	-	-	-	-	201	82,309	59.0%
Current financial liabilities	834,992	468,615	1,560	-	-	-	-	-	470,175	56.3%

Income statement *Thousands of euro*	Total 12 31 2013	of which with related parties								
		Subsidiary companies	Affiliates	Municipality of Milan	Subsidiaries Municipality of Milan	Municipality of Brescia	Subsidiaries Municipality of Brescia	Related parties individuals	Total related parties	% effect on the balance sheet item
REVENUES	**429,203**	**338,137**	**2,454**	**19,257**	**-**	**20**	**9**	**3**	**409,880**	**95.5%**
Revenues from sales and services	414,558	380,679	2,445	19,257	-	20	9	3	402,413	97.1%
Other operating revenues	14,645	7,458	9	-	-	-	-	-	7,467	51.0%
OPERATING EXPENSES	**221,199**	**56,999**	**354**	**-**	**429**	**-**	**2**	**-**	**57,784**	**26.1%**
Expenses for raw materials and services	164,904	56,816	354	-	429	-	2	-	57,601	34.9%
Other operating expenses	56,295	183	-	-	-	-	-		183	0.3%
LABOUR COSTS	**122,223**	**-**	**-**	**-**	**-**	**-**	**-**	**3,048**	**3,048**	**2.5%**
FINANCIAL BALANCE	**58,134**	**197,231**	**(20,448)**	**-**	**-**	**6,135**	**-**	**-**	**182,918**	**314.6%**
Financial income	309,865	250,148	3,673	-	-	6,135	-	-	259,956	83.9%
Financial expense	251,731	52,917	24,121	-	-	-	-	-	77,038	30.6%

Section 0.2 of this file provides complete schedules as required under Consob Resolution no. 17221 of March 12, 2010.

Consob Communication no. Dem/6064293 of July 28, 2006

37) Consob Communication no. Dem/6064293 of July 28, 2006

The effects of non-recurring transactions on equity for 2013 are reported below:

BALANCE SHEET *A2A S.p.A.*	Transfer of hydroelectric plants in prov. of Brescia CHI.NA.CO S.r.l.	Transfer of interest in Metamer S.r.l. to A2A Energia S.p.A.	Total extraordinary transactions
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	(14,269,681)		(14,269,681)
Intangible assets			
Equity investments:			
- *Investments in subsidiaries*	14,402,344	885,000	15,287,344
- *Investments in affiliates*		(885,000)	(885,000)
Other non-current financial assets			
Deferred tax assets	363,615		363,615
Other non-current assets			
TOTAL NON-CURRENT ASSETS	**496,278**	**-**	**496,278**
CURRENT ASSETS			
Inventories			
Trade receivables	(615,201)		(615,201)
Other current assets			
Current financial assets			
Deferred tax assets			
Cash and cash equivalents			
TOTAL CURRENT ASSETS	**(615,201)**	**-**	**(615,201)**
NON-CURRENT ASSETS HELD FOR SALE			
TOTAL ASSETS	**(118,923)**	**-**	**(118,923)**

BALANCE SHEET *A2A S.p.A.*	**Transfer of hydroelectric plants in prov. of Brescia CHI.NA.CO S.r.l.**	**Transfer of interest in Metamer S.r.l. to A2A Energia S.p.A.**	**Total extraordinary transactions**
EQUITY AND LIABILITIES			
EQUITY			
Share capital			
(Treasury shares)			
Reserves			
Result of the year			
Equity			
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current financial liabilities			
Deferred tax liabilities			
Employee benefits	(99,449)		(99,449)
Provisions for risks, charges and liabilities for landfills			
Other non-current liabilities			
Total non-current liabilities	**(99,449)**	**-**	**(99,449)**
CURRENT LIABILITIES			
Trade payables			
Other current liabilities	(19,474)		(19,474)
Current financial liabilities			
Total current liabilities	**(19,474)**		**(19,474)**
Total liabilities	**(118,923)**		**(118,923)**
LIABILITIES DIRECTLY ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE			
TOTAL EQUITY AND LIABILITIES	**(118,923)**	**-**	**(118,923)**

The other non-recurring transactions of the year, summarized below, resulted in reclassifications within the line item “Investments in subsidiaries” with an overall effect of zero as detailed in attachment “3/a – Statement of changes in investments in subsidiaries”:

- merger of Delmi S.p.A. with Edipower S.p.A. became effective on January 1, 2013, and the non-proportional partial demerger of Edipower in favor of Iren Energia S.p.A. on November 1, 2013, increasing the interest held by A2A S.p.A. to 70.95%;
- demerger of the treatment and disposal plants by Aprica S.p.A. and Amsa S.p.A. to Ecodeco S.r.l., which at the same time changed its name to A2A Ambiente S.r.l. became effective on July 1, 2013; on November 11, 2013, A2A Ambiente S.r.l. changed its legal status to A2A Ambiente S.p.A.;
- merger of Partenope Ambiente S.p.A. with A2A Ambiente S.p.A., became effective with retroactive effect from January 1, 2013;
- transfer of holdings in the subsidiaries Amsa S.p.A. and Aprica S.p.A. to the subsidiary A2A Ambiente S.p.A. on December 2, 2013.

Guarantees and commitments with third parties

Thousands of euro	2013	2012
Guarantee deposits received	90,748	94,200
Guarantees provided	229,942	559,784

Guarantee deposits received

Guarantees deposited by subcontractors and performance bonds issued by insurance companies amounted to 90,748 thousand euro (94,200 thousand euro in the previous year).

Guarantees provided and commitments with third parties

These amount to 229,942 thousand euro (559,784 thousand euro at December 31, 2012) and relate to guarantee deposits given as security for commitments to third parties and to sureties issued.

Collateral pledged

On December 31, 2013, the loan was repaid in full, for which Edipower S.p.A. shares were pledged as collateral. On the basis of this repayment, the financing banks signed the deed of consent to cancel the pledge on January 8, 2014.

Other information

1) Significant events after December 31, 2013

Please refer to the Report on Operations for a description of subsequent events.

2) Information on treasury shares

At December 31, 2013, A2A S.p.A. held 26,917,609 treasury shares (unchanged from the previous year), representing 0.859% of share capital which consists of 3,132,905,277 shares. At the date of these financial statements, no treasury shares were held through subsidiaries, finance companies or nominees.

3) Information on non-current assets held for sale and discontinued operations (IFRS 5)

"Non-current assets held for sale" and "Liabilities directly associated with non-current assets held for sale" had a zero balance at December 31, 2013. A2A S.p.A. completed the sale of the company Chi.Na.Co S.r.l. during the financial year in question, to which it had previously contributed 5 small hydroelectric plants, whose particulars are included in the section "Significant events during the year".

4) Risk management

The parent company, A2A S.p.A., provides centralized risk management for Group companies. The A2A Group operates on the electricity, natural gas and district heating markets, and, as such, it is exposed to a number of financial risks, including:

a) commodity risk;
b) interest rate risk;
c) exchange rate risk not related to commodities;
d) liquidity risk;
e) credit risk;
f) equity risk;
g) default risk and covenants.

Details on the risks to which A2A S.p.A. is exposed are provided below.

a. Commodity risk

a.1) Commodity price risk and exchange rate risk involved in commodity activities

A2A S.p.A. is exposed to price risk, including the related exchange rate risk, on all of the energy commodities that it handles, namely electricity, natural gas, heat, coal, fuel oil, and environmental certificates; the financial performance of production, purchasing and sales activities is affected by the related price fluctuations. These fluctuations have direct and indirect consequences through the formulas and indexations embedded in the pricing structures.
To stabilize cash flows and to guarantee the Group's economic and financial stability, A2A S.p.A. has introduced an Energy Risk Policy which lays down clear guidelines for the management and control of the above risks. It also includes the recommendations of the Committee of Chief Risk Officers Organizational Independence and Governance Working Group ("CCRO") and the Group on Risk Management of Euroelectric. Reference was also made to the Accords of the Basel Committee on bank supervision approved in June 2004 ("Basel 2") and the requirements laid down in international accounting standards on how to recognize the volatility of commodity price and financial derivatives in the Income Statement and Balance Sheet.
In the A2A Group, assessment of this kind of risk is centralized at the holding company under the responsibility of the Corporate Area and Market Department, which has established a Risk Management Unit as part of the Planning, Finance and Control department. This unit has the task to manage and monitor market and commodity risks, to create and evaluate structured products, to propose financial energy risk hedging strategies, and to support senior management and the Risk Committee in defining the Group's energy risk management policies.

Each year, A2A S.p.A.'s Management Board establishes commodity risk limits for the Group, while the Risk Committee supervises the situation to ensure compliance with these limits and develops hedging strategies designed to keep the risk within the set limits.
Risk control concerns the portfolio of all the buying/production and selling positions taken in the physical energy market and all the positions taken in the energy derivative markets by Group companies.
For risk monitoring purposes, the industrial and the trading portfolios have been segregated and are managed in different ways. In particular, the industrial portfolio includes all the physical and financial contracts directly related to the Group's industrial operations, i.e. where the objective is to enhance production capacity, including through the wholesaling and retailing of gas, electricity and heat.
The Trading portfolio comprises all contracts, both physical and financial, entered into to supplement the profits made from the industrial activities, i.e. all contracts that are ancillary though not strictly necessary to the industrial activity.
To identify its trading activities, the A2A Group follows the Capital Adequacy Directive and the definition given in IAS 39 of assets "held for trading", i.e. all assets held for the purpose of selling in the short term or for which there is a recent pattern of short-term profit taking (without being for hedging purposes).
Given that they have different purposes, the two portfolios are segregated and monitored separately, with specific tools and limits. In particular, trading activities are subject to specific control and risk management procedures, as outlined in Deal Life Cycle documents.

The Corporate Area and Market department is regularly updated on changes in the Group's commodity risks by the Risk Management Unit, which controls the Group's net exposure. This is calculated centrally on the Group's entire asset and contract portfolio and monitors the overall economic risk level taken on by the industrial portfolio and the trading portfolio (Profit at Risk - PaR, Value at Risk – VaR, Stop Loss).

a.2) Commodity derivatives, analysis of the transactions

Derivatives in the industrial portfolio qualifying as hedges

A2A S.p.A. did not enter into any derivative contract qualifying as a hedge during the year.

Derivatives in the industrial portfolio not qualifying as a hedge

During the year A2A S.p.A. did not enter into any derivative contract not qualifying as a hedge.

Derivatives in the trading portfolio

A2A S.p.A. did not enter into any derivative contract attributable to the trading portfolio during the year.

a.3) Energy Derivatives, risk assessment

Profit at Risk (PaR) [1] is used to assess the impact that market price fluctuations in underlying assets have on the derivative contracts entered into by A2A S.p.A. that are attributable to the industrial portfolio. This metric reflects the negative or positive change in the value of the derivatives portfolio based on scenarios that are assumed to be probable due to a favorable or unfavorable shift in market indices. PaR is calculated using the Monte Carlo method (at least 10,000 scenarios) based on a 99% confidence level. It entails the simulation of scenarios for each relevant price driver on the basis of volatility and correlations associated with each one, using as the central level the forward curves at the reporting date, if available. With this method, after obtaining a distribution of probability associated with changes in the result of outstanding financial contracts, it is possible to extrapolate the maximum loss expected over the current financial year with a set level of probability. Based on this methodology, the current accounting period, and in the event of extreme market changes, with a 99% confidence level, the expected maximum loss on financial derivatives outstanding at December 31, 2013, is zero (zero loss at December 31, 2012).

This means that A2A S.p.A. expects, with 99% probability, not to suffer losses on the fair value of its financial instrument portfolio at December 31, 2013, due to unfavorable commodity price fluctuations.

b. Interest rate risk

The company's exposure to interest rate risk is mainly related to the volatility of financial charges on its floating-rate debt.

The objective of the interest rate risk management policy is to minimize this volatility, first of all by identifying a balanced mix of fixed-rate and floating-rate financing and then by using derivative hedging instruments to limit the effects of fluctuations in interest rates.

(1) *Profit at Risk: statistical measurement of the maximum potential negative deviation of the margin of an asset portfolio in case of unfavorable market changes over a given time horizon and with a defined confidence interval.*

At December 31, 2013, bank borrowings and other financing obtained by A2A S.p.A. were as follows:

Millions of euro	**December 31, 2013**			**December 31, 2012**		
	Without derivatives	**With derivatives**	**% with derivatives**	**Without derivatives**	**With derivatives**	**% with derivatives**
Fixed rate	3,274	3,665	87%	2,982	3,382	88%
Floating rate	915	524	13%	845	445	12%
Total	**4,189**	**4,189**	**100%**	**3,827**	**3,827**	**100%**

The derivatives relate to the following loans:

Loan	Derivative	Accounting
A2A Loan with IEB: expiry 2023, residual balance at December 31, 2013, amounting to 190.5 million euro, at floating rate.	Collar due to run until November 2023; the fair value at December 31, 2013, was -15.9 million euro.	The loan is valued at amortized cost. The collar is a cash flow hedge, booking the effective part of the hedge to a specific equity reserve.
A2A bond loan with a nominal value of 761.6 million euro, expiry 2016 with a fixed coupon of 4.5%.	IRS on the full nominal amount, same duration as the loan; fair value at December 31, 2013, was 56.3 million euro.	*Fair value hedge* The valuation based on the fair value hedge of the bond loan will be equal to the book value of the financial liability (as foreseen by IAS and relative doctrine), which includes the financial expenses and a portion of the accrual relating to the premium and issue costs. The accumulated changes in the fair value of the risk being hedged, i.e. the interest flow differentials booked to the income statement, are added to this value.
	Collar on 261.6 million euro, same duration as the loan; the fair value at December 31, 2013, was -12.8 million euro.	The collar is valued at fair value with changes booked to the income statement.
	Collar on 350 million euro, expiring in November 2016; the fair value at December 31, 2013, was -9.8 million euro.	The collar is valued at fair value with changes booked to the income statement.
	Collar with double cap of 150 million euro, expiring in November 2016; the fair value at December 31, 2013, was -2.9 million euro.	The collar is valued at fair value with changes booked to the income statement.
A2A loan from Cassa Depositi e Prestiti, maturity December 2025, residual balance at December 31, 2013, of 200 million euro, floating rate.	Collar with double cap due to run until June 2017; the fair value at December 31, 2013, was -4 million euro.	The loan is valued at amortized cost. The collar is valued at fair value with changes booked to the income statement.

In order to analyze and manage the risks relating to interest rate risk the company has developed an internal model enabling the exposure to this risk to be calculated using the Monte Carlo method, assessing the effect that fluctuations in interest rates have on future cash flows. Under this methodology at least ten thousand scenarios are simulated for each key variable on the basis of the associated volatilities and correlations using market rate forward curves for future levels. In this way a probability distribution of the results is obtained from which it is possible to extrapolate the worst-case scenario and the best-case scenario using a confidence level of 99%.

The following are the results of the simulation with the related maximum variances (worst-case and best-case scenarios) for the year 2014 and the comparison with 2013:

Millions of euro	2014 (base case: -120.9)		2013 (base case: -129.4)	
	Worst case	Best case	Worst case	Best case
Changes in expected cash flows (including cash flow hedges) 99% confidence level	(0.5)	0.4	(0.4)	0.2

A sensitivity analysis is also provided for potential changes in the fair value of the derivatives on shifting the forward rate curve by +50 bps and -50 bps:

Millions of euro	12 31 2013 (base case: +11)		12 31 2012 (base case: +27.4)	
	-50 bps	+50 bps	-50 bps	+50 bps
Changes in fair value of derivatives	(5.7)	3.4	(6.7)	1.9
(of which cash flow hedges)	(4.5)	4.2	(5.6)	5.2
(of which fair value hedges)	12.1	(11.9)	21.3	(20.8)

This sensitivity is calculated in order to determine the effect of the change of the forward rate curve on the fair value of derivatives regardless of any impacts on the adjustment due to counterparty risk – bilateral Credit Value Adjustment (bCVA) – introduced in the fair value calculation in accordance with international financial reporting standard IFRS 13, as described in the section “Changes in international accounting standards” in these financial statements.

c. Exchange rate risk not related to commodities

As regards the exchange rate risk on purchases and sales other than those of commodities, A2A does not consider it necessary to take out specific hedges for the time being. Because the amounts involved are quite small, they are paid or collected within a short period of time, and any imbalance is immediately offset by a sale or purchase of foreign currency.
The only case of hedging exchange rate risk that was not related to commodities is the fixed-rate bullet bond of 14 billion yen issued in 2006 and with a maturity of 2036.
A cross-currency swap contract was stipulated for the entire duration of this loan, which transforms the principal and interest payments from yen into euro. This derivative is accounted for as a cash flow hedge, allocating the effective part of the hedge to a specific equity reserve.

At December 31, 2013, the fair value of the hedge was -15 million euro. This fair value would improve by 15.1 million euro in the event of a 10% decline in the forward curve of the

euro/yen exchange rate (appreciation of the yen) and would worsen by 12.3 million euro in the event of a 10% rise in the forward curve of the euro/yen exchange rate (depreciation of the yen).
Also, sensitivity here is calculated in order to determine the effect of the change of the forward curve of the euro/yen exchange rate on the fair value regardless of any impacts on the adjustment due to bCVA.

d. Liquidity risk

Liquidity risk concerns to the company's capacity to meet its payment obligations through self-financing, funding from banks and on the financial markets, and cash on hand.
In light of the current situation, marked by growing volatility and potential uncertainty on the financial markets, the company pays special attention to managing liquidity risk, thereby ensuring that it always has adequate funds available to meet its obligations over a given period of time, along with a sufficient liquidity buffer to meet any unexpected needs.
With this in mind, the company seeks to diversify the various deadlines for debt and other sources of financing. To this end, the Euro Medium Term Note Programme was updated for a total of 3 billion euro as approved by the Management Board on November 7, 2013. As part of this, to date the following transactions have been carried out:

- a seven-year bond was issued on November 28, 2012, for 750 million euro, intended for institutional investors for the purpose of pre-financing and extending the average maturity of debt;
- a seven and a half-year bond was issued on July 10, 2013, for 500 million euro, intended for institutional investors, with the funds being used to make early repayment of an installment of the bonds maturing in 2014 and 2016, at the same time extending the average maturity of debt;
- a privately placed ten-year bond was issued on December 4, 2013, for 300 million euro, intended for institutional investors with the objective to extend the average maturity of its debt and to make early reimbursement of the debt close to maturity;
- a bond with a term of eight years and one month was issued on December 13, 2013, for 500 million euro, addressed exclusively to institutional investors and to be used for debt repayment.

A loan agreement was signed with Cassa Depositi e Prestiti in June 2013, due in 2023, which was fully used in the last quarter of the year.
In addition, in April 2013, A2A S.p.A. signed a Club Deal revolving credit line with a group of Italian and international banks for a total of 600 million euro having a five year term and arranged mainly for backup purposes.

At December 31, 2013, the company had 1,465 million euro of unutilized revolving committed lines of credit available, medium-long term facilities, forming part of agreements but not yet used, totaling 20 million euro, as well as cash and cash equivalents totaling 187 million euro.
The subsidiaries also signed a cash pooling agreement with A2A S.p.A..
By means of this agreement, the Company can cover its day-to-day funding requirements by having rapid access in time of need, not only to its own financial resources, but also to those of the other companies in the A2A Group. Similarly, any temporary cash surpluses can be invested and remunerated by A2A S.p.A..
The following table analyses the worst case for financial liabilities (including trade payables) in which all of the flows shown are undiscounted future nominal cash flows determined on the basis of residual contractual maturities for both principal and interest; they also include the undiscounted nominal flows of derivative contracts on interest rates.
Loans are included on the basis of their contractual maturity when they will be repaid, whereas revocable loans have been considered repayable on demand.

2013 *Millions of euro*	**1-3 months**	**4-12 months**	**After 12 months**
Bonds	14	385	3,649
Payables and other financial liabilities	5	73	1,028
Total cash flows	**19**	**458**	**4,677**
Trade payables	58	3	1
Total trade payables	**58**	**3**	**1**

2012 *Millions of euro*	**1-3 months**	**4-12 months**	**After 12 months**
Bonds	3	609	2,793
Payables and other financial liabilities	5	63	939
Total cash flows	**8**	**672**	**3,732**
Trade payables	59	4	1
Total trade payables	**59**	**4**	**1**

e. Credit risk

The Company's exposure to credit risk is principally linked to its commercial activities. In order to control this risk, which is handled by the Credit Management department, a credit policy has been implemented to regulate the assessment of customers' credit standing and grant extended credit terms or exceptions if necessary, possibly backed by adequate guarantees.

Counterparties for the management of temporary cash surpluses and for the stipulation of financial hedging contracts (derivatives) are always of a high credit standing.
The credit terms granted to most customers vary according to local regulations and market practice. In cases of delayed payment, in line with the express provisions of the underlying contracts, default interest is charged to the extent provided for in the contracts or in current law (application of the default rate as per Legislative Decree 231/2002).
Trade receivables are recognized on the balance sheet net of any write-downs. It is felt that the amount shown provides and accurate representation of the fair value of the trade receivables portfolio.
In order to fully understand the situation, an analysis of the gross trade receivables and the related bad debt provision is provided in the table below.

Thousands of euro	**12 31 2013**	**12 31 2012**
Trade receivables from third parties (gross)	15,842	15,777
Bad debt provision (-)	(5,865)	(5,792)
Trade receivables from parent entities	25,488	29,961
Trade receivables from subsidiaries	117,916	103,902
Trade receivables from affiliates	4,152	6,531
Trade receivables	**157,533**	**150,379**
Of which:		
Trade receivables past due for 9-12 months	**685**	**4,080**
Trade receivables past due for more than 12 months	**6,319**	**8,577**

Trade receivables past due for more than 12 months amounted to 6,319 thousand euro. The bad debts provision represents the estimated amount of receivables that the company is unlikely to collect.

f. Equity risk

At December 31, 2013, A2A S.p.A. was not exposed to equity risk.

In particular, at December 31, 2013, A2A S.p.A. held 26,917,609 treasury shares, representing 0.859% of share capital which consists of 3,132,905,277 shares.
As laid down in IAS/IFRS, treasury shares do not constitute an equity risk as their purchase cost is deducted from equity and even if they are sold, any gain or loss on the purchase cost does not have any effect on the income statement.

g, Default and covenant risk

A summary is provided below on bank borrowings and amounts due to other lenders (excluding subsidiaries and associates):

Thousands of euro	Book value 12 31 2013	Portions maturing within 12 months	Portions maturing over 12 months	Portion maturing by				
				12 31 2015	12 31 2016	12 31 2017	12 31 2018	beyond
Bonds	3,274,301	307,544	2,966,757	-	819,200	-	-	2,147,557
Bank loans	914,854	57,273	857,581	85,946	87,688	87,953	84,206	511,788
TOTAL	**4,189,155**	**364,817**	**3,824,338**	**85,946**	**906,888**	**87,953**	**84,206**	**2,659,345**

At December 31, 2013, A2A S.p.A. issued public bond loans for a total nominal value of 2,811 million euro, of which: 299 million euro maturing in May 2014; 762 million euro maturing in November 2016; 750 million euro maturing in November 2019; 500 million euro maturing in January 2012; 500 million euro maturing in January 2022. As mentioned above, on July 11, 2013, A2A S.p.A. repurchased portions of the bonds due in May 2014 and November 2016 for 201 million euro and 238 million euro respectively. Furthermore, A2A S.p.A. issued a 300 million euro private placement bond in December 2013, maturing in December 2023.

The terms and conditions of these bonds issued are in line with the market standard for this type of financial instrument.

All of the bonds issued by A2A S.p.A. under the EMTN Program (totaling 2,050 million euro, including the 300 million euro private placement bond with maturity in 2023) provide investors with a change-of-control put option in the event a change of control of the company occurs which causes a downgrade of the rating to sub-investment grade in the subsequent 180 days. This option cannot be exercised if the company's rating returns to investment grade within these 180 days.

Credit rating clauses are included in the loan agreements with the European Investment Bank for ratings lower than BBB- or the equivalent level.

In addition, the EIB loan agreements for 200 million euro falling due in 2025-2026, 95 million euro falling due in 2026 and 70 million euro (of which 50 million euro drawn) falling due in 2027-2028, entitle the bank to call for the early repayment of the loan in the case of a change of control of A2A S.p.A., subject to notice to be given to the company with details of the reasons for this.

The agreement entered into by A2A S.p.A. with UniCredit, brokered by the EIB, for a floating rate loan of 85 million euro falling due in June 2018 contains a credit-rating clause that provides for a commitment by the company to maintain an investment grade rating for the whole loan term. If that commitment is not met, certain covenants relating to the debt/equity ratio, the debt/gross operating margin ratio and the gross operating margin/interest expense ratio must be satisfied on an annual basis.

A credit-rating clause is also included in the agreements for the two loans taken out with Cassa Depositi e Prestiti originally of 200 million euro falling due in 2025 and 95 million euro falling due in 2023 and comes into effect in the event of a rating below investment grade (BBB-); the latter loan was entered into in June 2013 and was fully drawn down in the last quarter of the year.

Furthermore, the agreement for the private bond loan in yen falling due in 2036 – and the related cross currency swap derivative – contains a put-right clause in favor of the investor (and the financial counterparty of the derivative) which comes into effect if the rating is lower than BBB- (sub-investment grade).

As stated above, A2A S.p.A. has obtained a number of revolving committed lines of credit from various financial institutions for a total of 1,465 million euro which are not subject to any covenants, with the exception of the revolving credit line (currently not drawn) entered into by A2A S.p.A. in April 2013 for a total of 600 million euro having a five year term for which a covenant based on the ratio between the net financial position and EBITDA must be complied with. A change-of-control clause is included in this credit line that entitles the banking syndicate to demand, in case of a change of control of the company that causes a material adverse effect, the extinction of the facility and early repayment of any amounts drawn.

The following clauses are included in the agreements for the bond loans, the above-mentioned loans and the revolving committed lines of credit: (i) negative pledge clauses under which A2A S.p.A. undertakes not to pledge, with exceptions, guarantees on its assets or those of its directly held subsidiaries over and above a specific threshold; (ii) cross-default/acceleration clauses which entail immediate reimbursement of the loans in the event of serious non-performance; and (iii) clauses that provide for immediate repayment in the event of declared insolvency on the part of certain directly held subsidiaries.

Currently, there is no default on the part of A2A S.p.A..

Analysis of forward transactions and derivatives

When disclosing hedging transactions in the financial statements, for the application of hedge accounting, it is assessed whether these transactions meet the compliance requirements as per International Accounting Standard IAS 39. In particular:

1) transactions considered hedges for the purposes of IAS 39: these can be split into cash flow hedges and fair value hedges. For transactions involving cash flow hedges, the

accrued result is included in gross operating income when realized on commodity derivatives and in the financial costs for interest rate and exchange rate derivatives, whereas the prospective value is shown in equity;

2) transactions not considered as hedges for the purposes of IAS 39, can be:
   a. margin hedges: for all hedging transactions that meet internal risk policy compliance requirements the accrued result and prospective value are included in gross operating income for commodity derivatives and in the financial balance for derivatives on interest and exchange rates;
   b. trading transactions: for commodities trading the accrued result and prospective value are recognized in the balance sheet under gross operating income; those on interest rates and exchange rates are recognized in financial income and expenses.

The use of derivatives is governed by a coordinated set of procedures (Energy Risk Policy, Deal Life Cycle) which are based on industry best practices and designed to limit the risk of the Group being exposed to commodity price fluctuations, based on a cash flow hedging strategy. The methodology adopted for the measurement of derivatives outstanding at December 31, 2013, was modified in accordance with the requirements introduced with IFRS 13, as further described in the section "Changes in International accounting standards".

The derivatives are measured at fair value based on the forward market curve at the balance sheet date, if the asset underlying the derivative is traded on markets with a forward pricing structure. In the absence of a forward market curve, fair value is measured on the basis of internal estimates using models that refer to industry best practices.
A2A S.p.A. uses "continuous-time" discounting to measure fair value. As a discount factor, it uses the interest rate for risk-free assets, identified in the Euro Overnight Index Average (EONIA) rate and represented in its forward structure by the Overnight Index Swap (OIS) curve. The fair value of the cash flow hedges has been classified on the basis of the underlying derivative contracts in accordance with IAS 39.

In compliance with the provisions of IFRS 13, the fair value of an over-the-counter (OTC) financial instrument is determined taking into account the non-performance risk. To quantify the fair value adjustment attributable to this risk, A2A S.p.A. has, in line with best market practices, developed a proprietary model called the "bilateral Credit Value Adjustment" (bCVA), which takes into account changes in the creditworthiness of the counterpart as well as the changes in its own creditworthiness.
The bCVA has two addends, calculated by considering the possibility that both counterparties go bankrupt, known as the Credit Value Adjustment (CVA) and the Debit Value Adjustment (DVA):

- the CVA is a negative component and contemplates the probability that a counterparty defaults and, at the same time, A2A S.p.A. has a claim against the counterparty;

- the DVA is a positive component and contemplates the probability that A2A S.p.A. defaults and, at the same time, a counterparty has a claim against A2A S.p.A..

The bVCA is thus calculated with reference to the exposure, measured on the basis of the market value of the derivative at the time of default, to the probability of default (PD) and the Loss Given Default (LGD). The LGD, which represents the percentage of loss over the total exposure in case of default, is calculated based on the foundation IRB approach as laid down in the Basel II accord. The PD is assessed based on the Solicited Rating of the counterparty attributed by leading Rating agencies. When this information is not available an internal rating based approach is used, and the historical probability of default associated to it and published annually by Standard & Poor's.

Applying the above method did not result in significant changes in fair value measurements. In this regard, the company verified the difference in measurement resulting from the introduction of the new method of calculation on the results of both last year and the current year.

Instruments outstanding at December 31, 2013

A) On interest and exchange rates

The following analyses show the outstanding amounts of derivate contracts stipulated and not expired at the balance sheet date, by maturity.

Thousands of euro	Notional value (a) maturity within 1 year		Notional value (a) maturity between 1 and 5 years		Notional value (a) maturity over 5 years	Amount Balance sheet (b)	Progressive effect income statement at 12 31 2013 (c)
	to be received	to be paid	to be received	to be paid			
Interest rate risk management							
- cash flow hedges as per IAS 39		19,048		76,190	95,238	(15,930)	
- not considered hedges as per IAS 39				807,046 (d)		26,847 (e)	26,847 (e)
Total derivatives on interest rates	**-**	**19,048**	**-**	**883,236**	**95,238**	**10,917**	**26,847**
Exchange rate risk management							
- considered hedges as per IAS 39 *On commercial transactions* *On financial transactions*					98,000	(15,001)	
- not considered hedges as per IAS 39 *On commercial transactions* *On financial transactions*							
Total exchange rate derivatives	**-**	**-**	**-**	**-**	**98,000**	**(15,001)**	**-**

(a) Represents the sum of the notional value of the elementary contracts that derive from any dismantling of complex contracts.
(b) Represents the net receivable (+) or payable (-) recognized in the balance sheet after measuring the derivatives at fair value.
(c) Represents the adjustment of derivatives to fair value booked over time to the income statement from stipulation of the contract to the present day.
(d) Derivative instruments with the 762 million euro bond maturing at 2016, inclusive of an IRS with a notional amount of 762 million euro, without effects on income, following measurement at fair value, and three collars with an overall notional amount of 762 million euro not considered hedges as per IAS 39.
(e) Includes the effect on collars, with a total notional amount of 762 million euro, not considered as hedges according to IAS 39.

B) On commodities

As of December 31, 2013, there were no outstanding commodity derivatives.

Financial and operating results for derivative transactions in 2013

The following table shows the balance sheet figures at December 31, 2013, for derivative transactions.

Thousands of euro	Note	Totale
ASSETS		
NON-CURRENT ASSETS		**43,471**
Other non-current assets - derivative instruments	5	43,471
CURRENT ASSETS		**-**
Other current assets - derivative instruments	8	-
TOTAL ASSETS		**43,471**
LIABILITIES		
NON-CURRENT LIABILITIES		**47,555**
Other non-current liabilities - derivative instruments	20	47,555
TOTAL LIABILITIES		**47,555**

Economic data

The following table includes an analysis of the economic results for the year just ended relating to the management of derivatives as well as the effects of the fair value option applied on the bond from January 1, 2005.

Thousands of euro	Realized	Change in fair value during the year	Booked to Income statement
32) FINANCIAL BALANCE			
Interest rate and equity risk management, of which:			
FINANCIAL INCOME			
Income on derivatives			
- considered as hedges as per IAS 39			
- not considered as hedges as per IAS 39	24,199	19,929	44,128
Total gains on derivatives	**24,199**	**19,929**	**44,128**
FINANCIAL EXPENSES			
Charges on derivatives			
- considered as hedges as per IAS 39	(5,393)	–	(5,393)
- not considered as hedges as per IAS 39	(140)	140	–
Total charges on derivatives	**(5,533)**	**140**	**(5,393)**
TOTAL RECOGNIZED IN THE FINANCIAL BALANCE	**18,666**	**20,069**	**38,735**

Classes of financial instruments

To complete the analyses required by IFRS 7, the following table shows the various types of financial instruments that are present in the balance sheet items, with information on the accounting policies used and, in the case of financial instruments measured at fair value, an indication of where changes are recognized (income statement or equity).
The last column of the table shows the fair value of the instrument at December 31, 2013, where applicable.

Thousands of euro

	Notes	Criteria to measure the reported amount of financial instruments: Financial instruments measured at fair value with changes recognized through: Income statement (1)	Balance sheet (2)	Balance sheet (3)	Financial instruments valued at amortized cost (4)	Investments / Bonds convertible into shares valued at cost (5)	Book value at 12 31 2013	Fair value hedge at 12 31 2013 (*)
ASSETS								
Other non-current financial assets:								
Investments /Bonds convertible into shares								
available-for-sale, of which:								
– unlisted				4,042			4,042	n.a.
– listed							–	–
Financial assets held to maturity					93		93	93
Other non-current financial assets					664,398		664,398	664,398
Total other non-current financial assets	**3**						**668,533**	
Other non-current assets	5	43,471			544		44,015	44,015
Trade receivables	7				164,886		164,886	164,886
Other current assets (**)	8				49,143		49,143	49,143
Current financial assets	9				872,983		872,983	872,983
Cash and cash equivalents	11				186,892		186,892	186,892
Assets held for sale							-	-
LIABILITIES								
Financial liabilities								
Non-current bonds (***)	16	819,200			2,147,557		2,966,757	2,966,757
Current bonds (***)	22				307,544		307,544	307,544
Other current and non-current financial liabilities	16 and 22				1,385,029		1,385,029	1,385,029
Other non-current liabilities	20	16,624	30,931		3,231		50,786	50,786
Trade payables	21				117,551		117,551	117,551
Other current liabilities (****)	21				136,843		136,843	136,843

(*) The fair value has not been calculated for receivables and payables not related to derivative contracts and loans as the corresponding book value comes close to it.
(**) Net of VAT credit of 73,703 thousand euro.
(***) Including accrued interest.
(****) Net of VAT debit of 2,776 thousand euro.
(1) Financial assets and liabilities measured at fair value with the changes in fair value recognized in the Income statement.
(2) Hedging derivatives (Cash flow Hedges).
(3) Financial assets available for sale measured at fair value with profit/loss recognized in equity.
(4) Loans & receivables and financial liabilities valued at amortized cost.
(5) Available-for-sale financial assets, including unlisted shareholdings whose fair value cannot be measured reliably, are carried at the lower of costs, which may be reduced due to impariment.

Fair value hierarchy

IFRS 13 requires that the classification of financial instruments measured at fair value be made based on the category of the inputs used to calculate the fair value.

In particular I FRS 13 defines 3 levels of fair value:

- level 1: includes financial assets or liabilities measured at fair value on the basis of (unadjusted) quoted prices in active markets, whether Official or Over the counter, for identical assets or liabilities;
- level 2: includes financial assets or liabilities whose fair value is measured on the basis of inputs other than quoted market prices included within level 1 that are observable for the asset or liability, either directly or indirectly on the market;
- level 3: includes financial assets or liabilities whose fair value is measured on the basis of unobservable market data. This category includes those instruments that are valued on the basis of internal estimates with proprietary methods based on industry best practices.

The following table provides a breakdown of the assets and liabilities in the different levels of fair value.

Thousands of euro	Note	Level 1	Level 2	Level 3	Total
Available-for-sale assets measured at fair value	3		4,042		4,042
Other non-current assets	5		43,471		43,471
TOTAL ASSETS		–	**47,513**	–	**47,513**
Non-current financial liabilities	16		819,200		819,200
Other non-current liabilities	20		47,555		47,555
Current financial liabilities	22				-
Other current liabilities	21				-
TOTAL LIABILITIES		–	**866,755**	–	**866,755**

5) Concessions

The following table shows the main concessions obtained by A2A S.p.A.:

	Numero
Hydroelectric concessions	20
Urban lighting and traffic light management agreements	13
Other concessions	3

6) Update of the main legal and fiscal disputes pending

Adequate provisions are provided where necessary for the disputes and litigation described below.

EC infringement procedure

On June 5, 2002, the European Commission published Decision no. 2003/193/EC stating that the three-year exemption from income tax provided by article 3.70 of Law no. 549/95 and article 66.14 of Decree Law no. 331/1993, converted into Law no. 427/93, is incompatible with community law, considering this to be "State aid" which is prohibited by article 87.1 of the EC Treaty.

The Company appealed against this decision before the community jurisdictions but these appeals were rejected. The Italian State went ahead with the recovery of the aid in three separate stages, issuing different orders for the various tax period concerned.

The process followed by the various community and national appeals was described in the financial statements up until 2012 and in the quarterly reports up until the third quarter of 2013, to which reference is made for brevity. All the amounts requested for the principal and interest have been settled to avoid any executive action.

The situation regarding pending matters is as follows:

- Sentence regarding the "First recovery". The verdict has been finalized following the sentence of the first instance rejecting the Company's appeal.
- Sentence regarding the "Second recovery". Following the adverse sentence of the Regional Tax Commission the Company has filed an appeal with the Supreme Court. The case is awaiting discussion.
- Sentence regarding the "Third recovery". Following the adverse sentence of the Regional Tax Commission the Company filed an appeal with the Supreme Court. The appeal was discussed on November 14, 2013 before the Tax Section. By way of an ordinance published on February 13, 2014, the court suspended the case and ordered that the records be passed to the Court of Justice, raising a question of a preliminary ruling pursuant to article 267 of the Treaty of the Functioning of the European Union concerning the way in which the interest due on the recovery of the aid should be calculated.

As of today, therefore, the question concerning the quantification of the interest due on the amounts to be recovered is still pending (whether the interest is compound or simple interest). On this point an opinion has been requested of the EC Court of Justice and it is considered that the result of this will affect the proceedings on both the third and the second recovery. As all the amounts requested have been settled, it is believed that once the pending disputes are completed the Company should not have to bear any further costs for the recovery of State aid.

Consul Latina / BAS S.p.A. (now A2A S.p.A.)

The purchase by BAS S.p.A. of the investment in HISA was made through a local consultant, Consul Latina.

Given that the wording of the contract was not totally clear and the fact that BAS S.p.A. on its own did not buy 100% of HISA, BAS S.p.A. held that the contractual clause was not applicable and that the payment request made by Consul Latina was unjustified, and accordingly did not pay the fee due to Consul Latina which in 1998 commenced legal action for payment.

The lawsuit is still in underway with various procedural objections which have always been resolved in favor of A2A S.p.A..

The international rogatory notification was sent on July 30, 2010 with the request that A2A S.p.A. be formally questioned about the evidence formulated by the Buenos Aires Court; the hearing was held on September 17, 2010. The evidence was sent to the Buenos Aires appeal court for its judgment.

The lawyers representing A2A S.p.A. believe that the testimony provided by the company was positive but are unable to estimate a date for the issuing of a sentence nor are they able to forecast the outcome of the litigation.

In February 2010, A2A S.p.A. renewed the lawyers' mandate to find a way of settling the original lawsuit brought by Consul Latina and take the necessary steps to revoke the lien filed by Consul Latina on HISA's subsidiaries. At the end of September 2011 the legal team advised of a proposed settlement submitted by Consul Latina for US$ 3.9 million, however without documenting the actual terms. A2A S.p.A. communicated that this would not be acceptable, confirming its availability to settle for up to US$ 750 thousand. In June 2013, A2A S.p.A.'s lawyers advised that under instruction from HISA's current shareholders, Aseguradores de Cauciones S.A. intends to request a guarantee from A2A S.p.A. in the form of a deposit regarding the obligation to pay Consul Latina, with HISA's present shareholder as the beneficiary. Checks are currently taking place.

Investigation into gas metering devices

An investigation is pending at the Public Prosecutor's Office in Trento concerning the way that gas consumption is accounted for. The investigation involves, among others, a number of A2A Group companies and some of their directors and managers The alleged offence is fraud, as well as other matters.

The investigation was initiated by the Milan Judicial Authority but then transferred to Brescia for a question of territorial jurisdiction. After notification of the "Notice of the Conclusion of Preliminary Investigations - article 415-bis of the Italian Criminal Procedure Code" dated February 7, 2011, the "Notice of the Preliminary Hearing Date" was received on June 9, 2011 regarding the committal for trial presented by the Public Prosecutor. The preliminary hearing was held before the judge in charge of the preliminary investigations (Gip) on November 8, 2011. The defense for the accused raised a preliminary exception claiming that the notification of the decree containing the "Notice of the Preliminary Hearing Date" was null and void, given that it did not include the CD with the list of "indicted" meters indicated in the decree as an "attachment forming a material part of the charge". The Gip upheld the exception and declared the notification null and void. As a result, the Public Prosecutor had to reissue the "Notification of the Conclusion of Preliminary Investigations - article 415-bis of the Italian Criminal Procedure Code" and return to the previous stage in the proceedings. On January 4-9, 2012, the "Notification of the Conclusion of Preliminary Investigations - article 415-bis of the Italian Criminal Procedure Code" was reissued, this time with the CD.

The preliminary hearing was held on October 18, 2012, at which the judge raised a preliminary exception pursuant to article 11 of the criminal procedure code noting that at least two magistrates, whose judicial offices are included within the district of the Brescia Appeal Court, are "injured parties" in the proceeding and asked the judge in charge of the preliminary hearing (Gup), Dr. Napo, to declare that the Brescia judicial authority was acting beyond its jurisdiction. The defense agreed with the application. The Gup therefore declared that the case was beyond his jurisdiction and ordered the papers to be sent to the Public Prosecutor's Office of Venice. As a result of this provision the proceeding has returned to the initial stage.

However, as A2A Reti Gas S.p.A. had to carry out maintenance on certain plants sequestered as part of the criminal proceeding in question, checks were carried out to identify the prosecuting magistrate in charge of the case at the Public Prosecutor's Office of Venice. It was learned from this that without giving notice of such to any of the attorneys of the persons under investigation or to those persons themselves, in the meantime the proceeding had been transferred from the Public Prosecutor's Office of Venice to that of Trento. At the present moment, therefore, the proceeding, assigned index no. 838/2013, is being followed by the Trento Court, and is still at the initial stage of preliminary investigations.

Arbitration initiated by Ecovolt for violation of the Quotaholders' Agreement for the Investment in Ostros Energia S.r.l. in liquidation (arbitration case no. 6309 initiated by Ecovolt)

On May 25, 2009 the minority quotaholders of Ostros Energia S.r.l. in liquidation initiated arbitration proceedings under a settlement clause contained in the Investment Agreement signed with ASM S.p.A. (now A2A S.p.A.) on January 30, 2007, with a view to establishing a breach of that agreement by A2A S.p.A. for having failed to finance the development of Ostros Energia S.r.l. in liquidation and comply with the provisions of article 2.5 of the Agreement.

The Board of Arbitration is made up of Prof. N. Irti, Prof. G. Sbisà and Prof. M. Cera. During the first meeting on March 4, 2010, convened to make the obligatory attempt at reconciliation, noting the absence of the parties the Board took note that the conditions did not exist for a settlement and scheduled the hearing to cross-examine the parties for April 26, 2010, to this end inviting their legal representatives or informed persons with right of attorney to attend. The Board also established November 20, 2010 as the deadline to conclude the arbitration proceedings.

Following the aforementioned cross-examination hearing the board issued order no. 6309/20 on June 3, 2010 requesting the Chamber of Arbitration to appoint an expert assessor to qualify the difference between the projects mentioned in the January 31, 2007 Investment Agreement, in particular the San Biagio project, and those included in the "Baltic agreement".

In an order of the Board of Arbitrators of July 1, 2010, Deutsches Windenergie GmbH Institute Branch DeEI Italia was appointed as expert assessor; subsequently, the Board scheduled a hearing for September 23, 2010 to confirm the arbitration question and determine the dates when the appraisal would commence (October 15, 2010) and when the final report would be due (January 10, 2011), and also to allow the parties involved to appoint their own expert advisors.

At this hearing, A2A S.p.A. appointed the firm D'Apollonia as its expert advisor and Ecovolt appointed Prof. Zaninelli.

On September 28, 2010 the Chamber of Arbitration notified that the expert which it had appointed with the above order had withdrawn from the case.

In a letter dated October 13, 2010, the Chamber of Arbitration gave notice of order 1611/21 issued on October 12, 2010 in which Prof. Villacci of the University of Sannio was appointed as the new expert. On December 23, 2010, the expert made an application to the Arbitrators to obtain an extension of the deadline established for the filing of the expert's report until February 25, 2011. The deadline was further extended to April 6, 2011.

On receipt of the expert's report, the Board set the term for the parties to submit their respective statements and the last statement was filed on June 24, 2011. The Board then invited the parties to come to a settlement but the exchange of correspondence in this regard did not alter the positions of the parties.

The Board of Arbitrators requested an extension of the term to submit the award which was set for May 20, 2012, and established October 6, 2012 as the date for the hearing, in the presence of the lawyers and the technical experts.

The Board of Arbitrators set December 14, 2011 as the date for the obligatory attempt at achieving a settlement, and a few days prior to this date Ecovolta filed a new opinion by an external third party with no relation to the arbitration procedure in an attempt to quantify the damage caused by A2A S.p.A.'s conduct.

During the hearing the arbitrators listened to the parties and communicated that no new measures or orders would be passed until January 15, 2012. On December 19, 2011, Ecovolt's lawyers wrote to A2A S.p.A.'s lawyers to remind them of the limited time available to assess any settlement solutions.

A2A S.p.A.'s lawyers replied in writing that the company was willing to reach an agreement, with no recognition of responsibility whatsoever, to pay the all-inclusive and non-modifiable sum of 500,000 euro in exchange for Ecovolta's agreement to withdraw all claims of any kind.

The Arbitration Board appointed Prof. Mario Massari as the new expert witness on February 2, 2012, establishing multiple requisites to determine the value of the shareholding in Ostros Energia S.r.l. in liquidation held by Ecovolt at December 31, 2008. After lengthy discussion at the subsequent hearing on February 14, 2012, Ecovolt appointed Prof. Brugger as the expert witness and A2A S.p.A. appointed Prof. Dallocchio; the deadline to submit the expert's report taking these expert opinions into account was set for June 15, 2012.

Following an application by the expert witness Prof. Massari, at the end of the pleading and meetings of the consultants a hearing was held in which the Board provided further clarification of the questions raised and the deadlines for the expert witness's work was extended: June 15, 2012 for the filing of the first expert witness's report, June 29, 2012 for observations to be provided to the parties' expert witnesses and July 16, 2012 for the filing of the final report.

On July 24, 2012, Ecovolt formulated additional preliminary petitions and on July 30, 2012, subsequent to the filing of Prof. Massari's expert report, A2A revised the settlement offer it had previously drawn up.

On July 31, 2012, the Board issued an independent order to set September 25 as the last date for the parties to file their remarks to the expert's report; the parties respected this deadline.

On October 5, 2012, the Chamber of Arbitration set October 16, 2012 as the hearing date for discussions.

At the October 16, 2012 hearing, the deadline for filing the decision was postponed further to May 20, 2013; the deadlines for filing each parties' briefs were set respectively at October 31, 2012, December 1, 2012, January 31, 2013 and the final hearing was set as February 14, 2013. During the hearing, following the discussion by the parties' attorneys, the Board reserved the right to issue an order and demanded and obtained an extension of the deadline for filing its decision; pursuant to article 36 of the regulations of the Chamber of Arbitration, the deadline for filing was set at June 28, 2013. On June 11, 2013 the Board filed its decision, sent by the Chamber of Arbitration in a note of June 14, 2013, in which (i) it upheld the first request raised by Ecovolt to order A2A S.p.A. to pay the consequential loss arising from the damage to the value of the investment of Ecovolt in Ostros Energia S.r.l. in liquidation, quantifying this in 2.84 million euro on the basis of the expert's report, (ii) rejected the other requests of Ecovolt and all the requests of A2A S.p.A. and (iii) awarded legal expenses, taking into account that both parties had partially lost. The total cost, including interest through June 15, 2013 and the principal amounts to approximately 3.14 million euro. A2A S.p.A. has made this payment with the reservation of further action and the repayment of the amount paid.

The Company is represented by the legal firm Chiomenti.

Arbitration initiated by S.F.C. S.A. and Eurosviluppo Industriale S.p.A. against A2A S.p.A. and E.ON Europa S.L. for alleged non-fulfillment of the private deed for the purchase of the shares of Eurosviluppo Industriale S.p.A. (now Ergosud S.p.A.)

On May 2 and May 3, 2011 respectively, the Milan Arbitration Chamber sent A2A S.p.A. (the holder of an interest of 50% in the share capital of Ergosud S.p.A.) and E.ON Europa S.L. a request for arbitration in which Société Financiere Cremonese S.A. in conjunction with Eurosviluppo Industriale S.p.A. initiated an arbitration procedure against such companies, requesting (i) ascertainment as to non-fulfillment by E.ON Europa S.L. and A2A S.p.A. of the obligations assumed in the agreements of December 16, 2004, October 15, 2004 and July 25, 2007 inter partes and (ii) by virtue of the effect, that they be ordered to pay the remaining part of the price for the sale of the shares making up the whole share capital of Ergosud S.p.A., amounting to 10,000,000 euro, as well as compensation for the damages suffered by Société Financiarie Cremonese S.A. and Eurosviluppo Industriale S.p.A. from the double standpoint of the consequential loss or damage and loss of profits in the amount of 126,496,496 euro, save better specification, plus damages for the stoppage at the worksite, interest and revaluation.

E.ON Europa and A2A S.p.A. duly appeared before the court calling for the request to be rejected in full and by cross-claim calling for the counterparts to be condemned to pay compensation for the damages suffered by the defendants as the result of the numerous examples of contractual non-fulfillment, quantified initially in the amount of 30,500,000 euro, or alternatively the greater or lesser sum considered equitable, quantified also pursuant to article 1226 of the Italian civil code, plus interest, ex article 1283 of the Italian civil code and monetary revaluation, ex article 1284 of the Italian civil code.

On September 7, 2011, the Chamber of Arbitration officially suspended arbitration due to the non-payment of the legal expenses by the claimant.

Lawyers for A2A S.p.A. and E.ON Europa S.L. verified whether arbitration can be continued only for the counter-claim without having to take responsibility for the payment of the claimant's expenses.

With regard to payment of the legal fees by defendants A2A S.p.A. and E.ON Europa S.L., and the non-payment by claimants SFC S.A. and Eurosviluppo Industriale S.p.A., on December 2, 2011 the secretary of the Chamber of Arbitration communicated that the claimants' applications had been extinguished and proceedings would continue only for the applications presented by A2A S.p.A. and E.ON Europa S.L.; in simultaneous letters, the secretary also advised that all documentation had been sent to the arbitrators to allow the proceedings to commence.

The Board consists of Giuseppe Portal (Chairman), Vincenzo Mariconda (arbitrator appointed by A2A S.p.A. and E.ON Europa S.L.) and Giovanni Frau (arbitrator appointed by SFC S.A. and Eurosviluppo Industriale S.p.A.).

On February 1, 2012 the first hearing was held after formalities had been completed regarding the setting up of the Board at which it was stated that the terms for the questions originally proposed by SFC S.A. and Eurosviluppo Industriale S.p.A. had lapsed. In addition, the parties were assigned the dates by which pleading and replies should be filed and items of evidence produced. In particular, having become claimants from a substantial standpoint (wishing to continue with the case by counter-claim following the above-mentioned lapse of the counter-party's terms), E.ON Europa S.L. and A2A S.p.A. were invited to note their questions and indicate their evidence by March 15, 2012; the subsequent dates for filing pleading were set as April 16, 2012, May 8, 2012 and May 31, 2012.

The date of the next hearing was set for June 12, 2012 for the personal appearance of the parties in order to make an attempt at reaching a settlement and for any informal questioning. At the hearing, adjourned to June 19, 2012, the Arbitration Board acknowledged the bankruptcy of Eurosviluppo Industriale S.p.A. which had occurred and set a date of October 30, 2012 for the appointment of a receiver and a date of November 20, 2012 for the hearing for the attempt to reach a settlement and carry out any informal questioning of the parties.

In view of the intervening bankruptcy of Eurosviluppo Industriale and the process issues raised during such declaration, the Board issued a decision dated November 13, 2012 ordering that the hearing set for November 20, 2012 should not be devoted to an attempt at reaching a settlement and, therefore, would not include the presence of the parties. At the hearing on November 20, 2012, the Board set the deadline for filing the award as July 4, 2013; also, the deadlines for the parties to file briefs were set as December 20, 2012 and January 31, 2013, and February 20, 2013 was set for the hearing date for discussion, to be held at the office of the Chairman of the Board. At the hearing of February 22, 2013 (the hearing was adjourned from February 20 to February 22 due to a commitment of the Chairman of the Arbitration Board), the Board issued an order requesting A2A S.p.A. and E.ON Europa S.L. to add to their respective attorneys to remedy all possible defects by March 20, 2013, and set March 20, 2013 and April 5, 2013 as the new final dates for the filing of briefs and replies to clarify and explain their respective positions. Subsequent to these obligations, the Board reserved the right to issue an order. On June 5, 2013, the Board filed an order in which it set July 22, 2013 as the date of the hearing for an attempt to reach a settlement and for questioning by the parties; given the deadline of July 4, 2013 previously set for the filing of the decision, the Board made an application to the Chamber for the granting of a reasonable extension.

At the end of the hearing of July 22, 2013, in which the questioning by the parties took place and the absence of the conditions for reaching a settlement was confirmed, the Chamber set a deadline of September 30, 2013 for filing documents and drawing up preliminary motions and October 21, 2013 for any submissions in reply from the lawyers. On October 2, 2013 the Chamber of Arbitration noted that S.F.C. S.A. and the bankruptcies had not paid the contributions requested in July and as of today the proceeding is suspended. On October 23, 2013, S.F.C. S.A., in breach of the terms of the arbitration and the question raised by the Arbitration Board, filed an appraisal arranged on its behalf having technical content. As of today the Arbitration Board has not yet set the date for a new hearing.

The company is represented by the legal firms Chiomenti and Simmons & Simmons.

Consorzio Eurosviluppo Scarl / Ergosud S.p.A. + A2A S.p.A. – Civil Court of Rome

On May 27, 2011 Consorzio Euroviluppo Industriale S.c.a.r.l. served a writ on Ergosud S.p.A. and A2A S.p.A. with the following claims: (i) compensation for damages, of both a contractual and extra-contractual nature, jointly, or alternatively exclusively and separately, in the amount of 35,411,997 euro (of which 1,065,529 euro as the residual portion of their share of the expenses); (ii) compensation for damages for the stoppage at the worksite and the failure to return the areas of pertinence to the Consortium.

In the filing of appearance Ergosud S.p.A. and A2A S.p.A. called for the request to be rejected in full because it is unfounded in its merit and in its substance, and pointed out: (i) the lack of the right of the Consortium to institute proceedings as it is currently in a state of bankruptcy, (ii) the lack of the right of the Consortium to institute proceedings for the damages allegedly suffered by Fin Podella at the item "anticipation of program contract" for 6,153,437 euro and the damages allegedly suffered by Conservificio Laratta S.r.l. for 359,000 euro.

The first hearing was set for October 30, 2011. This judgment was assigned to the Second Civil Section of the Court. The first appearance hearing was set for November 30, 2011 and the judge deferred decision concerning the legitimacy of the failed Consortium to establish a case.

On this occasion Ergosud S.p.A. and A2A S.p.A. were not able to make any cross-claims as the competence for this lies with the bankruptcy judge.

S.F.C. S.A. filed a notice of joinder on November 8, 2011 pursuant to article 105 of the civil procedure code (which allows a third party to make a new, different request to the original judge, extending the argument) and called that Ergosud S.p.A. alone should be ordered to pay damages, in part similar to those claimed by the Consortium, quantified in 27,467,031 euro.

The legitimacy of S.F.C. S.A. is independent with respect to that of the Consortium, the original claimant, and should it be found that the request of the Consortium may not proceed further for lack of grounds (or because of the bankruptcy that has occurred), the judgment would continue between S.F.C. S.A. and Ergosud S.p.A.. In this scenario, A2A S.p.A. could ask to be excluded since no request would have been raised against the company, but for the purpose of simplicity the judge would probably remit the question to the final sentence.

Within the term set for the first hearing the lawyers formulated conclusions on behalf of Ergosud S.p.A. in respect of the request made by S.F.C. S.A., then counter-claiming in a more complete manner in the subsequent preliminary pleading pursuant to article 183, section VI of the civil procedure code.

The judge found the bankruptcy was legitimate as S.F.C. S.A. and therefore set the end of the proceedings and the hearing for December 19, 2012, declaring the need to execute an expert opinion on a number of points, indicating the questions to put to the expert and setting May 23, 2013 as the date for the hearing to appoint the court's expert witness. At that hearing the judge, changed in the meantime, confirmed the questions already formulated on December 19, 2012 and appointed the court experts Messrs. Pompili and Caroli, setting a term for the parties to appoint their own consultants. The start of the experts' work was scheduled as June 18, 2013, with a deadline of 180 days after that date. A2A S.p.A. and Ergosud S.p.A. appointed Prof. Massardo and Mr. Gioffrè as their experts, persons who over the years have already drawn up reports on the matters to which the questions refer. The deadline for the expert's filing has been postponed.

The company is represented by the legal firm Simmons & Simmons.

Monfalcone Plant investigation

In November 2011, the Trieste Judicial Authority took restrictive action against several individuals in the Veneto, Friuli Venezia Giulia and Lombardy regions, including an employee of the Monfalcone thermoelectric plant, for criminal association aimed at defrauding the state and private persons and conceptual falsity, as well as activities organized for illegal trafficking in waste.

This investigation was initiated with a report filed in March 2011 by the management of the A2A Group against A2A employees and third party businessmen suspected of being responsible for fraud carried out to the harm of the company itself, who - for the payment of conspicuous sums of money - guaranteed the disposal of special waste by illegal trafficking and the falsification of forms identifying the waste and certificates of analysis, in relation to the supply of biomasses and the certification of their calorific value. More specifically, biomass quantities were recorded on entry at figures higher than the real ones, with the relative calorific values also being increased.

A2A S.p.A., the owner of the production site, ordered the precautionary suspension of the employee concerned and a freezing of the payments of the invoices issued by the biomass suppliers, which, to its knowledge, are involved in the investigations.

The investigation initiated by the Trieste Judicial Authority has not yet been completed and therefore the information needed to determine the effect of any illegal conduct has not yet been made available. Nevertheless the A2A Group, and in particular A2A Trading S.r.l. may incur damages, at their sole expense, arising from the qualitative and quantitative differences in the biomasses, since there is the risk for the latter, as toller and in charge of the plant's dispatch, that on completion of the preliminary stage it may incur increased costs for the biomasses not delivered and increased costs for incorrectly stating the calorific value of the biomasses, delivered and not delivered.

To this should be added that the increased use of coal instead of biomasses could as a consequence have an increase in the environmental costs relating to the second half of 2009 and the whole of 2010, as well the need to reimburse the additional income or environmental allowances recognized with respect to the real income or allowances (reference here is to Green Certificates). In fact for 2009 and 2010 the company may have filed declarations generating environmental allowances that are greater than those actually produced, as the calculation may have been affected by considering a biomass energy to conventional source energy ratio that is mistakenly higher than the real figure.

If this were the case, the company would have to file corrections to the above-mentioned past declarations and reimburse the income relating to environmental allowances that may have additionally been recognized.

Further, in accordance with the procedures and modalities required, A2A Trading S.r.l. has filed a request with the GSE to obtain Green Certificates relating to 2011 in which the calculation has been made on the basis of the real quantities of biomasses delivered to the power station and, in agreement with the Public Prosecutor, by taking into account a possible false increase of 20% in the calorific values of such. Despite the fact that the GSE has acknowledged the correctness of the calculations made by A2A Trading S.r.l. for 2011, as of today the above-mentioned 2011 Green Certificates have not yet been issued.

As things currently stand, given that the investigations have not yet been completed and that there is still insufficient information relating to the alleged illegal conduct, it is impossible to estimate the potential liability.

In conclusion, as the aggrieved party the A2A Group will protect its interests in all the appropriate places, requesting compensation for any damages it may have suffered.

ASM Novara S.p.A. dispute

The shareholder Pessina Costruzioni and the outgoing directors Massimo Pessina and Guido Stefanelli served notice of the summons to have the court declare null the resolution of October 26, 2012 with which the Board of Directors of the company certified the existence of reasons to liquidate the company, pursuant to article 2484 of the Italian civil code, ordered publication of the resolution pursuant to article 2484 and issued a request to appoint the official receiver at the Court of Brescia pursuant to article 2487 of the Italian civil code.

The petition examines the motives illustrated in the memorandum of appearance in the civil action filed by Pessina Costruzioni and by its outgoing directors Massimo Pessina and Guido Stefanelli, noting the errors of irregularity in the composition of the Board of

Directors passing the resolution and the errors in the certification of the causes of liquidation, which allegedly did not exist.

The directors of ASM Novara S.p.A. and the shareholder A2A S.p.A. filed a petition at the Court of Brescia to appoint an official receiver after having certified with the resolution of October 26, 2012 the existence of the reasons for liquidating the company under article 2484 of the Italian civil code, section 1 no. 3) (inability of the shareholders' meeting to function) and no. 4) (decrease below the minimum legal requirements of share capital due to losses).

After meeting in chambers on January 11, 2013, the Court of Brescia issued a decree in which it rejected the petition.

The directors of ASM Novara S.p.A. and the shareholder A2A S.p.A. filed a claim pursuant to article 739 of the Italian code of civil procedure to revoke the decree and seek certification of the reasons for the liquidation of the company, while determining with recourse the number of official receivers. The date of the hearing was set for March 20, 2013; at that hearing the Court of Appeal believed it appropriate to acquire the documents provided by the parties, adjourning the proceeding to the hearing of April 24, 2013. On April 24, 2013 in coming to its decision the Court of Appeal fully upheld the claim.

The Court therefore proceeded in accordance with article 2487, paragraph 2 of the Italian civil code, appointing the company's receiver who has been granted all the powers required for ordinary and extraordinary administration.

On March 29, 2013 Pessina Costruzioni notified A2A S.p.A. of the appointment of the arbitrator and the deposition with the arbitrators to initiate the arbitration, in fulfillment of the shareholders' agreements signed in August 2007, with the scope of having A2A S.p.A. ordered to pay compensation for damages for the non-fulfillment of its obligations under the agreements.

A2A S.p.A. appointed its arbitrator within the established term of 20 days, rejecting the requests.

After discussion on the appointment, and after a request for the appointment of a sole arbitrator made by Pessina to the Court of Novara, the parties signed an agreement concerning the formation of the arbitration board.

* * *

The following information is provided in connection with the main litigation of a fiscal nature.

A2A S.p.A. – Assessments for IRES, IRAP and VAT purposes for fiscal 2005

The Regional Department of the Lombardy tax office in Milan notified A2A S.p.A. (formerly ASM Brescia S.p.A.) on December 23, 2010 of IRES, IRAP and VAT tax assessments for fiscal 2005 as a result of a general tax audit carried out in 2008 by the Brescia 2 tax office into that tax year.

These assessments were based on the Regional Department's claim that the company had not fulfilled its direct tax and VAT obligations; on this basis, additional IRES, IRAP and VAT payments were claimed as well as penalties and interest amounting to a total of 3.3 million euro.

Appeals against each of these assessments were filed with the relevant Tax Commissioners.

On the same date, the Regional Department served notice of IRES assessments (level 2 notice) for fiscal 2005 on A2A S.p.A. as the consolidating company of Aprica S.p.A. and A2A Reti Gas S.p.A..

The sum demanded was paid for the notice served as the consolidating company of A2A Reti Gas S.p.A., thereby definitively closing the case.

The notice served as the consolidating company of Aprica S.p.A. was, however, the subject of an appeal as part of the dispute currently in course for the level 1 notice, received in 2010 for the same reasons regarding Aprica S.p.A..

On July 1, 2013 A2A S.p.A. came to a settlement with the Tax Revenue Office putting an end to all fiscal claims.

A2A S.p.A. – General audit for IRES, IRAP and VAT purposes for fiscal 2010

On January 20, 2014 the Regional Department of the Lombardy Tax Revenue Office - Milan Large Taxpayers Section - initiated a general audit of A2A S.p.A. for IRES, IRAP and VAT purposes for fiscal 2010. This audit is currently in progress.

A2A S.p.A. (merging company of AMSA Holding S.p.A.) – Assessments for VAT purposes for fiscal years 2001 to 2005

In early 2006, the Italian Finance Police - Lombardy Regional Unit, Milan - carried out an audit of AMSA Holding S.p.A. (now A2A S.p.A.) for VAT purposes for fiscal years 2001 to 2005.

The audit ended with the issue of a final report contesting the legitimacy of the ordinary VAT rate, in place of the special rate applied by suppliers for waste disposal and plant maintenance, as well as the subsequent deduction made after the invoices issued for these services were duly paid.

The report was followed by formal notices of assessment from the Tax Revenue Office (Milan 3 Office) for each year audited; appeals were then filed with the Provincial Tax Commission within the term provided by law.

The appeals for 2001 and for 2004 and 2005 were discussed on January 25, 2010 and on February 17, 2010 respectively, with a favorable outcome for the company in all cases. The Tax Revenue Office appealed against the verdict of the first judges. The Regional Tax Commission rejected this appeal for all three years, 2001, 2004 and 2005.

For 2011 the Tax Revenue Office filed an appeal with the Supreme Court against which AMSA Holding S.p.A. filed a cross-appeal on November 9, 2012.

The outcomes of the 2002 and 2003 disputes were also favorable for the company but the Tax Revenue Office filed an appeal against both sentences. The appeal for 2002 was discussed on November 30, 2010, and on February 23, 2011 the Milan Regional Tax Commission issued its ruling, overturning the initial verdict and upholding the Tax Revenue Office's appeal on almost all counts with the exception of the hazardous waste category. The company filed an appeal with the Supreme Court for 2002. For 2003 the appeal made by the Tax Revenue Office was discussed on November 7, 2011 before the Regional Tax Commission which rejected it with a sentence filed on November 11, 2011. The Tax Revenue Office has not appealed to the Supreme Court for 2003, 2004 and 2005 and the sentence has become final, thereby closing the litigation.

7) Potential activities concerning environmental certificates

As of December 31, 2013, A2A S.p.A. had no surplus of environmental certificates.

8) Fees to the independent auditors

In accordance with Article 2427, paragraph 16-bis, of the Italian civil code, it is hereby reported that the company paid the independent auditors total fees for the legally required auditing of the annual accounts and for other services provided during the year in the amount of 700 thousand euro.

0.4

Attachments

1 - Statement of changes in tangible assets

Tangible assets *Thousands of euro*	Balance at 12 31 2012			Effect of extraordinary transactions Transfer of hydroelectric plants in province of Brescia			Changes during the year	
	Gross value	Accumulated depreciation	Residual value	Gross value	Accumulated depreciation	Residual value	Investments	Changes in category
Land	35,312	(5,170)	30,142	(313)		(313)		
Buildings	556,132	(242,134)	313,998	(5,819)	1,884	(3,935)	1,070	1,104
Plant and machinery	2,704,760	(1,510,265)	1,194,495	(13,127)	3,285	(9,842)	1,559	24,875
Industrial and commercial equipment	21,282	(19,617)	1,665	(1)	1		266	21
Other assets	38,487	(34,186)	4,301	(45)	35	(10)	426	
Construction in progress and advances	19,678		19,678	(170)		(170)	17,635	(26,000)
Leasehold improvements	627	(597)	30					
Total tangible assets	**3,376,278**	**(1,811,969)**	**1,564,309**	**(19,475)**	**5,205**	**(14,270)**	**20,956**	**-**

Tangible assets *Thousands of euro*	Balance at 12 31 2011			Changes during the year			
						Reclassifications	
	Gross value	Accumulated depreciation	Residual value	Investments	Changes in category	Gross value	Accumulated depreciation
Land	35,278	(5,151)	30,127		27	19	(19)
Buildings	551,183	(226,206)	324,977	1,451	654	2,909	(2,909)
Plant and machinery	1,969,249	(997,159)	972,090	21,604	30,659	704,087	(407,645)
Industrial and commercial equipment	21,038	(18,950)	2,088	236	10		
Other assets	37,902	(33,824)	4,078	1,348			
Revertible assets	707,015	(410,573)	296,442			(707,015)	410,573
Construction in progress and advances	21,036		21,036	29,606	(31,350)		
Leasehold improvements	627	(594)	33				
Total tangible assets	**3,343,328**	**(1,692,457)**	**1,650,871**	**54,245**	**-**	**-**	**-**

	Changes during the year									Balance at 12 31 2013		
	Reclassifications		Other changes		Disposals/sales		Write-downs	Deprecia-tion	Total changes for the year	Gross value	Accumu-lated deprecia-tion	Residual value
	Gross value	Accumu-lated deprecia-tion	Gross value	Accumu-lated deprecia-tion	Gross value	Accumu-lated deprecia-tion						
										34,999	(5,170)	29,829
							(12,731)	(12,792)	(23,349)	539,756	(253,042)	286,714
					(637)	627	(99,127)	(78,432)	(151,135)	2,618,303	(1,584,785)	1,033,518
								(391)	(104)	21,568	(20,007)	1,561
	(6,377)	5,380			(550)	550		(837)	(1,408)	31,941	(29,058)	2,883
			(447)						(8,812)	10,696		10,696
								(3)	(3)	627	(600)	27
	(6,377)	**5,380**	**(447)**	**-**	**(1,187)**	**1,177**	**(111,858)**	**(92,455)**	**(184,811)**	**3,257,890**	**(1,892,662)**	**1,365,228**

	Changes during the year							Balance at 12 31 2012		
	Other changes		Disposals/sales		Write-downs	Deprecia-tion	Total changes for the year	Gross value	Accumulated depreciation	Residual value
	Gross value	Accumulated depreciation	Gross value	Accumulated depreciation						
			(12)				15	35,312	(5,170)	30,142
			(65)	6		(13,025)	(10,979)	556,132	(242,134)	313,998
	(128)	18	(20,711)	9,472		(114,951)	222,405	2,704,760	(1,510,265)	1,194,495
			(2)	2		(669)	(423)	21,282	(19,617)	1,665
			(763)	746		(1,108)	223	38,487	(34,186)	4,301
							(296,442)			-
	443		(57)				(1,358)	19,678		19,678
						(3)	(3)	627	(597)	30
	315	**18**	**(21,610)**	**10,226**	**-**	**(129,756)**	**(86,562)**	**3,376,278**	**(1,811,969)**	**1,564,309**

2 - Statement of changes in intangible assets

Intangible assets *Thousands of euro*	Balance at 12 31 2012			Changes during the year			
						Reclassifications	
	Gross value	Accumulated amortization	Residual value	Investments	Changes in category	Gross value	Accumulated amortization
Industrial patents and intellectual property rights	112,718	(81,146)	31,572	4,594	394	6,425	(5,391)
Concessions, licenses, trademarkes and similar rights	23,397	(20,518)	2,879	1,349	21	(48)	11
Goodwill	39,612		39,612				
Assets in progress	9,218		9,218	1,840	(415)		
Other intangible assets	1,307	(1,017)	290				
Total intangible assets	**186,252**	**(102,681)**	**83,571**	**7,783**	**-**	**6,377**	**(5,380)**

Intangible assets *Thousands of euro*	Balance at 12 31 2011			Changes during the year			
						Reclassifications	
	Gross value	Accumulated amortization	Residual value	Investments	Changes in category	Gross value	Accumulated amortization
Industrial patents and intellectual property rights	85,175	(64,321)	20,854	9,918	17,859		
Concessions, licenses, trademarkes and similar rights	21,785	(18,776)	3,009	1,612			
Goodwill	39,612		39,612				
Assets in progress	15,184		15,184	11,893	(17,859)		
Other intangible assets	1,307	(958)	349				
Total intangible assets	**163,063**	**(84,055)**	**79,008**	**23,423**	**-**	**-**	**-**

Changes during the year					Balance at 12 31 2013		
Disposals/Sales		Write-downs	Amortization	Total changes for the year	Gross value	Accumulated amortization	Residual value
Gross value	Accumulated amortization						
(45,816)	24,037		(9,249)	(25,006)	78,315	(71,749)	6,566
(1,728)	1,706		(1,583)	(272)	22,991	(20,384)	2,607
					39,612	-	39,612
(5,579)				(4,154)	5,064	-	5,064
			(56)	(56)	1,307	(1,073)	234
(53,123)	**25,743**		**(10,888)**	**(29,488)**	**147,289**	**(93,206)**	**54,083**

Changes during the year							Balance at 12 31 2012		
Other changes		Disposals/Sales		Write-downs	Amortization	Total changes for the year	Gross value	Accumulated amortization	Residual value
Gross value	Accumulated amortization	Gross value	Accumulated amortization						
(234)	80				(16,905)	10,718	112,718	(81,146)	31,572
					(1,742)	(130)	23,397	(20,518)	2,879
							39,612		39,612
						(5,966)	9,218		9,218
					(59)	(59)	1,307	(1,017)	290
(234)	**80**	**-**	**-**	**-**	**(18,706)**	**4,563**	**186,252**	**(102,681)**	**83,571**

3/a - Statement of changes in investments in subsidiaries

Shareholdings *Thousands of euro*	**Carrying value 12 31 2012**	**Changes in 2013**		
		Increases	**Decreases**	**Effect of Extraordinary Transactions**
FINANCIAL ASSETS				
Subsidiaries:				
Delmi S.p.A.	476,927			(476,927)
Edipower S.p.A.	290,000			476,927
A2A Reti Gas S.p.A.	696,280			
A2A Reti Elettriche S.p.A.	668,333			
A2A Ambiente S.p.A. (formerly Ecodeco S.r.l.)	346,333			288,561
Partenope Ambiente S.p.A.	140			(140)
Aprica S.p.A.	211,404	87		(211,491)
Amsa S.p.A.	76,945			(76,945)
Elektroprivreda Cnre Gore AD (EPCG)	376,017			
A2A Calore & Servizi S.r.l.	334,477			
A2A Ciclo Idrico S.p.A.	167,000			
Abruzzoenergia S.p.A.	141,471			
A2A Energia S.p.A.	97,858			885
Retragas S.r.l.	30,105			
Aspem S.p.A.	26,508			
A2A Logistica S.p.A.	17,268			
Selene S.p.A.	9,222			
Assoenergia S.p.A. in liquidation	5,848			
Proaris S.r.l.	3,557			
Camuna Energia S.r.l.	1,467			
A2A Trading S.r.l.	1,099			
Ecofert S.r.l. in liquidation	874			
Plurigas S.p.A. in liquidation	560			
Seasm S.r.l.	469			
A2A Montenegro d.o.o.	300			
Mincio Trasmissione S.r.l.	10			
A3A S.r.l.		10		
Chi.Na.Co S.r.l.		10	(14,412)	14,402
Ostros Energia S.r.l. in liquidation				
Total subsidiaries	**3,980,472**	**107**	**(14,412)**	**15,272**

Changes in 2013		Carrying value 12 31 2013	Share of Equity		
Write-downs	**Other Changes**		**% held**	**Equity at 12 31 2013**	**Pro rata amount**
		–			
(4,215)		762,712	70.95%	1,116,132	791,896
		696,280	100.00%	696,568	696,568
		668,333	100.00%	717,849	717,849
		634,894	100.00%	542,220	542,220
		–			
		–			
		–			
		376,017	43.70%	878,380	383,852
		334,477	100.00%	362,433	362,433
		167,000	100.00%	163,401	163,401
(42,500)		98,971	100.00%	109,897	109,897
		98,743	100.00%	150,136	150,136
		30,105	87.27%	39,923	34,841
		26,508	90.00%	8,710	7,839
		17,268	100.00%	17,314	17,314
		9,222	100.00%	8,092	8,092
		5,848	97.76%	5,166	5,050
		3,557	60.00%	5,955	3,573
		1,467	74.50%	974	726
		1,099	100.00%	20,918	20,918
		874	47.00%	1,706	802
		560	70.00%	43,145	30,202
		469	67.00%	657	440
(198)		102	100.00%	102	102
		10	100.00%	151	151
		10	100.00%	10,000	10,000
		–			
		–	80.00%	(3,990)	(3,192)
(46,913)		**3,934,526**		**4,895,839**	**4,055,109**

3/b - Statement of changes in investments in affiliates

Shareholdings *Thousands of euro*	**Carrying value 12 31 2012**	**Changes in 2013**		
		Increases	**Decreases**	
FINANCIAL ASSETS				
Affiliates:				
Ergosud S.p.A. (*)	74,391			
Dolomiti Energia S.p.A. (*)	51,000			
ACSM-AGAM S.p.A. (*)	31,600			
Rudnik Uglja Ad Plejvlja (**)	19,067			
Azienda Servizi Valtrompia S.p.A.	3,383			
Metamer S.r.l.	885			
Sviluppo Turistico Lago d'Iseo S.p.A. (*)	858			
SET S.p.A.	466			
Serio Energia S.r.l. (*)	400			
Ge.Si S.r.l.	380			
Visano Società Trattamento Reflui S.c.a.r.l.	10			
Centrale Termoelettrica del Mincio S.r.l.	6			
Ergon Energia S.r.l. in liquidation				
Total affiliates	**182,446**			

(*) Figures as at December 31, 2012
(**) Figures as at December 31, 2010

Changes in 2013		Carrying value 12 31 2013	Share of Equity		
Effect of Extraordinary Transactions	**Write-downs**		**% held**	**Equity at 12 31 2013**	**Pro rata amount**
	(24,100)	50,291	50.00%	164,279	82,140
		51,000	7.91%	570,222	45,105
		31,600	21.94%	127,480	27,969
		19,067	39.49%	22,012	8,693
		3,383	48.77%	8,793	4,288
(885)		–	50.00%		-
	(21)	837	24.29%	3,446	837
		466	49.00%	1,506	738
		400	40.00%	1,790	716
		380	44.50%	4,067	1,810
		10	40.00%	26	10
		6	45.00%	9	4
		–	50.00%	(37)	(19)
(885)	**(24,121)**	**157,440**		**903,593**	**172,291**

3/c - Statement of changes in investments in other companies (AFS)

Company name *Thousands of euro*	**Share held %**	**Shareholder**	**Carrying value at 12 31 2013**
Financial assets available for sale (AFS)			
Infracom S.p.A.	1.57%	A2A S.p.A.	155
Immobiliare-Fiera di Brescia S.p.A.	5.52%	A2A S.p.A.	573
Azienda Energetica Valtellina e Valchiavenna S.p.A. (AEVV)	9.39%	A2A S.p.A.	1,846
Others:			
AQM S.r.l.	7.52%	A2A S.p.A.	
AvioValtellina S.p.A.	0.18%	A2A S.p.A.	
Banca di Credito Cooperativo di Calcio e Covo Società Cooperativa	n.s.	A2A S.p.A.	
Brixia Expo-Fiera di Brescia S.p.A.	9.44%	A2A S.p.A.	
Consorzio DIX.IT in liquidation	14.28%	A2A S.p.A.	
Consorzio Intellimech	n.s.	A2A S.p.A.	
Consorzio L.E.A.P.	10.53%	A2A S.p.A.	
Consorzio Milano Sistema in liquidation	10.00%	A2A S.p.A.	
CSEAB (previously Cramer S.c.ar.l.)	6.67%	A2A S.p.A.	
Emittenti Titoli S.p.A.	1.85%	A2A S.p.A.	
E.M.I.T. S.r.l. in liquidation	10.00%	A2A S.p.A.	
INN.TEC. S.r.l.	10.89%	A2A S.p.A.	
Isfor 2000 S.c.p.A.	4.94%	A2A S.p.A.	
Stradivaria S.p.A.	n.s.	A2A S.p.A.	
Total other financial assets			**1,468**
Total financial assets available for sale			**4,042**

Note: A2A S.p.A. was involved in establishing Società Cooperativa Polo dell'innovazione della Valtellina by subscribing to 5 shares with a nominal value of 50 euro.

4/a - List of investments in subsidiaries

Company *Thousands of euro*	**Registered office**	**Currency**	**Share capital at 12 31 2013**
Subsidiaries:			
Edipower S.p.A.	Milano	Euro	1,139,312
A2A Reti Gas S.p.A.	Brescia	Euro	445,000
A2A Reti Elettriche S.p.A.	Brescia	Euro	520,000
A2A Ambiente S.p.A.	Brescia	Euro	220,000
Elektroprivreda Cnre Gore AD (EPCG)	Nikšić (Montenegro)	Euro	958,666
A2A Calore & Servizi S.r.l.	Brescia	Euro	150,000
A2A Ciclo Idrico S.p.A.	Brescia	Euro	70,000
Abruzzoenergia S.p.A.	Gissi (Ch)	Euro	130,000
A2A Energia S.p.A.	Milano	Euro	2,000
Retragas S.r.l.	Brescia	Euro	34,495
Aspem S.p.A.	Varese	Euro	174
A2A Logistica S.p.A.	Brescia	Euro	250
Selene S.p.A.	Brescia	Euro	3,000
Assoenergia S.p.A. in liquidation	Brescia	Euro	126
Proaris S.r.l.	Milano	Euro	1,875
Camuna Energia S.r.l.	Cedegolo (Bs)	Euro	900
A2A Trading S.r.l.	Milano	Euro	1,000
Ecofert S.r.l. in liquidation	S. Gervasio Bresciano (Bs)	Euro	100
Plurigas S.p.A. in liquidation	Milano	Euro	800
Seasm S.r.l.	Brescia	Euro	700
A2A Montenegro d.o.o.	Podgorica (Montenegro)	Euro	300
Mincio Trasmissione S.r.l.	Brescia	Euro	10
A3A S.r.l.	Brescia	Euro	10
Ostros Energia S.r.l. in liquidation	Brescia	Euro	350

Equity at 12 31 2013	Result at 12 31 2013	% held	Pro rata amount (a)	Carrying value (b)	Differences (a – b)
1,116,132	(3,280)	70.95%	791,896	762,712	29,184
696,568	39,661	100.00%	696,568	696,280	288
717,849	32,925	100.00%	717,849	668,333	49,516
542,220	47,927	100.00%	542,220	634,894	(92,674)
878,380	25,306	43.70%	383,852	376,017	7,835
362,433	33,119	100.00%	362,433	334,477	27,956
163,401	(2,589)	100.00%	163,401	167,000	(3,599)
109,897	(21,283)	100.00%	109,897	98,971	10,926
150,136	34,178	100.00%	150,136	98,743	51,393
39,923	1,417	87.27%	34,841	30,105	4,736
8,710	1,617	90.00%	7,839	26,508	(18,669)
17,314	(86)	100.00%	17,314	17,268	46
8,092	591	100.00%	8,092	9,222	(1,130)
5,166	39	97.76%	5,050	5,848	(798)
5,955	89	60.00%	3,573	3,557	16
974	71	74.50%	726	1,467	(741)
20,918	(15,173)	100.00%	20,918	1,099	19,819
1,706	–	47.00%	802	874	(72)
43,145	651	70.00%	30,202	560	29,642
657	14	67.00%	440	469	(29)
102	(198)	100.00%	102	102	–
151	36	100.00%	151	10	141
10,000	–	100.00%	10,000	10	9,990
(3,990)	332	80.00%	(3,192)	–	(3,192)

4/b - List of investments in affiliates

Company *Thousands of euro*	**Registered office**	**Currency**	**Share capital at 12 31 2013**
Ergosud S.p.A. (*)	Roma	Euro	81,448
Dolomiti Energia S.p.A. (*)	Rovereto (Tn)	Euro	411,496
ACSM-AGAM S.p.A. (*)	Monza	Euro	76,619
Rudnik Uglja Ad Plejvlja (**)	Plejvlja (Montenegro)	Euro	21,493
Azienda Servizi Valtrompia S.p.A.	Gardone Val Trompia (Bs)	Euro	6,000
Sviluppo Turistico Lago d'Iseo S.p.A. (*)	Iseo (Bs)	Euro	1,616
SET S.p.A.	Toscolano Maderno (Bs)	Euro	104
Serio Energia S.r.l. (*)	Concordia sulla Secchia (Mo)	Euro	1,000
Ge.Si S.r.l.	Brescia	Euro	1,000
Visano Società Trattamento Reflui S.c.a.r.l.	Brescia	Euro	25
Centrale Termoelettrica del Mincio S.r.l.	Ponti sul Mincio (Mn)	Euro	11
Ergon Energia S.r.l. in liquidation	Milano	Euro	600

(*) Financials as at December 31, 2012
(**) Financials as at December 31, 2010

Equity at 12 31 2013	Result at 12 31 2013	% held	Pro rata amount (a)	Carrying value (b)	Difference (a – b)
164,279	(3,679)	50.00%	82,140	50,291	31,849
570,222	43,659	7.91%	45,105	51,000	(5,895)
127,480	4,995	21.94%	27,969	31,600	(3,631)
22,012	13,460	39.49%	8,693	19,067	(10,374)
8,793	592	48.77%	4,288	3,383	905
3,446	2	24.29%	837	837	-
1,506	534	49.00%	738	466	272
1,790	553	40.00%	716	400	316
4,067	541	44.50%	1,810	380	1,430
26	-	40.00%	10	10	-
9	(2)	45.00%	4	6	(2)
(37)	(153)	50.00%	(19)	-	(19)

Key data of the financial statements of the main subsidiaries and affiliates prepared according to IAS/IFRS

(pursuant to article 2429.4 of the Italian Civil Code)

SUBSIDIARIES	A2A TRADING S.r.l.		AMSA S.p.A.		SELENE S.p.A.		RETRAGAS S.r.l.	
Share capital	Euro	1,000,000	Euro	10,000,000	Euro	3,000,000	Euro	34,494,650
% held:	A2A S.p.A.	100.00%	A2A S.p.A.	100.00%	A2A S.p.A.	100.00%	A2A S.p.A. A2A Reti Gas S.p.A.	87.27% 4.33%
Description - *Thousands of euro*	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**
Revenues	2,939,090	3,803,170	343,887	360,758	22,948	25,030	6,665	7,331
Gross operating income	(13,499)	63,571	75,143	84,424	2,671	3,491	4,150	4,334
Net operating income	(14,244)	63,179	57,859	60,223	1,298	2,136	2,052	2,188
Profit before taxes	(23,754)	55,050	53,728	55,226	1,033	1,857	2,063	2,195
Result of the year	(15,173)	30,279	39,113	41,617	591	1,393	1,417	262
Assets	921,325	868,416	183,198	309,930	22,911	24,717	42,176	40,816
Liabilities	900,407	803,056	144,778	182,023	14,819	17,126	2,253	2,070
Equity	20,918	65,360	38,420	127,907	8,092	7,591	39,923	38,746
Net financial position	(244,711)	(148,770)	27,366	39,019	(5,139)	(6,978)	8,112	5,289

AFFILIATES	ERGON ENERGIA S.r.l. in liquidation		GE.SI. S.r.l.		AZIENDA SERVIZI VALTROMPIA S.p.A.	
Share capital	Euro	600,000	Euro	1,000,000	Euro	6,000,000
% held:	A2A S.p.A.	50.00%	A2A S.p.A.	44.50%	A2A S.p.A.	48.77%
Description - *Thousands of euro*	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**
Revenues	350	321	5,771	6,009	14,934	14,371
Gross operating income	(107)	(150)	905	967	2,150	1,287
Net operating income	143	36	589	775	1,255	638
Profit before taxes	(153)	(296)	743	853	1,126	349
Result of the year	(153)	(90)	541	557	592	242
Assets	14,408	23,509	5,993	6,422	22,760	24,574
Liabilities	14,445	23,393	1,926	2,681	13,967	16,369
Equity	(37)	116	4,067	3,741	8,793	8,205
Net financial position	(7,666)	(16,445)	645	(320)	917	(3,612)

	ABRUZZOENERGIA S.p.A.		APRICA S.p.A.		EPCG		EDIPOWER S.p.A.		A2A AMBIENTE S.p.A.	
	Euro	130,000,000	Euro	20,000,000	Euro	958,666,061	Euro	1,139,311,954	Euro	220,000,000
	A2A S.p.A.	100.00%	A2A S.p.A.	100.00%	A2A S.p.A.	43.70%	A2A S.p.A.	70.95%	A2A S.p.A.	100.00%
	12 31 13	**12 31 12**	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12 restated**
	47,194	58,477	196,806	228,175	277,841	263,322	726,713	1,054,958	326,218	107,098
	26,106	33,441	77,092	83,473	80,355	17,537	269,470	367,231	113,820	23,541
	(26,046)	17,829	61,307	54,803	23,265	(12,252)	(15,577)	156,322	69,104	10,891
	(31,846)	11,262	61,200	48,335	27,304	(2,820)	(77,497)	94,824	66,090	7,026
	(21,283)	5,157	42,129	32,864	25,306	(5,784)	(3,280)	48,640	47,927	3,646
	299,644	347,310	106,626	426,349	1,140,877	1,086,254	2,102,809	2,731,066	961,013	268,192
	189,747	211,233	49,755	156,199	262,497	232,916	986,677	1,206,445	418,793	149,325
	109,897	136,077	56,871	270,150	878,380	853,338	1,116,132	1,524,621	542,220	118,867
	(177,688)	(204,858)	34,951	127,887	65,886	23,240	(603,386)	(760)	265,950	71,096

Key data of the financial statements of the main subsidiaries and affiliates prepared according to Italian GAAP

(pursuant to article 2429.4 of the Italian Civil Code)

SUBSIDIARIES	PROARIS S.r.l.		A2A RETI ELETTRICHE S.p.A.		A2A RETI GAS S.p.A.		A2A CALORE & SERVIZI S.r.l.	
Share capital:	Euro	1,875,000	Euro	520,000,000	Euro	445,000,000	Euro	150,000,000
% held:	A2A S.p.A.	60.00%	A2A S.p.A.	100.00%	A2A S.p.A.	100.00%	A2A S.p.A.	100.00%
Description - *thousands of euro*	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**
Turnover	2,968	3,106	323,507	304,100	206,492	209,923	311,890	307,273
Gross operating income	261	311	127,811	116,651	105,841	109,964	81,386	71,153
Operating result	114	276	72,004	29,086	67,136	62,907	51,448	38,611
Profit before taxes	128	297	59,484	16,602	67,239	63,681	47,254	34,162
Profit/(loss) for the year	89	198	32,925	6,681	39,661	38,510	33,119	23,372
Assets	6,777	6,845	1,418,350	1,462,029	851,310	837,953	664,762	659,857
Liabilities	822	886	700,501	770,805	154,742	144,546	302,329	308,343
Equity	5,955	5,959	717,849	691,224	696,568	693,407	362,433	351,514
Net financial position	2,778	2,283	(236,265)	(328,941)	75,650	52,327	(130,610)	(129,570)

A2A ENERGIA S.p.A.		PLURIGAS S.p.A. in liquidation		A2A CICLO IDRICO S.p.A.		ASPEM S.p.A.		A2A LOGISTICA S.p.A.	
Euro	2,000,000	Euro	800,000	Euro	70,000,000	Euro	173,785	Euro	250,000
A2A S.p.A.	100.00%	A2A S.p.A.	70.00%	A2A S.p.A.	100.00%	A2A S.p.A.	90.00%	A2A S.p.A.	100.00%
12 31 13	**12 31 12**	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**	**12 31 13**	**12 31 12**
1,795,797	1,965,836	53,321	1,116,701	70,079	69,849	42,008	41,898	33,776	37,139
88,620	54,797	68	30,776	12,409	6,626	3,983	5,420	(46)	344
57,068	23,464	(21)	30,712	(1,334)	(4,405)	2,938	4,371	(85)	301
58,146	21,532	147	30,800	(3,275)	(6,514)	2,788	9,602	(57)	327
34,178	10,403	651	18,250	(2,589)	(5,605)	1,617	8,586	(86)	200
732,344	682,839	74,608	82,450	285,437	296,540	92,083	89,701	30,814	31,082
582,208	557,366	31,463	21,032	122,036	130,549	83,373	75,108	13,500	13,492
150,136	125,473	43,145	61,418	163,401	165,991	8,710	14,593	17,314	17,590
(68,956)	(93,618)	30,053	48,633	(56,020)	(57,159)	2,400	5,813	18,862	16,787

Certification of the financial statements pursuant to art. 154-bis para. 5 of Legislative Decree 58/98

1. The undersigned, Graziano Tarantini, in the name and on behalf of the Board of Directors of A2A S.p.A., and Patrizia Savi, in view of the matters set forth under article 154-bis, sections 3 and 4, of Legislative Decree no. 58 of February 24, 1998, hereby attest to

- the adequacy, in relation to the business characteristics, and
- the actual application of the administrative and accounting procedures used in preparation of the financial statements during the financial year 2013.

2. Furthermore, the undersigned also attest that:

2.1 the financial statements:

a) have been prepared in compliance with applicable international accounting standards endorsed within the European Community, pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council, issued on July 19, 2002;

b) corresponds to the entries in the accounting records and ledgers;

c) is suitable to providing a true and correct representation of the income statement, balance sheet and cash flow statement.

2.2 the Management report includes a reliable analysis of the performance and the results of operations as well as the situation of the issuer, along with a description of the main risks and uncertainties to which it is exposed.

Milan, March 14, 2014

Graziano Tarantini	Patrizia Savi
(for the Board of Directors)	(Financial Reporting Officer)

0.5

Independent Auditors' Report

Independent Auditors' Report

pwc

AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE NO. 39 OF 27 JANUARY 2010

To the shareholders of
A2A SpA

1 We have audited the separate financial statements of A2A SpA as of 31 December 2013, which comprise the statement of financial position, income statement, statement of comprehensive income, cash flow statement, statement of changes in equity and related notes. The management board of A2A SpA is responsible for the preparation of these financial statements in compliance with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005. Our responsibility is to express an opinion on these financial statements based on our audit.

2 We conducted our audit in accordance with the auditing standards and criteria recommended by CONSOB, the Italian stock exchange commission. Those standards and criteria require that we plan and perform the audit to obtain the necessary assurance about whether the separate financial statements are free of material misstatement and, taken as a whole, are presented fairly. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the separate financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the members of the management board. We believe that our audit provides a reasonable basis for our opinion.

The separate financial statements show the previous year's figures as comparatives. As stated in the notes to the financial statements, the management board restated certain comparative amounts of the income statement with respect to the figures previously reported and audited by us, on which we reported on 5 April 2013. We examined the method applied to restate the comparative amounts and the disclosures presented in the notes to the financial statements for the purpose of expressing our opinion on the separate financial statements as of 31 December 2013.

3 In our opinion, the separate financial statements of A2A SpA as of 31 December 2013 comply with the International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005; accordingly, they have been drawn up clearly and give a true and fair view of the financial position, results of operations and cashflows of A2A SpA for the year then ended.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.812.000,00 i.v., C .F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70124 Via Don Luigi Guanella 17 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Dante 7 Tel. 01029041 - **Napoli** 80121 Piazza dei Martiri 58 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43100 Viale Tanara 20/A Tel. 0521275911 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel.0458263001

www.pwc.com/it

4 The management board of A2A is responsible for the preparation of a report on operations and a report on corporate governance and ownership structure, published in the *Governance – Corporate Documents* section of the company's website, in compliance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information referred to in paragraph 1, letters c), d), f), l), m), and paragraph 2, letter b), of article 123-bis of Legislative Decree No.58/98, presented in the report on corporate governance and ownership structure, with the financial statements, as required by law. For this purpose, we have performed the procedures required under Italian Auditing Standard No. 001 issued by the Italian accounting profession (*Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili*) and recommended by CONSOB. In our opinion, the report on operations and the information referred to in paragraph 1, letters c), d), f), l), m), and paragraph 2, letter b), of article 123-bis of Legislative Decree No.58/98 presented in the report on corporate governance and ownership structure are consistent with the separate financial statements of A2A SpA as of 31 December 2013.

Milan, 4 April 2014

PricewaterhouseCoopers SpA

signed by
Marco Sala
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers