PRESS RELEASE – 10 May 2012

The A2A S.p.A. Management Board has examined and approved the Interim Report on operations at 31 March 2012

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Positive economic-financial results for the first quarter of 2012.

The Turnover, up by 212 million (+12%), amounted to around 2 billion euros, the Net Operating Income to 183 million euros (+25%).

Net debt was down by 67 million euros in the quarter.

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Milan, 10 May 2012 – At today's meeting of the A2A S.p.A. Management Board, chaired by Dr. Giuseppe Sala, the Board examined and approved the Interim Report on operations at 31 March 2012.

The Board first expressed satisfaction that agreements were signed relative to the shareholding reorganization of Edison and Edipower, the final and most important part of a process to restructure the portfolio of shareholdings that started with the formation of the A2A Group. The closing of the Edipower shareholding reorganization, expected before the end of this month, will lead to the creation of the second largest operator in the electricity sector in Italy, and a three-year period will begin during which the Company management will be able to concentrate on consolidating the existing industrial activities and on further development initiatives.

The assessment of the economic and financial trend of the quarter was positive, which recorded a Gross Operating Margin of 271 million euros, essentially in line with the first quarter of 2011 (278 million euros at 31 March 2011). The slight reduction can be attributed to the performance of the subsidiary EPCG which was affected, also in the first quarter of 2012, by a massive reduction in the hydroelectric production (-58%) due to an exceptionally dry season.
The Cogeneration and District Heating business (a significant increase in the customers served in the city of Milan) and the Networks business (specifically in the gas distribution sector) showed positive trends. The Gas sector benefited from an effective purchasing policy while the margin of the Electricity sector, net of EPCG performance, recorded stable results despite the 29% reduction in the hydroelectric production. The Environment business was affected, compared with the first quarter of 2011 (-5 million euros), by the expiry of some incentives for the production of electricity from waste-to-energy plants.

The profit for the period, amounting to 76 million euros, incorporates the negative effect, exclusively accounting-related, connected to the fair value posting of a bond due to expire in 2013. This effect, deriving from the higher market value of the bond at 31 March 2012 compared to 31 December 2011, amounted to 19 million euros and will be reabsorbed in the accounts within the loan expiry period. Net of this effect, the profit for the period would have come to 88 million euros, up compared to the first quarter of 2011 (85 million euros), despite the worsening of the fiscal regulation that had a negative effect for 5 million euros in the period.

The net financial position at 31 March 2012 was 3,954 million euros, a reduction of 67 million euros compared to the end of 2011.

Main consolidated results of the A2A Group at 31 March 2012

in millions of euros	**3 months 2012**	**3 months 2011**	**Δ**
Revenues	**1,957**	1,745	+212
Gross Operating Margin - EBITDA	**271**	278	-7
Net Operating Income - EBIT	**183**	147	+36
Group net profit	**76**	85	-9

in millions of euros	**3 months 2012**	**Year 2011**	**Δ**
Net financial debt	**3,954**	4,021	-67

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Operating performance of the Group

The electricity sold on the wholesale and retail markets by the Group companies (net of the contribution of the subsidiary EPCG in Montenegro) equalled 10.5 TWh (billion kilowatt hours)[1], a reduction compared to the first quarter of 2011 (-5%). The sales concerned the domestic market for 7.0 TWh and foreign markets for 3.5 TWh.

Production from the Group's plants, which equalled 3.4 TWh (-10%), contributed to fulfil the demand. The production of thermoelectricity (2.3 TWh) was down by 7% compared to the same period of the previous year due to the effect of the lower load factor of the Group plants.

Hydroelectric production, equal to 0.5 TWh (-29%), was affected by a lower hydraulicity compared to that recorded in the first quarter of 2011.

[1] net of the energy sold and simultaneously acquired by the Power Exchange

The production of electricity from co-generation, waste-to-energy and biogas plants (0.7 TWh) was down by 3% compared to the first quarter of 2011.

The EPCG Group produced a total of 0.7 TWh, of which 0.4 TWh was from thermoelectric sources and 0.3 TWh was from hydroelectric sources.
The production from hydroelectric sources showed a decrease of 0.4 TWh (-58%) compared to the first quarter of the previous year. To cover the electrical load (1.2 TWh) it was necessary to increase the production of thermoelectricity and, specifically, to import from bordering countries (0.3 TWh, +23%), with the consequent negative impacts on profitability.

Gas sales were up in the period in question (1,839 million cubic metres, +23%) as were heat sales (1.5 thermal TWh, +6%).

The Group's co-generation and waste-to-energy plants contributed to covering the thermal load with a production of 1.3 thermal TWh, up by 8% compared to the first quarter of 2011.

The quantity of waste disposed of equalled 0.6 million tonnes, a reduction of 5% compared to the same period of the previous year.

The volumes of electricity (2.9 TWh) and water (17 million cubic metres) distributed in the period in question showed an increase of 1% and 13% respectively compared to the first three months of 2011.
The supply points of the gas distribution network taken as reference in order to calculate the allowed revenues instead amounted to 1,281,514, up by around 26,000 units compared to those underlying the revenues of the previous year.
The electricity distributed in Montenegro by the company EPCG equalled 0.8 TWh (+2.7%).

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Economic results

"Revenues" of the A2A Group reached 1,957 million euros, up by 12% compared to the first quarter of 2011.

The **"Gross Operating Margin"** of the quarter equalled 271 million euros, essentially in line with the first three months of 2011 (-2.5%).

The following table shows the dynamics by business area:

Millions of euros	**31.03.2012**	**31.03.2011**
Energy Business	79	94
-electricity	34	60
-gas	45	34
Heat and Services Business	53	48
Environment Business	71	76
Networks Business	68	65
Other Services and Corporate	0	-5
Total	**271**	**278**

The *Energy* Business shows a reduction in the margin of 15 million euros compared to the first quarter of the previous year. Net of the effects arising from the full consolidation of the subsidiary EPCG (-26 million euros), the margin is up by 11 million euros.

The *electricity sector* recorded a gross operating margin in line with the first quarter of 2011 (38 million euros). The good performance of the industrial portfolio, which benefited from an improvement of the spreads between sales prices and the fuel cost, also due to careful management of the gas purchasing sources, was offset by the reduction of the margin recorded on the trading portfolio, deriving from the extreme volatility of the prices on the European Power Exchanges that occurred in some periods of the quarter in question.
The *gas sector* achieved a higher margin of 11 million euros compared to the corresponding quarter of the previous year.

The gross operating margin of the *Heat and Services* Business amounted to 53 million euros, up by 5 million euros compared to the corresponding period of the previous year, due to the effective commercial development action.

The results of the *Environment* Business reached 71 million euros, down by 5 million euros due to the loss of the CIP 6 incentive recognized in the waste-to-energy plants in Milan, Bergamo and Filago.

The *Networks* Business increased the industrial results in the first quarter of 2012 achieving a gross operating margin equal to 68 million euros (+3 million euros). This growth can essentially be ascribed to the gas Distribution sector.

The "**Amortization and depreciation, write-downs and provisions**" amount to a total of 88 million euros (131 million euros at 31 March 2011). The decrease of 43 million euros can mainly be attributed to lower amortization and depreciation, to the release of the risk funds and bad and doubtful debt funds previously allocated.

Due to the above-mentioned events the **"Net Operating Income"** was up and amounted to 183 million euros (147 million euros at 31 March 2011).

The "**Net financial charges**" amounted to 55 million euros (12 million euros at 31 March 2011) and were significantly affected by the effect of the fair values of the financial derivatives at 31 March 2012 that show a negative result of 22 million euros, while they showed a positive result of 19 million euros in the corresponding period of the previous year. Net of the variation of the fair values of the financial derivatives the net financial charges amounted to 33 million euros with respect to 31 million euros in the first quarter of 2011.

"**Affiliates"** are positive by 1 million euros, whereas in the corresponding period of 2011 they were positive for 2 million euros. The item in question mainly includes the effects of the results of the valuation of the shareholdings held in PremiumGas S.p.A. and some shareholdings of the Coriance Group.

"**Income taxes"** in the period in question equalled 55 million euros (40 million euros at 31 March 2011) and are affected both by the general increase, starting from the second half of 2011, of the rate of the so-called "Robin Hood tax", raised from 6.5% to 10.5% for the three-year period 2011-2013, and the expanded perimeter of the companies subject to the same additional tax, with activities concerning the distribution of gas and electricity, which were previously excluded. The IRAP rate also increased, again from the second half of 2011, rising to 4.20% compared to 3.90% in the previous year for companies holding concessions other than those for construction and motorway and tunnel management.

The "**Net result from non-current assets held for sale**", positive for 8 million euros, mainly concerns the contribution from the disposal of the shareholding in the company e-Utile S.p.A., while in the corresponding period of the previous year it was negative for 9 million euros and included the valuation of the shareholding in Transalpina di Energia S.r.l..

The **"Group net profit for the period"**, after the "Minorities" were deducted, equalled 76 million euros (85 million euros at 31 March 2011).

Financial position and assets

The consolidated **"Net employed capital"**, at 31 March 2012, came to 7,612 million euros and was covered by the Net Equity for 3,658 million euros (of which 834 million euros referred to Minorities) and the net financial debt for 3,954 million euros.

The **"Net working capital"**, equal to 859 million euros, was up by 9 million euros compared to 31 December 2011.

The **"Net fixed assets"**, including the "Assets/Liabilities held for sale", equalled 6,753 million euros, down by 11 million euros compared to 31 December 2011.

The **"Net financial position"**, equal to 3,954 million euros at 31 March 2012, improved by 67 million euros compared to 31 December 2011 due to the generation of cash flow equal to 141 million euros, which more than offset the investments for the period, equal to 74 million euros.

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Outlook for operations

The consolidation of Edipower scheduled to start at the end of May, further commercial development in the District Heating sector, and the improved results of the subsidiary EPCG, lead to the expected gradual improvement of the Gross Operating Margin compared to that recorded in 2011.

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The Executive responsible for drawing up A2A S.p.A.'s company accounting documents declares – in accordance with article 154-bis, subsection 2 of the Financial Act (TUF) (Legislative Decree 58/1998) - that the accounting information contained in this document corresponds to the documentary evidence, books and accounting records.

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The following are attached: the A2A Group's accounting tables, extracts from the Interim Report on Operations at 31 March 2012.

For further information:

Communications and External Relations: tel. 02 7720.4582, ufficiostampa@a2a.eu
Investor Relations: tel. 02 7720.3974, ir@a2a.eu
www.a2a.eu

Duty to notify the public in accordance with Consob decision n° 11971 of 05/14/1999 as amended.

CONSOLIDATED BALANCE SHEET	AT MARCH 31, 2012	AT DECEMBER 31, 2011	AT MARCH 31, 2011
(millions of euro)			
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	4,649	4,685	4,814
Intangible assets	1,518	1,503	1,550
Shareholdings carried according to equity method	522	521	2,410
Other non-current financial assets	49	48	42
Deferred tax assets	-	-	-
Other non-current assets	114	132	88
TOTAL NON-CURRENT ASSETS	**6,852**	**6,889**	**8,904**
CURRENT ASSETS			
Inventories	120	267	128
Trade receivables	2,189	1,958	2,269
Other current assets	329	410	373
Current financial assets	234	233	38
Current tax assets	6	30	15
Cash and cash equivalents	245	147	246
TOTAL CURRENT ASSETS	**3,123**	**3,045**	**3,069**
NON-CURRENT ASSETS HELD FOR SALE	**926**	**921**	**81**
TOTAL ASSETS	**10,901**	**10,855**	**12,054**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1,629	1,629	1,629
(Treasury shares)	-61	-61	-61
Reserves	1,180	1,619	1,940
Net profit for the year	-	-420	-
Net profit for the period	76	-	85
Equity pertaining to the Group	**2,824**	**2,767**	**3,593**
Minority interests	834	826	1,350
Total equity	**3,658**	**3,593**	**4,943**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current financial liabilities	3,963	3,851	3,706
Deferred tax liabilities	4	10	50
Employee benefits	269	272	274
Provisions for risks, charges and liabilities for landfills	453	462	466
Other non-current liabilities	182	177	162
Total non-current liabilities	**4,871**	**4,772**	**4,658**
CURRENT LIABILITIES			
Trade payables	1,235	1,348	1,315
Other current liabilities	497	442	612
Current financial liabilities	587	675	406
Tax liabilities	53	25	103
Total current liabilities	**2,372**	**2,490**	**2,436**
Total liabilities	**7,243**	**7,262**	**7,094**
LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**-**	**-**	**17**
TOTAL EQUITY AND LIABILITIES	**10,901**	**10,855**	**12,054**

CONSOLIDATED INCOME STATEMENT (millions of euro)	01/01/2012 03/31/2012	01/01/2011 03/31/2011 (*)	01/01/2011 12/31/2011
Revenues			
Revenues from the sale of goods and services	1,939	1,725	6,096
Other operating income	18	20	102
Total Revenues	**1,957**	**1,745**	**6,198**
Operating expenses			
Expenses for raw materials and services	1,473	1,252	4,396
Other operating expenses	68	69	302
Total Operating expenses	**1,541**	**1,321**	**4,698**
Labour costs	**145**	**146**	**558**
Gross operating income - EBITDA	**271**	**278**	**942**
Depreciation, amortization, provisions and write-downs	**88**	**131**	**641**
Gross operating income - EBIT	**183**	**147**	**301**
Financial balance			
Net financial charges	55	12	123
Affiliates	1	2	-132
Total financial balance	**-54**	**-10**	**-255**
Other net non-operating income/(expenses)		**-1**	**-4**
Income before taxes	**129**	**136**	**42**
Income taxes	**55**	**40**	**148**
Income from current operations net of taxes	**74**	**96**	**-106**
Net result from non-current assets held for sale	8	-9	-810
Net profit	**82**	**87**	**-916**
Minorities	**-6**	**-2**	**496**
Group net profit for the year/period	**76**	**85**	**-420**

(*) According to IFRS 5 the figures for the period January-March 2011 have been reclassified.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	03/31/2012	03/31/2011	12/31/2011
NET INCOME/(LOSS) FOR THE PERIOD/ YEAR (A)	**82**	**87**	**-916**
Effective part of gains/(losses) on cash flow hedge	-23	-4	-13
Gains/(losses) on the remeasurement of financial assets available for sale	-	-	-
Tax effect of other gains/(losses)	9	1	2
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (B)	**-14**	**-3**	**-11**
Other gains/(losses) of companies valued at equity net of the tax effect (C)	**-**	**10**	**-11**
Total comprehensive income/(loss) (A+B+C)	**68**	**94**	**-938**
Total comprehensive income/(loss) attributable to:			
Shareholders of the parent company	**60**	**88**	**-453**
Minority interests	**8**	**6**	**-485**

CONSOLIDATED CASH-FLOW STATEMENT (millions of euro)	CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2012	CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2011	CONSOLIDATED FINANCIAL STATEMENTS AT MARCH 31, 2011
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD	**147**	**132**	**132**
Operating activities			
Net income for the year/period (**)	**74**	**(951)**	**87**
Tangible assets depreciation	75	336	87
Intangible assets amortization	21	79	21
Fixed assets write-downs	2	125	1
Result from affiliates (***)	(1)	979	10
Shareholdings write-downs	-	4	-
Net taxes paid	-	(240)	-
Change in working capital (*)	(16)	78	1
Cash flow from operating activities	**155**	**410**	**207**
Investment activities			
Investments in tangible assets	(39)	(183)	(29)
Investments in intangible assets and goodwill	(35)	(127)	(20)
Investments in shareholdings and securities (*)	-	(11)	-
Investments' sale	11	79	4
Dividends received	-	17	-
Cash flow from investment activities	**(63)**	**(225)**	**(45)**
FREE CASH FLOW	**92**	**185**	**162**
Financing activities			
Change in financial assets (*)	(24)	(236)	30
Change in financial liabilities (*)	34	481	(67)
Net financial interests paid	(4)	(111)	(11)
Dividends paid by the parent company	-	(298)	-
Dividends paid by the subsidiaries to third parties	-	(6)	-
Cash flow from financing activities	**6**	**(170)**	**(48)**
CHANGE IN CASH AND CASH EQUIVALENTS	**98**	**15**	**114**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	**245**	**147**	**246**

(*) Cleared of balances in return of shareholders' equity and other balance sheet items.
(**) Net of gains on sale of shareholdings.
(***) At March 31, 2011 such item contains the TDE S.r.l. evaluation, which is exposed in the Income statement into the caption "Net result from non-current assets held for sale".

Statement of changes in Group equity

(millions of euro)

Description	Share capital	Treasury shares	Cash Flow Hedge	Other Reserves and retained earnings	Net profit for the period/year	Total Equity pertaining to the Group	Minority interests	Total Net shareholders equity
Net equity at December 31, 2010	**1,629**	**-61**	**31**	**1,594**	**308**	**3,501**	**1,344**	**4,845**
Changes in the first quarter of 2011								
2010 profit allocation				308	-308			
IAS 32 and 39 reserves (*)			3			3	**4**	7
Put option on Delmi S.p.A. shares				4		4		4
Group and minorities net profit for the period					85	85	**2**	87
Net equity at March 31, 2011	**1,629**	**-61**	**34**	**1,906**	**85**	**3,593**	**1,350**	**4,943**
Changes from April 1st 2011 to December 31, 2011								
Distribution of dividends				-298		-298	**-6**	-304
IAS 32 and 39 reserves (*)			-14			-14	**-15**	-29
Put option on Delmi S.p.A. shares				-2		-2		-2
Other changes				-7		-7	**-5**	-12
Group and minorities net profit for the period					-505	-505	**-498**	-1,003
Net equity at December 31, 2011	**1,629**	**-61**	**20**	**1,599**	**-420**	**2,767**	**826**	**3,593**
Changes in the first quarter of 2012								
2011 profit allocation				-420	420			
IAS 32 and 39 reserves (*)			-16			-16	**2**	-14
Other changes				-3		-3		-3
Group and minorities net profit for the period					76	76	**6**	82
Net equity at March 31, 2012	**1,629**	**-61**	**4**	**1,176**	**76**	**2,824**	**834**	**3,658**

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