PRESS RELEASE – 01 August 2012

The A2A S.p.A. Management Board has examined and approved the half year financial report at 30 June 2012

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Positive economic-financial results for the first half of 2012

The turnover, up by 279 million (+9%), amounts around to 3.3 billion euros. The Net Operating Income (EBIT) amounted to 280 million euros (+28%)

The Net Financial Debt, net of the effects connected to the consolidation of the company Edipower, was down by 245 million euros.

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Brescia, 01 August 2012 – At today's meeting of the Management Board of A2A S.p.A., chaired by Mr. Graziano Tarantini, the Board examined and approved *the Half year financial report at 30 June 2012.*

The Board noted the positive financial performance of the first half of the year under review and the effects of the similarly positive proposed disposal of the French subsidiary company Coriance which, once completed, will further reduce the debt position by around 160 million euros[1].
The assessment of the industrial performance was also positive which, despite the significant difficulties characterizing the energy sectors in which the Group operates, highlighted profitability levels that were higher overall than those of the six months of the previous year, even following the expanded perimeter of owned plants arising from the consolidation of the company Edipower starting from June 2012.

The Gross Operating Margin, amounting to 484 million euros, was up by 19 million euros compared to the first half of 2011 (465 million euros at 30 June 2011).
The Energy Business, 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. These performances more than offset the expiry of some incentives for the production of electricity from waste-to-energy plants and the effects of the halt for extraordinary maintenance of the waste-to-energy plant in Bergamo which affected the result of the Environment business in the half year.

The net profit at 30 June 2012, amounting to 116 million euros, is in line with the result of the first half of 2011 (120 million euros) despite the worsening of the fiscal regulations and the

[1] See the Press Release of 30 July 2012.

accounting-related net effect resulting from the fair value posting of a bond loan. This latter effect was negative for 8 million euros (in the first half of 2011 it was positive for 4 million euros). This value will be reabsorbed in the accounts by the month of October 2013, the date of the repayment of the loan at its nominal value.
Moreover it should be underlined that the first half 2011 results included the effects of the disposal of the shareholding in the company Metroweb, which generated a capital gain equal to 36 million euros.

Main consolidated results of the A2A Group at 30 June 2012

in millions of euros	**30 June 2012 ***	**30 June 2011 ***	**Δ**
Revenues	**3,290**	3,011	+279
Gross Operating Income - EBITDA	**484**	465	+19
Net Operating Income - EBIT	**280**	219	+61
Group Net Profits	**116**	120	-4

* The values relating the Coriance Group have been reclassified in "Net result from Non-current Assets held for sale".

in millions of euros	**30 June 2012**	**31 December 2011**	**Δ**
Net financial debt prior to the consolidation of Edipower	**3,776**	4,021	-245
Consolidated net financial debt	**4,860**	4,021	+839

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Outlook for operations

The consolidation of Edipower, starting from the end of May, further commercial development in the District Heating sector and the improved results of the subsidiary EPCG, also due to the effect of the tariff increases already decided, lead to an expected gradual improvement of the Gross Operating Income compared to that recorded in 2011.

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Operating performance of the Group

The electricity sold on the wholesale and retail markets by the Group's companies (net of the contribution of the subsidiary EPCG in Montenegro) equalled 19.4 TWh (billion kilowatt hours)[2], a reduction compared to the first half of 2011 (-7%). The sales concerned the domestic market for 13.3 TWh and foreign markets for 6.1 TWh.
The Group's plants (5.7 TWh) which, from June onwards, included the thermoelectric and hydroelectric plants owned by Edipower, contributed to fulfil the demand[3].
Thermoelectric production (3.5 TWh) was down by 12% compared to the same period of the previous year due to the effect of the lower load factor of the Group's combined-cycle plants, while the production from hydroelectric sources, equal to 1.4 TWh (-12%), was affected by the lower hydraulicity recorded with respect to the first six months of 2011.

The production of electricity from co-generation, waste-to-energy and biogas plants (0.8 TWh) was down by 6% compared to the first half of 2011.

The EPCG Group produced a total of 1.2 TWh, recording a drop of 0.4 TWh compared to the same period of the previous year. The reduced production can essentially be attributed to the halt due to extraordinary maintenance of the thermoelectric plant in Pljevlja, carried out in the second quarter of 2012 (-0.2 TWh), and the lower production of the Group's hydroelectric plants (-0.2 TWh) which, in the first quarter of the year, were affected by an exceptionally dry season.

Gas sales were also up in the period in question (2,580 million cubic metres, +23%) as were heat sales (1.3 thermal TWh, +11%).

The Group's co-generation and waste-to-energy plants contributed to covering the thermal load with a production of 1.2 thermal TWh, up by 13% compared to the first half of 2011.

The quantity of waste disposed of equalled 1.3 million tonnes, a drop of 6% compared to the corresponding period of the previous year.

The supply points of the gas distribution network, taken as reference in order to calculate the allowed revenues, 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 1.3 TWh (+3.1%).

The volumes of water (33 million cubic metres) distributed in the period in question are essentially in line with respect to the first six months of 2011.

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[2] Net of the energy sold and simultaneously reacquired by the Power Exchange.
[3] 23% of the production capacity of the Edipower plants is covered by a contract with the Iren Group. The production figure is therefore stated net of the electricity underlying that contract.

Economic results

"**Revenues**" of the A2A Group amounted to 3,290 million euros, up by 9% compared to the first half of 2011.

The "**Gross Operating Margin**" of the period equalled 484 million euros, an increase of 19 million euros (+4%) compared to the result of the first half of 2011.
The following table shows the dynamics by business area:

Millions of euros	**06.30.2012**	**06.30.2011**
Energy Business	167	163
Heat and Services Business	44	36
Environment Business	140	152
Networks Business	134	128
Other Services and Corporate	-1	-14
Total	**484**	**465**

The *Energy* Business shows a gross operating margin of 167 million euros, a slight increase compared to the same period of the previous year, despite the continuing difficult economic situation and the significant reduction of the hydroelectric production in Italy and Montenegro.
The greater profitability of the hydroelectric plants (despite the drop in production) and the carbon plant in Monfalcone positively contributed to this result while the combined-cycle plants provided a stable contribution. The improved plant performance on the wholesale markets was partly offset by the reduced margin recorded on the trading portfolio, deriving from the extreme volatility of the prices on the European Power Exchanges that occurred in the first quarter of the year, and by a decrease in the profitability of the commercial activities with electricity and gas end users.

The gross operating margin of the *Heat and Services* Business came to 44 million euros, up by 8 million euros compared to the corresponding period of the previous year due to the effective action of development in the District Heating business in the Milan metropolitan area.

The results of the *Environment* Business reached 140 million euros, down by 12 million euros due to the loss of the CIP 6 incentive recognized for the waste-to-energy plants in Milan, Bergamo and Filago (BG) already recorded in the first quarter of the year, and the effect of the planned halt for extraordinary maintenance works of the waste-to-energy plant in Bergamo during the second quarter of 2012.

The *Networks* Business increased the industrial results in the first half of 2012 achieving a Gross Operating Margin equal to 134 million euros (+6 million euros). The increase can essentially be attributed to the Gas Distribution sector and the Electricity Distribution sector of the EPCG Group. The Integrated Water Cycle also provided a positive contribution due to the effect of a tariff increase which came into effect in December 2011.

The “**Amortisation and depreciation, write-downs and provisions”** amount to a total of 204 million euros (246 million euros at 30 June 2011). The reduction of 42 million euros can mainly be attributed to lower amortisation and depreciation, the reversal of the risk funds and bad and doubtful debt funds previously allocated (this latter item incorporates proceeds of 15 million euros of the subsidiary EPCG relative to a credit previously allocated with respect to an important energy-consuming customer). This item includes the consolidation of Edipower S.p.A. for 17 million euros relative to the month of June.

Due to the above mentioned events the “**Net Operating Income”** was up by 61 million euros and amounted to 280 million euros (219 million euros at 30 June 2011).

The “**Net financial charges**” amounted to 96 million euros (66 million euros at 30 June 2011) and were affected by the joint effect of the posting of a bond loan using the fair value hedge method and the fair value of the financial derivatives to cover rate risk that showed a negative result for 18 million euros at 30 June 2012, with respect to the positive result for 25 million euros recorded in the corresponding period of the previous year.
Net of the variation of the fair values the net financial charges amounted to 78 million euros with respect to 91 million euros in the first half of 2011. The improvement compared to the first half of 2011 can mainly be attributed to the badwill recorded following the first consolidation of Edipower S.p.A. (for 18 million euros) which more than offset the higher financial charges related to the increase of the average debt for the period.

“**Affiliates**” are positive by 16 million euros, in line with the value of the corresponding period of 2011.

"**Income taxes**" in the period in question equalled 91 million euros (73 million euros at 30 June 2011) and are affected both by the increase, which occurred 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, including the activities concerning the distribution of gas and electricity, which were previously excluded.

The “**Net result from non-current assets held for sale**”, positive for 13 million euros (12 million euros at 30 June 2011), mainly concerns the contribution from the disposal of the shareholding in the company e-Utile S.p.A. as well as the results for the period of the Coriance Group. In the first half of 2011 this item included the capital gain generated by the disposal of the shareholding in the company Metroweb S.p.A. (for 36 million euros) adjusted by the negative effect of the result of the associated company Transalpina di Energia S.r.l. (for 30 million euros).

The “**Group net profit for the period**”, after the “Minorities” were deducted, equalled 116 million euros (120 million euros at 30 June 2011).

Financial position and assets

The consolidated **"Net employed capital"**, at 30 June 2012, came to 8,478 million euros and was covered by the Net Equity for 3,618 million euros and the net financial debt for 4,860 million euros.

The "**Net working capital**" amounted to 929 million euros and shows an increase of 79 million euros, compared to 31 December 2011, which can be attributed to the consolidation of Edipower S.p.A. which more than offset the reduction deriving from the ordinary operations of the pre-existing perimeter.

The **"Net fixed assets"**, including the "Assets/Liabilities held for sale", equalled 7,549 million euros, up by 785 million euros compared to 31 December 2011 and mainly includes the effect of the consolidation of Edipower S.p.A..

The **"Net financial position"**, equal to 4,860 million euros at 30 June 2012, increased by 839 million euros compared to 31 December 2011, mainly due to the effect of the debt consolidation of Edipower S.p.A. (959 million euros) and the greater debt in Delmi S.p.A. connected to the acquisition of its control (125 million euros), partially offset by the net cash flow generated by the operations of the pre-existing perimeter (for 245 million euros).

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

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The following are attached: the A2A Group's accounting tables, extracts from the Half year financial report at 30 June 2012, subject to auditing.

<u>For further information:</u>

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

CONSOLIDATED BALANCE SHEET (millions of euro)	06/30/2012	12/31/2011	06/30/2011
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	6,716	4,685	4,765
Intangible assets	1,392	1,503	1,561
Shareholdings carried according to equity method	229	521	2,401
Other non-current financial assets	50	48	69
Deferred tax assets	289	-	-
Other non-current assets	163	132	120
TOTAL NON-CURRENT ASSETS	**8,839**	**6,889**	**8,916**
CURRENT ASSETS			
Inventories	354	267	235
Trade receivables	1,912	1,958	1,717
Other current assets	352	410	372
Current financial assets	97	233	80
Current tax assets	8	30	25
Cash and cash equivalents	269	147	130
TOTAL CURRENT ASSETS	**2,992**	**3,045**	**2,559**
NON-CURRENT ASSETS HELD FOR SALE	**195**	**921**	**39**
TOTAL ASSETS	**12,026**	**10,855**	**11,514**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	1,629	1,629	1,629
(Treasury shares)	-61	-61	-61
Reserves	1,085	1,619	1,637
Net profit for the year	-	-420	-
Net profit for the period	116	-	120
Equity pertaining to the Group	**2,769**	**2,767**	**3,325**
Minority interests	849	826	1,319
Total equity	**3,618**	**3,593**	**4,644**
LIABILITIES			
NON-CURRENT LIABILITIES			
Non-current financial liabilities	4,762	3,851	3,767
Deferred tax liabilities	-	10	54
Employee benefits	318	272	276
Provisions for risks, charges and liabilities for landfills	581	462	459
Other non-current liabilities	378	177	156
Total non-current liabilities	**6,039**	**4,772**	**4,712**
CURRENT LIABILITIES			
Trade payables	1,126	1,348	1,221
Other current liabilities	514	442	590
Current financial liabilities	514	675	318
Tax liabilities	57	25	11
Total current liabilities	**2,211**	**2,490**	**2,140**
Total liabilities	**8,250**	**7,262**	**6,852**
LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE	**158**	**-**	**18**
TOTAL EQUITY AND LIABILITIES	**12,026**	**10,855**	**11,514**

CONSOLIDATED INCOME STATEMENT (millions of euro)	01/01/2012 06/30/2012	01/01/2011 06/30/2011 (*)	01/01/2011 12/31/2011 (*)
Revenues			
Revenues from the sale of goods and services	3,232	2,958	6,029
Other operating income	58	53	101
Total Revenues	**3,290**	**3,011**	**6,130**
Operating expenses			
Expenses for raw materials and services	2,384	2,116	4,364
Other operating expenses	133	148	294
Total Operating expenses	**2,517**	**2,264**	**4,658**
Labour costs	**289**	**282**	**548**
Gross operating income - EBITDA	**484**	**465**	**924**
Depreciation, amortization, provisions and write-downs	**204**	**246**	**626**
Net operating income - EBIT	**280**	**219**	**298**
Financial balance			
Net financial charges	96	66	122
Affiliates	16	16	-132
Total financial balance	**-80**	**-50**	**-254**
Other net non-operating income/(expenses)	**-**	**-4**	**-4**
Income before taxes	**200**	**165**	**40**
Income taxes	**91**	**73**	**148**
Income from current operations net of taxes	**109**	**92**	**-108**
Net result from non-current assets held for sale	13	12	-808
Net profit	**122**	**104**	**-916**
Minorities	**-6**	**16**	**496**
Group net profit for the year/period	**116**	**120**	**-420**

(*) According to IFRS 5 the comparative figures for the period January-June 2011 and for the period January-December 2011 have been reclassified

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (millions of euro)	06/30/2012	06/30/2011	12/31/2011
NET INCOME/(LOSS) FOR THE PERIOD/ YEAR (A)	**122**	**104**	**-916**
Effective part of gains/(losses) on cash flow hedge	-12	-4	-13
Gains/(losses) on the remeasurement of financial assets available for sale	-	-	-
Tax effect of other gains/(losses)	5	1	2
Total other gains/(losses) net of the tax effect of companies consolidated on a line-by-line basis (B)	**-7**	**-3**	**-11**
Other gains/(losses) of companies valued at equity net of the tax effect (C)	**1**	**10**	**-11**
Total comprehensive income/(loss) (A+B+C)	**116**	**111**	**-938**
Total comprehensive income/(loss) attributable to:			
Shareholders of the parent company	**114**	**108**	**-453**
Minority interests	**2**	**3**	**-485**

CONSOLIDATED CASH-FLOW STATEMENT (millions of euro)	06/30/2012	12/31/2011	06/30/2011
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	**147**	**132**	**132**
Contributions related to Edipower S.p.A.	89		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD/YEAR	**236**	**132**	**132**
Operating activities			
Net income for the period/year (**)	**114**	**(951)**	**66**
Tangible assets depreciation	160	336	172
Intangible assets amortization	33	79	35
Fixed assets write-downs	9	125	3
Result from affiliates (***)	(16)	979	13
Shareholdings write-downs	-	4	-
Net taxes paid	(90)	(240)	(137)
Change in working capital (*)	216	78	235
Cash flow from operating activities	**426**	**410**	**387**
Investment activities			
Investments in tangible assets	(95)	(183)	(67)
Investments in intangible assets and goodwill	(41)	(127)	(40)
Investments in shareholdings and securities (*)	(125)	(11)	(5)
Investments' sale	11	79	56
Dividends received	6	17	4
Cash flow from investment activities	**(244)**	**(225)**	**(52)**
FREE CASH FLOW	**182**	**185**	**335**
Financing activities			
Change in financial assets (*)	179	(236)	(45)
Change in financial liabilities (*)	(222)	481	(36)
Net financial interests paid	(58)	(111)	(64)
Dividends paid by the parent company	(40)	(298)	(186)
Dividends paid by the subsidiaries to third parties	(8)	(6)	(6)
Cash flow from financing activities	**(149)**	**(170)**	**(337)**
CHANGE IN CASH AND CASH EQUIVALENTS	**33**	**15**	**(2)**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	**269**	**147**	**130**

(*) Cleared of balances in return of shareholders' equity and other balance sheet items.
(**) Net of gains on sale of shareholdings.
(***) At June 30, 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 half of 2011								
2010 profit allocation				308	-308			
Distribution of dividends				-186		-186	**-6**	-192
IAS 32 and 39 reserves (*)			4			4	**3**	7
Put option on Delmi S.p.A. shares				6		6		6
Other changes				-8		-8	**-6**	-14
Dividends deliberated but not yet distributed				-112		-112		-112
Group and minorities net profit for the period					120	120	**-16**	104
Net equity at June 30, 2011	**1,629**	**-61**	**35**	**1,602**	**120**	**3,325**	**1,319**	**4,644**
Changes in the second half of 2011								
Dividends deliberated and distributed				112		112		112
Distribution of dividends				-112		-112		-112
IAS 32 and 39 reserves (*)			-15			-15	**-14**	-29
Put option on Delmi S.p.A. shares				-4		-4		-4
Other changes				1		1	**1**	2
Group and minorities net profit for the period					-540	-540	**-480**	-1,020
Net equity at December 31, 2011	**1,629**	**-61**	**20**	**1,599**	**-420**	**2,767**	**826**	**3,593**
Changes in the first half of 2012								
2011 profit allocation				-420	420			
Distribution of dividends				-40		-40	**-9**	-49
IAS 32 and 39 reserves (*)			-8			-8	**2**	-6
Put option on Delmi S.p.A. shares				-62		-62	**-131**	-193
Other changes				-4		-4	**155**	151
Group and minorities net profit for the period					116	116	**6**	122
Net equity at June 30, 2012	**1,629**	**-61**	**12**	**1,073**	**116**	**2,769**	**849**	**3,618**

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