A2A

2010 Results

Milan, March 30th, 2011

a2a

Agenda

- Key facts
- 2010 Main financial highlights
- EBITDA Segment Analysis
- Focus on EPCG
- From EBITDA to Net Income
- Net debt and Cash Flow

Key facts

- Positive industrial performance against scenario negative impact
- EPCG consolidation in 2010 results
- Positive impact of Alpiq deal both in P&L and in debt reduction
- TDE write-down effect

2010 - Main financial highlights

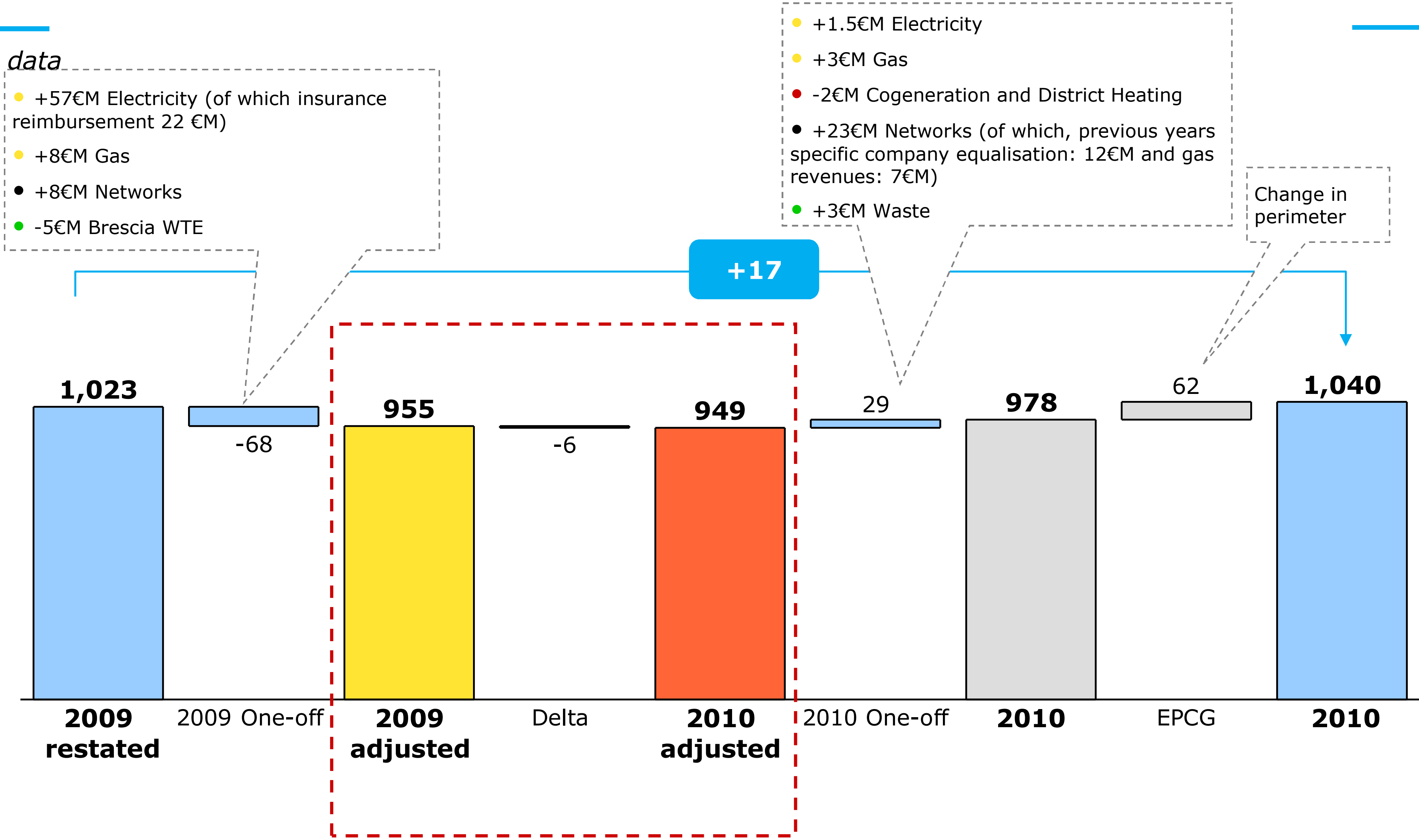
€M data	2009*	2010	*Change*	*Change %*
NET SALES	**5,401**	**6,041**	**+640**	**+11.8%**
EBITDA	**1,023**	**1,040**	**+17**	**+1.7%**
EBIT	**609**	**498**	**-111**	**-18.2%**
A2A NET INCOME	**80**	**308**	**+228**	**-**

	2009	2010	*Change*
NET CAPITAL EMPLOYED	**9,239**	**8,738**	**-501**
NFP	**4,644**	**3,893**	**-751**
EQUITY	**4,595**	**4,845**	**+250**
NFP/EQUITY	**1.01x**	**0.80x**	

** BAS SII reclassified according to IFRS5 and public lighting activities reclassified according to IFRIC12*

2010 - Results and main strategic achievements
EBITDA

€M data



2010 - Results and main strategic achievements

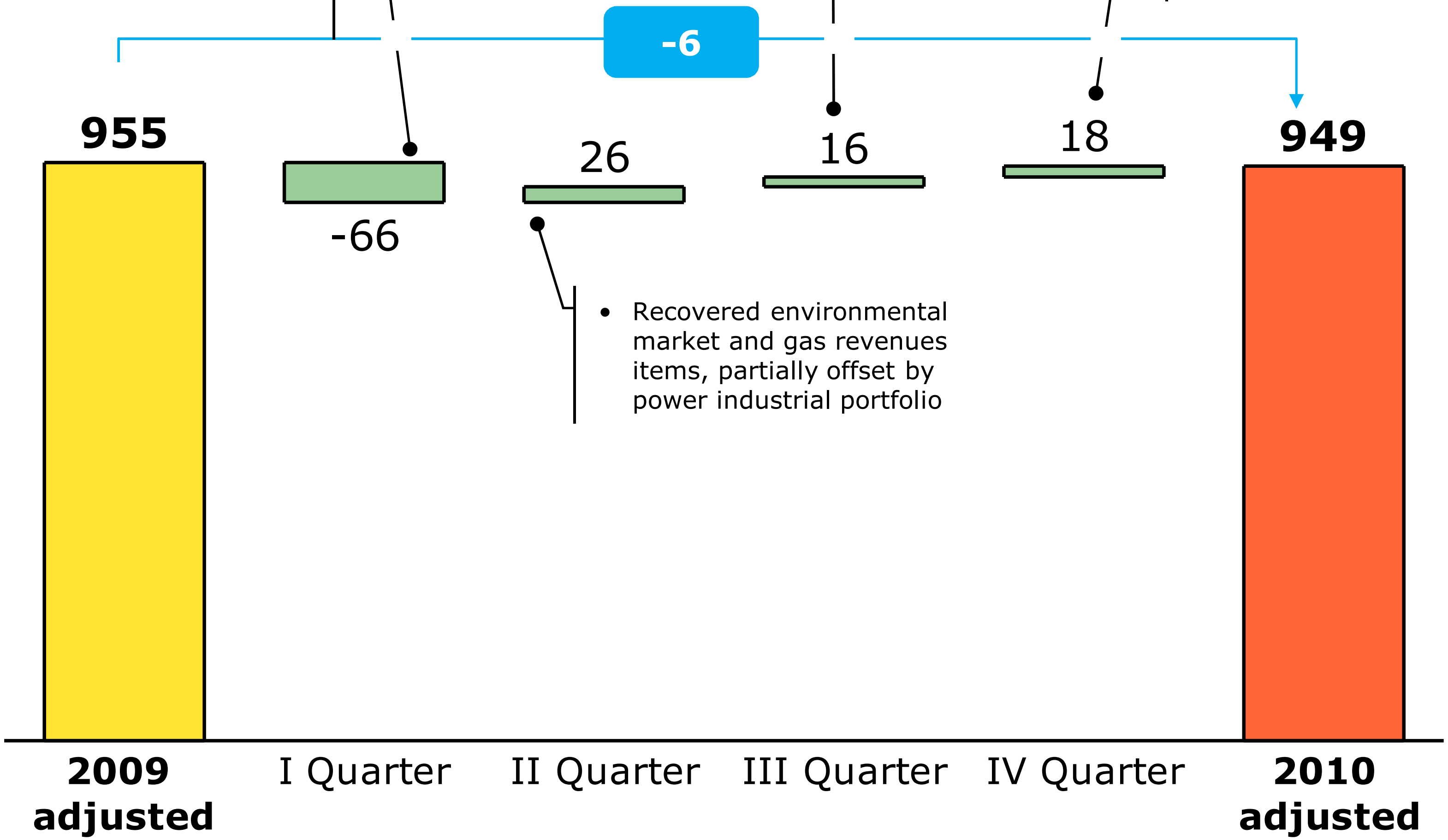
EBITDA COMPARISON QUARTER BY QUARTER – One-off not included

€M data

- Recoverable items: environmental markets 2009 Q1 margin recovered in Q2 and impact of gas network change in revenue calculation
- Commodities and market scenario

- Networks margin improvement partially offset by power and gas markets

- Environmental markets margin increase
- Positive impact of gas contract renegotiation
- Waste margin improvement
- District heating volumes increase



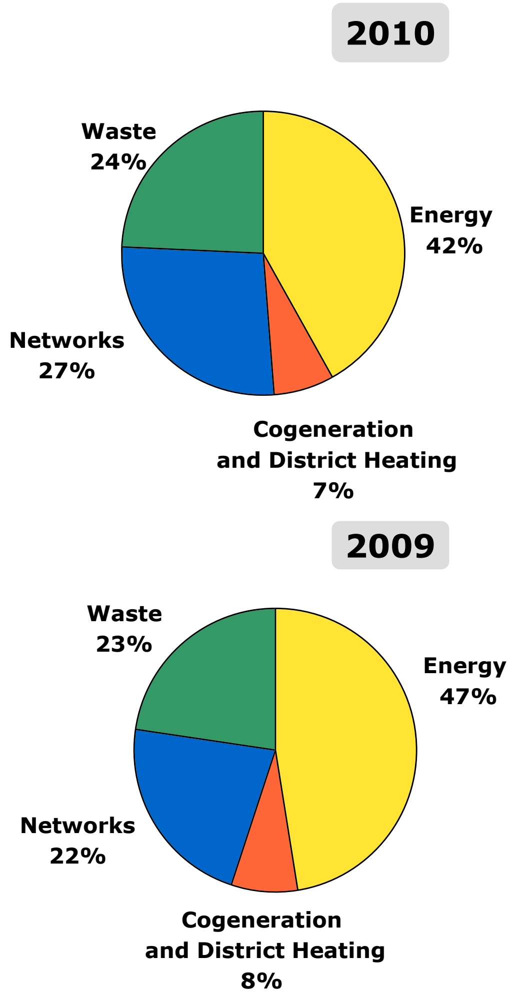
- Recovered environmental market and gas revenues items, partially offset by power industrial portfolio

2010 - EBITDA breakdown – One-off not included in the sectors

€M data

	EBITDA 2009	EBITDA 2010	Δ vs 2009
ELECTRICITY	347	320	-27
GAS	126	79	-47
COGENERATION AND DISTRICT HEATING	76	72	-4
WASTE	226	259	33
NETWORKS	222	253	31
OTHER SERVICES & CORPORATE	-40	-31	9
CONSOLIDATION ADJUSTMENTS	-2	-3	-1
TOTAL (Adj)	**955**	**949**	**-6**
ONE-OFF	68	29	-39
TOTAL (no EPCG)	**1,023**	**978**	**-45**
EPCG	0	62	62
TOTAL	**1,023**	**1,040**	**17**

EBITDA BREAKDOWN

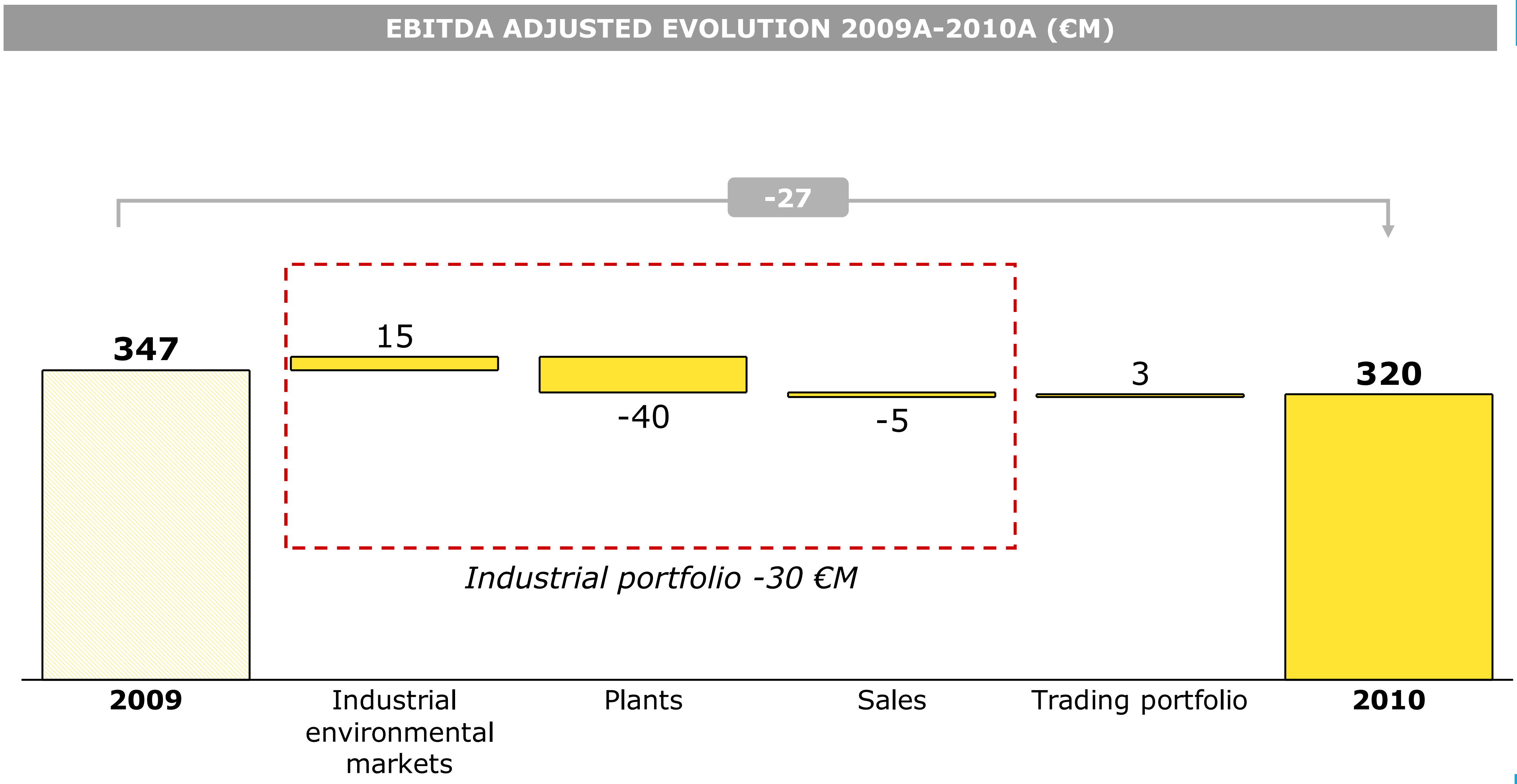


2010 Energy - Electricity Scenario

Average data		YTD 2009	YTD 2010	Var %
Brent	$/bbl	62.56	80.27	28%
CO2 Average system cost	€/Tonn	13.33	14.45	8%
Green Certificate avg. system cost	€/MWh	85.09	84.03	-1%
€/$	€/$	1.39	1.33	-5%
Brent €	€/bbl	44.59	60.56	36%
PUN BL	€/MWh	63.77	64.09	1%
PUN Peak	€/MWh	82.36	74.62	-9%
PUN Off-Peak	€/MWh	53.41	57.41	7%
CCGT Cost	€/MWh	51.90	54.42	5%
Spark Spread CCGT vs Baseload	€/MWh	11.87	9.67	
Spark Spread CCGT vs Peakload	€/MWh	30.46	20.20	
Spark Spread CCGT vs Off-Peak	€/MWh	1.52	2.99	
Spark Spread CCGT- Environm. costs	€/MWh	8.64	5.02	
Italian electricity demand	GWh	320,268	326,165	1.8%
Net Import	GWh	44,959	43,944	-2.3%

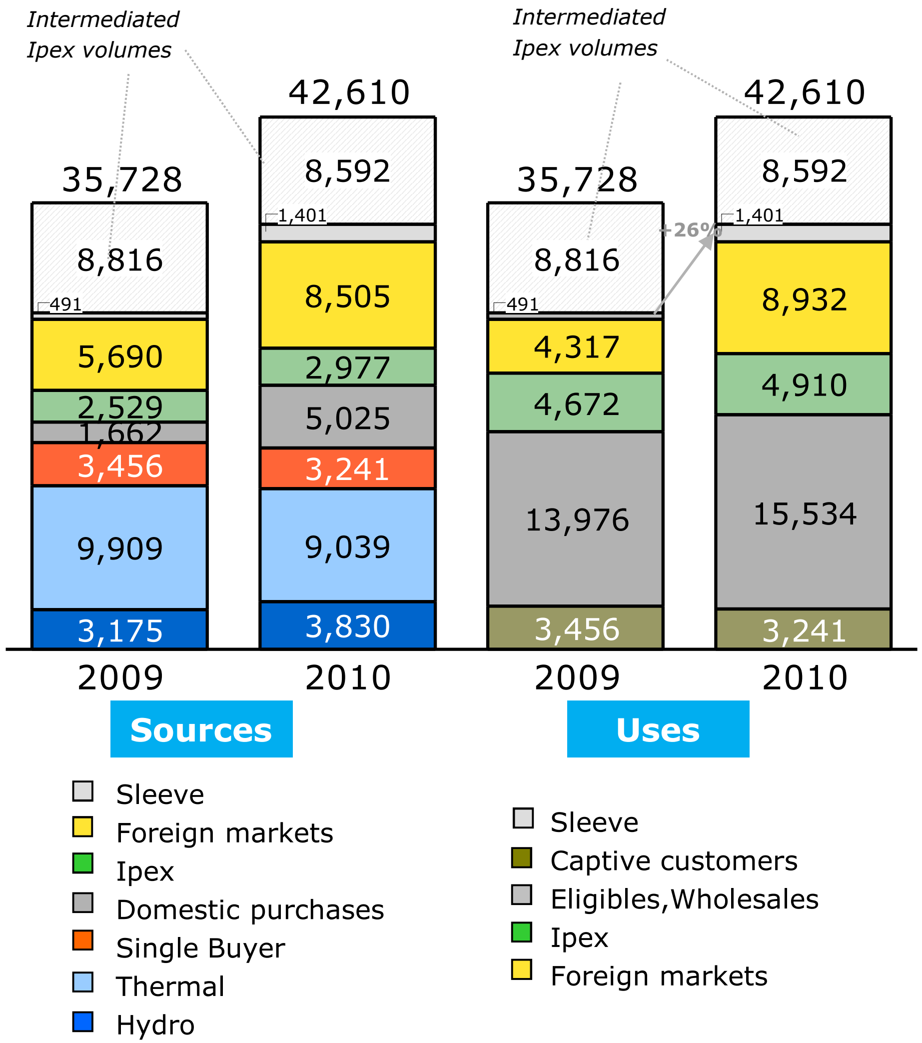
Note: 2010 CCGT based on Gas Release 2007

2010 Energy - Electricity Results – One-off not included



2010 Energy - Electricity Sources and Uses

VOLUMES (GWh)



GREEN CERTIFICATES POSITION

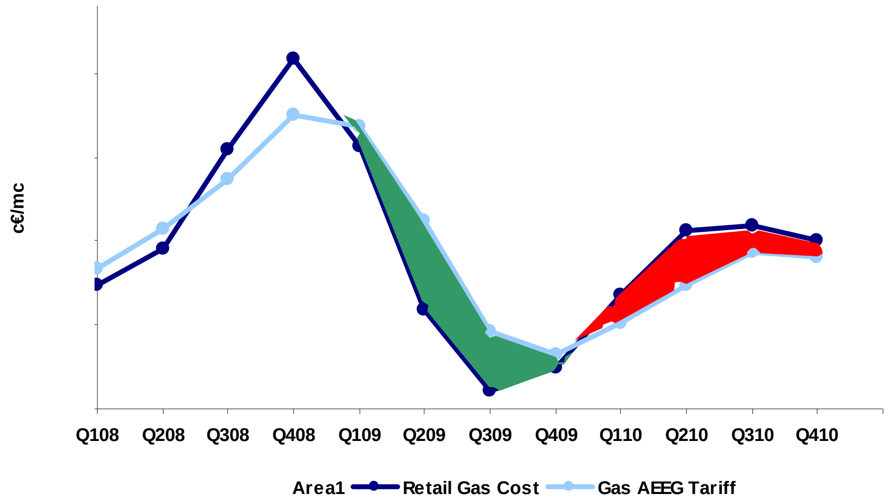
- **A2A Group Green Certificates Long Position at 31.12.2010 ~ 226 GWh**

CO2 POSITION

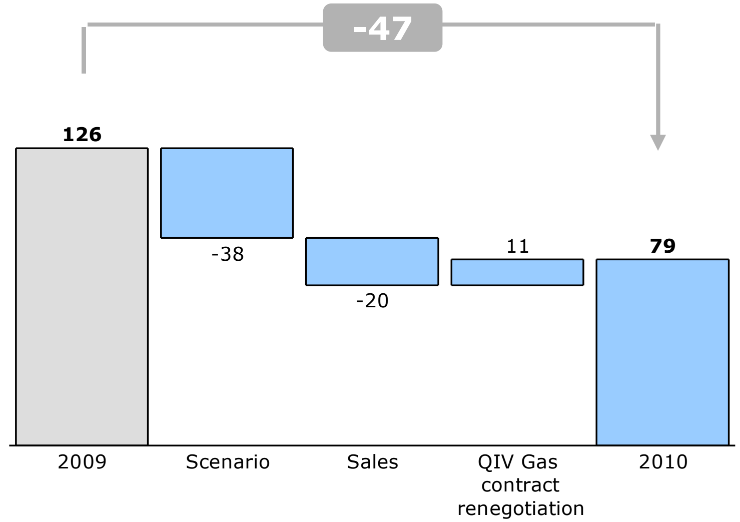
- **A2A Group CO2 Long Position at 31.12.2010 ~ 1,311 Kton**

2010 Energy - Gas Results – One-off not included

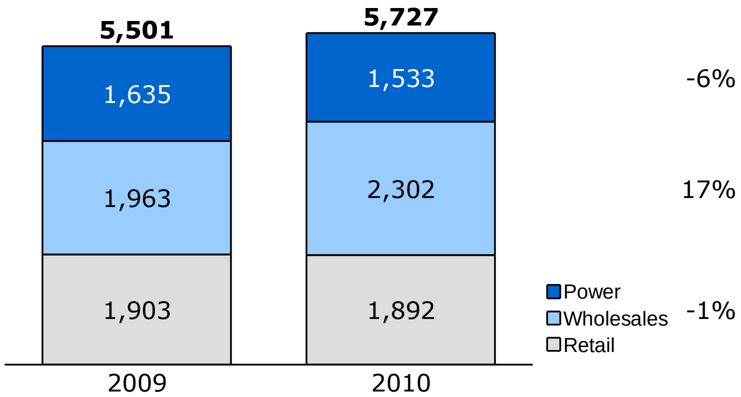
SCENARIO



EBITDA ADJUSTED (€M)



VOLUMES (Mcm)

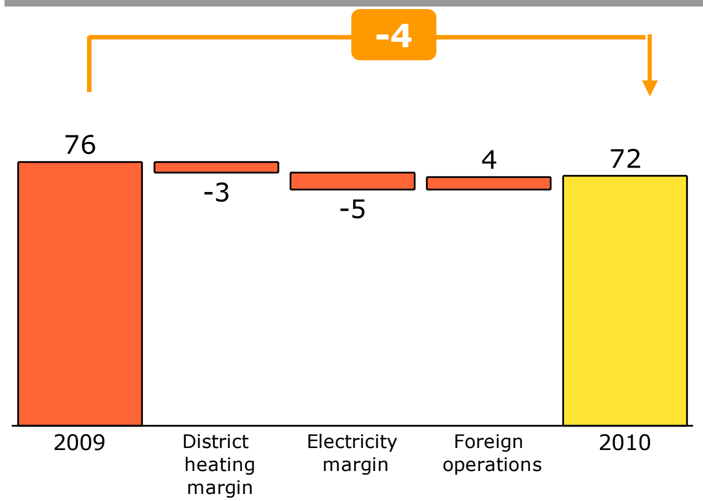


KEY FACTS (VS 2009)

Formulas indexation price and lower margins, partially offset by gas contract renegotiation and volumes increase

2010 - Cogeneration and District heating Results
One-off not included

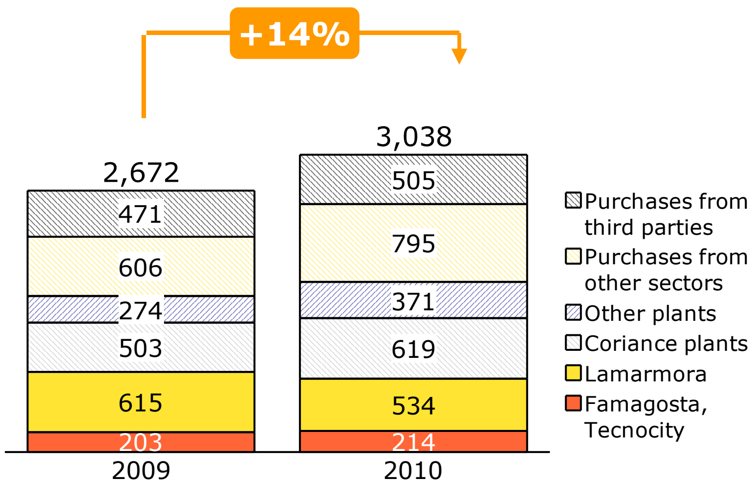
EBITDA ADJUSTED (€M)



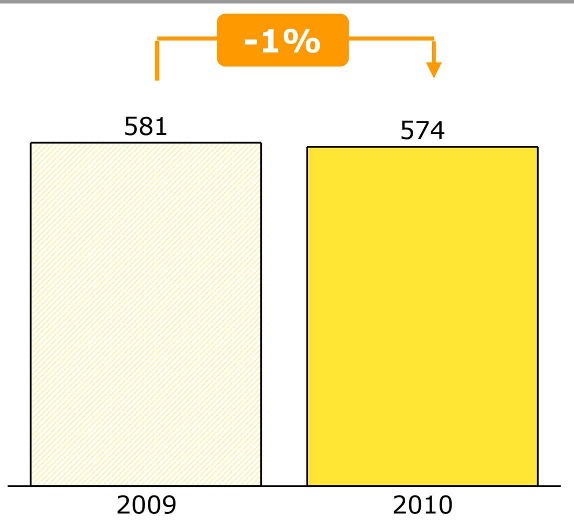
KEY FACTS (VS 2009)

- **Electricity margin decrease mainly due to volumes and IPEX prices decrease**
- **District heating margin decrease mainly due to formulas indexation price**
- **Coriance activities development**

HEAT VOLUMES (GWht)

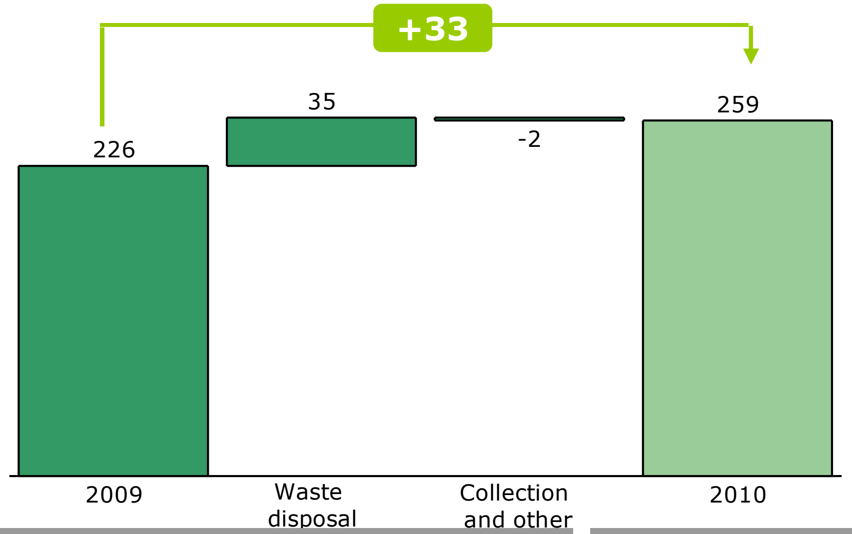


ELECTRICITY (GWh)



2010 - Waste Results – One-off not included

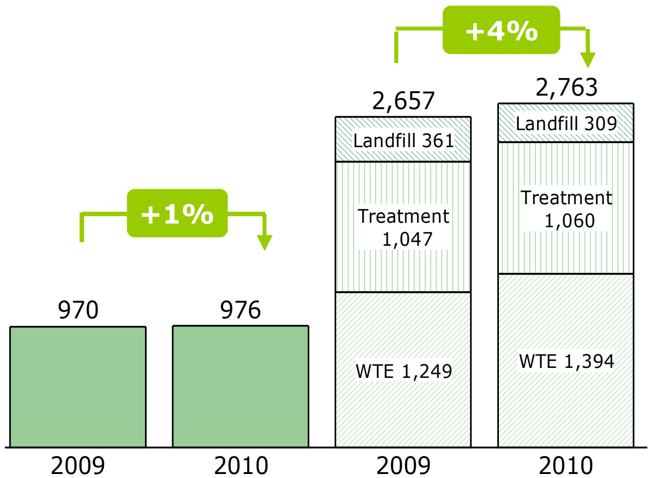
EBITDA ADJUSTED (€M)



KEY FACTS (vs 2009)

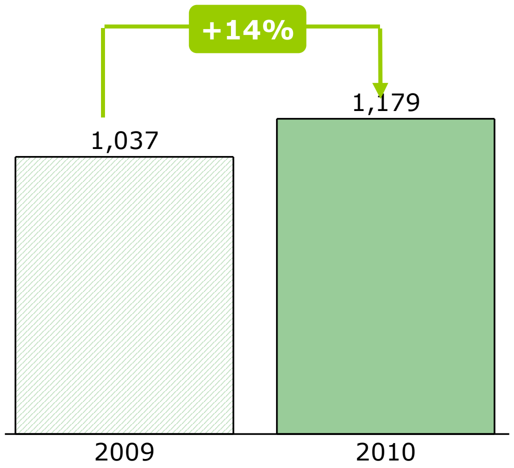
Waste disposal margin increase mainly due to Brescia WTE plant, halted during 2009 (February/April) for extraordinary maintenance, and Naples area contribution

WASTE VOLUMES (Kton)

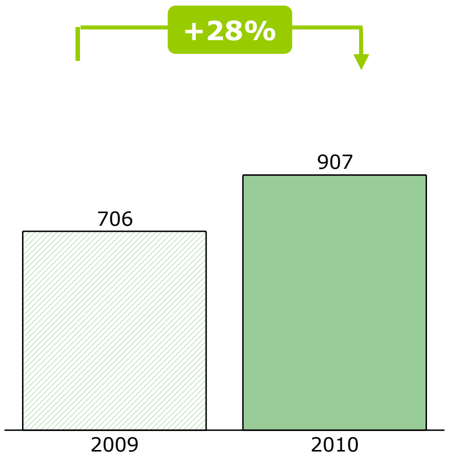


Collected* **Treated**

ELECTRICITY (GWh)



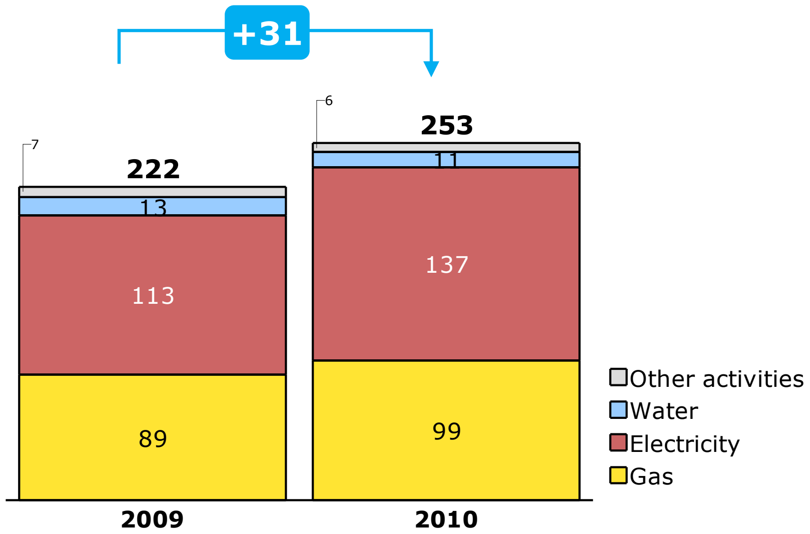
HEAT PRODUCTION (GWht)



** related to main municipalities (Milan, Brescia, Bergamo, Varese)*

2010 - Networks Results – One-off not included

EBITDA ADJUSTED (€M)



KEY FACTS (vs 2009)

Electricity: +24 €M

Positive impact on Ebitda due to final determination of company equalisation items (specific company equalisation and lower costs related to other equalisation items)

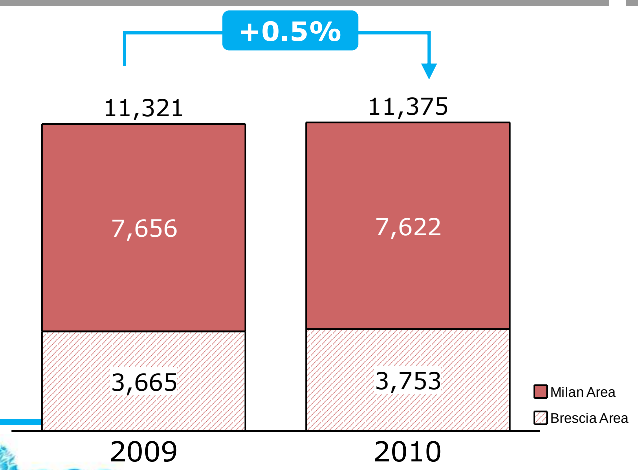
Gas: +10 €M

The result includes the effect of the recent AEEG Deliberations arg/gas 115/10 which set the final gas distribution tariff

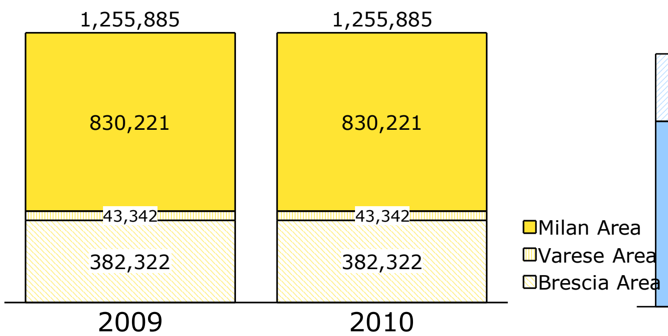
Water: -2 €M

2010 result in line with 2009 result

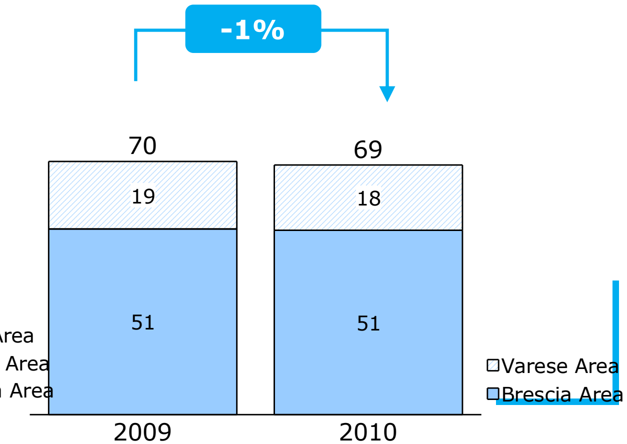
ELECTRICITY (GWh)



POINTS OF SALES



WATER (Mmc)



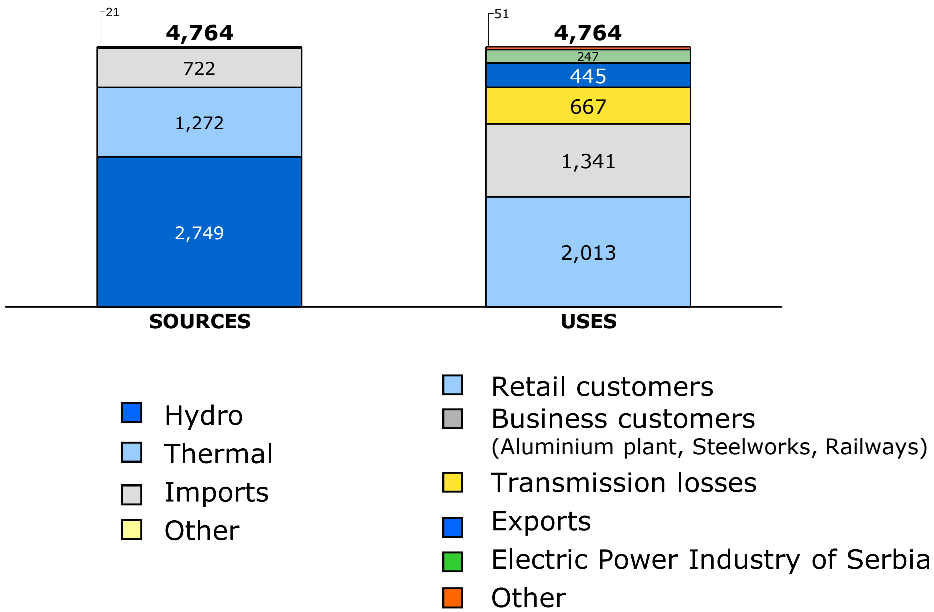
2010 – EPCG: Financial highlights and Volumes

FINANCIAL HIGHLIGHTS (€M)

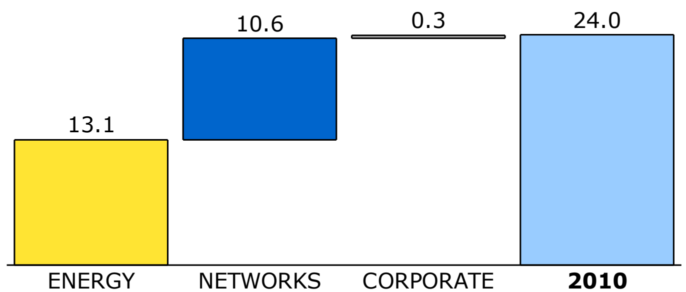
epcg Elektroprivreda Crne Gore AD Nikšić

	2010
NET SALES	298
EBITDA	62
of which ELECTRICITY	*38*
of which NETWORKS	*22*
of which CORPORATE	*2*
EBIT	13
NET CAPITAL EMPLOYED	867
NFP	(71)
EQUITY	938

VOLUMES (GWh)



CAPEX (€M)



2010 - From EBITDA to Net Income (1/2)

€M data

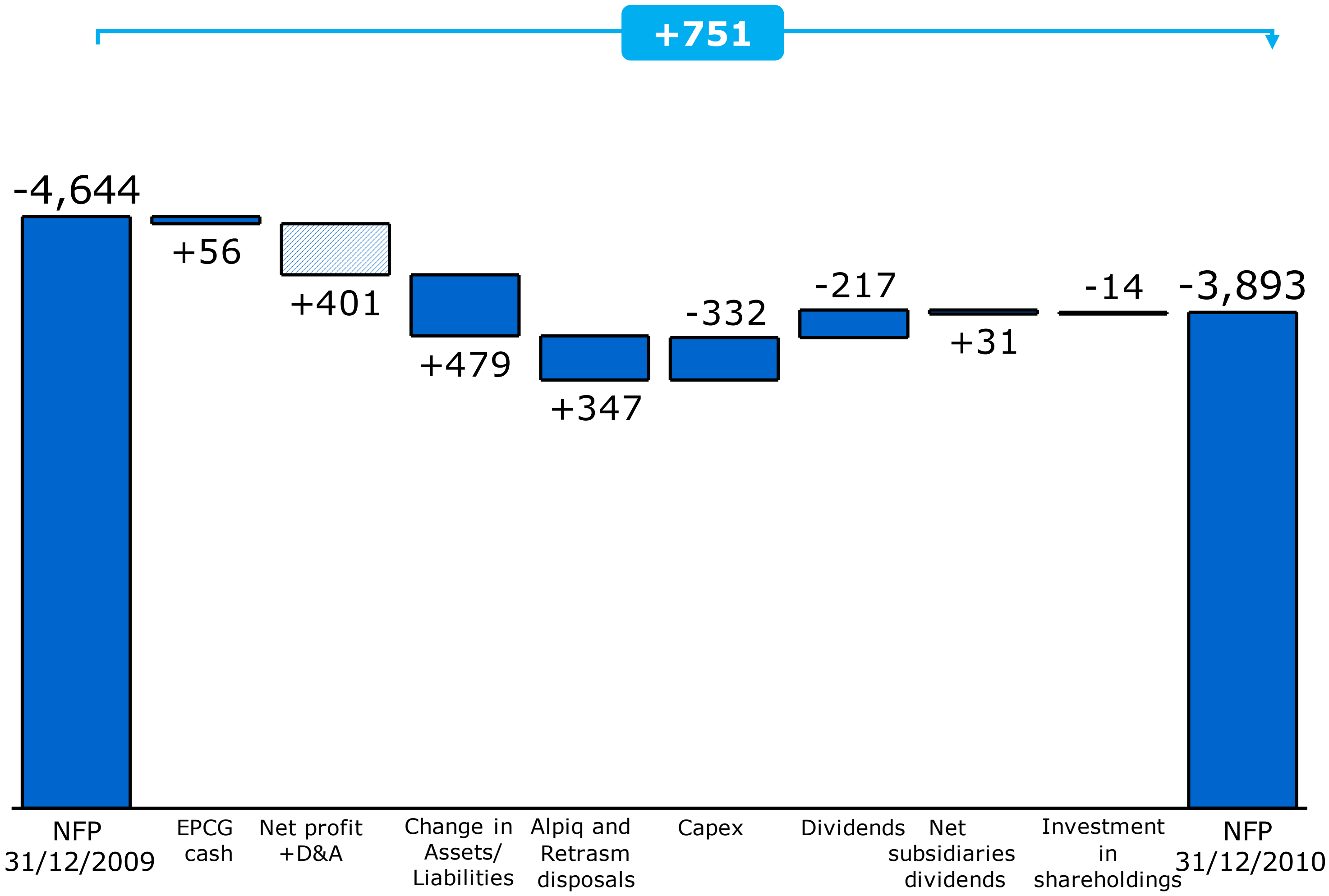
	2009	2010	Change	Key points
EBITDA	**1,023**	**1,040**	**+17**	
D&A, Write Downs and Provisions	**-414**	**-542**	**-128**	***€M 2010 depreciation of E.ON asset; -19 €M INPS fund release in 2009***
Financial charges	**-242**	**-142**	**+100**	***118 €M Fiscal Moratorium 96-99 recorded in 2009;***
Derivatives/others	**-35**	**+10**	**+45**	
Associates and JV and others	**+66**	**-231**	**-297**	***TdE effect***
Others	**-166**	**-1**	**+165**	***Fiscal Moratorium (AEM and ASM 96-99)***
EBT	**232**	**134**	**-98**	

2010 - From EBITDA to Net Income (2/2)

€M data	2009	2010	Change	Key points
EBT	**232**	**134**	**-98**	
TAXES	**-144**	**-158**	**-14**	
IFRS 5	**19**	**220**	**+201**	***Alpiq transaction***
MINORITIES	**-27**	**+112**	**+139**	***TdE and Plurigas***
NET INCOME	**80**	**308**	**+228**	

2010 - Net Debt and Cash Flow

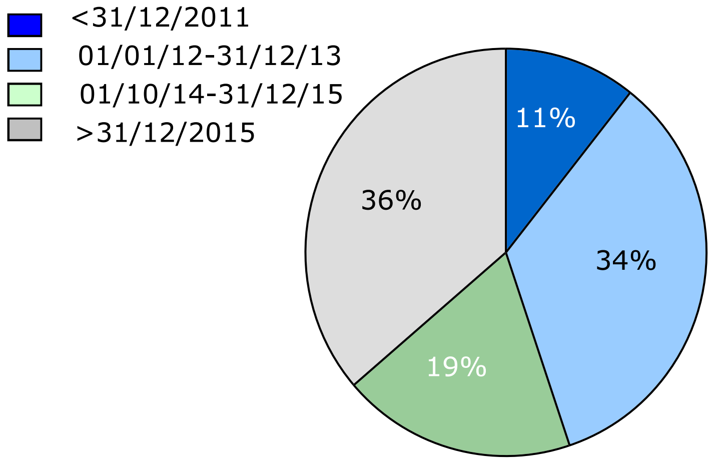
€M data



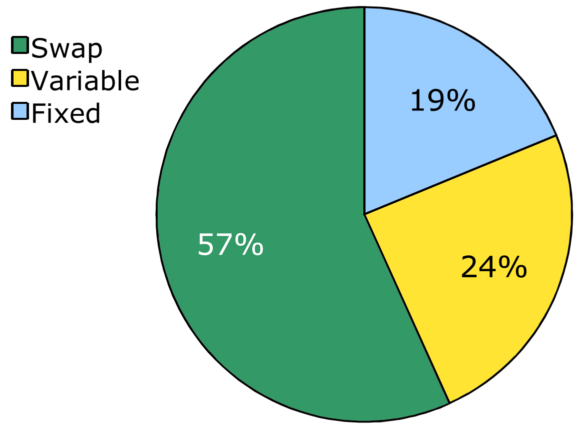
2010 - Group Financial structure

Total debt – Maturity

DEBT MATURITY

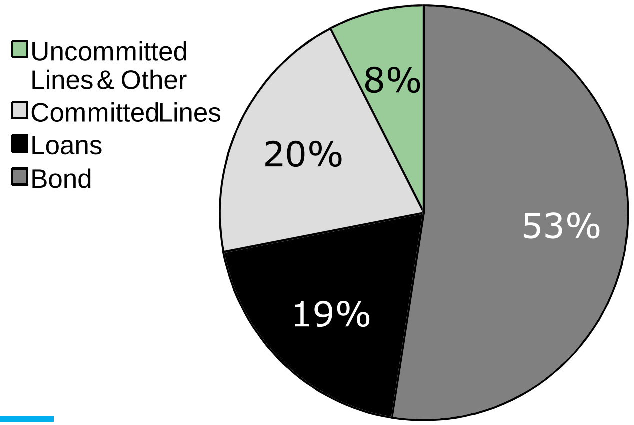


DEBT BREAKDOWN BY INTEREST



TOTAL DEBT: 4.1 €B - AVG. MATURITY: 4.4 YEARS – UNDRAWN LINES*: 2.7 €B –2010 AVG. RATE 2.96%

DEBT BREAKDOWN



COMPANY'S CREDIT RATING

STANDARD & POOR'S	**BBB+/A-2** **Outlook Negative**
Moody's Investors Service	**A3** **Outlook Negative**

Epcg not included

** of which 2.4 €B committed lines, 0.3 €M loans*