



**A2A**

First Half 2009 Results

Milan, 6 August 2009



# Agenda

- 1H 2009 Main financial highlights
- EBITDA Segment Analysis
- From EBITDA to Net Income
- Net debt and Cash Flow
- Scope of consolidation

# 1H 2009 –Main financial highlights

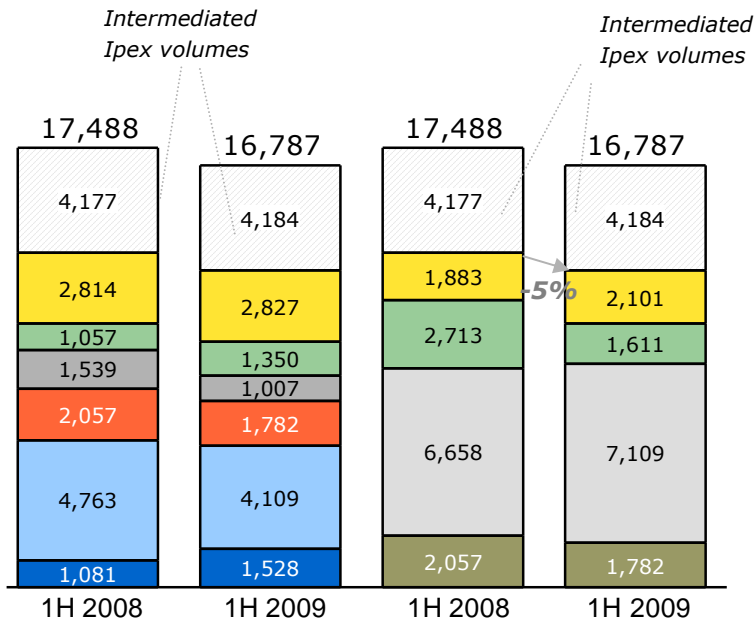
<i>€M data</i>	1H 2008	1H 2009	Change	Change %
<b>NET SALES</b>	<b>2,988</b>	<b>3,070</b>	<b>+82</b>	<b>+2.7%</b>
<b>EBITDA</b>	<b>527</b>	<b>540</b>	<b>+13</b>	<b>+2.5%</b>
<b>EBIT</b>	<b>351</b>	<b>365</b>	<b>+14</b>	<b>+4.0%</b>
<b>NET INCOME</b>	<b>159</b>	<b>129</b>	<b>-30</b>	<b>-18.9%</b>
<b>NET INCOME ADJUSTED*</b>	<b>159</b>	<b>185*</b>	<b>+26</b>	<b>+16.4%</b>
* Adjusted for "Fiscal Moratorium"				
	end 2008	1H 2009	Change	
<b>NET CAPITAL EMPLOYED</b>	<b>8,206</b>	<b>8,476</b>	<b>+270</b>	
<b>NFP</b>	<b>(3,484)</b>	<b>(3,876)</b>	<b>+392</b>	
<b>EQUITY</b>	<b>4,722</b>	<b>4,600</b>	<b>-122</b>	
<b>NFP/EQUITY</b>	<b>0.74x</b>	<b>0.84x</b>		

# 1H 2009 Pro-forma EBITDA breakdown

€M data	EBITDA 1H2008	EBITDA 1H2009	Δ Vs 2008	EBITDA BREAKDOWN
<b>ENERGY</b>	222	274	+52	<p><b>2008</b></p> <p>Energy 41% Waste 31% Networks 22% Cogeneration and District Heating 6%</p> <p><b>2009</b></p> <p>Energy 50% Waste 19% Networks 22% Cogeneration and District Heating 8%</p>
<b>COGENERATION AND DISTRICT HEATING</b>	34	45	+11	
<b>WASTE</b>	168	107	-61	
<b>NETWORKS</b>	122	123	+1	
<b>OTHER SERVICES &amp; CORPORATE</b>	-19	-9	+10	
<b>TOTAL</b>	<b>527</b>	<b>540</b>	<b>+13</b>	

# 1H 2009 Results – Energy/Electricity (1/2)

## VOLUMES (GWh)



### Sources

- Foreign markets
- Ipex
- Domestic purchases
- Single Buyer
- Thermal
- Hydro

### Uses

- Captive customers
- Eligibles,Wholesales
- Ipex
- Foreign markets

Note: 2008 data reclassified

## GREEN CERTIFICATES POSITION

MWh	1H 2009
A2A Group Availability	254,706
A2A Group needs	-214,945
Net position	39,760

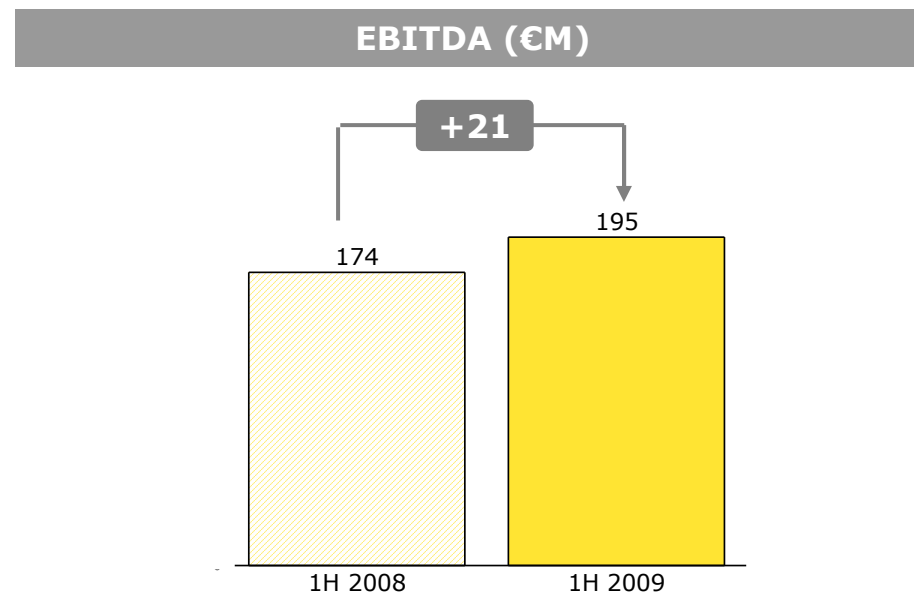
## CO2 NET POSITION

Kton	TOTAL NAP 1H 2009	CO2 Emissions 1H 2009
Energy	2,430	1,617
District heating	395	329
Waste	56	43
<b>Total</b>	<b>2,881</b>	<b>1,989</b>



# 1H 2009 Results – Energy/Electricity (2/2)

SCENARIO				
Average data		1H2008	1H2009	Change %
<b>Brent</b>	\$/bbl	109.72	52.79	-52%
<b>CO2 System Average Costs</b>	€/Tonn	23.58	12.67	-46%
<b>Green Certificates System Average Costs</b>	€/MWh	93.37	82.94	-11%
<b>€/\$</b>	€/€	1.53	1.33	-13%
<b>Brent €</b>	€/bbl	71.52	39.47	-45%
<b>PUN BL</b>	€/MWh	81.08	66.37	-18%
<b>PUN Peak</b>	€/MWh	105.53	84.74	-20%
<b>PUN Off-Peak</b>	€/MWh	67.42	56.19	-17%
<b>CCGT Standard Average Gas Cost</b>	€/MWh	59.07	60.84	3%
<b>Spark Spread CCGT</b>	€/MWh	22.01	5.52	-75%
<b>Spark Spread CCGT vs Peakload</b>	€/MWh	46.46	23.90	-49%
<b>Spark Spread CCGT vs Off-Peak</b>	€/MWh	8.35	-4.66	-156%
<b>Spark Spread CCGT- Environmental Costs</b>	€/MWh	18.05	3.09	-83%
<b>Italian electricity demand</b>	GWh	169,537	155,683	-8%
<b>Net Import</b>	GWh	22,256	24,887	12%



## POSITIVE KEY FACTS

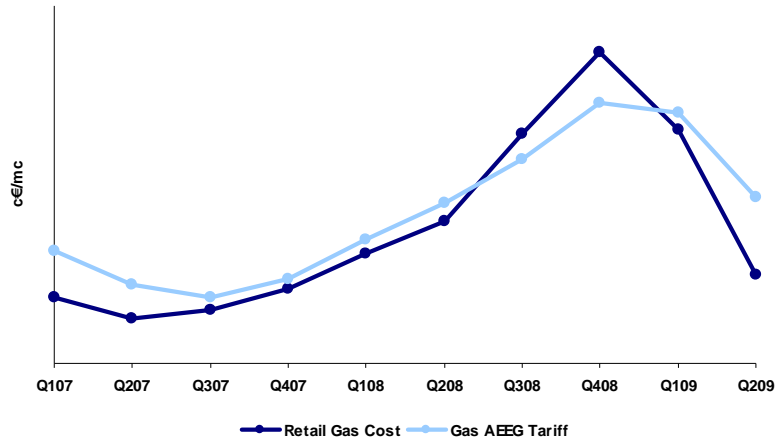
- Increase in hydroelectric production
- Positive impact from environmental markets

## NEGATIVE KEY FACTS

- Strong contraction of demand
- Overcapacity and higher import

# 1H 2009 Results – Energy/Gas

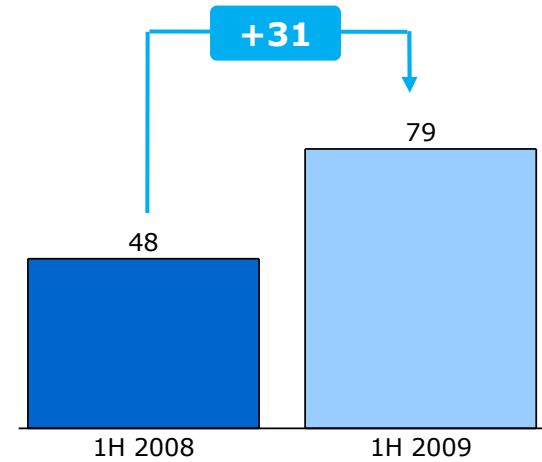
## SCENARIO



## VOLUMES (Mcm)

	1H 2008	1H 2009
Retail	1,068	1,091
Wholesales	920	855
Power	882	725
<b>Total sales</b>	<b>2,870</b>	<b>2,671</b>

## EBITDA (€M)

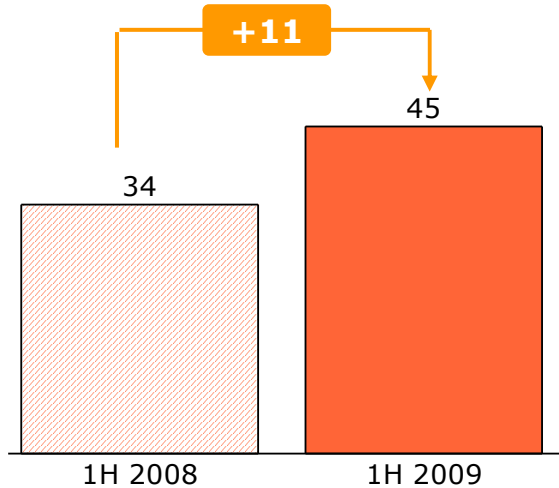


## KEY FACTS

**Increasing profitability due to the impact of scenario on indexation formulas**

# 1H 2009 Results – Cogeneration and District heating

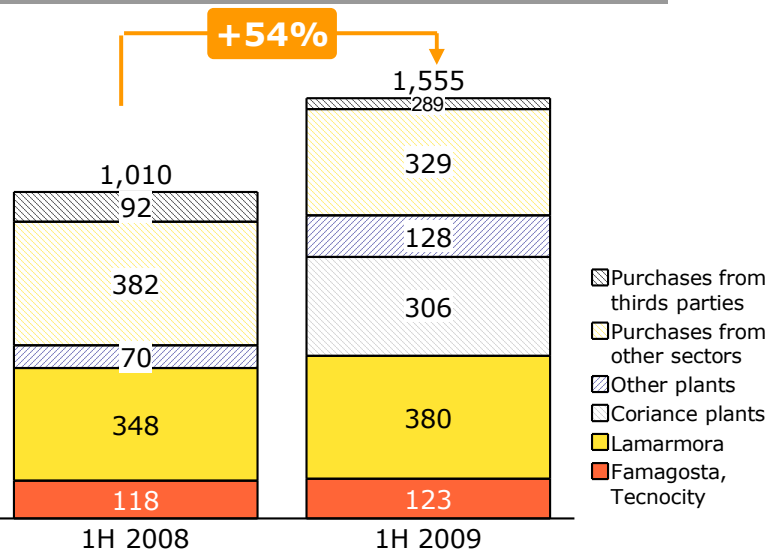
## EBITDA (€M)



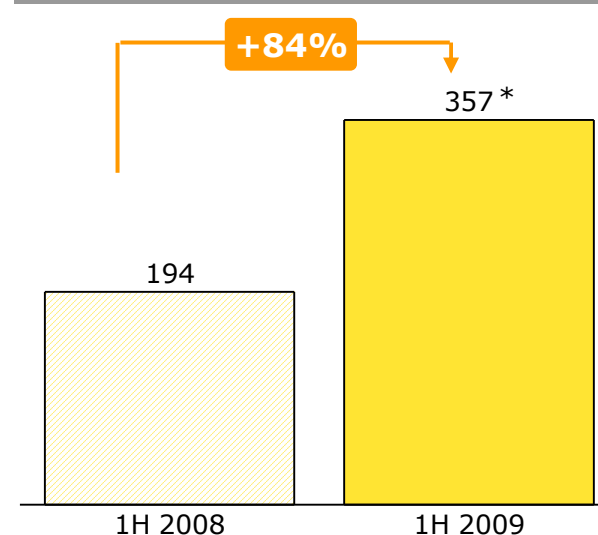
## KEY FACTS

- Coriance and Aspem consolidation
- Positive impact from environmental markets

## HEAT VOLUMES (GWht)



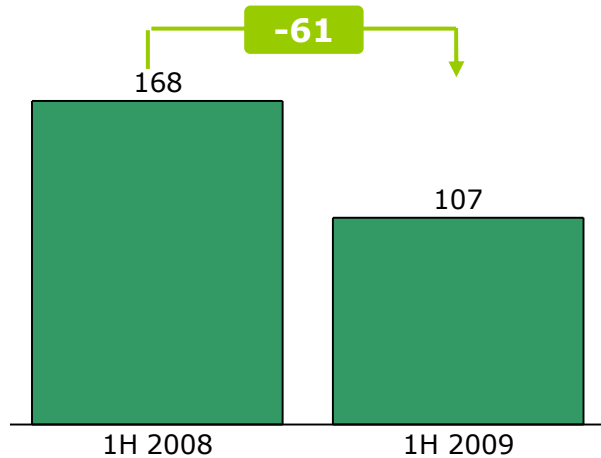
## ELECTRICITY (GWh)



\* of which 162 GWh related to Coriance and 7 GWh related to Aspem

# 1H 2009 Results - Waste

## EBITDA (€M)

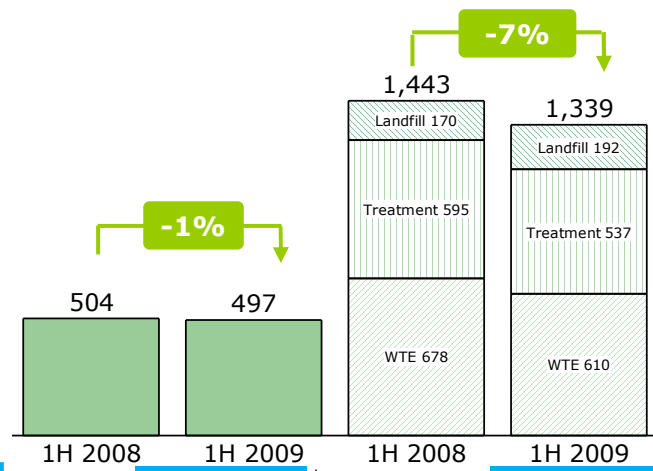


## KEY FACTS

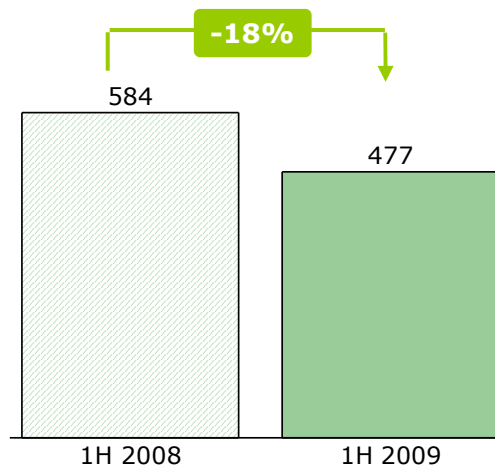
Negative impact on EBITDA due to:

- expiry of Cip6 incentive for Brescia WTE plant
- Brescia WTE stop for extraordinary maintenance
- reduction of industrial waste disposal, partially offset by a margin increase of Silla plant, stopped during the same period of 2008 for Denox system installation, and Aspem consolidation

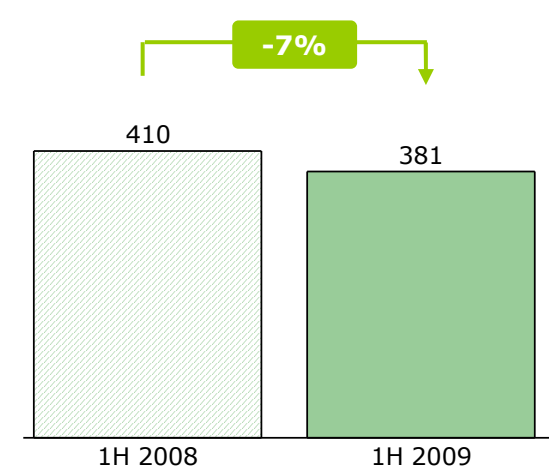
## WASTE VOLUMES (Kton)



## ELECTRICITY (GWh)



## HEAT PRODUCTION (GWht)



Collected\*

Treated

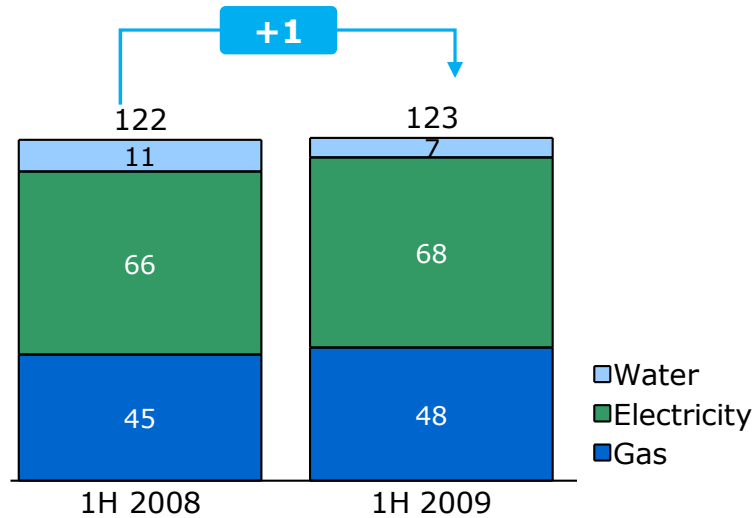
\*related to main municipalities (Milan, Brescia, Bergamo, Varese)

This information was prepared by A2A and it is not to be relied on by any 3rd party without A2A's prior written consent.



# 1H 2009 Results - Networks

## EBITDA (€M)



## KEY FACTS

### Electricity: +2 €M

Margin increase partially offset by connection fees reduction

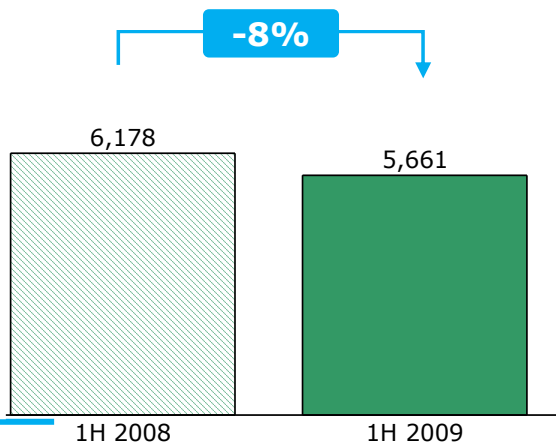
### Gas: +3 €M

Positive impact on EBITDA due to the effect of equalization introduced by AEEG deliberation n. 159/08 aimed at normalizing gas distribution revenues throughout the year and to Aspem consolidation

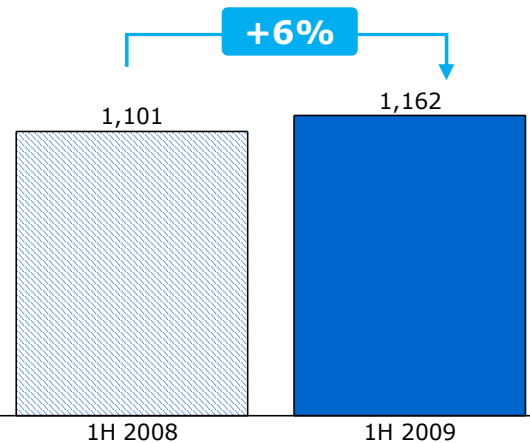
### Water: -4 €M

Delayed tariff adjustment  
Connection fees decrease following ATO decisions

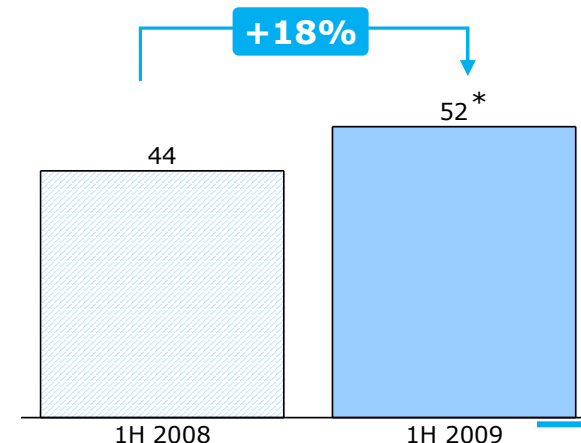
## ELECTRICITY (GWh)



## GAS DISTRIBUTED (Mmc)



## WATER (Mmc)



# 1H 2009 – From EBITDA to Net Income (1/2)

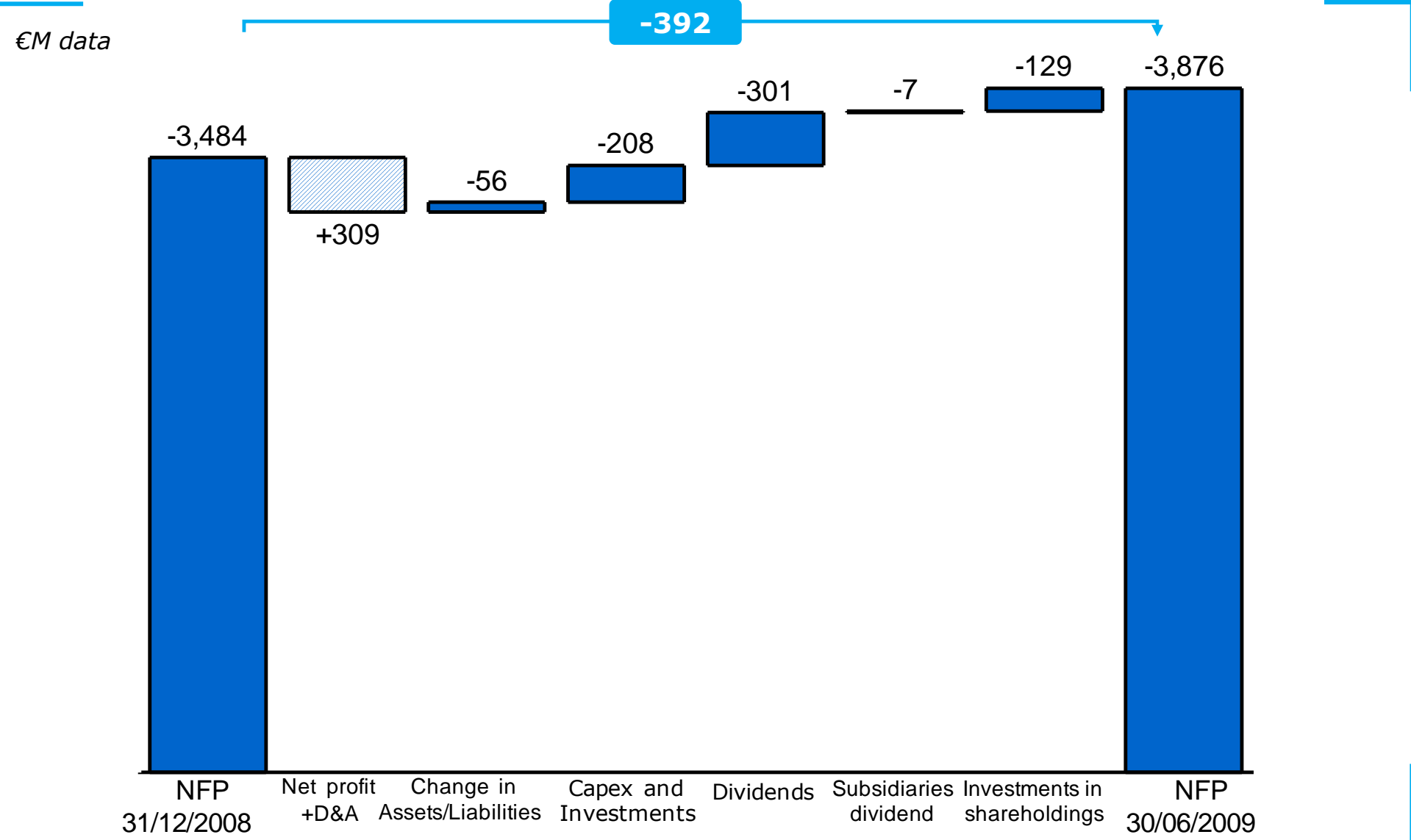
€M data	1H 2008	1H 2009	Change	Key point
<b>EBITDA</b>	<b>527</b>	<b>540</b>	<b>+13</b>	
<b>D&amp;A, Write Downs and Provisions</b>	<b>-176</b>	<b>-175</b>	<b>+1</b>	<i>Gissi, Change in perimeter</i>
<b>Financial charges</b>	<b>-91</b>	<b>-88</b>	<b>+3</b>	<i>Debt increase, interest rate reduction, 24 M€ Fiscal Moratorium 96-99</i>
<b>Derivatives/others</b>	<b>+16</b>	<b>-19</b>	<b>-35</b>	
<b>Associates and JV and others</b>	<b>+4</b>	<b>+29</b>	<b>+25</b>	<i>TdE, Edipower and others</i>
<b>Others</b>	<b>+13</b>	<b>-40</b>	<b>-53</b>	<i>Fiscal Moratorium (AEM and ASM 96-99)</i>
<b>EBT</b>	<b>293</b>	<b>247</b>	<b>-46</b>	

# 1H 2009 – From EBITDA to Net Income (2/2)

€M data	1H 2008	1H 2009	Change	Key point
<b>EBT</b>	<b>293</b>	<b>247</b>	<b>-46</b>	
<b>TAXES</b>	<b>-131</b>	<b>-110</b>	<b>+21</b>	
<b>IFRS 5</b>	<b>0</b>	<b>7</b>	<b>+7</b>	<i>Alpiq dividend</i>
<b>MINORITIES</b>	<b>-3</b>	<b>-15</b>	<b>-12</b>	<i>TdE and Plurigas</i>
<b>NET INCOME</b>	<b>159</b>	<b>129</b>	<b>-30</b>	
<b>NET INCOME ADJUSTED*</b>	<b>159</b>	<b>185*</b>	<b>+26</b>	

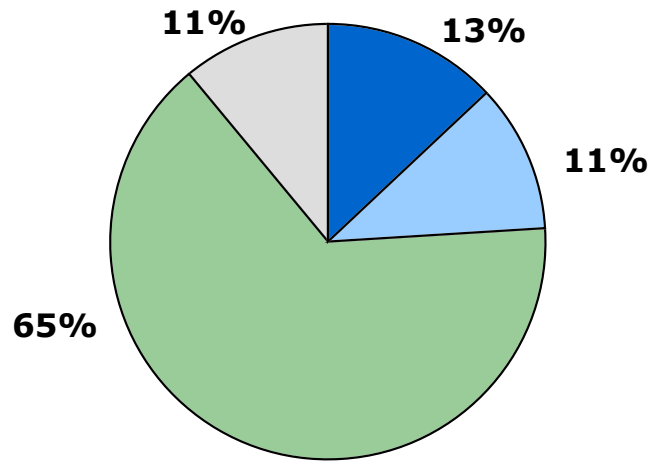
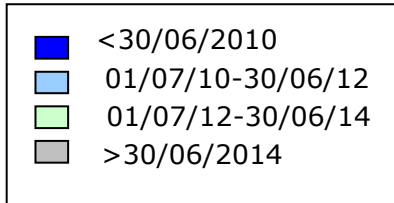
\* Adjusted for "Fiscal Moratorium"

# 1H 2009 – Net Debt and Cash Flow



# 1H 2009 - Gross debt and interest rate structure

## DEBT STRUCTURE



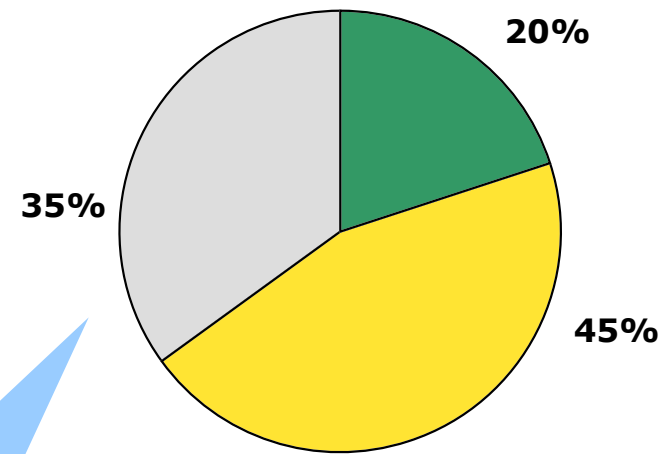
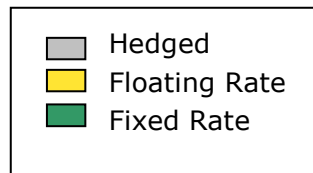
**Total debt: 3,977 €M**

## RATING

### A2A - DEBT RATING

		Current	Date
Standard & Poor's	M/L Term Rating	BBB+	30/03/2009
	Short-Term Rating	A-2	
	Outlook	Stable	
Moody's	M/L Term Rating	A3	20/07/2009
	Outlook	Stable	

## INTEREST RATE STRUCTURE



**Average debt life: 4.63 YRS**

**Committed Credit Lines available: 785€M**

# 1H 2009 - Scope of consolidation

	<u>1H 2009</u>			<u>1H 2008</u>		
	CONSOLIDATED ON .. BASIS	INCOME STATEMENT	NET RESULT	CONSOLIDATED ON .. BASIS	INCOME STATEMENT	NET RESULT
<b>A2A subsidiaries</b>	<i>Line by line</i>	<i>100%</i>	<i>100%</i>	<i>Line by line</i>	<i>100%</i>	<i>100%</i>
<b>A2A Coriance <sup>(1)</sup></b>	<i>Line by Line</i>	<i>100%</i>	<i>98.8%</i>	-	-	-
<b>ASPEM <sup>(2)</sup></b>	<i>Line by Line</i>	<i>100%</i>	<i>90.0%</i>	-	-	-
<b>EON Produzione <sup>(3)</sup></b>		<i>IFRS 5</i>			<i>IFRS 5</i>	
<b>Alpiq <sup>(4)</sup></b>		<i>IFRS 5</i>			<i>Available for sale</i>	

(1) acquired on 1° July 2008

(2) acquired on 15° January 2009

(3) 20%

(4) 5.16%