



A2A

First Half 2010 Results

Milan, Aug 4th, 2010



Agenda

- H12010 Main financial highlights
- EBITDA Segment Analysis
- Focus on EPCG
- From EBITDA to Net Income
- Net debt and Cash Flow
- Scope of consolidation

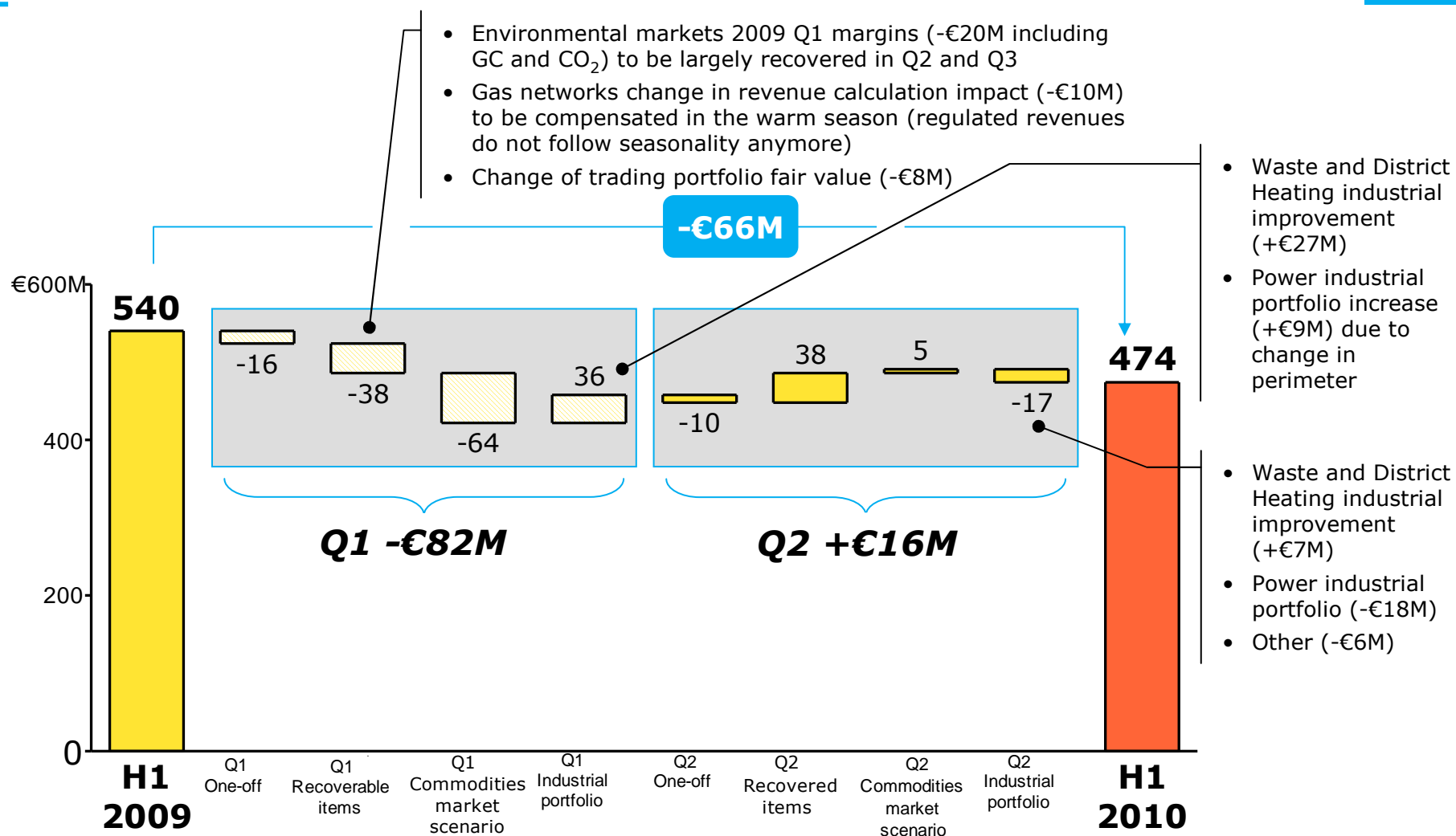
H1 2010 - Main financial highlights

<i>€M data</i>	H1 2009	H1 2010	<i>Change</i>	<i>Change %</i>
NET SALES	2,820	2,868	+48	+1.7%
EBITDA	540	474	-66	-12.2%
EBIT	365	234	-131	-35.9%
NET INCOME	129	371	+242	+187.6%

	2009	H1 2010	<i>Change</i>
NET CAPITAL EMPLOYED	9,239	8,666	-573
NFP	4,644	4,258	-386
EQUITY	4,595	4,408	-187
NFP/EQUITY	1.01x	0.96x	

H1 2010 - Results and main strategic achievements

EBITDA change by Quarter

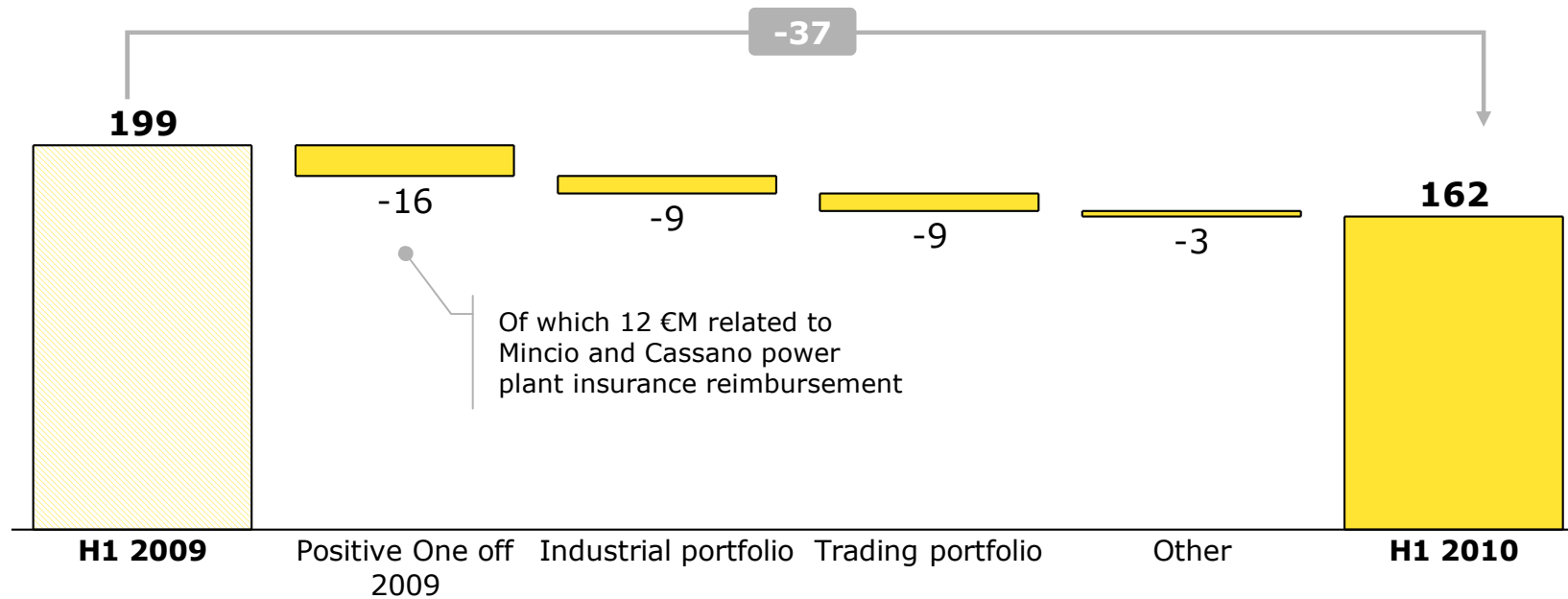


H1 2010 - EBITDA breakdown

€M data	EBITDA H12009	EBITDA H12010	Δ Vs 2009	EBITDA BREAKDOWN
ELECTRICITY	199	162	-37	<p>2010</p> <p>Waste 29% Energy 39% Networks 24% Cogeneration and District Heating 8%</p> <p>2009</p> <p>Waste 19% Energy 50% Networks 23% Cogeneration and District Heating 8%</p>
GAS	79	29	-50	
COGENERATION AND DISTRICT HEATING	45	39	-6	
WASTE	107	141	+34	
NETWORKS	126	120	-6	
OTHER SERVICES & CORPORATE	-17	-16	1	
<i>CONSOLIDATION ADJUSTMENTS</i>	<i>1</i>	<i>-1</i>	<i>-2</i>	
TOTAL	540	474	-66	

H1 2010 Energy - Electricity Results

EBITDA EVOLUTION 2009A-2010A (€M)



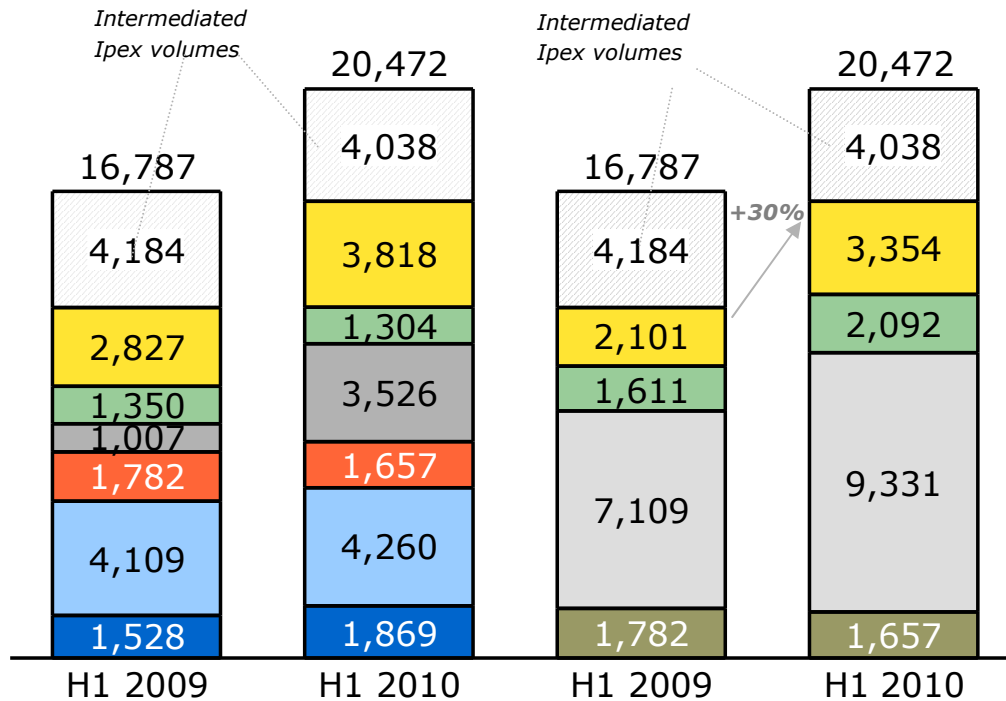
H1 2010 Energy - Electricity Scenario

Average data		H1 2009	H1 2010	Var % vs '09
Brent	\$/bbl	52.79	78.40	49%
CO2 Average system cost	€/Tonn	12.67	14.11	11%
Green Certificates avg. system cost	€/MWh	82.94	86.04	4%
€/ \$	€/ \$	1.33	1.33	0%
Brent €	€/bbl	39.47	59.15	50%
PUN BL	€/MWh	66.37	61.62	-7%
PUN Peak	€/MWh	84.74	72.53	-14%
PUN Off-Peak	€/MWh	56.19	55.23	-2%
CCGT Cost	€/MWh	60.84	54.55	-10%
Spark Spread CCGT	€/MWh	5.52	7.07	
Spark Spread CCGT vs Peakload	€/MWh	23.90	17.97	
Spark Spread CCGT vs Off-Peak	€/MWh	-4.66	0.68	
Spark Spread CCGT- Environm. costs	€/MWh	3.09	2.39	
Italian electricity demand	GWh	155,625	158,479	2%
Net Import	GWh	23,905	22,915	-4%

Note: in 2010 CCGT Cost based on Gas Release 2007

H1 2010 Energy - Electricity Sources and Uses

VOLUMES (GWh)



Sources

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

Uses

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

GREEN CERTIFICATES POSITION

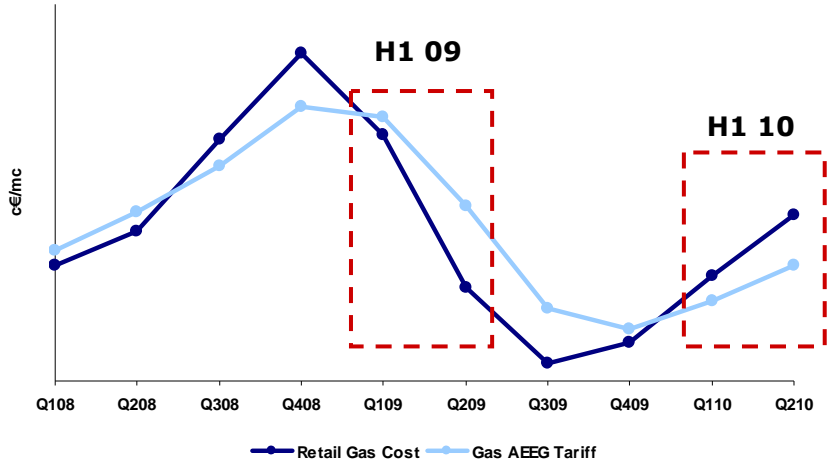
- A2A Group Green Certificates Long Position expected ~80 GWh at 31.12.2010

CO2 POSITION

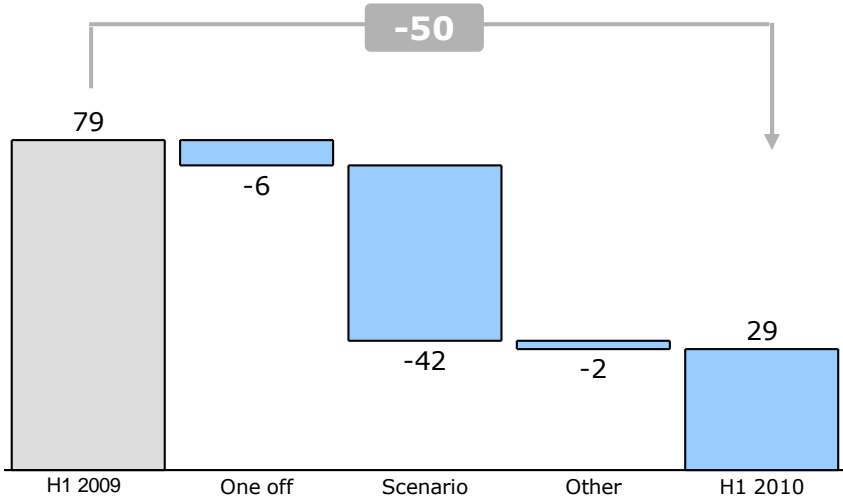
- A2A Group CO2 Long Position ~ 2,700 Kton
- Sales expected on second half 2010

H1 2010 Energy - Gas Results

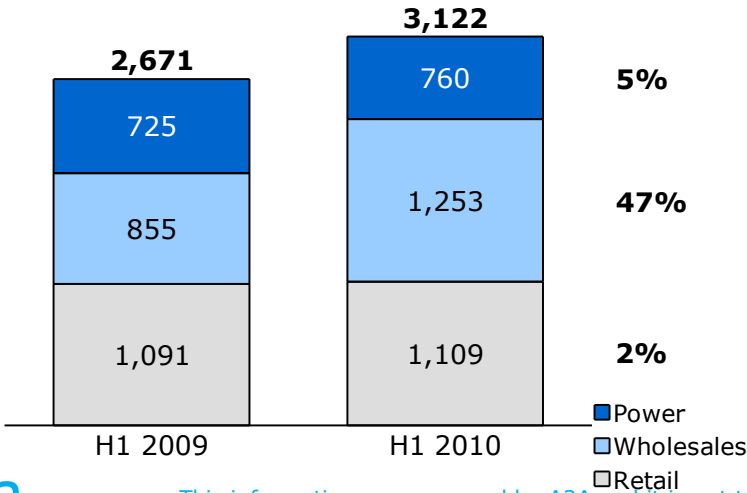
SCENARIO



EBITDA (€M)



VOLUMES (Mcm)



POTENTIAL UPSIDES

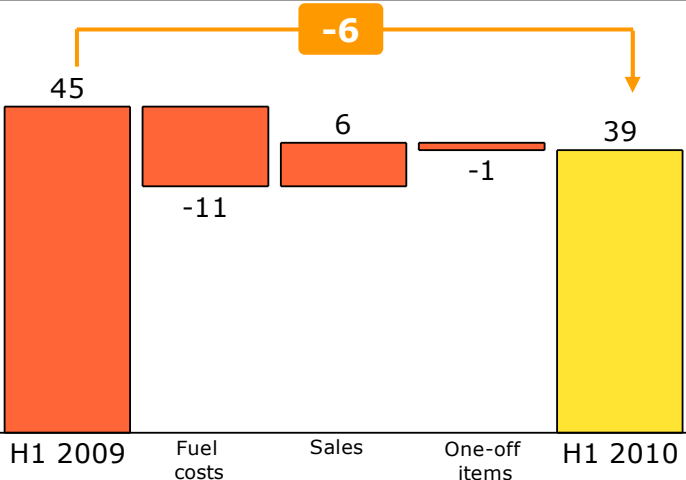
- Gas contract renegotiation



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H1 2010 - Cogeneration and District heating Results

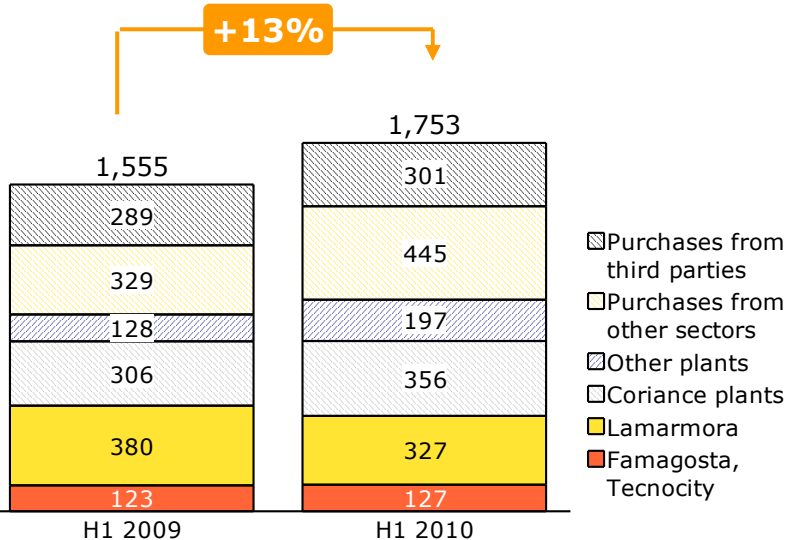
EBITDA (€M)



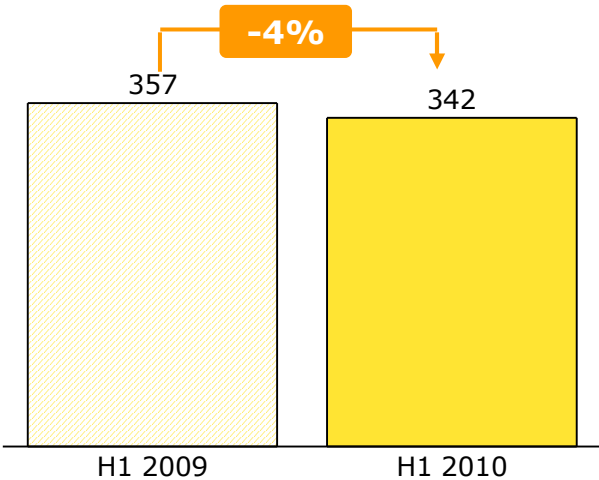
KEY FACTS (VS 2009)

- Favourable fuel costs in 2009 (Fuel Oil)
- Heat sales increase

HEAT VOLUMES (GWht)

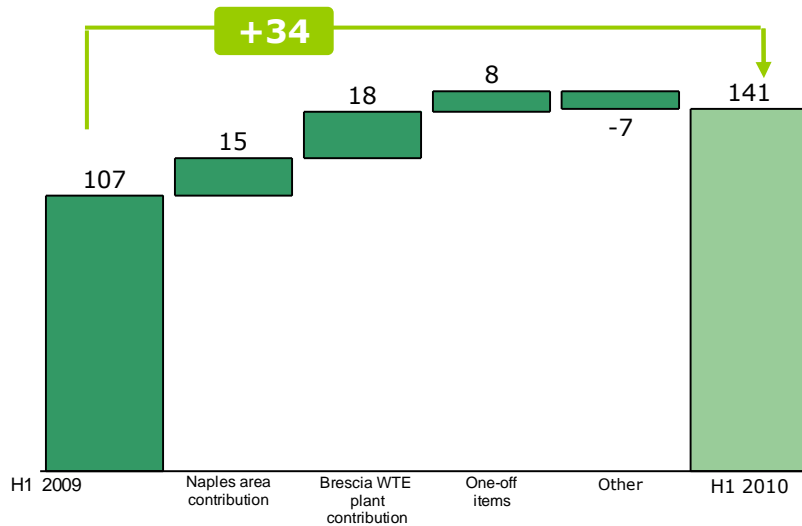


ELECTRICITY (GWh)



H1 2010 - Waste Results

EBITDA (€M)

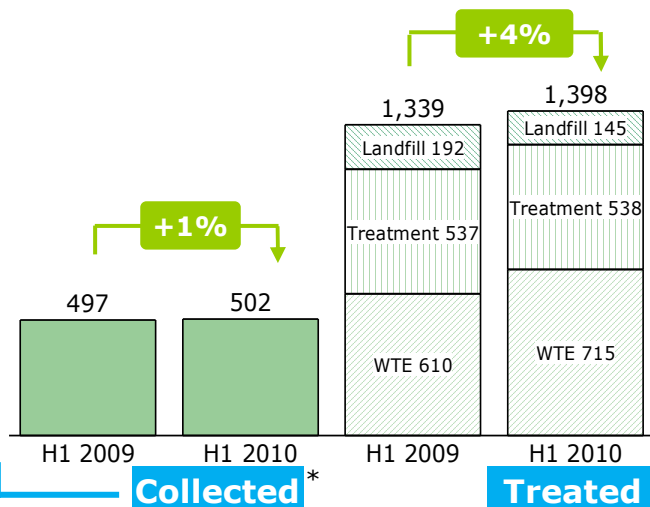


KEY FACTS (vs 2009)

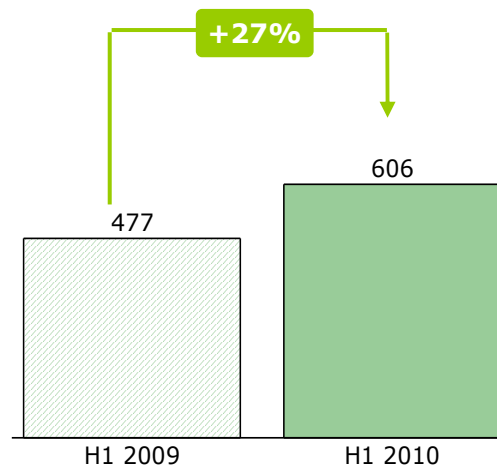
Impact on EBITDA due to:

- margin increase of Brescia WTE plant, stopped during 2009 (February/April) for extraordinary maintenance
- Naples area contribution
- other non current items

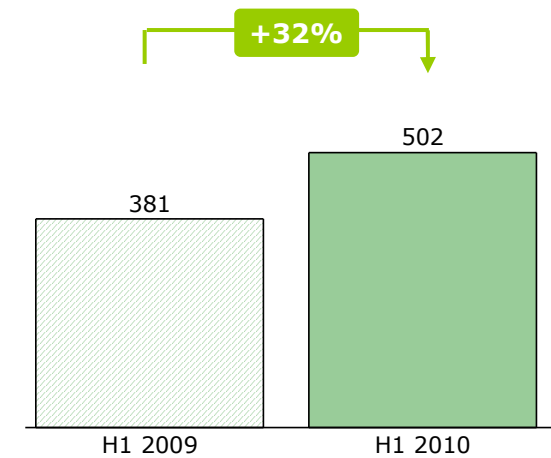
WASTE VOLUMES (Kton)



ELECTRICITY (GWh)



HEAT PRODUCTION (GWht)

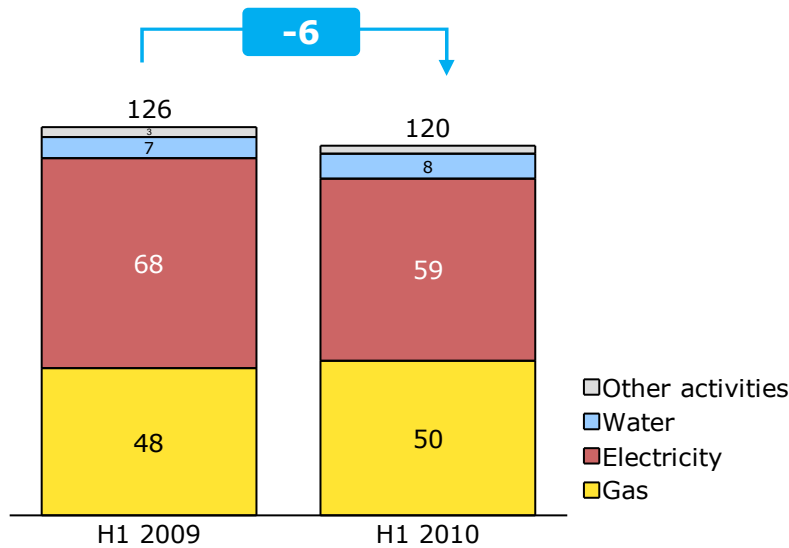


* related to main municipalities (Milan, Brescia, Bergamo, Varese)

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H1 2010 - Networks Results

EBITDA (€M)



KEY FACTS (vs 2009)

Electricity: -9 €M

Impact on EBITDA due to non current items recorded in 2009

Gas: +2 €M

The result doesn't include the effect of the recent AEEG Deliberations arg/gas 114/10 and 115/10 which set the final gas distribution tariff. The expected impact is:

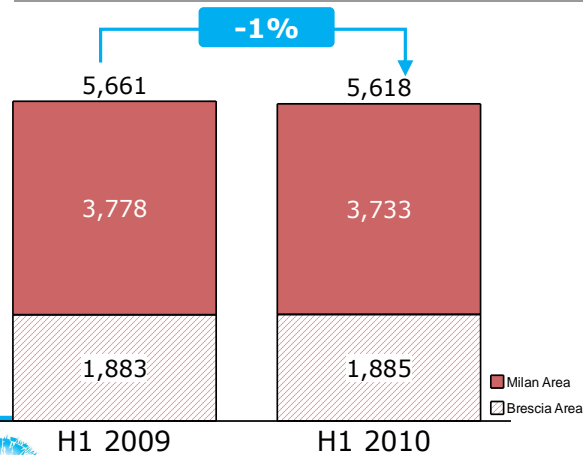
✓ +9 €M revenues adjustment relative to 2009Y

✓ +2,5 €M on H1 2010

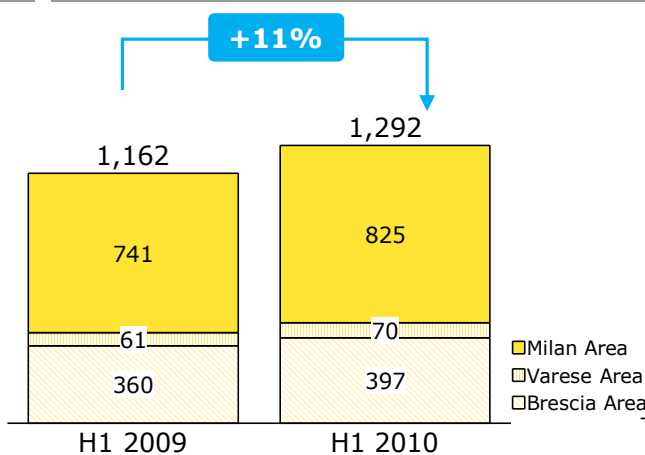
Water: +1 €M

2010 result in line with 2009 result

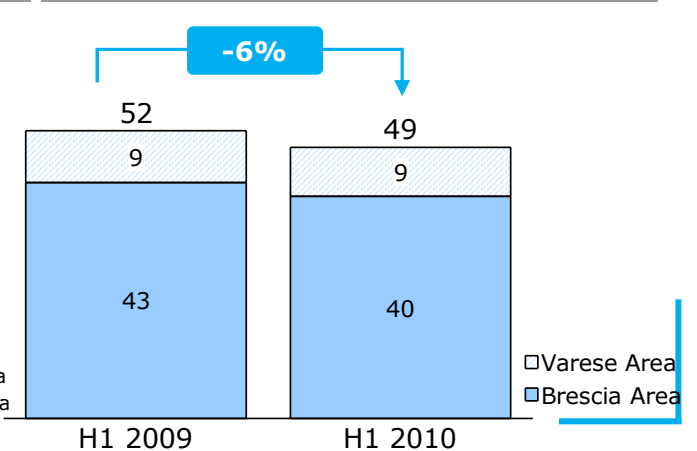
ELECTRICITY (GWh)



GAS DISTRIBUTED (Mmc)



WATER (Mmc)



H1 2010 – EPCG: Financial highlights and Volumes

FINANCIAL HIGHLIGHTS (€M)



H1 2010

NET SALES

158

EBITDA

54

NET CAPITAL EMPLOYED

857

NFP

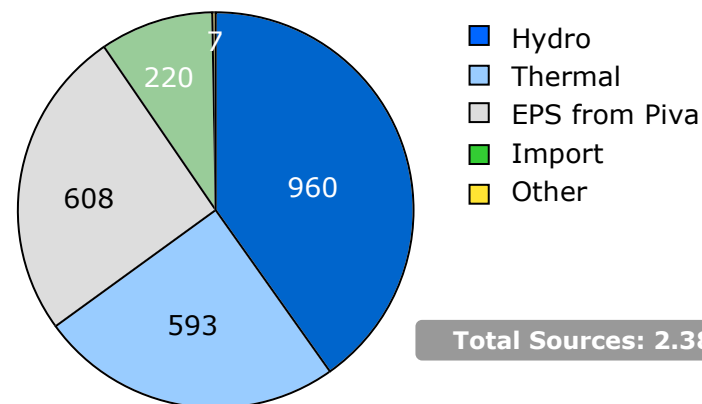
(70)

EQUITY

927

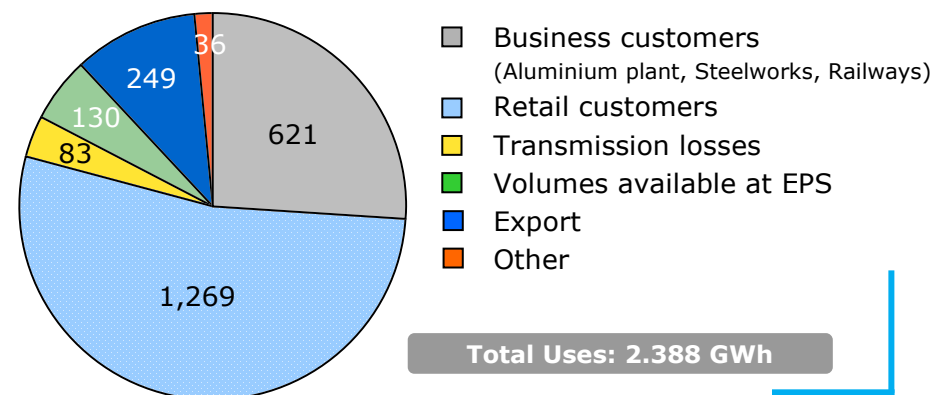
VOLUMES (GWh)

SOURCES



Total Sources: 2.388 GWh

USES



Total Uses: 2.388 GWh

H1 2010 - From EBITDA to Net Income (1/2)

€M data	H1 2009	H1 2010	Change	Key points
EBITDA	540	474	-66	
D&A, Write Downs and Provisions	-175	-240	-65	<i>-28 €M 2010 depreciation E.ON asset; -19 €M INPS fund release in H1 2009</i>
Financial charges	-88	-69	+19	<i>24 €M Fiscal Moratorium 96-99 recorded in Q1 2009; 2010 interest rate reduction</i>
Derivatives/others	-19	-36	-17	
Associates and JV and others	+29	+51	+22	<i>TdE (+10€M), EPCG (+14 €M), Edipower and others</i>
Others	-40		+40	<i>Fiscal Moratorium (AEM and ASM 96-99)</i>
EBT	247	180	-67	

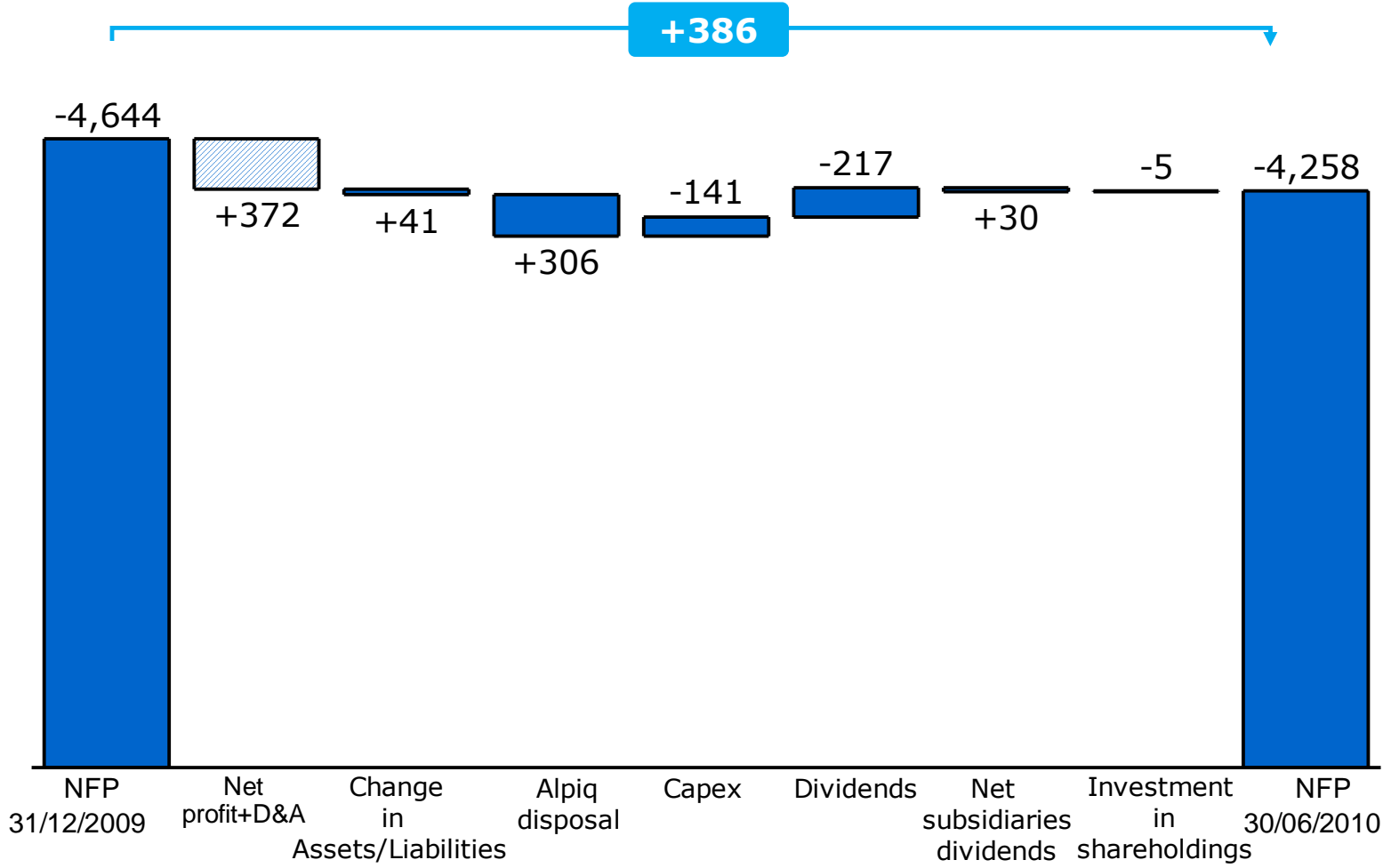
H12010 - From EBITDA to Net Income (2/2)

€M data

	H1 2009	H1 2010	Change	Key point
EBT	247	180	-67	
TAXES	-110	-69	+41	
IFRS 5	7	279	272	<i>Alpiq transaction</i>
MINORITIES	-15	-19	-4	<i>TdE and Plurigas</i>
NET INCOME	129	371	+242	

H1 2010 - Net Debt and Cash Flow

€M data

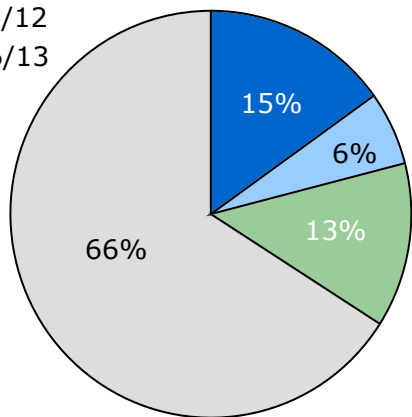


H1 2010 - Group Financial structure

Total debt - Maturity

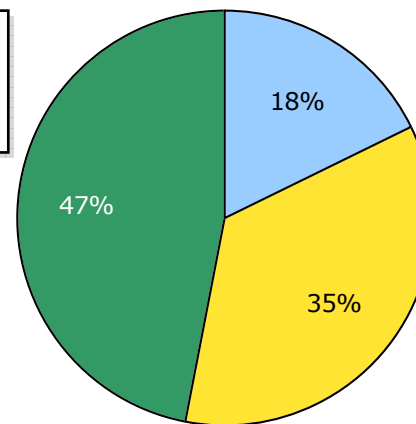
DEBT MATURITY

- <30/06/2011
- 01/07/11-30/06/12
- 01/07/12-30/06/13
- >30/06/2013



DEBT BREAKDOWN BY INTEREST

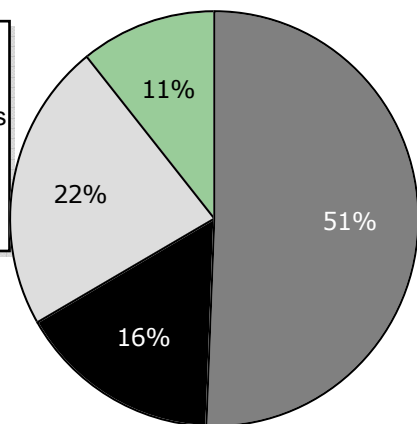
- Swap
- Variable
- Fixed




TOTAL DEBT: 4.4 €B - AVG. MATURITY: 4.3 YEARS – UNDRAWN LINES: 2.2 €B – H1 2010 AVG. RATE 2.95%

DEBT BREAKDOWN

- Uncommitted Lines & Other
- Committed Lines
- Loans
- Bond




COMPANY'S CREDIT RATING




BBB+ / A-2
Outlook Negative

A3
Stable Outlook



BBB+ / A-2
Outlook Negative



A3
Stable Outlook

H1 2010 - Scope of consolidation

	<u>H1 2010</u>			<u>H1 2009</u>		
	CONSOLIDATED ON .. BASIS	INCOME STATEMENT	NET RESULT	CONSOLIDATED ON .. BASIS	INCOME STATEMENT	NET RESULT
A2A subsidiaries	<i>Line by line</i>	<i>100%</i>	<i>100%</i>	<i>Line by line</i>	<i>100%</i>	<i>100%</i>
Alpiq ⁽¹⁾		<i>IFRS 5</i>		<i>Available for sale</i>		
A2A Produzione ⁽²⁾	<i>Line by Line</i>	<i>100%</i>	<i>100%</i>	-	-	-
EPCG	<i>Equity</i>	<i>43.7%</i>	<i>43.7%</i>	-	-	-

(1) Shareholding equal to 5.16% sold in June 2010

(2) Operating from 1st July 2009