



A2A

2009 Results Conference Call

Milan, March 24th 2010



Agenda

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

2009 - Main financial highlights

€M data	2008	2009	Change	Change %
NET SALES	6,094	5,910	-184	-3.0%
EBITDA	1,068	1,032	-36	-3.4%
EBIT	699	609	-90	-12.9%
NET INCOME	316	80	-236	-74.7%
NET INCOME ADJUSTED*	316	324*	+8	+2.5%

* Adjusted for "Fiscal Moratorium"

The variation includes:

- the **expiry of Cip6** incentive for Brescia WTE plant (-61 €M);
- Previous years **specific company equalization** (-45 €M);

	2008	2009	Change
NET CAPITAL EMPLOYED	8,206	9,245	+1,039
NFP	(3,484)	(4,650)	+1,166
EQUITY	4,722	4,595	-127
NFP/EQUITY	0.74x	1.01x	

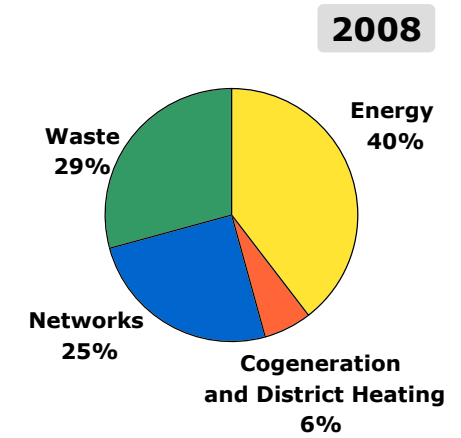
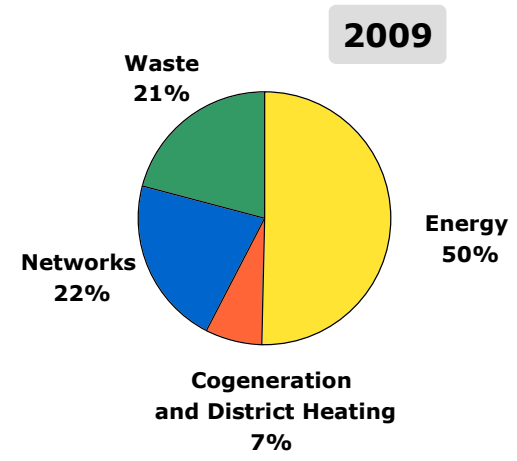
Includes:

- **EPCG, others** (460 €M)
- **E.ON Italia asset swap and other items related** (249 €M)
- **Dividends** (301 €M)
- **Fiscal Moratorium** (284 €M)

2009 EBITDA breakdown

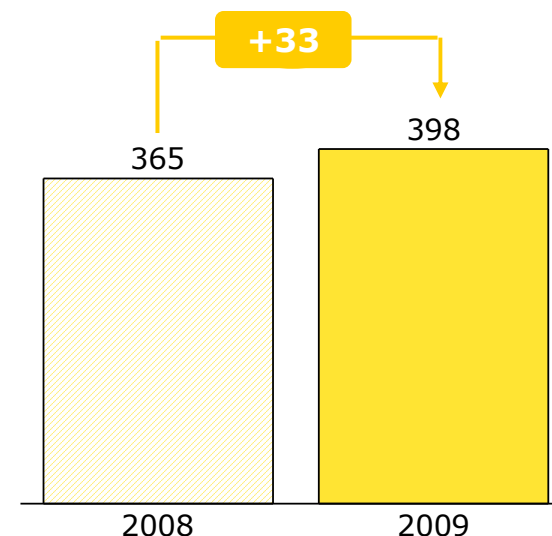
€M data	EBITDA 2008	EBITDA 2009	Δ Vs 2008
ENERGY	433	532	+99
COGENERATION AND DISTRICT HEATING	67	76	+9
WASTE	320	221	-99
NETWORKS	275	227	-48
OTHER (*) SERVICES & CORPORATE	-27	-24	+3
TOTAL	1,068	1,032	-36

EBITDA BREAKDOWN



2009 Results - Energy/Electricity (1/2)

SCENARIO		EBITDA (€M)		
Average data		2008	2009	Var %
Brent	\$/bbl	98.41	62.56	-36%
CO2 System average cost	€/Tonn	22.31	13.33	-40%
Green Certificates System average cost	€/MWh	85.36	85.09	0%
€/€	€/€	1.47	1.39	-5%
Brent €	€/bbl	66.02	44.59	-32%
PUN BL	€/MWh	86.96	63.77	-27%
PUN Peak	€/MWh	112.75	82.36	-27%
PUN Off-Peak	€/MWh	72.48	53.41	-26%
CCGT	€/MWh	67.34	51.90	-23%
Spark Spread CCGT	€/MWh	19.62	11.87	-39%
Spark Spread CCGT vs Peakload	€/MWh	45.40	30.46	-33%
Spark Spread CCGT vs Off-Peak	€/MWh	5.13	1.52	-70%
Spark Spread CCGT- Environmental Costs	€/MWh	16.14	8.64	-46%
Italian electricity demand	GWh	339,481	316,852	-7%
Net Import	GWh	40,034	44,449	11%



POSITIVE KEY FACTS

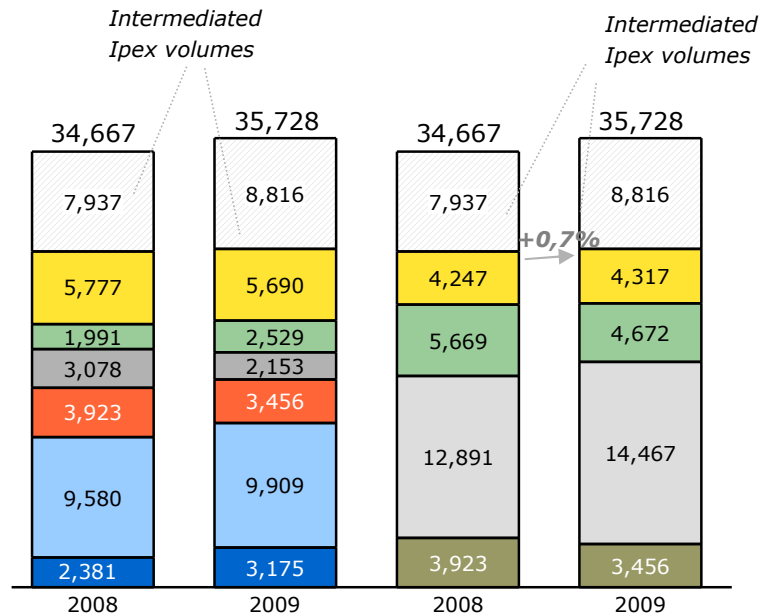
- Increase in hydroelectric production
- Increase in thermoelectric production (Gissi and Monfalcone plants)
- Good performance of CO2 and Green Certificates markets

NEGATIVE KEY FACTS

- Strong contraction of demand and prices
- Overcapacity and higher import

2009 Results - Energy/Electricity (2/2)

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	2009
A2A Group Production	859,068
A2A Group needs	-366,446
A2A Net position	492,622

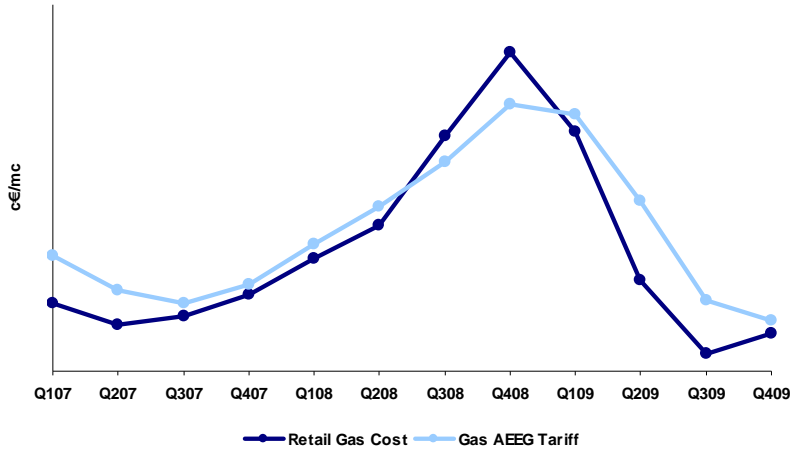
CO2 POSITION

Kton	2009
A2A Total NAP	7,318
Energy	6,452
Cogeneration and District Heating	734
Waste	132
CO2 Emissions	5,749
Energy	5,101
Cogeneration and District Heating	522
Waste	126
A2A Net position	1,569

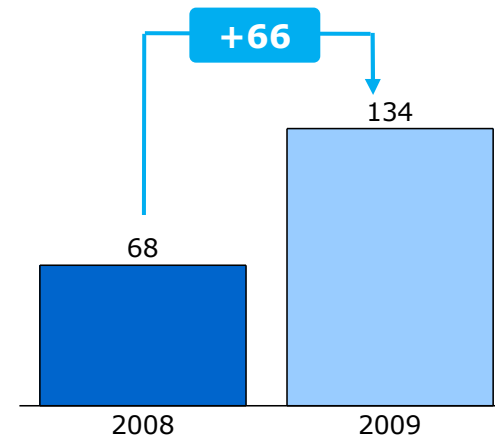


2009 Results - Energy/Gas

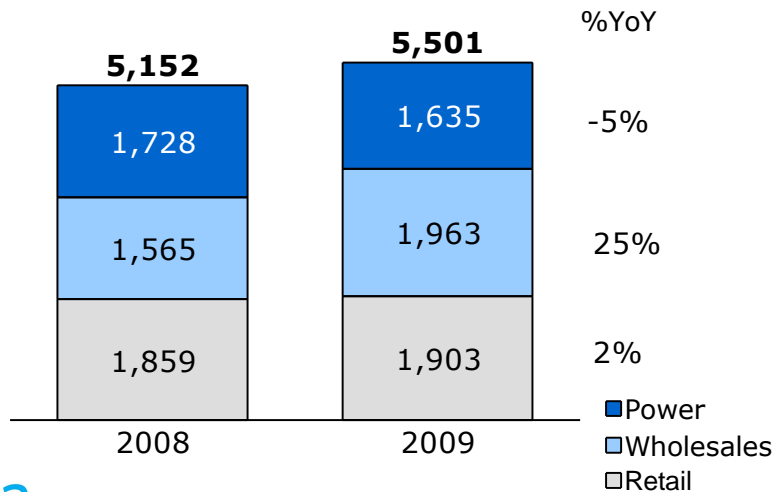
SCENARIO



EBITDA (€M)



VOLUMES (Mcm)

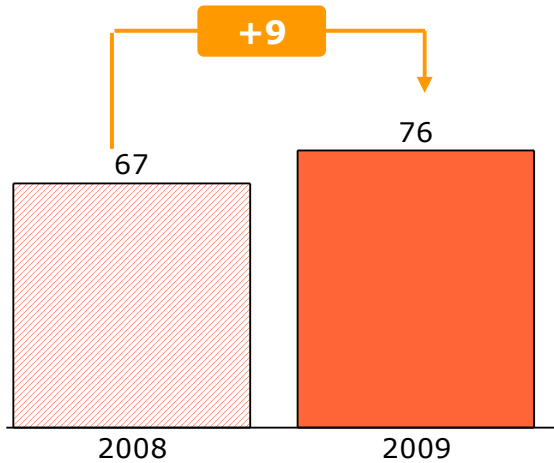


KEY FACTS

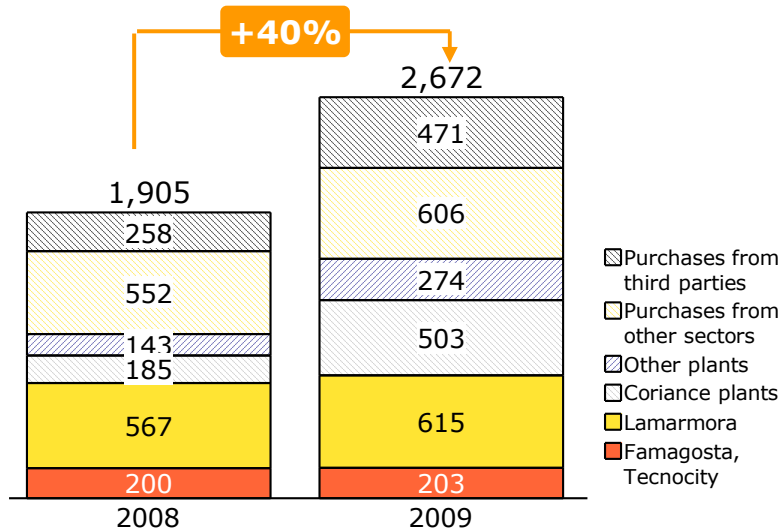
Increasing profitability due to the impact of scenario on indexation formulas

2009 Results - Cogeneration and District heating

EBITDA (€M)



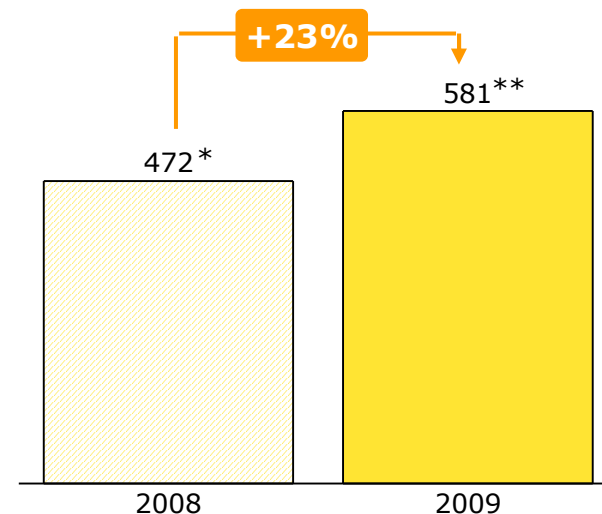
HEAT VOLUMES (GWht)



KEY FACTS

- Coriance and Aspem consolidation

ELECTRICITY (GWh)

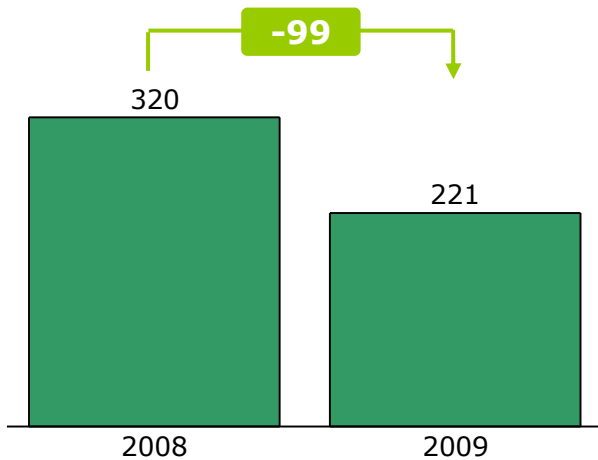


* of which 105 GWh related to Coriance

** of which 278 GWh related to Coriance and 11 GWh related to Aspem

2009 Results - Waste

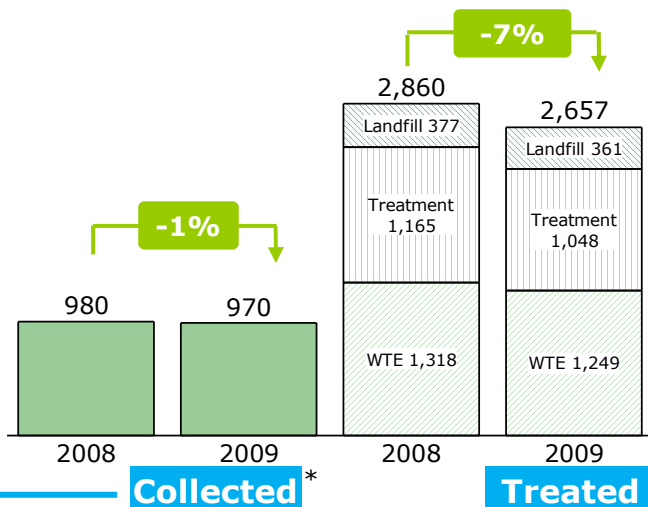
EBITDA (€M)



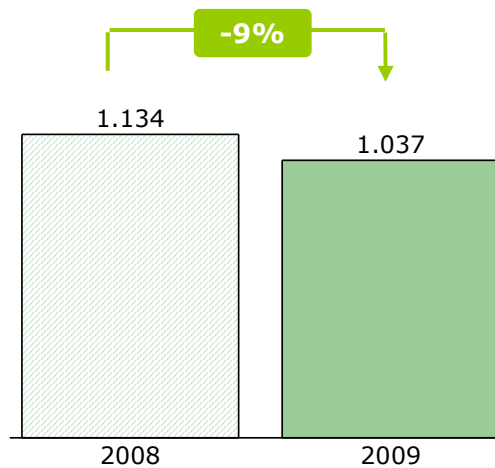
KEY FACTS

- 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:
 - margin increase of Silla plant, stopped during the same period of 2008 for Denox system installation;
 - Aspem consolidation.

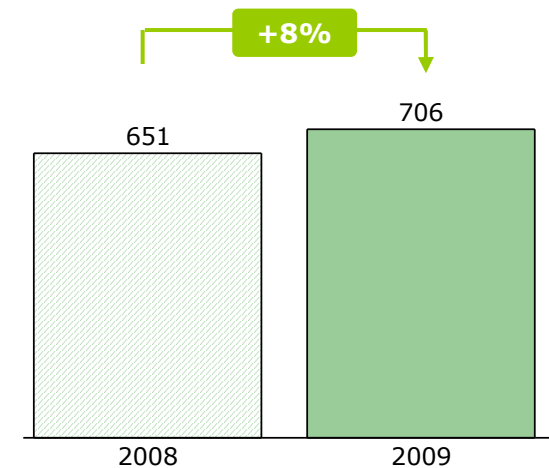
WASTE VOLUMES (Kton)



ELECTRICITY (GWh)

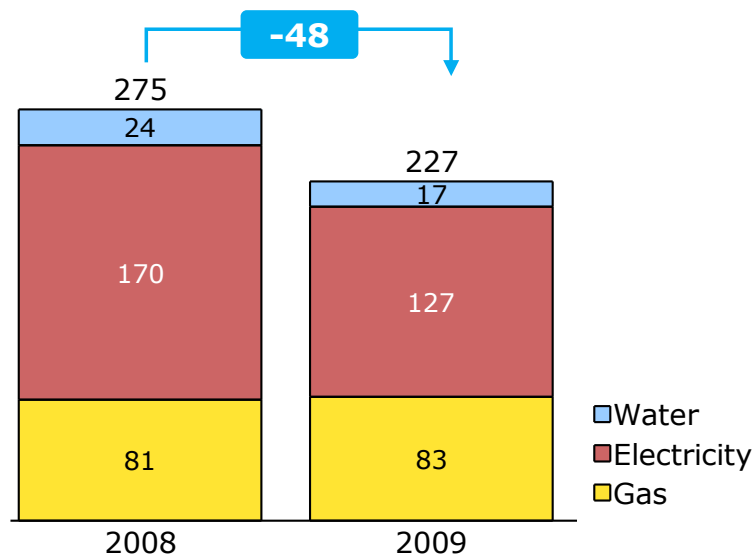


HEAT PRODUCTION (GWht)



2009 Results - Networks

EBITDA (€M)



KEY FACTS

Electricity: -43 €M

One off:

- specific company equalisation related to the distribution network recorded in 2008, covering the 2004-2007 period

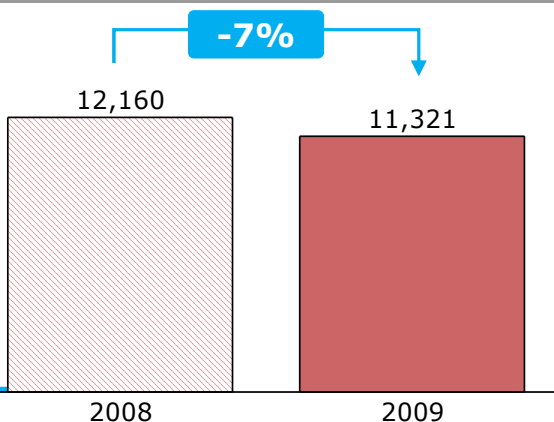
Gas: +2 €M

Positive impact on EBITDA due to a different method of revenues determination and Aspem contribution, partially offset by non current items

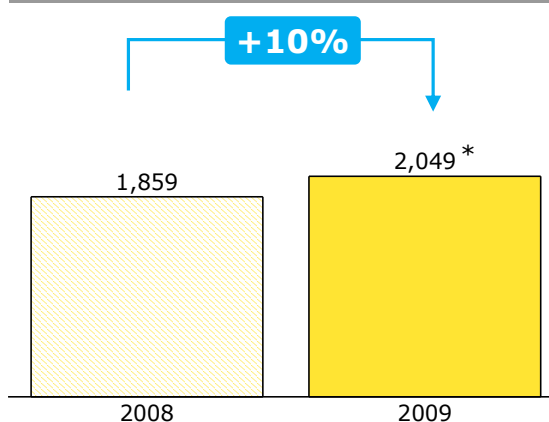
Water: -7 €M

Impact on EBITDA due to connection fees decrease (ATO decisions) and non current items recorded in 2008

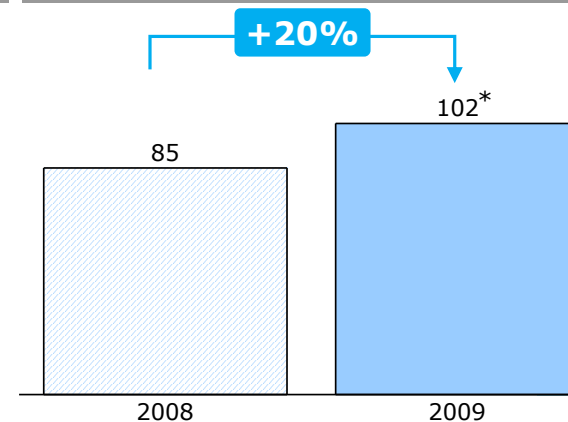
ELECTRICITY (GWh)



GAS DISTRIBUTED (Mmc)



WATER (Mmc)



2009 - From EBITDA to Net Income (1/2)

€M data	2008	2009	Change	Key point
EBITDA	1,068	1,032	-36	
D&A, Write Downs and Provisions	-369	-423	-54	<i>Gissi, E.ON acquisition, Change in perimeter</i>
Financial charges	-181	-243	-62	<i>Debt increase, interest rate reduction, 118 M€ Fiscal Moratorium 96-99</i>
Derivatives/others	-19	-35	-16	
Associates and JV and others	+60	+68	+8	<i>TdE, Edipower and others</i>
Others	+13	-166	-179	<i>Fiscal Moratorium (AEM and ASM 96-99)</i>
EBT	572	233	-339	

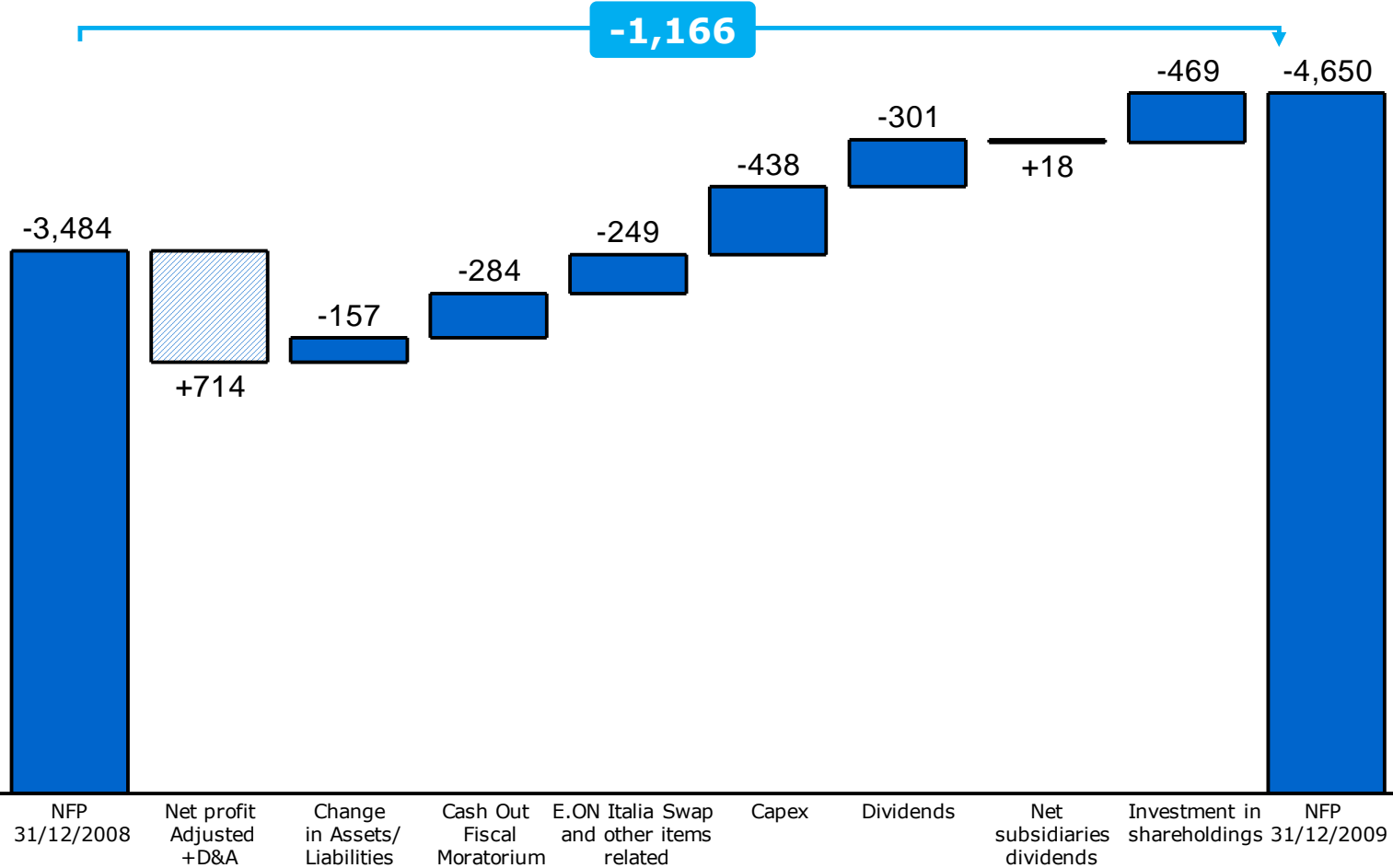
2009 – From EBITDA to Net Income (2/2)

€M data	2008	2009	Change	Key point
EBT	572	233	-339	
TAXES	-227	-145	+82	
IFRS 5	2	19	+17	<i>Alpiq dividend and E.ON Italia asset swap capital gain</i>
MINORITIES	-31	-27	+4	<i>TdE and Plurigas</i>
NET INCOME	316	80	-236	
NET INCOME ADJUSTED*	316	324*	+8	

* Adjusted for "Fiscal Moratorium"

2009 – Net Debt and Cash Flow

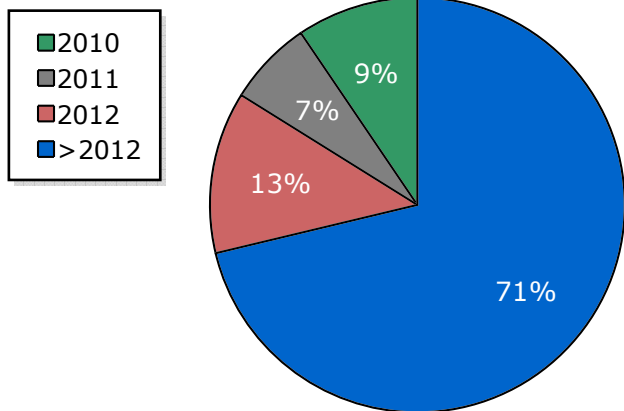
€M data



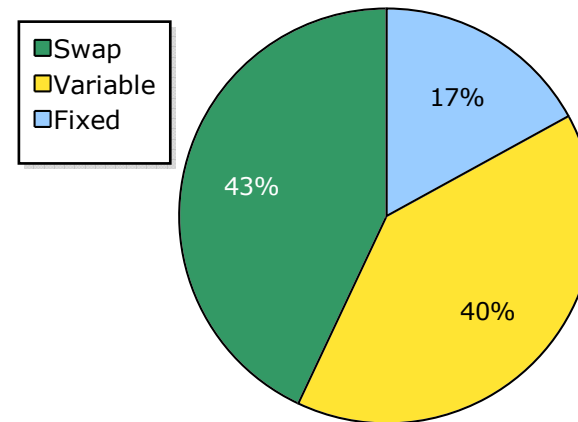
Group Financial structure

Total debt - Maturity

DEBT MATURITY (Dec 2009)

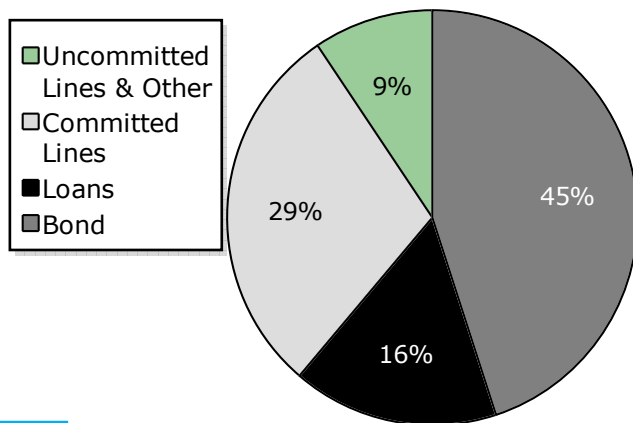


DEBT BREAKDOWN BY INTEREST

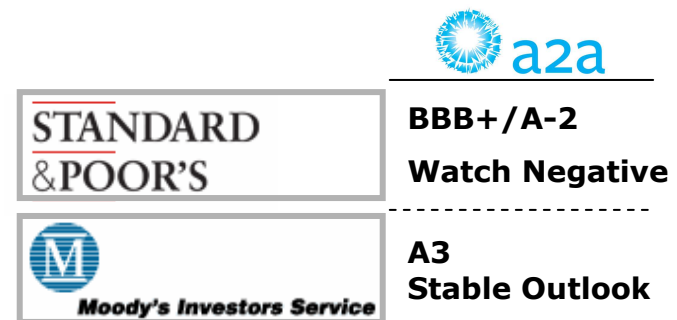


TOTAL DEBT: 4.7 €B - AVG. MATURITY: 4.6 YEARS – UNDRAWN LINES: 1.8 €B – 2009 AVG. RATE 2.84%

DEBT BREAKDOWN



COMPANY'S CREDIT RATING



2009 - Scope of consolidation

	<u>2009</u>			<u>2008</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>
A2A Coriance ⁽¹⁾	<i>Line by Line</i>	<i>100%</i>	<i>98.8%</i>	<i>Line by line</i>	<i>100%</i>	<i>98.8%</i>
ASPEM ⁽²⁾	<i>Line by Line</i>	<i>100%</i>	<i>90.0%</i>	-	-	-
Alpiq ⁽³⁾		<i>IFRS 5</i>		<i>Available for sale</i>		

(1) acquired on 1° August 2008

(2) acquired on 15° January 2009

(3) Shareholding equal to 5.16%