



PRESS RELEASE

ACEA: BOARD APPROVES RESULTS FOR Q1 2015

- **EBITDA €177.4m (up 6.9% on €166.0m of Q1 2014)**
- **EBIT €104.1m (up 4.2% on €99.9m of Q1 2014)**
- **Net profit €50.5m (up 13.5% on €44.5m of Q1 2014)**
- **Net debt €2,139.6m (up 2.4% on €2,089.1m of 31 December 2014)**
- **Investment €72.0m (up 8.4% on €66.4m of Q1 2014)**

Rome, 14 May 2015 – The Board of Directors of Acea SpA, chaired by Catia Tomasetti, has approved the quarterly report for the three months ended 31 March 2015 (Q1 2015).

"Step by step, we are making determined progress towards building the new Acea, a more efficient and competitive digital company, focused on the needs of the communities it serves," commented Acea's Chairwoman, Catia Tomasetti. "The figures for early 2015, approximately one year on from our appointment," continued Ms Tomasetti, "show how keeping a tight rein on operations and the gradual involvement of employees in a process of innovation can lead to significant results, which we now aim to consolidate over the remainder of the year."

"The results for these first three months are a source of satisfaction and will drive us on to do even better," stated Acea's CEO, Alberto Irace. "Compared with the same period of last year, net profit and EBITDA have seen continued growth, as has capital investments, which is up 8.4%. Despite the ongoing decline in consumption, the Energy segment has performed well, thanks to an improved customer mix. We remain committed to more efficient working capital management. We intend to continue in this direction, with the aim of creating further value for our shareholders and customers," concluded the Company's CEO.

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS				Q1 2014	Q1 2015	% inc./ (dec.)
(€m)						
Consolidated revenue				780.1	761.6	-2.4%
EBITDA				166.0	177.4	+6.9%
EBIT				99.9	104.1	+4.2%
Profit/(Loss) before tax				77.3	80.3	+3.9%
Group net profit/(loss) (before non-controlling interests)				46.7	53.5	+14.6%
Group net profit/(loss) (after non-controlling interests)				44.5	50.5	+13.5%
(€m)				Q1 2014	Q1 2015	% inc./ (dec.)
Investment				66.4	72.0	+8.4%
(€m)	31 Mar 2014	31 Dec 2014	31 Mar 2015	% inc./ (dec.)	% inc./ (dec.)	
	(a)	(b)	(c)	(c/a)	(c/b)	
Net debt	2,323.9	2,089.1	2,139.6	-7.9%	+2.4%	
Equity	1,446.6	1,502.4	1,552.7	+7.3%	+3.3%	
Invested capital	3,770.5	3,591.5	3,692.3	-2.1%	+2.8%	

ACEA GROUP'S RESULTS FOR Q1 2015

Consolidated EBITDA is up from the €166.0m of Q1 2014 to €177.4m for Q1 2015, marking an increase of 6.9%, thanks above all to the contributions from the Water and Energy segments and the Parent Company.

Contributions to total EBITDA are as follows: Water 42%, Grids 34%, Energy 17% and Environment 7%.

Consolidated EBIT of €104.1m is up 4.2% on the €99.9m of Q1 2014. This reflects a slight increase in provisions for bad debts, in the Energy segment, and higher amortisation, partly due to growth in intangible assets resulting from the entry into operation of Information Technology in Q4 2014 and Q1 2015.



Net profit, after non-controlling interests, is €50.5m (up 13.5% on Q1 2014).

The tax rate is down from the 39.6% of Q1 2014 to 33.3% for Q1 2015, reflecting the positive impact of elimination of the one-off hike in corporation tax (IRES) (known as the "Robin Hood Tax") and the deductibility, for the purposes of IRAP, of the cost of staff hired on permanent contracts, introduced by the 2015 Stability Law.

The Group's **investment** in Q1 2015 amounts to €72.0m (€66.4m in Q1 2014). This figure breaks down as follows: Water €32.0m; Grids €29.9m; Energy €5.4m; Environment €0.9m; and the Parent Company €3.8m.

Net debt amounts to €2,139.6m at 31 March 2015, marking an improvement of €184.3m on 31 March of last year. The increase of €50.5m compared with the end of 2014 reflects seasonal factors, but is, in any event, lower than the increase registered in Q1 2014.

SEGMENT INFORMATION FOR Q1 2015

Environment

The Environment segment contributed EBITDA of €12.8m, compared with €14.2m for Q1 2014. The reduction in EBITDA reflects a reduction in the sale price of the energy produced and the shutdown of the Kyklos plant (after seizure of the plant by court order, following the accident of July 2014). Investment in this segment is down €0.9m, reflecting completion, in 2014, of the revamp of ARIA's plants.

ENVIRONMENT – operational highlights	Q1 2014	Q1 2015
Treatment and disposal ('000 tonnes)	199	186
WTE electricity sold (GWh)	63	64

Energy

The Energy segment's EBITDA is up 28.0% to €31.5m. The improvement reflects growth in the energy margin on sales, thanks in part to an improved customer mix. In the "enhanced protection market", the tariff for energy sold has risen as a result of AEEGSI resolutions 136/2014 and 670/2014.

The positive contribution from sales was partially offset by a downturn in EBITDA from production, reflecting falling energy prices and a slight reduction in the volume of energy produced.

Investment in this segment is up €1.9m to €5.4m, primarily due to new applications implemented by Acea Energia.

ENERGY – EBITDA (€m)	Q1 2014	Q1 2015
Energy segment	24.6	31.5
<i>Production</i>	11.5	10.7
<i>Sales</i>	13.1	20.8

ENERGY – operational highlights	Q1 2014	Q1 2015
Electricity production (GWh)	158	153
Electricity sold (GWh)	2,846	2,501
<i>Enhanced protection market</i>	854	821
<i>Free market</i>	1,992	1,680
Gas sold (million m ³)	53	62

Water

The Water segment's EBITDA is up €6.6m to €74.4m (up 9.7%). The improvement reflects increased revenue from the integrated water service as a result of higher tariffs (up €3.1m) and recognition of non-recurring income of €2.5m attributable to overseas operations (Aguazul Bogotà).

Investment in this segment is substantially stable at €32.0m.

WATER – operational highlights	Q1 2014	Q1 2015
Volume of water (million m ³)	109	106

Grids

EBITDA for the Grids segment is down from the €62.2m of Q1 2014 to €60.0m for Q1 2015. The performance is due to the reduced contribution of Acea Distribuzione, reflecting the recognition, in Q1 2014, of non-recurring income (€5.6m) from Energy Efficiency Certificates.

Investment in this segment totals €29.9m, reflecting the implementation of information systems and work on upgrading the grid.



GRIDS – operational highlights	Q1 2014	Q1 2015
Electricity distributed (GWh)	2,600	2,618

Parent Company

The Parent Company reports negative EBITDA of €1.3m, an improvement of €1.5m on Q1 2014. Investment is significantly up from €2.3m to €3.8m.

EVENTS AFTER 31 MARCH 2015

The Annual General Meeting of shareholders, held on 23 April, approved an increase in the size of the Board of Directors from 7 to 9 members, appointing Roberta Neri and Massimiliano Capece Minutolo del Sasso to serve as Directors. The newly elected Directors will remain in office until the end of the term of office of the existing Board, being the date of approval of the financial statements for the year ended 31 December 2016.

OUTLOOK

The Acea Group confirms its strong commitment to rationalising and streamlining its operating processes across all areas of Business and Corporate activities. Pursuit of these goals will also involve major changes to information systems, which will enable us, from 2016, to manage our networks and supply services in innovative ways.

We will also intensify our focus on improvements to the billing process in order to contain any increase in working capital and help to reduce the Group's indebtedness.

The following schedules are attached:

- CONSOLIDATED ACCOUNTS – STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015, INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2015; ANALYSIS OF NET DEBT AT 31 MARCH 2015 AND STATEMENT OF CHANGES IN EQUITY.

A conference call will be held at 10.00am (Italian time) on Friday, 15 May 2015 in order to present the results for the three months ended 31 March 2015. To coincide with the start of the conference call, back-up material will be made available at www.aceaspa.it.

The Executive Responsible for Financial Reporting, Franco Balsamo, declares that, pursuant to section two of article 154 bis of the Consolidated Finance Act, the information contained in this release is consistent with the underlying accounting records.

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CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2015

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	Q1 2015	Q1 2014	Increase/ (Decrease)	% increase/ (decrease)
Sales and service revenues	744,967	749,869	(4,902)	(0.7%)
Other operating income	16,615	30,183	(13,568)	(45.0%)
Consolidated net revenue	761,582	780,051	(18,470)	(2.4%)
Staff costs	58,829	63,373	(4,545)	(7.2%)
Cost of materials and overheads	531,043	556,454	(25,411)	(4.6%)
Consolidated operating costs	589,872	619,828	(29,956)	(4.8%)
Net profit/(loss) from commodity risk management	0	(14)	14	(100.0%)
Profit/(loss) on non-financial investments	5,701	5,787	(87)	(1.5%)
Gross operating profit	177,411	165,997	11,414	6.9%
Amortisation, depreciation, provisions and impairment losses	73,279	66,095	7,184	10.9%
Operating profit/(loss)	104,131	99,901	4,230	4.2%
Finance income	5,491	5,821	(330)	(5.7%)
Finance costs	(29,301)	(31,220)	1,919	(6.1%)
Profit/(loss) on investments	(67)	2,828	(2,894)	(102.4%)
Profit/(loss) before tax	80,254	77,329	2,925	3.8%
Income tax expense	26,706	30,594	(3,888)	(12.7%)
Net profit/(loss) from continuing operations	53,549	46,735	6,813	14.6%
Net profit/(loss) from discontinued operations	0	0	0	0.0%
Net profit/(loss)	53,549	46,735	6,813	14.6%
<i>Net profit/(loss) attributable to non-controlling interests</i>	<i>3,040</i>	<i>2,250</i>	<i>790</i>	<i>35.1%</i>
Net profit/(loss) attributable to owners of the Parent	50,509	44,485	6,024	13.5%
Earnings/(Loss) per share attributable to owners of the Parent				
<i>basic</i>	0.2372	0.2089	0.0283	
<i>diluted</i>	0.2372	0.2089	0.0283	



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

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ASSETS	31 March 2015	31 December 2014	Increase/ (Decrease)
Property, plant and equipment	2,032,913	2,031,410	1,503
Investment property	2,804	2,819	(15)
Goodwill	150,756	150,772	(16)
Concessions	1,419,700	1,398,571	21,129
Other intangible assets	84,490	85,284	(795)
Investments in subsidiaries and associates	224,203	224,767	(564)
Other investments	2,424	2,482	(58)
Deferred tax assets	292,811	296,224	(3,413)
Financial assets	35,109	34,290	819
Other assets	43,059	43,972	(913)
NON-CURRENT ASSETS	4,288,269	4,270,593	17,676
Inventories	31,878	29,229	2,650
Trade receivables	1,291,428	1,259,920	31,508
Other current assets	123,640	141,467	(17,827)
Current tax assets	85,804	99,843	(14,039)
Current financial assets	112,616	92,130	20,486
Cash and cash equivalents	891,642	1,017,967	(126,324)
CURRENT ASSETS	2,537,009	2,640,556	(103,546)
Non-current assets held for sale	497	497	0
TOTAL ASSETS	6,825,775	6,911,645	(85,870)

EQUITY AND LIABILITIES	31 March 2015	31 December 2014	Increase/ (Decrease)
Equity			
share capital	1,098,899	1,098,899	0
legal reserve	83,428	176,119	(92,691)
other reserves	(378,997)	(477,826)	98,829
retained earnings/(accumulated losses)	624,272	470,915	153,357
profit/(loss) for the year	50,509	162,459	(111,950)
Total equity attributable to owners of the Parent	1,478,111	1,430,566	47,545
Equity attributable to non-controlling interests	74,586	71,825	2,762
Total equity	1,552,697	1,502,391	50,307
Staff termination benefits and other defined-benefit obligations	116,714	118,004	(1,290)
Provisions for liabilities and charges	168,691	168,644	47
Borrowings and financial liabilities	2,929,680	3,040,712	(111,032)
Other liabilities	178,864	177,990	874
Deferred tax liabilities	89,641	93,284	(3,643)
NON-CURRENT LIABILITIES	3,483,589	3,598,633	(115,044)
Trade payables	1,167,334	1,249,366	(82,032)
Other current liabilities	272,539	287,259	(14,719)
Borrowings	246,454	189,957	56,497
Tax liabilities	103,062	83,941	19,122
CURRENT LIABILITIES	1,789,389	1,810,522	(21,133)
Liabilities directly associated with assets held for sale	99	99	0
TOTAL EQUITY AND LIABILITIES	6,825,775	6,911,645	(85,870)



STATEMENT OF CHANGES IN EQUITY

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	Share capital	Legal reserve	Other reserves	Net profit/(loss) for period	Total	Non-controlling interests	Total equity
Balance at 1 January 2014 (restated)	1,098,899	167,353	(98,920)	155,300	1,322,633	84,195	1,406,827
Net profit/(loss) in income statement				162,459	162,459	6,460	168,919
Other comprehensive income/(losses)				(22,292)	(22,292)	(1,200)	(23,492)
Total comprehensive income/(loss)	0	0	0	140,167	140,167	5,260	145,427
Appropriation of net profit/(loss) for 2013		4,619	150,681	(155,300)	0	0	0
Dividends paid			(36,204)		(36,204)	(7,648)	(43,852)
Change in basis of consolidation		4,147	(177)		3,970	(9,982)	(6,012)
Balance at 31 December 2014	1,098,899	176,119	15,381	140,167	1,430,566	71,825	1,502,391

	Share capital	Legal reserve	Other reserves	Net profit/(loss) for period	Total	Non-controlling interests	Total equity
Balance at 1 January 2015	1,098,899	176,119	15,381	140,167	1,430,566	71,825	1,502,391
Reclassifications		(92,691)	92,691		0		0
Net profit/(loss) in income statement				50,509	50,509	3,040	53,549
Other comprehensive income/(losses)				(3,507)	(3,507)	(122)	(3,629)
Total comprehensive income/(loss)	0	0	0	47,002	47,002	2,918	49,919
Appropriation of net profit/(loss) for 2014			140,167	(140,167)			
Dividends paid							
Change in basis of consolidation			543		543	(156)	387
Balance at 31 March 2015	1,098,899	83,428	248,782	47,002	1,478,111	74,586	1,552,697



RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2015

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ACEA GROUP STATEMENT OF FINANCIAL POSITION	31 March 2015	31 December 2014	Increase/ (Decrease)	% increase/ (decrease)	31 March 2014	Increase/ (Decrease)	% increase/ (decrease)
NON-CURRENT ASSETS AND LIABILITIES	3,702,466	3,681,597	20,869	0.6%	3,603,750	98,716	2.7%
Property, plant and equipment and intangible assets	3,691,160	3,669,353	21,806	0.6%	3,588,200	102,960	2.9%
Investments	226,627	227,249	(623)	(0.3%)	220,436	6,191	2.8%
Other non-current assets	335,870	340,196	(4,327)	(1.3%)	356,237	(20,367)	(5.7%)
Staff termination benefits and other defined-benefit obligations	(116,714)	(118,004)	1,290	(1.1%)	(106,065)	(10,649)	10.0%
Provisions for liabilities and charges	(165,972)	(165,925)	(47)	0.0%	(191,249)	25,278	(13.2%)
Other non-current liabilities	(268,505)	(271,273)	2,769	(1.0%)	(263,809)	(4,696)	1.8%
NET WORKING CAPITAL	(10,184)	(90,106)	79,922	(88.7%)	166,792	(176,976)	(106.1%)
Current receivables	1,291,428	1,259,920	31,508	2.5%	1,423,705	(132,277)	(9.3%)
Inventories	31,878	29,229	2,650	9.1%	37,263	(5,385)	(14.5%)
Other current assets	209,444	241,310	(31,866)	(13.2%)	198,368	11,077	5.6%
Current payables	(1,167,334)	(1,249,366)	82,032	(6.6%)	(1,183,096)	15,762	(1.3%)
Other current liabilities	(375,601)	(371,199)	(4,402)	1.2%	(309,448)	(66,153)	21.4%
INVESTED CAPITAL	3,692,282	3,591,492	100,790	2.8%	3,770,541	(78,259)	(2.1%)
NET DEBT	(2,139,585)	(2,089,101)	(50,484)	2.4%	(2,323,940)	184,355	(7.9%)
Medium/long-term loans and receivables	35,109	34,290	819	2.4%	34,103	1,007	3.0%
Medium/long-term borrowings	(2,929,680)	(3,040,712)	111,032	(3.7%)	(2,358,406)	(571,273)	24.2%
Short-term loans and receivables	109,897	89,411	20,486	22.9%	105,802	4,094	3.9%
Cash and cash equivalents	891,642	1,017,967	(126,324)	(12.4%)	398,781	492,862	123.6%
Short-term borrowings	(246,553)	(190,056)	(56,497)	29.7%	(504,219)	257,666	(51.1%)
Total equity	(1,552,697)	(1,502,391)	(50,307)	3.3%	(1,446,602)	(106,096)	7.3%
BALANCE OF NET DEBT AND EQUITY	(3,692,282)	(3,591,492)	(100,790)	2.8%	(3,770,541)	78,259	(2.1%)



ANALYSIS OF CONSOLIDATED NET DEBT AT 31 MARCH 2015

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	31 March 2015	31 December 2014	Increase/ (Decrease)	31 March 2014	Increase/ (Decrease)
Non-current financial assets/(liabilities)	2,530	1,710	819	1,775	755
Intercompany non-current financial assets/(liabilities)	32,580	32,580	0	32,328	252
Non-current borrowings and financial liabilities	(2,929,680)	(3,040,712)	111,032	(2,358,406)	(571,273)
Net medium/long-term debt	(2,894,570)	(3,006,422)	111,852	(2,324,304)	(570,267)
Cash and cash equivalents and securities	891,642	1,017,967	(126,324)	398,781	492,862
Short-term bank borrowings	(160,861)	(58,161)	(102,700)	(383,140)	222,279
Current financial assets/(liabilities)	(58,484)	(103,944)	45,460	(68,330)	9,846
Intercompany current financial assets/(liabilities)	82,689	61,460	21,229	53,053	29,636
Net short-term debt	754,986	917,321	(162,335)	364	754,622
Total net debt	(2,139,585)	(2,089,101)	(50,484)	(2,323,940)	184,355