



PRESS RELEASE

ACEA'S BOARD APPROVES RESULTS FOR 9M 2015

- **EBITDA €530.9m (up 5.1% on €504.9m of 9M 2014)**
- **EBIT €284.8m (up 3.8% on €274.5m of 9M 2014)**
- **Net profit €136.6m (up 21.1% on €112.8m of 9M 2014)**
- **Net debt €2,130.8m (up 2.0% on 31 December 2014 and down 11.7% on 30 September 2014)**
- **Investment €284.8m (up 30.1% on €218.9m of 9M 2014), including €16.7m in Project Acea 2.0**

Rome, 12 November 2015 – The Board of Directors of Acea SpA, chaired by Catia Tomasetti, has approved the report for the nine months ended 30 September 2015 ("9M 2015").

"The significant growth in investment and net profit confirms the validity of the decisions and strategies so far implemented by the Group's management," commented Acea's Chairwoman, **Catia Tomasetti**. "We are transforming Acea into a company that is increasingly in tune with the communities we serve and capable of meeting the needs of our customers, thanks to the use of fully digital technologies, tools and contact channels," she continued. "This process is progressively delivering major improvements in the quality of our services and a structural step-change in our competitiveness. We aim to leverage innovation to create an increasingly efficient industrial enterprise, capable of playing a leading role in Italy and in Europe. Today's results confirm that we are on the right path, giving us the impetus to redouble our efforts," concluded Ms Tomasetti.

"The key financial indicators for the nine months ended 30 September 2015," stated Acea's CEO, **Alberto Irace**, "are positive and proof of the significant progress made in terms of operational and financial efficiency. The Company has, quarter after quarter, confirmed its focus on efficiency and on improving its working capital. We are proceeding, in line with the strategy set out in the Business Plan, with implementation of Project Acea 2.0 and, on 28 September of this year, successfully completed the first go-live at the water company, Acea ATO2. This is the first step in the implementation of what is nothing less than a turnaround of the Company which, thanks to the re-engineering of our processes and technologies, will result in recurring efficiencies of approximately €30m and, over the period covered by the 2015-2019 Business Plan, efficiencies of around €70m."

FINANCIAL HIGHLIGHTS

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(€m)	9M 2014	9M 2015	% inc./ (dec.)		
Consolidated revenue	2,280.7	2,167.7	-5.0%		
EBITDA	504.9	530.9	+5.1%		
EBIT	274.5	284.8	+3.8%		
Profit/ (Loss) before tax	198.4	216.9	+9.3%		
Group net profit/ (loss) (before non-controlling interests)	117.7	141.7	+20.4%		
Group net profit/ (loss) (after non-controlling interests)	112.8	136.6	+21.1%		
(€m)	9M 2014	9M 2015	% inc./ (dec.)		
Investment	218.9	284.8	+30.1%		
(€m)	30 Sept 2014	31 Dec 2014	30 Sept 2015	% inc./ (dec.)	% inc./ (dec.)
	(a)	(b)	(c)	(c/a)	(c/b)
Net debt	2,412.0	2,089.1	2,130.8	-11.7%	+2.0%
Equity	1,461.2	1,502.4	1,553.8	+6.3%	+3.4%
Invested capital	3,873.2	3,591.5	3,684.6	-4.9%	+2.6%

ACEA GROUP'S RESULTS FOR 9M 2015

Consolidated EBITDA for 9M 2015 amounts to €530.9m, up €26.0m (5.1%) on 9M 2014. The improvement was achieved primarily thanks to our firm commitment to operational efficiency across all business areas and corporate activities. Efficiency is a key driver of the Company's growth. The measures taken and in the process of being implemented entail a major re-engineering of our operating processes, involving an information systems upgrade that will enable us, by 2016, to transform the way we manage our grids and deliver our services.

The performance of the Water segment was particularly strong, with EBITDA growth of 4.8% outstripping the rise in tariffs. On 28 September of this year, we successfully completed the first go-live for Project Acea 2.0 at the water company, ATO2, involving the replacement of twenty existing



systems/applications. This was done with no impact on operations and billing processes, which continued without interruption.

Contributions to total EBITDA are as follows: Water 42%, Grids 35%, Energy 15% and Environment 8%.

Consolidated EBIT for the period is up from the €274.5m of 9M 2014 to €284.8m for 9M 2015, an increase of 3.8%.

Group net profit, after non-controlling interests, is €136.6m (up 21.1% on the €112.8m of the same period of 2014).

The tax rate is 34.6% (40.7% for 9M 2014). The reduction in tax expense reflects the positive impact of elimination of the one-off hike in corporation tax (the so-called "Robin Hood Tax") and the impact on IRAP of the deductibility of the cost of staff hired on permanent contracts.

The Group's **investment** in 9M 2015 amounts to €284.8m, marking a major 30.1% increase. Over 85% of total capex relates to our regulated businesses, with a positive impact on RAB and thus on the profitability of these businesses. Investment breaks down as follows: Water €128.3m; Grids €102.4m; Environment €14.9m; Energy €14.6m; Parent Company €7.9m; Project Acea 2.0 €16.7m.

Net debt amounts to €2,130.8m at 30 September 2015, only slightly up on the figure for 31 December 2014 (an increase of €42m) despite the large-scale investment referred above. The increase is significantly lower than the €163m rise in net debt registered between 31 December 2013 and 30 September 2014, confirming a positive reversal of the previous trend.

Net debt is down €281m compared with 30 September 2014.

SEGMENT INFORMATION FOR 9M 2015

Environment

The Environment segment contributed EBITDA of €40.4m, up 1.5% on 9M 2014 (€39.8m). This performance reflects the shutdown of the Kyklos plant (after seizure of the plant by court order in July 2014) and the increased volume of electricity sold by ARIA's plants.

ENVIRONMENT – operational highlights	9M 2014	9M 2015
Treatment and disposal ('000 tonnes)	589	570
WTE electricity sold (GWh)	183	196

Energy

The Energy segment's EBITDA is up 20.5% to €77.7m, thanks essentially to growth in the energy margin on sales in both the free and enhanced protection markets (AEEGSI resolutions 136/2014 and 670/2014), partially offset by a downturn in the contribution from production, reflecting falling energy prices and a slight reduction in the volume of energy produced.

ENERGY – EBITDA (€m)	9M 2014	9M 2015
Energy segment	64.5	77.7
Production	26.6	25.8
Sales	37.9	51.9
ENERGY – operational highlights	9M 2014	9M 2015
Electricity production (GWh)	399	368
Hydroelectric	392	359
Thermoelectric	7	9
Electricity sold (GWh)	8,182	7,200
Enhanced protection market	2,269	2,283
Free market	5,913	4,917
Gas sold (million m ³)	68	88

Water

The Water segment's EBITDA is up from the €215.1m of 9M 2014 to €225.5m for 9M 2015 (up 4.8%). The increase of €10.4m reflects the positive effect of: the steps taken to boost operational efficiency; tariff increases; growth at companies consolidated using the equity method; and recognition of non-recurring income attributable to Aguazul Bogotà. These positive factors have more than offset the negative impact of recognition, in the previous nine-month period, of non-recurring income essentially resulting from back-billing at Acea ATO2.



Grids

EBITDA for the Grids segment is up 1.8% to €187.7m, primarily reflecting operational efficiencies in the Group's electricity distribution activities.

GRIDS – operational highlights	9M 2014	9M 2015
Electricity distributed (GWh)	7,718	7,959

Parent Company

The Parent Company reports negative EBITDA of €0.4m (a positive €1.1m for 9M 2014).

OUTLOOK

The Acea Group's results for 9M 2015 are in line with the targets in the 2015-2019 Business Plan. In the coming months, the Company will continue to deliver on its commitment to rationalising and streamlining its operating processes, which began in 2014. We will also further intensify our commitment to improving the billing process for electricity and water customers, in order to contain any increase in working capital and help to reduce the Group's indebtedness.

EVENTS AFTER 30 SEPTEMBER 2015

Demetrio Mauro has been appointed as Acea SpA's new Chief Financial Officer with effect from 1 January 2016.

The following schedules are attached:

- CONSOLIDATED ACCOUNTS: INCOME STATEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2015, STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2015, STATEMENT OF CHANGES IN EQUITY AND THE ANALYSIS OF NET DEBT AT 30 SEPTEMBER 2015.

A conference call will be held at 5.30pm (Italian time) on Thursday, 12 November 2015 in order to present the results for the nine months ended 30 September 2015. To coincide with the start of the conference call, back-up material will be made available at www.acea.it.

The Executive Responsible for Financial Reporting, Iolanda Papalini, 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 NINE MONTHS ENDED 30 SEPTEMBER 2015

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	9M 2015	9M 2014	Increase/ (Decrease)	% increase/ (decrease)
Sales and service revenues	2,114,366	2,200,000	(85,634)	(3.9%)
Other operating income	53,298	80,666	(27,368)	(33.9%)
Consolidated net revenue	2,167,664	2,280,666	(113,002)	(5.0%)
Staff costs	167,094	177,796	(10,702)	(6.0%)
Cost of materials and overheads	1,490,236	1,611,733	(121,497)	(7.5%)
Consolidated operating costs	1,657,330	1,789,528	(132,198)	(7.4%)
Net profit/(loss) from commodity risk management	0	(38)	38	(100.0%)
Profit/(loss) on non-financial investments	20,543	13,751	6,791	49.4%
Gross operating profit	530,877	504,851	26,026	5.2%
Amortisation, depreciation, provisions and impairment losses	246,030	230,327	15,704	6.8%
Operating profit/(loss)	284,847	274,524	10,322	3.8%
Finance income	15,899	17,917	(2,018)	(11.3%)
Finance costs	(82,945)	(94,588)	11,643	(12.3%)
Profit/(loss) on investments	(950)	556	(1,506)	(270.7%)
Profit/(loss) before tax	216,851	198,410	18,441	9.3%
Income tax expense	75,114	80,731	(5,617)	(7.0%)
Net profit/(loss)	141,736	117,679	24,058	20.4%
Net profit/(loss) attributable to non-controlling interests	5,132	4,879	254	5.2%
Net profit/(loss) attributable to owners of the Parent	136,604	112,800	23,804	21.1%
Earnings/(Loss) per share attributable to owners of the Parent (€)				
basic	0.6414	0.5297	0.1118	
diluted	0.6414	0.5297	0.1118	



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2015

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ASSETS	30 September 2015	31 December 2014	Increase/ (Decrease)
Property, plant and equipment	2,055,018	2,031,410	23,608
Investment property	2,777	2,819	(42)
Goodwill	149,392	150,772	(1,380)
Concessions	1,475,797	1,398,571	77,226
Other intangible assets	104,146	85,284	18,862
Investments in subsidiaries and associates	237,326	224,767	12,559
Other investments	2,579	2,482	97
Deferred tax assets	300,342	296,224	4,118
Financial assets	35,862	34,290	1,572
Other assets	40,641	43,972	(3,332)
NON-CURRENT ASSETS	4,403,881	4,270,593	133,288
Inventories	31,230	29,229	2,001
Trade receivables	1,208,209	1,259,920	(51,711)
Other current receivables and assets	114,828	141,467	(26,639)
Current tax assets	100,608	99,843	765
Current financial assets	89,275	92,130	(2,854)
Cash and cash equivalents	595,823	1,017,967	(422,144)
CURRENT ASSETS	2,139,974	2,640,556	(500,582)
Non-current assets held for sale	497	497	0
TOTAL ASSETS	6,544,351	6,911,645	(367,294)

EQUITY AND LIABILITIES	30 September 2015	31 December 2014	Increase/ (Decrease)
Equity			
share capital	1,098,899	1,098,899	0
legal reserve	87,908	83,428	4,480
other reserves	(350,737)	(385,135)	34,397
retained earnings/(accumulated losses)	508,577	470,915	37,662
profit/(loss) for the period	136,604	162,459	(25,855)
Total equity attributable to owners of the Parent	1,481,250	1,430,566	50,684
Equity attributable to non-controlling interests	72,564	71,825	739
Total equity	1,553,814	1,502,391	51,423
Staff termination benefits and other defined-benefit obligations	111,152	118,004	(6,852)
Provisions for liabilities and charges	179,458	168,644	10,814
Borrowings and financial liabilities	2,691,923	3,040,712	(348,789)
Other liabilities	187,431	177,990	9,442
Deferred tax liabilities	97,490	93,284	4,206
NON-CURRENT LIABILITIES	3,267,455	3,598,633	(331,178)
Trade payables	1,191,293	1,249,366	(58,073)
Other current liabilities	276,118	287,259	(11,141)
Borrowings	157,009	189,957	(32,948)
Tax liabilities	98,563	83,941	14,623
CURRENT LIABILITIES	1,722,983	1,810,522	(87,539)
Liabilities directly associated with assets held for sale	99	99	0
TOTAL EQUITY AND LIABILITIES	6,544,351	6,911,645	(367,294)



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	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	(92,691)	92,691	47,002	47,002	2,918	49,919
Appropriation of net profit/(loss) for 2014			140,167	(140,167)	0	0	0
Dividends paid					0		0
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
Net profit/(loss) in income statement				48,820	48,820	1,256	50,076
Other comprehensive income/(losses)				14,616	14,616	285	14,902
Total comprehensive income/(loss)	0	0	0	63,436	63,436	1,541	64,978
Appropriation of net profit/(loss) for 2014		4,480	(4,480)		0		0
Dividends paid			(95,834)		(95,834)	(2,686)	(98,520)
Change in basis of consolidation			(239)		(239)	(311)	(550)
Balance at 30 June 2015	1,098,899	87,908	148,229	110,438	1,445,474	73,131	1,518,605
Net profit/(loss) in income statement				37,275	37,275	837	38,112
Other comprehensive income/(losses)				(850)	(850)	(157)	(1,007)
Total comprehensive income/(loss)	0	0	0	36,425	36,425	680	37,105
Appropriation of net profit/(loss) for 2014							
Dividends paid			(186)		(186)	(1,503)	(1,690)
Change in basis of consolidation			(462)		(462)	256	(206)
Balance at 30 September 2015	1,098,899	87,908	147,580	146,863	1,481,250	72,564	1,553,814



RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2015

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ACEA GROUP STATEMENT OF FINANCIAL POSITION	30 September 2015 (a)	31 December 2014 (b)	Increase/ (Decrease) (a) - (b)	% increase/ (decrease)	30 September 2014 (c)	Increase/ (Decrease) (a) - (c)	% increase/ (decrease)
NON-CURRENT ASSETS AND LIABILITIES	3,795,222	3,681,597	113,625	3.1%	3,640,728	154,495	4.2%
Property, plant and equipment and intangible assets	3,787,627	3,669,353	118,274	3.2%	3,633,176	154,451	4.3%
Investments	239,905	227,249	12,656	5.6%	221,489	18,416	8.3%
Other non-current assets	340,474	340,196	277	0.1%	359,904	(19,431)	(5.4%)
Staff termination benefits and other defined-benefit obligations	(111,152)	(118,004)	6,852	(5.8%)	(112,574)	1,422	(1.3%)
Provisions for liabilities and charges	(176,710)	(165,925)	(10,785)	6.5%	(192,197)	15,487	(8.1%)
Other non-current liabilities	(284,922)	(271,273)	(13,648)	5.0%	(269,071)	(15,850)	5.9%
NET WORKING CAPITAL	(110,589)	(90,106)	(20,484)	22.7%	232,489	(343,079)	(147.6%)
Current receivables	1,208,209	1,259,920	(51,711)	(4.1%)	1,459,718	(251,509)	(17.2%)
Inventories	31,230	29,229	2,001	6.8%	32,729	(1,499)	(4.6%)
Other current assets	215,946	241,310	(25,365)	(10.5%)	239,553	(23,607)	(9.9%)
Current payables	(1,191,293)	(1,249,366)	58,073	(4.6%)	(1,166,407)	(24,886)	2.1%
Other current liabilities	(374,681)	(371,199)	(3,482)	0.9%	(333,103)	(41,579)	12.5%
INVESTED CAPITAL	3,684,633	3,591,492	93,141	2.6%	3,873,217	(188,584)	(4.9%)
NET DEBT	(2,130,819)	(2,089,101)	(41,718)	2.0%	(2,411,998)	281,179	(11.7%)
Medium/long-term loans and receivables	35,862	34,290	1,572	4.6%	34,162	1,700	5.0%
Medium/long-term borrowings	(2,691,923)	(3,040,712)	348,789	(11.5%)	(2,947,571)	255,648	(8.7%)
Short-term loans and receivables	86,527	89,411	(2,884)	(3.2%)	133,505	(46,978)	(35.2%)
Cash and cash equivalents	595,823	1,017,967	(422,144)	(41.5%)	527,434	68,388	13.0%
Short-term borrowings	(157,108)	(190,056)	32,948	(17.3%)	(159,529)	2,421	(1.5%)
Total equity	(1,553,814)	(1,502,391)	(51,423)	3.4%	(1,461,219)	(92,595)	6.3%
BALANCE OF NET DEBT AND EQUITY	(3,684,633)	(3,591,492)	(93,142)	2.6%	(3,873,217)	188,584	(4.9%)



ANALYSIS OF CONSOLIDATED NET DEBT AT 30 SEPTEMBER 2015

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	30 September 2015	31 December 2014	Increase/ (Decrease)	30 September 2014	Increase/ (Decrease)
	(a)	(b)	(a)-(b)	(c)	(a)-(c)
Non-current financial assets/(liabilities)	2,361	1,710	651	1,834	527
Intercompany non-current financial assets/(liabilities)	33,501	32,580	922	32,328	1,173
Non-current borrowings and financial liabilities	(2,691,923)	(3,040,712)	348,789	(2,947,571)	255,648
Net medium/long-term debt	(2,656,061)	(3,006,422)	350,361	(2,913,409)	257,348
Cash and cash equivalents and securities	595,823	1,017,967	(422,144)	527,434	68,388
Short-term bank borrowings	(60,537)	(58,161)	(2,376)	(62,993)	2,456
Current financial assets/(liabilities)	(36,921)	(103,944)	67,023	(63,120)	26,199
Intercompany current financial assets/(liabilities)	26,877	61,460	(34,582)	100,090	(73,213)
Net short-term debt	525,242	917,321	(392,079)	501,411	23,831
Total net debt	(2,130,819)	(2,089,101)	(41,718)	(2,411,998)	281,179