

Acea Group






9M2015 Results

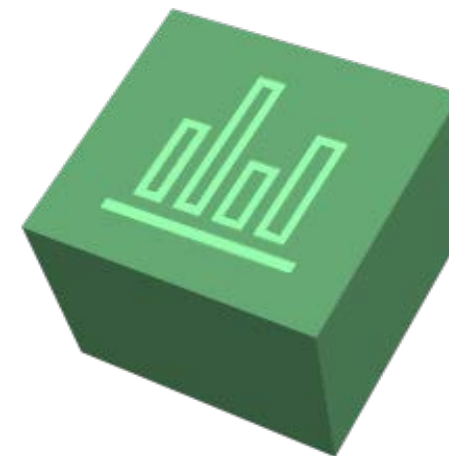


Rome, 12 November 2015

Financial highlights



(€m)	9M2014	9M2015	Change %
 Consolidated revenues	2,280.7	2,167.7	-5.0%
 EBITDA	504.9	530.9	+5.1%
 EBIT	274.5	284.8	+3.8%
 Group net profit/(loss)	112.8	136.6	+21.1%
 Capex	218.9	284.8	+30.1%

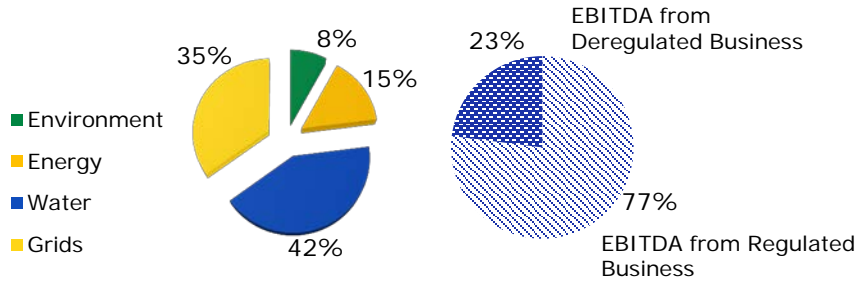


(€m)	30 Sept 2014 (a)	31 Dec 2014 (b)	30 Sept 2015 (c)	Change (c/a)	Change (c/b)
NET DEBT	2,412.0	2,089.1	2,130.8	-11.7%	+2.0%
Shareholders' Equity	1,461.2	1,502.4	1,553.8	+6.3%	+3.4%
Invested Capital	3,873.2	3,591.5	3,684.6	-4.9%	+2.6%

EBITDA



EBITDA 9M2015

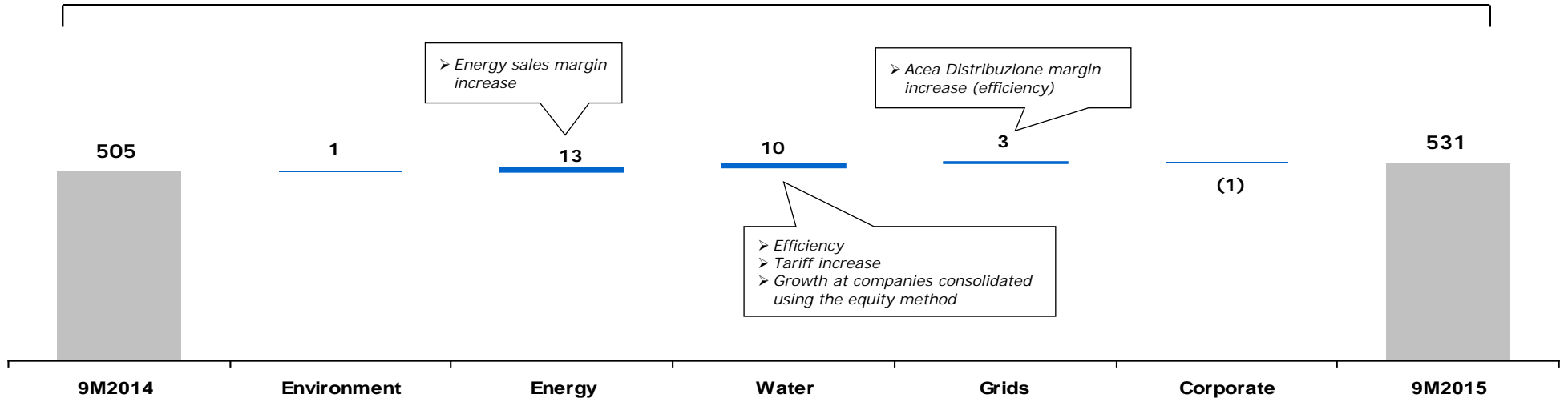


Total number of employees	9M2014	9M2015
Acea Spa	669	640
Environment	214	220
Energy	534	539
Water °	2,003	1,962
Network	1,378	1,348
Total	4,798	4,709

° Figures do not include:
 - 9M2014 Overseas water operations: 406
 - 9M2015 Overseas water operations: 253

EBITDA €m

26 €m +5.1%







EBITDA and Key quantitative data



Environment

EBITDA main drivers

-  Aria's plants: increase of volume of electricity sold +2.2€m
-  Aquaser: +1.4€m
-  Kyklos: shutdown of the plant -2.3€m
-  Solemme: decrease of volume -0.3€m

(€m)	9M14	9M15	Change %	Key quantitative data	9M14	9M15
EBITDA	39.8	40.4	+1.5%	Treatment and disposal (/000s of tonnes)	589	570
Capex	7.3	14.9	+104.1%	WTE electricity sold (GWh)	183	196

Revamping of **SAO plant** (Orvieto) has been **completed** adding new composting plant:

- Installed **capacity 1MW**
- **Treatment capacity 60,000 Ton. waste/year**

Construction of **new line 1 WTE plant S. Vittore. On Track on target** (start-up operation **end 2016**)

- Installed **capacity 12.5 MWe**
- **Treatment capacity 100,000 Ton. RDF/year**

EBITDA and Key quantitative data



Energy

EBITDA main drivers



Electricity sales margin increase +14.0€m



Electricity production margin decrease (fall in energy prices and volumes decrease) -0.8€m

(€m)	9M14	9M15	Change %	Key quantitative data	9M14	9M15
EBITDA	64.5	77.7	+20.5%	Total Electricity production (GWh)	399	368
<i>Production</i>	26.6	25.8	-3.0%	Total Electricity sold (GWh)	8,182	7,200
<i>Sales</i>	37.9	51.9	+36.9%	Enhanced Protection Market	2,269	2,283
				Free Market	5,913	4,917
Capex	11.2	14.6	+30.4%	Total Gas sold (Mmc)	68	88

EBITDA and Key quantitative data



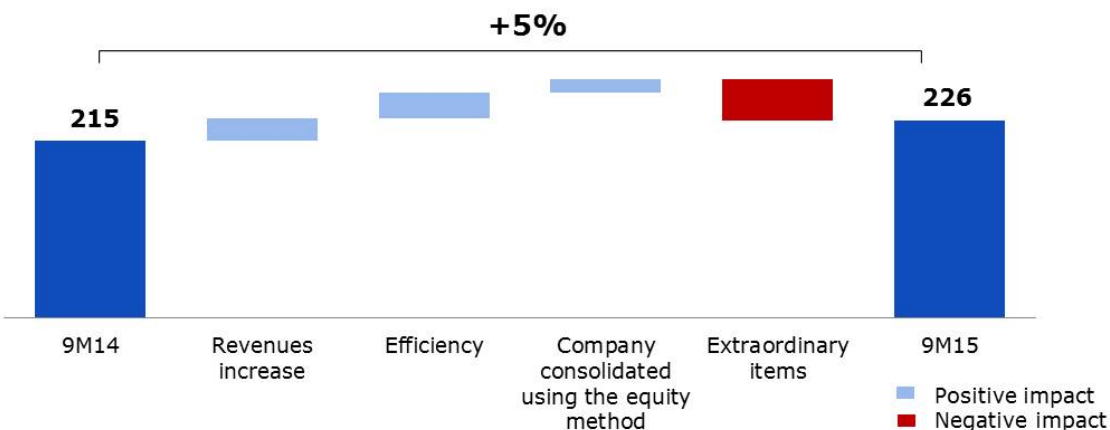
Water

EBITDA main drivers

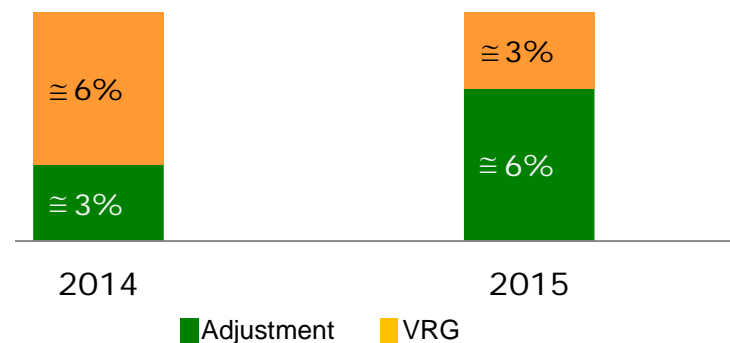
- Efficiency
- Acea ATO2: tariff increase +12.2€m
- Growth at companies consolidated using the equity method +7.3€m
- Extraordinary items -22.5€m (including Aguazul Bogotà non-recurring income)

(€m)	9M14	9M15	Change %	Key quantitative data	9M14	9M15
EBITDA	215.1	225.5	+4.8%	Total volumes of water sold (Mmc)	418	405
<i>of which: Profit/(Loss) on investments consolidated under IFRS 11</i>	<i>13.5</i>	<i>20.8</i>	<i>+54.1%</i>			
Investimenti	105.4	128.3	+21.7%			

EBITDA €m



Tariff increase composition



EBITDA and Key quantitative data



Grids

EBITDA main drivers



Acea Distribuzione margin increase (efficiency)

(€m)	9M14	9M15	Change %	Key quantitative data	9M14	9M15
EBITDA	184.4	187.7	+1.8%	Total Electricity distributed (GWh)	7,718	7,959
Capex	85.3	102.4	+20.0%			



Corporate

(€m)	9M14	9M15	Change %
EBITDA	1.1	(0.4)	-136.4%
Capex	9.7	7.9	-18.6%

Acea2.0 capex 9M15: 16.7€m

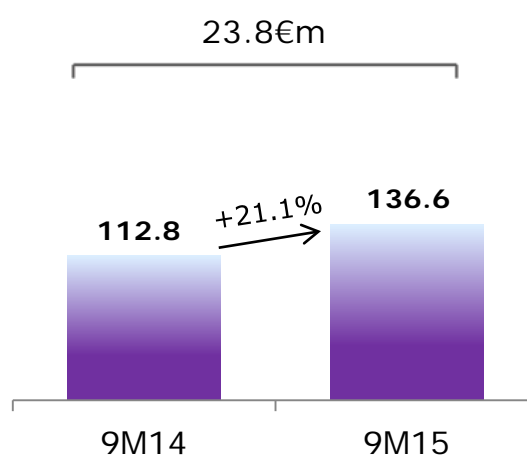
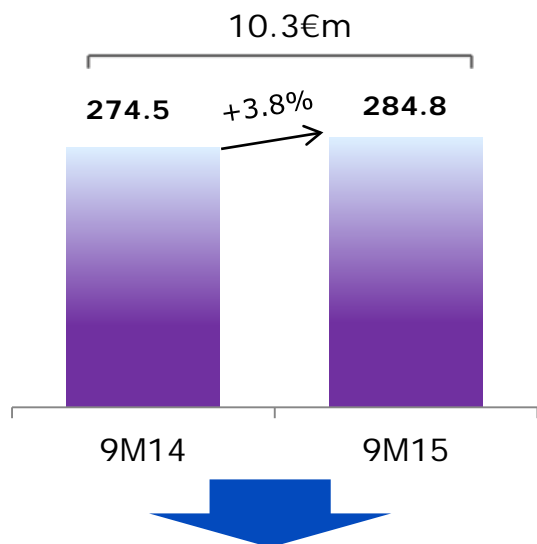
Of which > **14€m related to regulated business** (Water and Networks)

EBIT and Net Profit



EBIT €m

NET PROFIT €m



TAX RATE 34.6%

- ✓ Elimination of one-off hike in corporation tax IRES ("Robin Hood Tax")
- ✓ Deductibility for the purposes of IRAP of the cost of staff hired on permanent contracts

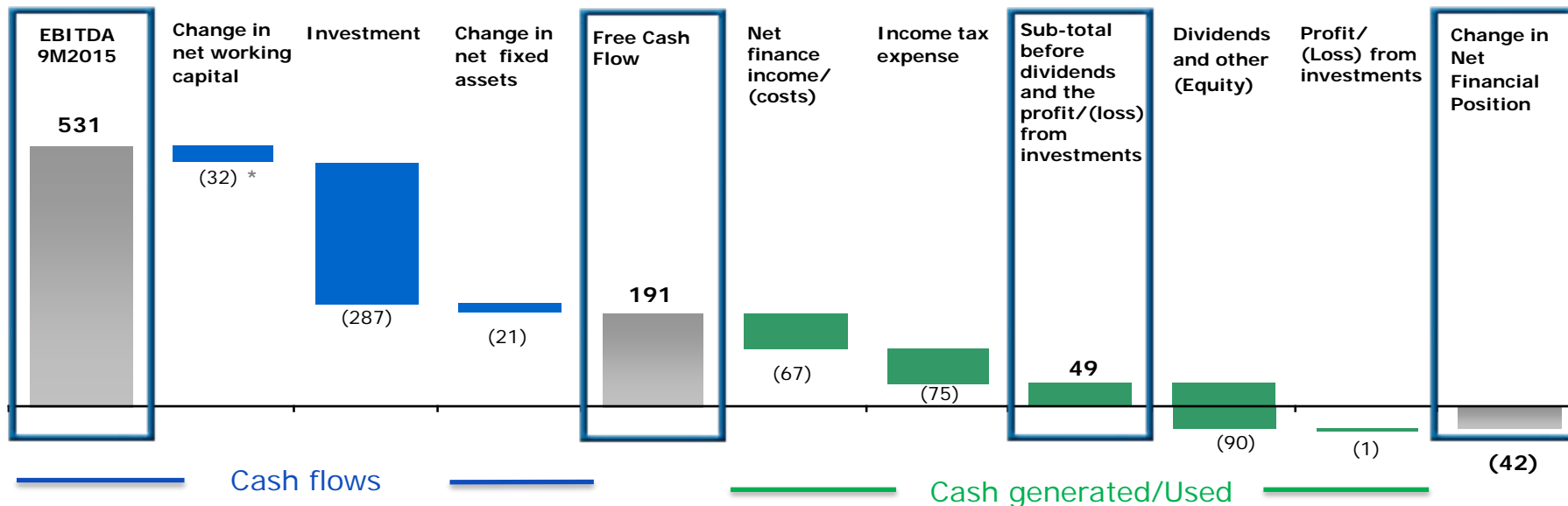
€m	9M14	9M15	Change %
Depreciation	141.3	172.0	+21.7%
Write-off	67.4	53.0	-21.4%
Provision	21.7	21.1	-2.8%
Total	230.4	246.1	+6.8%

- ✓ Higher depreciation:
 - capex growth
 - growth intangible assets resulting from the entry in operation of information technology
- ✓ Write-off decrease mainly in Water and Energy segments

Cash flow



CASH FLOW ANALYSIS (€m)	2014	1Q15	1H15	9M15
EBITDA	718	177	353	531
Change in net working capital	76	(98)	(23)	(32)
Investment	(317)	(72)	(168)	(287)
Change in net fixed assets	(21)	(5)	(17)	(21)
Free Cash Flow 1	455	2	145	191
Net finance income/(costs)	(101)	(24)	(45)	(67)
Income tax expense	(121)	(27)	(53)	(75)
Free Cash Flow 2	233	(49)	47	49
Dividends and other (Equity)	(74)	(2)	(86)	(90)
Profit/(loss) from investments	1	0	(1)	(1)
Change in Net Financial Position	160	(51)	(40)	(42)



* Before impairment losses on receivables

Net Debt



(€m)	30 Sep 2014 (a)	31 Dec. 2014 (b)	30 Sept 2015 (c)	Change (c-a)	Change (c-b)
NET DEBT	2,412.0	2,089.1	2,130.8	(281.2)	41.7
Medium/Long-term	2,913.4	3,006.4	2,656.0	(257.4)	(350.4)
Short-term	(501.4)	(917.3)	(525.2)	(23.8)	392.1

NET DEBT/ SHAREHOLDER'S EQUITY 31 Dec. 2014	NET DEBT/ SHAREHOLDER'S EQUITY 30 Sept. 2015
1.4x	1.4x

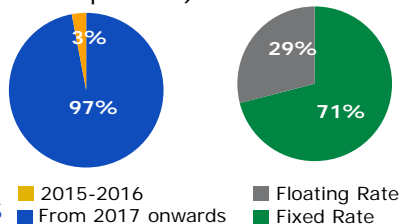
(€m) NET DEBT 31 Dec. 2013 – 30 Sept. 2014	(€m) NET DEBT 31 Dec. 2014 – 30 Sept. 2015
2,249 ← 163 → 2,412	2,089 ← 42 → 2,131
+7.2%	+2.0%

9M15 vs 9M14 improvement: $163 - 42 = 121$ €m

Debt structure

(maturity and interest rates at 30 Sept 2015)

- > 71% Fixed rate
- > Average overall cost 3.3%
- > Average term to maturity $\cong 7.1$ years



Rating

**STANDARD
& POOR'S**

FitchRatings
KNOW YOUR RISK

MOODY'S

BBB-
Stable Outlook

BBB+
Stable Outlook

Baa2
Stable Outlook



Project Acea 2.0

Project Acea2.0



New application map at ATO2 (go-live 28 Sept 2015)

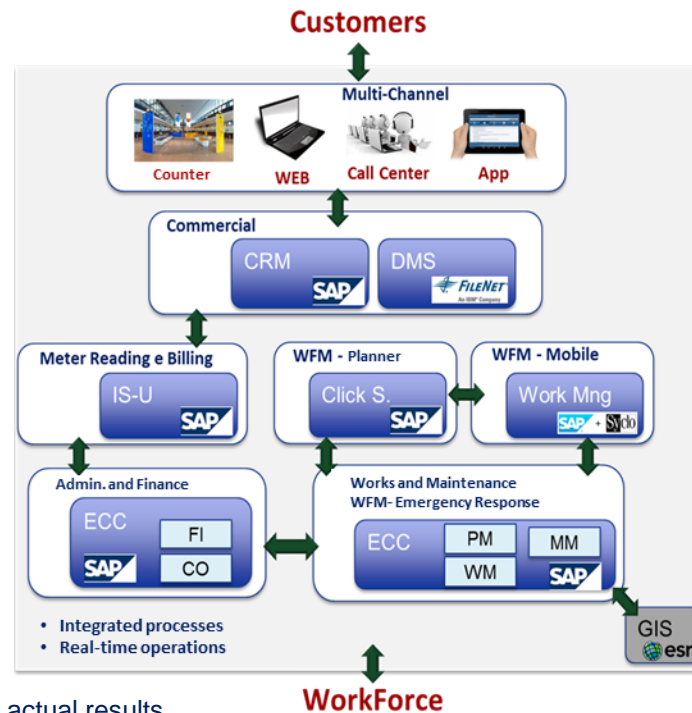
Project ATO2 has enabled us to rationalise and consolidate the application map, eliminating 19 systems/applications

SAP IS-U

- Net@-SIU - Billing
- CreditCare Ato2
- Sicol – Metering management
- CoCo – Management of water plants in municipal concessions acquired

SAP ECC

- Piteco Evo – Treasury
- SAPL – Comparison budget with actual results
- Hydra – Work planning and contract account management
- Simec – Electromechanical maintenance



SAP HCM

- Cezanne
- Performance & Leadership
- Sipert Time (from January 2016)



dal 25.11

SAP BW/BI

SAP BO



Dispatcher Centre



Car Fleet
Tom Tom
Van stock management

SAP WFM / SAP CRM / DMS Filenet / DCS Streamserve / GIS Esri

- ArcFlow – DMS Custom
- GeDa – Incident management
- GeLa – Works management
- GePa – Asset management

- GiLi – Water engineering
- Net@ Confluence CRM
- Geocall

Disclaimer



THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT REFLECT THE COMPANY'S MANAGEMENT'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND FINANCIAL AND OPERATIONAL PERFORMANCE OF THE COMPANY AND ITS SUBSIDIARIES.

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THIS PRESENTATION DOES NOT CONSTITUTE A RECOMMENDATION REGARDING THE SECURITIES OF THE COMPANY.

* * *

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