



PRESS RELEASE

ACEA: BOARD APPROVES RESULTS FOR 1H2015

- **EBITDA €353.3m (up 6.7% on €331.0m of 1H2014)**
- **EBIT €202.7m (up 7.6% on €188.4m of 1H2014)**
- **Net profit €99.3m (up 23.4% on €80.5m of 1H2014)**
- **Net debt €2,128.9m (up 1.9% on €2,089.1m of 31 December 2014)**
- **Investment €167.5m (up 17.7% on €142.3m of 1H2014)**

Rome, 28 July 2015 – The Board of Directors of ACEA SpA, chaired by Catia Tomasetti, has approved the interim report for the six months ended 30 June 2015 (1H2015).

FINANCIAL HIGHLIGHTS

(€m)	1H2014	1H2015	% inc./dec.
Consolidated revenue	1,511.2	1,441.1	-4.6%
EBITDA	331.0	353.3	+6.7%
EBIT	188.4	202.7	+7.6%
Profit/(Loss) before tax	138.6	156.8	+13.1%
Group net profit/(loss) (before non-controlling interests)	83.7	103.6	+23.8%
Group net profit/(loss) (after non-controlling interests)	80.5	99.3	+23.4%

(€m)	1H2014	1H2015	% inc./dec.
Investment	142.3	167.5	+17.7%

(€m)	30 June 2014 (a)	31 Dec 2014 (b)	30 June 2015 (c)	% inc./dec. (c/a)	% inc./dec. (c/b)
Net debt	2,376.7	2,089.1	2,128.9	-10.4%	+1.9%
Equity	1,427.0	1,502.4	1,518.6	+6.4%	+1.1%
Invested capital	3,803.7	3,591.5	3,647.5	-4.1%	+1.6%

ACEA GROUP'S RESULTS FOR 1H2015

Consolidated EBITDA is up 6.7% to €353.3m. The elements that have helped to achieve these results include solid growth across all business areas and the effective strategy of focusing on regulated businesses and on operational efficiency.

Contributions to total EBITDA are as follows: Water 41%, Grids 35%, Energy 16% and Environment 8%.

Consolidated EBIT is up from the €188.4m of 1H2014 to €202.7m for 1H2015 (up 7.6%). Amortisation and depreciation has risen, partly due to increased capex in all business areas. Provisions for bad debts are down, above all in the Water and Energy segments, reflecting improvements in credit collection.

Net profit, after non-controlling interests, is €99.3m (up 23.4% on the €80.5m of the same period of 2014).

The tax rate is 33.9% (39.6% in 1H2014). The reduction reflects 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.

The Group's **investment** in 1H2015 amounts to €167.5m, marking an increase of 17.7%. This figure breaks down as follows: Water €74.6m; Grids €67.7m; Environment €9.8m; Energy €6.6m; and the Parent Company €8.8m.

Net debt amounts to €2,128.9m at the end of 1H2015, slightly up (€39.8m) on 31 December 2014 and down €247.8m on 30 June 2014. The change in net debt reflects capex requirements and the positive performance of working capital, which has continued the downward trend already seen in the second half of last year.



SEGMENT INFORMATION FOR 1H2015

Environment

The Environment segment contributed EBITDA of €27.1m, substantially in line with the figure for 1H2014 (€27.8m). The 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	1H2014	1H2015
Treatment and disposal ('000 tonnes)	399	380
WTE electricity sold (GWh)	121	132

Energy

The Energy segment's EBITDA is up 22.3% to €55.9m, thanks essentially to growth in the energy margin on sales (up 41%). 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.

ENERGY – EBITDA (€m)	1H2014	1H2015
Energy segment	45.7	55.9
<i>Production</i>	19.1	18.3
<i>Sales</i>	26.6	37.6

ENERGY – operational highlights	1H2014	1H2015
Electricity production (GWh)	293	280
Electricity sold (GWh)	5,533	4,793
<i>Enhanced protection market</i>	1,568	1,526
<i>Free market</i>	3,965	3,267
Gas sold (million m ³)	66	78

Water

The Water segment's EBITDA is up from the €138.2m of 1H2014 to €146.7m for 1H2015 (up 6.2%). The improvement primarily reflects growth at companies consolidated using the equity method. The contribution from overseas water companies reflects recognition of non-recurring income of €2.5m attributable to Aguazul Bogotá.

Grids

EBITDA for the Grids segment is up 3.5% to €123.3m, primarily reflecting an improvement at Acea Distribuzione.

GRIDS – operational highlights	1H2014	1H2015
Electricity distributed (GWh)	5,061	5,087

Parent Company

The Parent Company reports EBITDA of €0.3m, substantially in line with the figure for the same period of 2014.

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. Launch of the new WFM system in the Water segment is scheduled for this autumn.

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 30 JUNE 2015, INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015, ANALYSIS OF NET DEBT AT 30 JUNE 2015 AND STATEMENT OF CHANGES IN EQUITY.

A conference call will be held at 10.30am (Italian time) on Wednesday, 29 July 2015 in order to present the results for the six months ended 30 June 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, 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.

Acea SpA

Investor Relations
Tel. +39 06 57991
investor.relations@aceaspa.it
Corporate website: www.acea.it

Press Office
Tel. +39 06 57993718/70
ufficio.stampa@aceaspa.it



CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

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	1H2015	1H2014	Increase/ (Decrease)	% increase/ (decrease)
Sales and service revenues	1,406,115	1,452,493	(46,378)	(3.2%)
Other operating income	35,028	58,703	(23,676)	(40.3%)
Consolidated net revenue	1,441,143	1,511,196	(70,053)	(4.6%)
Staff costs	117,054	126,368	(9,314)	(7.4%)
Cost of materials and overheads	983,722	1,062,453	(78,732)	(7.4%)
Consolidated operating costs	1,100,776	1,188,821	(88,045)	(7.4%)
Net profit/(loss) from commodity risk management	0	(25)	25	(100.0%)
Profit/(loss) on non-financial investments	12,901	8,614	4,287	49.8%
Gross operating profit	353,269	330,965	22,304	6.7%
Amortisation, depreciation, provisions and impairment losses	150,597	142,589	8,008	5.6%
Operating profit/(loss)	202,672	188,376	14,296	7.6%
Finance income	11,365	11,960	(595)	(5.0%)
Finance costs	(56,608)	(62,834)	6,226	(9.9%)
Profit/(loss) on investments	(604)	1,076	(1,680)	(156.1%)
Profit/(loss) before tax	156,825	138,579	18,246	13.2%
Income tax expense	53,201	54,858	(1,657)	(3.0%)
Net profit/(loss)	103,624	83,721	19,903	23.8%
<i>Net profit/(loss) attributable to non-controlling interests</i>	<i>4,295</i>	<i>3,183</i>	<i>1,112</i>	<i>34.9%</i>
Net profit/(loss) attributable to owners of the Parent	99,329	80,538	18,791	23.3%
Earnings/(Loss) per share attributable to owners of the Parent (€)				
basic	0.4664	0.3782	0.0882	
diluted	0.4664	0.3782	0.0882	



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

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ASSETS	30 June 2015	31 December 2014	Increase/ (Decrease)
Property, plant and equipment	2,041,027	2,031,410	9,617
Investment property	2,792	2,819	(27)
Goodwill	149,361	150,772	(1,411)
Concessions	1,439,175	1,398,571	40,603
Other intangible assets	101,741	85,284	16,457
Investments in subsidiaries and associates	231,004	224,767	6,237
Other investments	2,379	2,482	(103)
Deferred tax assets	292,568	296,224	(3,656)
Financial assets	35,862	34,290	1,572
Other assets	41,886	43,972	(2,086)
NON-CURRENT ASSETS	4,337,796	4,270,593	67,203
Inventories	30,052	29,229	823
Trade receivables	1,211,076	1,259,920	(48,844)
Other current receivables and assets	94,443	141,467	(47,024)
Current tax assets	56,679	99,843	(43,164)
Current financial assets	125,574	92,130	33,444
Cash and cash equivalents	594,502	1,017,967	(423,465)
CURRENT ASSETS	2,112,326	2,640,556	(528,230)
Non-current assets held for sale	497	497	0
TOTAL ASSETS	6,450,618	6,911,645	(461,027)

EQUITY AND LIABILITIES	30 June 2015	31 December 2014	Increase/ (Decrease)
Equity			
share capital	1,098,899	1,098,899	0
legal reserve	87,908	176,119	4,480
other reserves	(348,631)	(477,826)	36,504
retained earnings/(accumulated losses)	507,970	470,915	37,054
profit/(loss) for the year	99,329	162,459	(63,130)
Total equity attributable to owners of the Parent	1,445,474	1,430,566	14,908
Equity attributable to non-controlling interests	73,131	71,825	1,306
Total equity	1,518,605	1,502,391	16,214
Staff termination benefits and other defined-benefit obligations	112,054	118,004	(5,950)
Provisions for liabilities and charges	170,210	168,644	1,566
Borrowings and financial liabilities	2,707,036	3,040,712	(333,676)
Other liabilities	183,328	177,990	5,338
Deferred tax liabilities	92,584	93,284	(699)
NON-CURRENT LIABILITIES	3,265,212	3,598,633	(333,422)
Borrowings	174,959	189,957	(14,998)
Trade payables	1,098,126	1,249,366	(151,240)
Tax liabilities	109,140	83,941	25,199
Other current liabilities	284,478	287,259	(2,781)
CURRENT LIABILITIES	1,666,703	1,810,522	(143,819)
Liabilities directly associated with assets held for sale	99	99	0
TOTAL EQUITY AND LIABILITIES	6,450,618	6,911,645	(461,027)



STATEMENT OF CHANGES IN EQUITY

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€000	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

€000	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
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)	0	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		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



RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

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	30 June 2015	31 December 2014	Increase/ (Decrease)	Increase/ (Decrease)	30 June 2014	Increase/ (Decrease)	Increase/ (Decrease)
STATEMENT OF FINANCIAL POSITION	(a)	(b)	(a) - (b)	%	(c)	(a) - (c)	%
NET WORKING CAPITAL	(99,494)	(90,106)	(9,388)	10.4%	175,830	(275,324)	(156.6%)
Current receivables	1,211,076	1,259,920	(48,844)	(3.9%)	1,440,783	(229,707)	(15.9%)
- due from end users /customers	1,111,197	1,162,973	(51,776)	(4.5%)	1,320,337	(209,141)	(15.8%)
- due from Comune di Roma	69,429	67,231	2,198	3.3%	88,542	(19,113)	(21.6%)
Inventories	30,052	29,229	823	2.8%	34,299	(4,247)	(12.4%)
Other current assets	151,122	241,310	(90,188)	(37.4%)	201,901	(50,779)	(25.2%)
Current payables	(1,098,126)	(1,249,366)	151,240	(12.1%)	(1,163,886)	65,760	(5.7%)
- due to suppliers	(968,243)	(1,130,158)	161,915	(14.3%)	(1,058,788)	90,545	(8.6%)
- due to Comune di Roma	(126,107)	(116,678)	(9,429)	8.1%	(100,789)	(25,318)	25.1%
Other current liabilities	(393,617)	(371,199)	(22,418)	6.0%	(337,267)	(56,351)	16.7%
NON-CURRENT ASSETS AND LIABILITIES	3,746,974	3,681,597	65,377	1.8%	3,627,947	119,027	3.3%
Property, plant and equipment and intangible assets	3,734,593	3,669,353	65,240	1.8%	3,604,603	129,991	3.6%
Investments	233,384	227,249	6,134	2.7%	216,677	16,706	7.7%
Other non-current assets	334,454	340,196	(5,743)	(1.7%)	358,851	(24,397)	(6.8%)
Staff termination benefits and other defined-benefit obligations	(112,054)	(118,004)	5,950	(5.0%)	(111,773)	(281)	0.3%
Provisions for liabilities and charges	(167,490)	(165,925)	(1,566)	0.9%	(183,851)	16,360	(8.9%)
Other non-current liabilities	(275,912)	(271,273)	(4,639)	1.7%	(256,560)	(19,352)	7.5%
INVESTED CAPITAL	3,647,481	3,591,492	55,989	1.6%	3,803,777	(156,297)	(4.1%)
NET DEBT	(2,128,876)	(2,089,101)	(39,775)	1.9%	(2,376,734)	247,858	(10.4%)
Medium/long-term loans and receivables	35,862	34,290	1,572	4.6%	34,015	1,847	5.4%
Medium/long-term borrowings	(2,707,036)	(3,040,712)	333,676	(11.0%)	(2,351,313)	(355,723)	15.1%
Short-term loans and receivables	122,855	89,411	33,444	37.4%	119,629	3,226	2.7%
Cash and cash equivalents	594,502	1,017,967	(423,465)	(41.6%)	311,011	283,491	91.2%
Short-term borrowings	(175,058)	(190,056)	14,998	(7.9%)	(490,076)	315,018	(64.3%)
Total equity	(1,518,604)	(1,502,391)	(16,214)	1.1%	(1,427,043)	(91,562)	6.4%
BALANCE OF NET DEBT AND EQUITY	(3,647,481)	(3,591,492)	(55,989)	1.6%	(3,803,777)	156,297	(4.1%)



ANALYSIS OF CONSOLIDATED NET DEBT AT 30 JUNE 2015

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€m	30 June 2015 (a)	31 December 2014 (b)	Increase/ (Decrease) (a - b)	30 June 2014 (c)	Increase/ (Decrease) (a - c)
Non-current financial assets/(liabilities)	2,361	1,710	650	1,687	673
Intercompany non-current financial assets/(liabilities)	33,501	32,580	922	32,328	1,173
Non-current borrowings and financial liabilities	(2,707,036)	(3,040,712)	333,676	(2,351,313)	(355,723)
Net medium/long-term debt	(2,671,174)	(3,006,422)	335,248	(2,317,298)	(353,876)
Cash and cash equivalents and securities	594,502	1,017,967	(423,465)	311,011	283,491
Short-term bank borrowings	(54,385)	(58,161)	3,777	(377,037)	322,653
Current financial assets/(liabilities)	(61,099)	(103,944)	42,845	(65,761)	4,662
Intercompany current financial assets/(liabilities)	63,280	61,460	1,820	72,351	(9,071)
Net short-term debt	542,298	917,321	(375,023)	(59,436)	601,735
Total net debt	(2,128,876)	(2,089,101)	(39,775)	(2,376,734)	247,858