



**Interim Condensed Consolidated  
Financial Statements 2015**

**Part Two  
Notes to the financial statements**

## Form and structure

### General information

The 2015 Interim Condensed Consolidated Financial Statements of the ACEA S.p.A. Group were approved by Board of Directors' resolution on 28 July 2015. The Parent Company, ACEA S.p.A., is an Italian joint-stock company with its registered office in Rome, at Piazzale Ostiense 2, and whose shares are traded on the Milan Stock Exchange.

The ACEA Group's main Operating Segments are described in the Report on Operations.

### Compliance with IAS/IFRS

These Interim Condensed Consolidated Financial Statements were prepared in compliance with international accounting standards effective at the end of the reporting period, as approved by the *International Accounting Standards Board* (IASB) and endorsed by the European Union. The standards consist of the *International Financial Reporting Standards* (IFRS), *International Accounting Standards* (IAS) and the interpretations of the *International Financial Reporting Interpretations Committee* (IFRIC) and of the *Standing Interpretations Committee* (SIC), collectively referred to as "IFRS". The Interim Condensed Consolidated Financial Statements have been prepared in compliance with IAS 34 standard concerning interim financial reporting, using the same accounting principles as adopted for the preparation of the Consolidated Financial Statements at 31 December 2014, and for complete explanation should be read in conjunction with these. These Interim Condensed Consolidated Financial Statements were drawn up in the format envisaged by IAS 34.

### Basis of presentation

These Interim Condensed Consolidated Financial Statements consist of the Consolidated Statement of Financial Position, Consolidated Income Statement, Statement of Consolidated Comprehensive Income, Consolidated Statement of Cash Flows and the Statement of Changes in Consolidated Equity. The Statements also include notes prepared according to IAS 34.

It should be noted that in this reporting, the income statement is classified on the basis of the nature of expenses; the items of the statement of financial position are based on the liquidity method, dividing between current and non-current items, while the statement of cash flows is presented using the indirect method.

The Interim Condensed Consolidated Financial Statements are presented in euros and all amounts are rounded off to the nearest thousand euros unless otherwise indicated.

The figures in these Interim Condensed Consolidated Financial Statements are comparable to the figures for the same period.

### Alternative performance indicators

In line with Recommendation CESR/05-178b, the content and meaning of the non-GAAP measures of performance and other alternative performance indicators used in these financial statements are illustrated below:

1. The ACEA Group considers EBITDA (*operating gross margin*) as an indicator of operating performance and effective 1 January 2014 it also includes the Summary result of subsidiaries under joint control, for which the consolidation method has been modified following the implementation of the new IFRS10 and IFRS11 international accounting standards for financial reporting. EBITDA is calculated by adding together the Operating profit (loss) and "Amortisation, depreciation, provisions and impairment charges";
2. The *net financial position* is an indicator of the ACEA Group's financial structure, consisting of the sum of non-current borrowings and financial liabilities net of non-current financial assets (loans and receivables and securities other than equity investments), current borrowings and other current liabilities net of current financial assets, cash and cash equivalents;

3. *Net invested capital* is defined as the sum of “Current assets”, “Non-current assets” and assets and liabilities held for sale, net of the “Current liabilities” and “Non-current liabilities”, excluding items taken into account in calculating the net *financial position*.

### **Use of estimates**

In application of IFRS, preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue, costs, assets and liabilities and the disclosure of contingent assets and liabilities as at the reporting date. The actual amounts may differ from such estimates. Estimates are used for the recognition of provisions for credit risk, obsolescent inventories, impairment charges incurred on assets, employee benefits, fair value of derivatives, taxes and other provisions. The original estimates and assumptions are periodically reviewed and the impact of any change is recognised in the income statement.

In addition, it should be noted that certain estimation processes, particularly the more complex such as the calculation of any impairment of non-current assets, are generally performed in full only when drafting the annual financial statements, unless there are signs of impairment that call for immediate impairment testing.

### **Effects of the seasonal nature of operations**

Given its area of business operations, the ACEA Group is not subject to significant seasonal patterns; however certain specific sectors of activity may experience inconsistent performance over the course of the calendar year.

## Consolidation policies, procedures and scope

### Consolidation policies

#### Subsidiaries

The basis of consolidation includes the Parent Company ACEA S.p.A. and the companies over which it directly or indirectly exercises control via a majority of the voting rights.

Subsidiaries are consolidated from the date on which control is effectively transferred to the Group and are deconsolidated from the date on which control is transferred out of the Group. Where there is loss of control of a consolidated company, the consolidated financial statements include the results for the part of the reporting period in which the ACEA Group had control.

#### Joint ventures

A joint venture is a contractual arrangement in which the Group and other parties jointly undertake a business activity, i.e. the contractually agreed sharing of control whereby the strategic, financial and operating policy decisions can only be adopted with unanimous consent of the parties sharing control. The consolidated financial statements include the Group's share of the income and expenses of jointly controlled entities, accounted for using the equity method.

#### Associates

Associates are companies over which the Group exercises significant influence, but not control or joint control, through its power to participate in the financial and operating policy decisions of the associate. The consolidated financial statements include the Group's share of the results of associates using the equity method, unless they are classified as held for sale, from the date it begins to exert significant influence until the date it ceases to exert such influence.

When the Group's share of an associate's losses exceeds the carrying amount of the investment, the interest is reduced to zero and any additional losses must be covered by provisions to the extent that the Group has legal or implicit loss cover obligations to the associate or in any event to make payments on its behalf. Any excess of the cost of the acquisition over the Group's interest in the fair value of the associate's identifiable assets, liabilities and contingent liabilities at the date of the acquisition is recognised as goodwill. Goodwill is included in the carrying amount of the investment and subject to impairment tests, together with the value of the investment.

### Consolidation procedures

#### General procedure

The financial statements of the Group's subsidiaries, associates and joint ventures are prepared for the same accounting period and using the same accounting standards as those adopted by the Parent Company. Consolidation adjustments are made to align any items influenced by the application of unlike accounting policies.

All intra-group balances and transactions, including any unrealised profits on intra-group transactions, are eliminated in full. Unrealised losses are eliminated unless costs cannot be subsequently recovered.

The carrying amount of investments in subsidiaries is eliminated against the corresponding share of the shareholders' equity of each subsidiary, including any adjustments to reflect fair values at the acquisition date. Any positive difference is treated as "goodwill" and any negative difference is entered in the income statement at the acquisition date.

The minority interest in the net assets of consolidated subsidiaries is shown separately from shareholders' equity attributable to the Group. This interest is calculated on the basis of the percentage interest held in the fair value of assets and liabilities recognised at the original date of acquisition and in any changes in shareholders' equity after that date. Losses attributable to the

minority interest in excess of their portion of shareholders' equity are subsequently attributed to shareholders' equity attributable to the Group, unless the minority has a binding obligation to cover losses and is able to invest further in the company to cover the losses.

### **Business combinations**

Acquisitions of subsidiaries are accounted for under the acquisition method. The cost of the acquisition is determined as the sum of the fair value (at the date of exchange) of the assets acquired, the liabilities incurred or acquired, and the financial instruments issued by the Group, in exchange for control of the acquired company.

The identifiable assets, liabilities and contingent liabilities of the acquired company that meet the conditions for recognition under IFRS3 are accounted for at fair value on the date of acquisition, with the exception of non-current assets (or disposal groups), which are classified as held for sale under IFRS5 and accounted for at fair value net of costs to sell.

If the business combination is recognised in several phases, the fair value of the investment previously held (in the case of equity method valuation) is recalculated and any resulting profit or loss is recognised in the income statement.

The Group recognises any contingent consideration at fair value on the date of acquisition. The change in fair value of the contingent consideration classified as asset or liability is recognized according to the provisions under IAS 39, in the income statement or in other comprehensive income. If the contingent consideration is classified in equity, its value is re-measured until its extinction is booked against equity.

Goodwill on acquisition is recognised as an asset and initially valued at cost, represented by the excess of the cost of the acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities acquired. This goodwill is not amortised, but is tested for impairment. If, on the other hand, the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the relevant amounts are re-determined. If the Group's interest in the resulting fair value of the identifiable assets, liabilities and contingent liabilities still exceeds the cost of the acquisition, the difference is immediately recognised in the income statement.

For every business combination, the Group values any minority stake in the acquired entity at fair value or in proportion to the share of the minority interest in net identifiable assets of the acquired entity.

### **Consolidation procedure for assets and liabilities held for sale (IFRS5)**

Non-current assets and liabilities are classified as held for sale, in accordance with the provisions of IFRS 5.

### **Consolidation of foreign companies**

All the assets and liabilities of foreign companies denominated in a currency other than the euro are translated using the exchange rates at the end of the reporting period.

Revenue and costs are translated using average exchange rates for the period. Any translation differences are recognised in a separate component of shareholders' equity until the investment is sold.

Foreign currency transactions are initially recognised at the spot rate on the date of the transaction. Foreign currency assets and liabilities are translated at the exchange rate at the end of the reporting period. Translation differences and those arising on disposal of the foreign operation are recognised under financial management in the income statement.

## Basis of consolidation

The Interim Condensed Consolidated Financial Statements of the ACEA Group include the financial statements of the Parent Company ACEA and those of its Italian and foreign subsidiaries, in respect of which, in compliance with the provisions of IFRS10, it is exposed to the variability of returns deriving from shareholding relationships and in which it has a direct or indirect holding of the majority of exercisable voting rights at ordinary shareholders' meetings, and therefore the ability to influence the returns of the associates through the exercise of its decision-making powers. Moreover, companies that the Parent Company jointly controls with other parties are accounted for using the equity method.

### A) Changes in the basis of consolidation

The basis of consolidation at 30 June 2015 underwent changes with respect to that in effect at 31 December 2014 as a result of the acquisition of 100% of Cesap Vendita Gas S.r.l. on the part of Umbria Energy S.p.A. This associate was previously held in liquidation by Si(e)nergia S.p.A. Subsequent to the acquisition, Cesap Vendita Gas is fully consolidated.

It is also pointed out that during the period under review:

- ACEA increased its equity interest in ABAB by 0.67% through the purchase of 68,148 shares from Consorzio Toscano Cooperative at the price of 162 thousand euros, with ACEA's ownership standing at 76.48%;
- Acea Energia acquired the share held by Puglienergy (51%) in Elga Sud for a price of 63 thousand euros, as a result of which it now fully owns Elga Sud.

### B) Unconsolidated investments

Tirana Acque S.c.a.r.l. in liquidation (40% owned by ACEA) is accounted for at cost, given that this associate is not operational and has no significant effects with respect to the equity, profit and loss and financial position of the Group.

## Accounting standards and measurement criteria

The accounting standards and measurement and evaluation criteria adopted for the Interim Condensed Consolidated Financial Statements are the same as those adopted for the Consolidated Financial Statements at 31 December 2014, to which reference should be made for a description of the most significant ones.

### New accounting standards, amendments, interpretations and improvements applied as of 1 January 2015

As of 1 January 2015, certain documents issued by the IASB and approved by the European Union have come into effect, which imply changes to the main international accounting standards. These are as follows:

#### IFRIC 21 - Taxation

European Commission Regulation (EU) 634/2014 of 13 June 2014, published in the Official Journal of the European Union L 175 on 14 June 2014, adopts IFRIC Interpretation 21. This addresses the accounting for a liability for payment of a tax in the case where the liability does not fall under the application of other accounting standards, and is distinct from fines or sanctions due to the violation of laws imposed by the state, or imposed in general by local, national or international

government agencies or bodies. Liabilities of such type must be accounted for in the case of the occurrence of the event that triggers the obligation to pay a tax whose timing or amount is uncertain. Liabilities of such type must be reported in the financial statements in the case of the necessary trigger event for the obligation to pay a tax whose timing or amount is uncertain.

### Annual Improvements to IFRSs (2011-2013 cycle)

In the document "Annual Improvements to IFRSs (2011-2013 Cycle)" the IASB amended the following accounting standards with reference to some aspects requiring clarification:

- **IFRS 1 First-time Adoption of International Financial Reporting Standards:** By the amendment of IFRS 1, the IASB clarified that in its first IFRS financial statements, a "first-time adopter", though not being obliged, can make early use of a new or revised IFRS that is not yet mandatorily effective, if its early application is allowed. The amendments to IFRS 13, since they refer solely to the "basis for conclusion" have not yet been adopted by the European Union.
- **IFRS 3 Business Combinations:** By the amendment of IFRS 3, the IASB clarified that the provisions of this standard are not applicable to the formation of all joint control agreements, including joint operations. This exclusion refers to financial statements drafted with reference to the joint control agreement.
- **IFRS 8 Operating Segments:** By the amendment of IFRS 8, the IASB altered the requirements for information disclosure in the case of the aggregation of different operating segments having similar economic characteristics.
- **IFRS 13 Fair Value Measurement:** By the amendment of IFRS 13, the IASB clarified that the exception foreseen for the measurement at fair value on the net basis of a portfolio of assets and liabilities is also applicable in reference to contracts within the scope of application of IAS 39 or IFRS 9, even where such contracts do not conform to the definition of assets or liabilities as under IAS 32 (e.g. contracts for the purchase or sale of non-financial assets for which net settlement is foreseen).
- **IAS 40 Investment Property:** By the amendment of IAS 40, the IASB clarified the relationship between this standard and the provisions of IFRS 3. In particular:
  - a) The entity must determine whether it has acquired an investment property as defined under IAS 40;
  - b) Conduct a separate measurement on the basis of IFRS 3, for the purpose of determining whether the acquired investment property falls under the definition of "business combination".

## Accounting principles, amendments and interpretations not yet endorsed by the European Union and not adopted in advance by the Group

### IFRS 9 Financial Instruments

On 25 July 2014 the IASB published IFRS 9 – "Financial Instruments", including the part on the classification and measurement of financial instruments, the impairment model and hedge accounting.

IFRS 9 has revised the accounting rules of IAS 39 with reference to the recognition and measurement of the financial instruments, including hedging transactions.

The principle established the following three categories for the classification of financial assets:

- financial assets measured at *amortised cost*;
- financial assets measured at fair value recognised in the income statement ("FVTPL" – "Fair value through profit and loss");
- financial assets measured at fair value through other comprehensive income ("FVOCI" – "fair value through other comprehensive income").

With reference to this classification, the following provisions are likewise pointed out:

- *non-trading equity instruments*, which would be classified in the FVTPL category, can be classified on the basis of an irrevocable decision by the entity drafting the financial statements under the FVOCI category. In this case the changes in fair value (including exchange rate difference) will be recognised in OCI and will never be reclassified under profit (loss) for the year;
- if the financial assets classified in the category “amortised cost” or “FVOCI” create an “*accounting mismatch*”, the entity drafting the financial statements can decide irrevocably to use the “fair value option” classifying these financial assets in the “FVTPL” category;
- with reference to “debt instruments” classified in the FVOCI category, it is pointed out that interest receivable, expected credit losses and exchange rate differences must be recognised in profit (loss) for the year. On the other hand, OCI will include the other effects deriving from measurement at fair value, which will be reclassified under profit (loss) for the year only in case of de-recognition of the financial asset.

With regard to financial liabilities, the standard provides for the classification previously stated in IAS 39, but introduces an important innovation for financial liabilities classified in the “FVTPL” category, since the rate of change in fair value attributable to own credit risk must be recognised in OCI instead of in profit (loss) for the year as set forth currently in IAS 39. Under IFRS 9, for an entity that experiences a worsening in own credit risk, while being required to reduce the amount of own liabilities measured at fair value, the effect of this reduction attributable to own credit risk will not involve positive effects on profit (loss) for the year but rather in OCI.

IFRS 9 introduces a new impairment model based on expected losses. Starting immediately, and independently from an eventual trigger event, the entity must enter expected losses on its financial assets, and must continuously update the estimate, also taking into account changes in counterpart credit risk, based not only on past and present events and data, but giving the proper emphasis to future estimates. Future losses must be estimated initially with reference to expected losses in the next 12 months, and then, with reference to overall losses in the life of the credit. The expected losses in the next 12 months are the portion of losses that would be incurred in case of a default by the counterpart within 12 months from the reporting date, and are given by the product between maximum loss and the probability of a default occurring.

Total losses during the life of the financial asset are the current amount of average future losses multiplied by the likelihood of default during the life of the financial asset.

IFRS 9 introduces a model of hedge accounting intended to reflect the risk management activities undertaken by the company in its financial statements, focusing on the fact that if a risk factor can be identified and measured, independently from the type of risk and/or item, the instrument created to cover this risk can be recognised in hedge accounting, with the simple limitation that this risk could have an impact on profit and loss or other items of the comprehensive income statement (OCI).

The standard also allows information produced internally by the company to be used as the basis for hedge accounting, so that it is no longer necessary to demonstrate compliance with complex criteria and measurements created exclusively for accounting requirements. The main changes are as follows:

- efficacy test: the 80-125% threshold is abolished and replaced with an objective test to verify the economic relationship between the instrument hedged and the hedging instrument (for example if there is a loss in the former there must be a gain in the latter);
- components hedged: not only financial assets and liabilities but any components or group of components as long as the risk is separately identifiable and measurable;
- cost of hedge: the time value of an option, forward points and currency spread can be excluded from hedge accounting and recognised immediately as the cost of coverage, and therefore all mark-to-market fluctuations can be temporarily recognised under other items of the comprehensive income statement (OCI);



- disclosure: ample disclosure is provided on the risks hedged and the instruments used, eliminating the current disclosure statement based on the distinction between cash flow hedge and fair value hedge instruments; these accounting terms often confuse investors, who are clearly more interested in the risks and how these are hedged than in the accounting classification of the hedging instruments as such.

The new standard will be applied starting from 1 January 2018. Early application is allowed as long as the IASB document has already been endorsed by the European Union.

#### **IFRS 11: Joint Arrangements**

On 7 May 2014, the IASB published amendments intended to clarify the accounting requirements for the acquisitions of interests in a joint operation that constitutes a business. In the case that the joint operation is not a business, the acquisition must be accounted as a separate acquisition of assets and liabilities, without accounting the goodwill, the deferred taxes, and, where these occur, capitalising the relative accessory costs.

The amendment to IFRS 11 must be applied prospectively, beginning with financial years starting on or after 1 January 2016. Advance application is permitted on condition that the IASB document is endorsed by the European Union.

#### **IFRS 14 Regulatory Deferral Accounts**

On 30 January 2014, the IASB published *IFRS 14 Regulatory Deferral Accounts, Interim Standard on Rate-regulated Activities*.

IFRS 14 permits only first-time IFRS adopters to continue to recognise amounts related to rate regulation in accordance with their previously adopted accounting principles. To enhance comparability with entities that already apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. The standard is effective from 1 January 2016, with early application permitted.

#### **IFRS 15 Revenues from contracts with customers**

On 29 May 2014, after a period of study and consultation lasting over a decade, IASB and FASB jointly published new provisions for accounting of revenue. The new standard will substitute, from 2017, IAS 18 (Revenue) and IAS 11 (Construction contracts).

The steps considered fundamental for accounting of revenue are:

- identify the contract with the customer, defined as an agreement (written or verbal) between two or more parties, which has commercial substance and creates legally enforceable rights and obligations;
- identify the (separately identifiable) performance obligations contained in the contract;
- determine the transaction price, meaning the amount to which the company expects to be entitled in exchange for transferring goods or services to the customer, in keeping with the methods provided under the standard and in function of any financing components present;
- allocate the transaction price relative to each performance obligation;
- account for revenue when the obligation is satisfied, taking into account the fact the services could be provided either at a single point in time or over a period of time.

The standard will have little effect on accounting for the more straightforward types of operations. Greater differences are expected for the timing of accounting and quantitative measurement concerning medium- to long-term service contracts and multi-element arrangements, where operators had indicated the presence of the principle deficiencies of the current standard. Disclosure of revenue will be improved by means of qualitatively and quantitatively improved information, permitting the stakeholders to gain better understanding of the elements necessary for the identification of revenues.

The standard is effective from 1 January 2017, with early application permitted.

**IAS 16: Property, Plant and Equipment; IAS 38: Intangible Assets**

On 13 May 2014, the IASB published amendments to these two standards, intended to clarify that the amortisation method based on revenue generated from the asset (so-called "revenue-based method) is not appropriate, since it only reflects the flow of revenue generated by the asset, and not the means of consumption of future economic benefits embodied in the asset. The amendment is effective beginning with financial years starting on or after 1 January 2016. Early application is permitted provided that the IASB document is adopted by the European Union.

**IAS 27: Separate financial statements**

The IASB, with this amendment, introduced the option of using the equity method to account for investments in subsidiaries, joint ventures and associates, in an entity's separate financial statement. This method, which was previously unavailable, is added to the other two options that already existed:

- the cost method;
- at fair value, in accordance with IAS 39 or IFRS 9.

The option of using the net assets method for all of some categories of investment must be applied in the separate statement in retroactive manner. The amendment is effective beginning with financial years starting on or after 1 January 2016. Early application is permitted provided that IASB document is accepted by the European Union.

**IAS 10: Consolidated Financial Statements; IAS 28: Investments in Associates and Joint Ventures**

On 11 September 2014, the IASB published amendments intended to clarify the accounting for both the case of the loss of control of subsidiary (regulated by IFRS 10) and the case of downstream transaction (regulated by IAS 28), according to whether or not the object of the transaction is a business, as defined under IFRS 3.

If the object of the transaction is a business, then the loss must be recognised in full for both cases (i.e. loss of control and downstream transactions); on the other hand, if the subject of the transaction is not a business, then the loss will be recognised only to the extent of unrelated investors' interests in the subsidiary.

These amendments are effective 1 January 2016, however early application is permitted.

## Interim Consolidated Income Statement

Note ref.		30/06/2015	of which related parties	30/06/2014	of which related parties	Increase (decrease)	Increase (decrease) %
1	Revenue from sales and services	1,406,115		1,452,493		(46,378)	(3.2%)
2	Other income	35,028		58,703		(23,676)	(40.3%)
	<b>Consolidated net revenue</b>	<b>1,441,143</b>	<b>78,278</b>	<b>1,511,196</b>	<b>94,657</b>	<b>(70,053)</b>	<b>(4.6%)</b>
3	Staff costs	117,054		126,368		(9,314)	(7.4%)
4	External costs	983,722		1,062,453		(78,732)	(7.4%)
	<b>Consolidated operating costs</b>	<b>1,100,776</b>	<b>16,747</b>	<b>1,188,821</b>	<b>17,696</b>	<b>(88,045)</b>	<b>(7.4%)</b>
5	<b>Net income (costs) from commodity risk management</b>	0		(25)		25	(100.0%)
6	<b>Income (costs) from equity investments of non-financial nature</b>	<b>12,901</b>		<b>8,614</b>		<b>4,287</b>	<b>49.8%</b>
	<b>Gross operating profit</b>	<b>353,269</b>	<b>61,531</b>	<b>330,965</b>	<b>76,961</b>	<b>22,304</b>	<b>6.7%</b>
7	Amortisation, depreciation, provisions and impairment charges	150,597		142,589		8,008	5.6%
	<b>Operating profit (loss)</b>	<b>202,672</b>	<b>61,531</b>	<b>188,376</b>	<b>76,961</b>	<b>14,296</b>	<b>7.6%</b>
8	Financial income	11,365	97	11,960	1,005	(595)	(5.0%)
9	Financial costs	(56,608)	0	(62,834)	0	6,226	(9.9%)
10	Income (costs) from equity investments	(604)		1,076		(1,680)	(156.1%)
	<b>Profit (loss) before tax</b>	<b>156,825</b>	<b>61,629</b>	<b>138,579</b>	<b>77,966</b>	<b>18,246</b>	<b>13.2%</b>
11	Taxation	53,201		54,858		(1,657)	(3.0%)
	<b>Net profit (loss)</b>	<b>103,624</b>	<b>61,629</b>	<b>83,721</b>	<b>77,966</b>	<b>19,903</b>	<b>23.8%</b>
	<i>Profit(loss) attributable to minority interests</i>	4,295		3,183		1,112	34.9%
	<b>Net profit (loss) attributable to the Group</b>	<b>99,329</b>	<b>61,629</b>	<b>80,538</b>	<b>77,966</b>	<b>18,791</b>	<b>23.3%</b>
12	Earnings (loss) per share (in euro)						
	Basic	0.4664		0.3782		0.0882	
	Diluted	0.4664		0.3782		0.0882	

Amounts in € thousands

## Interim Consolidated Statement of Comprehensive Income

	30/06/2015	30/06/2014	Increase (decrease)
<b>Net profit (loss)</b>	<b>103,624</b>	<b>83,721</b>	<b>19,903</b>
Profit (loss) from translation of financial statements in a foreign currency	(515)	3,159	(3,674)
Profit (loss) from the effective portion of hedging instruments	9,729	(19,096)	28,825
<i>Total</i>	<i>9,214</i>	<i>(15,937)</i>	<i>25,151</i>
Actuarial profit (loss) on defined benefit pension plans	6,418	(4,911)	11,329
<b>Total income (loss)</b>	<b>15,633</b>	<b>(20,848)</b>	<b>36,481</b>
Taxation	(4,360)	6,616	(10,976)
<b>Total other comprehensive income (loss) net of tax</b>	<b>11,272</b>	<b>(14,232)</b>	<b>25,504</b>
<b>Total comprehensive income (loss) net of tax</b>	<b>114,897</b>	<b>69,489</b>	<b>45,407</b>
Total comprehensive income (loss) net of tax attributable to:			
Minority interests	4,459	3,147	1,311
Group	110,438	66,342	44,096

Amounts in € thousands

## Quarterly Consolidated Income Statement

	2 <sup>nd</sup> quarter 2015	2 <sup>nd</sup> quarter 2014	Increase (decrease)
Revenue from sales and services	661,149	703,409	(42,260)
Other income	18,413	27,736	(9,323)
<b>Consolidated net revenue</b>	<b>679,562</b>	<b>731,145</b>	<b>(51,583)</b>
Staff costs	58,225	62,994	(4,769)
External costs	452,679	505,999	(53,320)
<b>Consolidated operating costs</b>	<b>510,904</b>	<b>568,993</b>	<b>(58,089)</b>
Net income (costs) from commodity risk management	0	(11)	11
Income (costs) from equity investments of non-financial nature	7,201	2,827	4,374
<b>Gross operating profit</b>	<b>175,858</b>	<b>164,968</b>	<b>10,890</b>
Amortisation, depreciation, provisions and impairment charges	77,318	76,494	824
<b>Operating profit</b>	<b>98,540</b>	<b>88,474</b>	<b>10,066</b>
Financial income	5,548	6,140	(592)
Financial costs	(26,980)	(31,613)	4,633
Income (costs) from equity investments	(537)	(1,751)	1,214
<b>Profit (loss) before tax</b>	<b>76,571</b>	<b>61,249</b>	<b>15,322</b>
Taxation	26,495	24,264	2,231
<b>Net profit (loss)</b>	<b>50,076</b>	<b>36,986</b>	<b>13,090</b>
<i>Profit(loss) attributable to minority interests</i>	<i>1,256</i>	<i>933</i>	<i>323</i>
<b>Net profit (loss) attributable to the Group</b>	<b>48,820</b>	<b>36,052</b>	<b>12,768</b>
Earnings (loss) per share attributable to Parent Company's shareholders			
Basic	0.2292	0.1693	0.0599
Diluted	0.2292	0.1693	0.0599

Amounts in € thousands

## Quarterly Consolidated Statement of Comprehensive Income

	2 <sup>nd</sup> quarter 2015	2 <sup>nd</sup> quarter 2014	Increase (decrease)
<b>Net profit</b>	<b>50,076</b>	<b>36,986</b>	<b>13,090</b>
Profit (loss) from the translation of financial statements in a foreign currency	(1,026)	2,827	(3,853)
Profit (loss) from the effective portion of hedging instruments	16,267	(8,746)	25,013
<b>Total</b>	<b>15,242</b>	<b>(5,919)</b>	<b>21,161</b>
Actuarial profit (loss) on defined benefit pension plans	5,594	(5,594)	11,188
<b>Total income(loss)</b>	<b>20,836</b>	<b>(11,513)</b>	<b>32,349</b>
Taxation	(5,934)	3,985	(9,919)
<i>Total other comprehensive income (loss) net of tax</i>	<i>14,902</i>	<i>(7,528)</i>	<i>22,430</i>
<b>Total comprehensive income (loss) net of tax</b>	<b>64,978</b>	<b>29,458</b>	<b>35,520</b>
Total comprehensive income (loss) net of tax attributable to:			
Minority interests	1,541	413	1,128
Group	63,436	29,045	34,391

Amounts in € thousands

## Consolidated Statement of Financial Position

Note ref.	ASSETS	30/06/2015	of which related parties	31/12/2014	of which related parties	Increase (decrease)
13	Property, plant and equipment	2,041,027		2,031,410		9,617
14	Investment property	2,792		2,819		(27)
15	Goodwill	149,361		150,772		(1,411)
16	Concessions	1,439,175		1,398,571		40,603
17	Other intangible assets	101,741		85,284		16,457
18	Equity investments in subsidiaries and associates	231,004		224,767		6,237
19	Other equity investments	2,379		2,482		(103)
20	Deferred tax assets	292,568		296,224		(3,656)
21	Financial assets	35,862	33,501	34,290	32,580	1,572
22	Other assets	41,886		43,972		(2,086)
	<b>NON-CURRENT ASSETS</b>	<b>4,337,796</b>	<b>33,501</b>	<b>4,270,593</b>	<b>32,580</b>	<b>67,203</b>
23.a	Inventories	30,052		29,229		823
23.b	Trade receivables	1,211,076	146,293	1,259,920	159,362	(48,844)
23.c	Other current receivables and assets	94,443		141,467		(47,024)
23.d	Current tax assets	56,679		99,843		(43,164)
23.e	Current financial assets	125,574	105,562	92,130	72,134	33,444
23.f	Cash and cash equivalents	594,502		1,017,967		(423,465)
23	<b>CURRENT ASSETS</b>	<b>2,112,326</b>	<b>283,180</b>	<b>2,640,556</b>	<b>231,496</b>	<b>(528,230)</b>
24	<b>Non-current assets held for sale</b>	<b>497</b>		<b>497</b>		<b>0</b>
	<b>TOTAL ASSETS</b>	<b>6,450,618</b>	<b>285,356</b>	<b>6,911,645</b>	<b>264,075</b>	<b>(461,027)</b>

Note ref.	LIABILITIES	30/06/2015	of which related parties	31/12/2014	of which related parties	Increase (decrease)
	<b>Shareholders' equity</b>					
	share capital	1,098,899		1,098,899		0
	statutory reserve	87,908		176,119		4,480
	other reserves	(348,631)		(477,826)		36,504
	retained earnings (losses)	507,970		470,915		37,054
	profit (loss) for the year	99,329		162,459		(63,130)
	<b>Total Group Shareholders' equity</b>	<b>1,445,474</b>		<b>1,430,566</b>		<b>14,908</b>
	Non-controlling interests	73,131		71,825		1,306
25	<b>Total Shareholders' equity</b>	<b>1,518,605</b>		<b>1,502,391</b>		<b>16,214</b>
26	Staff termination benefits and other defined benefit plans	112,054		118,004		(5,950)
27	Provision for risks and charges	170,210		168,644		1,566
28	Borrowings and financial liabilities	2,707,036		3,040,712		(333,676)
29	Other liabilities	183,328		177,990		5,338
30	Provision for deferred taxes	92,584		93,284		(699)
	<b>NON-CURRENT LIABILITIES</b>	<b>3,265,212</b>		<b>3,598,633</b>		<b>(333,422)</b>
31.a	Financial debts	174,959	37,076	189,957	8,229	(14,998)
31.b	Trade payables	1,098,126	137,616	1,249,366	130,872	(151,240)
31.c	Tax payables	109,140		83,941		25,199
31.d	Other current liabilities	284,478		287,259		(2,781)
31	<b>CURRENT LIABILITIES</b>	<b>1,666,703</b>	<b>174,692</b>	<b>1,810,522</b>	<b>139,101</b>	<b>(143,819)</b>
24	<b>Liabilities directly associated with assets held for sale</b>	<b>99</b>		<b>99</b>		<b>0</b>
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>6,450,618</b>	<b>174,692</b>	<b>6,911,645</b>	<b>139,101</b>	<b>(461,027)</b>

Amounts in € thousands

## Consolidated Statement of Cash Flows

	30/06/2015	of which related parties	30/06/2014	of which related parties	Increase (decrease)
<i>Cash flow from operating activities</i>					
Profit before tax from continuing operations	156,826		139,404		17,422
Profit before tax from discontinued operations	0		0		0
Depreciation/Amortisation	108,935		93,221		15,713
Revaluations/Impairment charges	20,438		30,927		(10,490)
Increase (decrease) in provisions for liabilities	1,548		(19,512)		21,060
Net increase (decrease) in staff termination benefits	(2,134)		(1,728)		(406)
Net financial interest expenses	45,243		50,873		(5,630)
<b>Cash flows generated by operating activities Before changes in working capital</b>	<b>330,856</b>		<b>293,185</b>		<b>37,670</b>
Increase in current receivables	23,928	(13,068)	(132,366)	26,835	156,294
Increase (decrease) in current payables	(156,680)	6,743	(46,823)	10,977	(109,857)
Increase (decrease) in inventories	(823)		(545)		(278)
<b>Increase (decrease) in working capital</b>	<b>(133,575)</b>		<b>(179,734)</b>		<b>46,159</b>
Increase / (decrease) in other assets/liabilities during the period	65,728		7,377		58,351
<b>TOTAL CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>263,008</b>		<b>120,828</b>		<b>142,180</b>
<i>Cash flow from investment activities</i>					
Purchase/sale of property, plant and equipment	(76,650)		(65,089)		(11,560)
Purchase/sale of intangible fixed assets	(97,151)		(76,547)		(21,604)
Equity investments	6,385		13,172		(6,787)
Purchase/sale of investments in subsidiaries	1,305		(4,220)		5,525
Proceeds/payments deriving from other financial investments	(34,190)	34,349	(2,304)	33,267	(31,887)
Dividends received	239	239	381	381	(142)
Interest income received	14,623		24,360		(9,737)
<b>TOTAL</b>	<b>(185,439)</b>		<b>(109,248)</b>		<b>(76,192)</b>
<i>Cash flow from financing activities</i>					
Minority interests in subsidiaries' capital increase	(163)		(7,534)		7,371
Repayment of borrowings and long-term loans	(359,821)		(44,568)		(315,253)
Interest expenses paid	(27,532)		(56,452)		28,920
Dividends paid	(98,520)	(98,520)	(43,259)	(43,259)	(55,261)
<b>TOTAL CASH FLOW</b>	<b>(501,034)</b>		<b>(263,635)</b>		<b>(237,399)</b>
<b>Cash flows for the period</b>	<b>(423,465)</b>		<b>(252,055)</b>		<b>(171,410)</b>
<b>Net opening balance of cash and cash equivalents</b>	<b>1,017,967</b>		<b>563,066</b>		<b>454,900</b>
<b>Net closing balance of cash and cash equivalents</b>	<b>594,502</b>		<b>311,011</b>		<b>283,491</b>

Amounts in € thousands



## Consolidated Statement of changes in Shareholders' Equity

	Share capital	Statutory reserve	Other reserves	Profit for the period	Total	Non-controlling interests	Total Shareholders' equity
<b>Balances at 01 January 2014 Restated</b>	<b>1,098,899</b>	<b>167,353</b>	<b>(98,920)</b>	<b>155,300</b>	<b>1,322,633</b>	<b>84,195</b>	<b>1,406,827</b>
Net profit (loss)				44,485	44,485	2,250	46,735
Other comprehensive income (loss)				(7,189)	(7,189)	485	(6,704)
<b>Total comprehensive income (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,297</b>	<b>37,297</b>	<b>2,734</b>	<b>40,031</b>
Allocation of 2013 net profit		(957)	156,257	(155,300)	0	0	0
Distribution of dividends					0	(1,777)	(1,777)
Increase (decrease) in basis of consolidation					0	1,519	1,519
<b>Balances at 31 March 2014</b>	<b>1,098,899</b>	<b>166,396</b>	<b>57,338</b>	<b>37,297</b>	<b>1,359,930</b>	<b>86,671</b>	<b>1,446,601</b>
Net profit (loss)				36,052	36,052	933	36,986
Other comprehensive income (loss)				(7,008)	(7,008)	(520)	(7,528)
<b>Total comprehensive income (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,045</b>	<b>29,045</b>	<b>413</b>	<b>29,458</b>
Allocation of 2013 net profit		5,576	(5,576)		0		0
Distribution of dividends			(36,204)		(36,204)	(5,278)	(41,482)
Increase (decrease) basis of consolidation			2,524		2,524	(10,058)	(7,534)
<b>Balances at 30 June 2014</b>	<b>1,098,899</b>	<b>171,972</b>	<b>18,081</b>	<b>66,342</b>	<b>1,355,294</b>	<b>71,748</b>	<b>1,427,043</b>

Amounts in € thousands

	Share capital	Statutory reserve	Other reserves	Profit for the period	Total	Minority interests	Total Shareholders' equity
<b>Balance at 01 January 2015</b>	<b>1,098,899</b>	<b>176,119</b>	<b>15,381</b>	<b>140,167</b>	<b>1,430,566</b>	<b>71,825</b>	<b>1,502,391</b>
Restatement		(92,691)	92,691				0
Net profit (loss)				50,509	50,509	3,040	53,549
Other comprehensive income (loss)				(3,507)	(3,507)	(122)	(3,629)
<b>Total comprehensive income (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47,002</b>	<b>47,002</b>	<b>2,918</b>	<b>49,919</b>
Allocation of 2014 profit			140,167	(140,167)	0	0	0
Change in basis of consolidation			543		543	(156)	387
<b>Balances at 31 March 2015</b>	<b>1,098,899</b>	<b>83,428</b>	<b>248,782</b>	<b>47,002</b>	<b>1,478,111</b>	<b>74,586</b>	<b>1,552,697</b>
Net profit (loss)				48,820	48,820	1,256	50,076
Other comprehensive income (loss)				14,616	14,616	285	14,902
<b>Total comprehensive income (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>63,436</b>	<b>63,436</b>	<b>1,541</b>	<b>64,978</b>
Allocation of 2014 profit		4,480	(4,480)	0	0		0
Distribution of dividends			(95,834)		(95,834)	(2,686)	(98,520)
Increase (decrease) basis of consolidation			(239)		(239)	(311)	(550)
<b>Balances at 30 June 2015</b>	<b>1,098,899</b>	<b>87,908</b>	<b>148,229</b>	<b>110,438</b>	<b>1,445,474</b>	<b>73,131</b>	<b>1,518,605</b>

Amounts in € thousands

## Notes to the consolidated income statement

### Consolidated net revenues

At 30 June 2015, consolidated net revenues amounted to 1,441,143 thousand euros (1,511,196 thousand euros at 30 June 2014) marking a decrease of 70,053 thousand euros (-4.6%) over the previous period. A breakdown of this item is provided below:

€ thousands	30/06/2015	30/06/2014	Increase (Decrease)	Increase (Decrease) %
Revenues from sales and services	1,406,115	1,452,493	(43,378)	(3.2%)
Other revenues and proceeds	35,028	58,703	(23,676)	(40.3%)
<b>Consolidated net revenues</b>	<b>1,441,143</b>	<b>1,511,196</b>	<b>(70,053)</b>	<b>(4.6%)</b>

#### 1. Revenues from sales and services –1,406,115 thousand euros

This item reported a decrease totalling 43,378 thousand euros (-3.2%) compared to 30 June 2014, which closed with a total of 1,452,493 thousand euros.

A breakdown of this item is provided in the following table.

€ thousands	30/06/2015	30/06/2014	Increase (Decrease)	Increase (Decrease) %
Revenues from electricity sales and services	980,469	1,033,859	(53,390)	(5.2%)
Revenues from gas sales	49,292	37,462	11,830	31.6%
Revenues from sale of certificates and rights	11,582	10,813	769	7.1%
Revenues from Integrated Water Service	280,988	284,126	(3,138)	(1.1%)
Revenues from overseas water services	4,463	3,943	520	13.2%
Revenues from biomass transfer and landfill management	18,350	21,004	(2,654)	(12.6%)
Revenues from services to customers	43,548	44,329	(781)	(1.8%)
Connection fees	17,424	16,957	466	2.8%
<b>Revenues from sales and services</b>	<b>1,406,115</b>	<b>1,452,493</b>	<b>(43,378)</b>	<b>(3.2%)</b>

#### Revenues from electricity sales and service

This item stood at 980,469 thousand euros, and net of consolidated adjustments, essentially consisted of the following items:

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Electricity and heat generation	21,396	22,019	(623)	(2.8%)
Electricity sales	735,513	794,679	(59,165)	(7.4%)
Transport and metering of energy	199,601	195,234	4,367	2.2%
Energy sales from WTE	21,763	20,725	1,038	5.0%
Energy from photovoltaic plants	384	151	233	154.6%
Cogeneration	1,812	1,051	760	72.3%
<b>Total Revenue from electricity sales and services</b>	<b>980,469</b>	<b>1,033,859</b>	<b>(53,390)</b>	<b>(5.2%)</b>

The major changes referred to:

- ✚ The decrease in revenues from electricity and heat generation amounting to 623 thousand euros was mainly driven by a slight decline in the quantity produced by the hydroelectric area (around 14 GWh) and by the reduction of market prices. The district heating sector also produced lower revenues compared to the first half of 2014, due to the mild winter temperatures (-4.9 GWht).
- ✚ The reduction of revenue deriving from energy sales of 59,165 thousand euros, apart from trends in prices, is the result of lesser sales compared to the first half of the previous year both in the enhanced protection market (-2.7%) and in the free market service (-17.6%), due to the diversification of the Acea Energia client portfolio beginning in 2014. Sales on the enhanced protection market amounted to 1,526 GWh. Customer base stood at 1,002,157 (compared to 1,040,065 at 30 June 2014). The reduction in customer base was due to the strong competition in the Rome market from the main competitors, to which the company responds by offering constant customer retention-oriented commercial proposals. Electricity sales on the free market amounted to 3,267 GWh for 327,549 withdrawal points at 30 June 2015 (286,411 points at 30 June 2014). The lower revenues from quantities sold were partially offset by the increase in rates applied to clients on the protected market compared to the first half of 2014 following changes resulting from AEEGSI Resolution No. 136/2014/R/eel, which increased the rate for retail sales, and from Resolution No. 670/2014/R/eel, which set the national level for the "unpaid ratio" at 24 months.
- ✚ Revenues from the transport and metering of energy for the enhanced protection market and free market increased by 4,367 thousand euros. This rise was mainly due to the effect of the different value attributed to tariff parameters as well as the combined effect of the reduced electricity fed into the grid over the months and time brackets, and a reduction in amounts. With reference to the markets served, it is pointed out that for the free market there was an increase of 1.96% in the amounts distributed, rising from 3,491.2 GWh at 30 June 2014 to the present 3,559.5 GWh. It is also noted that the average number of free market customers rose by 39,965 users over the same period in the previous year. The amount of equalisation recoveries for the years prior to 2015 showed an increase in revenues of 2,363 thousand euros.

### **Revenues from gas sales**

This item totalled 49,292 thousand euros, up 11,830 thousand euros over 30 June 2014, largely due to the greater quantity sold by Acea Energia as a result of an increase in the business segment customer base and the consolidation of household customers. It should be also noted that in 2015, Acea Energia acquired Cesap Vendita Gas, a company operating in Umbria, through the Acea Energia subsidiary Umbria Energy. Acea Energia sold 78 million standard cubic metres of gas (compared to 66 million in the first half of 2014) to end users and wholesalers (including joint sales ventures), corresponding to 149,722 redelivery points at 30 June 2015 (123,420 at 30 June 2014).

### **Revenues from the sale of certificates and rights**

This item amounted to 11,582 thousand euros, showing an increase of 769 thousand euros over the first half of 2014. The item included the recognition of revenues from green certificates: **i)** by Acea Produzione (9,490 thousand euros) accruing in relation to energy produced by the Salisano and Orte plants; **ii)** by A.R.I.A. (2,013 thousand euros) deriving from the system of incentives for the use of renewable resources at the Terni and San Vittore del Lazio WTE plants.

### **Revenues from Integrated Water Service**

These revenues were primarily generated by the companies managing the service in Lazio, and to a lesser extent by those operating in Campania.

Revenues amounted to 280,988 thousand euros, showing a reduction of 3,138 thousand euros (-1.1%) compared to the first half of 2014 (284,126 thousand euros).

Details of the breakdown by company are given below.

€ thousands	30/06/2015	30/06/2015	Increase (decrease)	Increase (decrease) %
ACEA Ato2	242,946	247,219	(4,273)	(1.7%)
ACEA Ato5	32,293	31,943	350	1.1%
Gesesa	3,852	3,185	668	21.0%
Crea Gestioni	1,896	1,778	117	6.6%
<b>Integrated Water Service revenue</b>	<b>280,988</b>	<b>284,126</b>	<b>(3,138)</b>	<b>(1.1%)</b>

The increase for ACEA Ato2 was due to the combined effect of: (i) a 6,495 thousand euros increase in the Restriction on Operator's Guaranteed Revenues (VRG) in 2015 compared to the previous year, (ii) a 2,762 thousand euros increase in the so-called pass-through items (electricity, concession fees, etc.), (iii) a 9,712 thousand euros increase from the recognition, in the equivalent 2014 period, of equalisations for the years 2012 and 2013 due to the tariff decisions made in 2014 and 2015, (iv) an increase of 4,404 thousand euros for the recognition, in the equivalent 2014 period, of the redetermination of past equalisations relative to the 2006-2011 period.

Revenues posted by ACEA Ato5, up 350 thousand euros year over year, were calculated based on the pricing established by the Mayors' Conference in its meeting of 14 July 2014, where the 1.660 tariff multiplier was deemed to exceed the maximum tariff multiplier allowed and was therefore subject to investigation by the AEEGSI.

As regards the equalisation for the cost of electricity, it should be noted that with respect to 2013 the AEEGSI had still to disclose its calculation of the average sector cost, which, with an increase of 10%, will represent the cap for any adjustment. It should be also noted that the AEEGSI has to update the deflator and inflation rate, which in the first half of 2015 was adjusted to a provisional rate of 0.6% compared to the 2.1% foreseen under the tariffs approved for companies operating in the sector.

For more details, reference should be made to the notes on Integrated Water Service under "Service Concession Arrangements".

#### **Revenues from overseas water services**

This item totalled 4,463 thousand euros, representing an increase of 520 thousand euros over 30 June 2014 (3,943 thousand euros). This change was essentially due to the activity of Aguazul Bogotà, which won a call for tenders for the provision of commercial services in the drinking water and sewerage sectors for Trujillo, Peru, through the Conazul Trujillo consortium.

#### **Revenues from biomass transfer and landfill management**

This item totalled 18,350 thousand euros, down 2,654 thousand euros (-12.6%) compared to the same period in 2014 (21,004 thousand euros).

A breakdown by company is provided below:

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
A.R.I.A.	11,489	11,138	351	3.2%
SAO	4,544	4,953	(409)	(8.3%)
Kyklos	0	2,540	(2,540)	(100.0%)
Aquaser	1,843	1,651	192	11.6%
Samace	343	477	(134)	(28.1%)

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Innovazione e sostenibilità ambientale	88	152	(64)	(42.1%)
Solemme	43	92	(49)	(53.3%)
<b>Revenue from biomass transfer and landfill management</b>	<b>18,350</b>	<b>21,004</b>	<b>(2,654)</b>	<b>(12.6%)</b>

As can be seen from the table, the 2,654 thousand euros drop was essentially due to the seizure of the Kyklos plant by the Public Prosecutor's Office following the fatality occurred in July 2014.

### **Revenues from services to customers**

This item totalled 43,548 thousand euros (44,329 thousand euros at 30 June 2014), showing a 781 thousand euros drop.

A breakdown of this type of revenues is provided below:

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Public Lighting - Rome	27,760	28,378	(617)	(2.2%)
Public Lighting - Naples	2,647	3,140	(493)	(15.7%)
Services requested by third parties	7,481	6,637	843	12.7%
Intercompany services	2,372	2,185	187	8.6%
PV power	120	271	(151)	(55.7%)
GIP revenues	3,167	3,717	(550)	(14.8%)
<b>Revenues from customers</b>	<b>43,548</b>	<b>44,329</b>	<b>(781)</b>	<b>(1.8%)</b>

The decrease was essentially due the following contrasting effects: **i)** a decrease in revenues from Ecogena (-762 thousand euros); **ii)** a decrease in revenues from public lighting services supplied by the Group (-1,110 thousand euros); **iii)** an increase of 2,401 thousand euros in revenues from services supplied by ACEA Ato2, particularly for revenues from secondments (+1.9 million euros).

The table below shows a breakdown of this item by Operating Segment:

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Environment	110	142	(32)	(22.5%)
Energy	0	791	(791)	100.0%
Water	6,530	5,490	1,040	18.9%
Networks	6,372	5,733	639	11.1%
Parent Company	30,534	32,173	(1,639)	(5.1%)
<b>TOTAL</b>	<b>43,548</b>	<b>44,329</b>	<b>(781)</b>	<b>(1.8%)</b>

### **Connection fees**

This item totalled 17,424 thousand euros (+466 thousand euros), broken down as follows:

- ✚ Free and protected markets: 15,186 thousand euros (+260 thousand euros),
- ✚ Water segment: 2,238 thousand euros (+206 thousand euros).

## **2. Other revenues and proceeds –35,028 thousand euros**

This item decreased by 23,676 thousand euros (-40.3%) compared to 30 June 2014, which closed at 58,703 thousand euros.

The change was mainly due to the following effects:

- A 24,913 thousand euros drop in cancellation contributions accrued on Energy Efficiency Certificates due to the lower amounts purchased in the first half of 2015, coupled with the reversal booked in the first half of 2014 with respect to provisions allocated in 2013 (8,377 thousand euros) to cover the purchase of the necessary certificates to meet the 2013 requirements;
- A 445 thousand euros rise in exceptional items primarily due to non-recurring gains (2,500 thousand euros) being reflected in Aguazul Bogotá's financial statements pertaining to the settlement of the ongoing dispute with the city authorities.

A breakdown of this item compared to 30 June 2014 is provided in the table below:

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Contribution from Entities for Energy Efficiency Certificates	6,382	31,295	(24,913)	(79.6%)
Non-recurring gains and other revenue	15,188	14,743	445	3.0%
Reimbursement for damages, penalties and claims	3,340	3,980	(640)	(16.1%)
Feed-in tariff	2,191	2,084	107	5.1%
Government grant as per Prime Minister's Decree 23/04/04	2,135	1,916	219	11.4%
Regional grants	1,039	1,003	36	3.6%
Income from end users	1,579	934	645	69.1%
Seconded staff	1,113	816	297	36.4%
Property income	790	741	49	6.6%
IFRIC 12 margin	633	555	78	14.1%
Recharging of costs for company offices	595	505	90	17.8%
Gains from disposal of assets	44	131	(87)	(66.4%)
<b>Other revenues and proceeds</b>	<b>35,028</b>	<b>58,703</b>	<b>(23,675)</b>	<b>(40.3%)</b>

### Consolidated operating costs

At 30 June 2015 this item totalled 1,100,775 thousand euros (1,188,821 thousand euros at 30 June 2014), showing a decrease of 88,046 thousand euros (-7.4%) compared to the previous year.

A breakdown is provided below:

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Staff costs	117,054	126,368	(9,314)	(7.4%)
External costs	983,721	1,062,453	(78,732)	(7.4%)
<b>Consolidated operating costs</b>	<b>1,100,775</b>	<b>1,188,821</b>	<b>(88,046)</b>	<b>(7.4%)</b>

### 3. Staff costs –117,054 thousand euros

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Staff costs including capitalised costs	156,561	155,831	730	0.5%
Capitalised costs	(39,507)	(29,463)	(10,044)	34.1%
<b>Staff costs</b>	<b>117,054</b>	<b>126,368</b>	<b>(9,314)</b>	<b>(7.4%)</b>

The increase in staff costs including capitalised costs stood at 730 thousand euros and was affected by greater staff costs incurred in the Energy and Water segments (+933 thousand euros and +315 thousand euros, respectively), which were only in partially offset by lower costs incurred in the Corporate (-334 thousand euros) and the Network segment (-394 thousand euros).

With regard to capitalised costs, these posted an increase of 10,044 thousand euros, mainly driven by the companies operating in the Network segment and by the Parent Company.

The following tables show the average numbers of employees by Operating Segment, compared to those for the same period in the previous year, as well as the actual numbers of employees as at the end of the first half of 2014.

	Average number in the period		
	30/06/2015	30/06/2014	Δ
Environment	221	217	4
Energy	541	533	8
Water	2,376	2,418	(42)
<i>Lazio-Campania</i>	1,798	1,834	(37)
<i>Tuscany-Umbria</i>	0	0	0
<i>Overseas</i>	410	421	(11)
<i>Engineering and services</i>	168	163	6
Networks	1,343	1,381	(38)
Parent Company	654	671	(17)
<b>TOTAL</b>	<b>5,134</b>	<b>5,220</b>	<b>(86)</b>

	End-of-period number of employees		
	30/06/2015	30/06/2014	Δ
Environment	220	216	4
Energy	541	533	8

	End-of-period number of employees		
	30/06/2015	30/06/2014	Δ
Water	2,231	2,414	(183)
<i>Lazio-Campania</i>	1,799	1,841	(42)
<i>Tuscany-Umbria</i>	0	0	0
<i>Overseas</i>	264	410	(146)
<i>Engineering and services</i>	168	163	5
Networks	1,344	1,380	(36)
Parent Company	652	671	(19)
<b>TOTAL</b>	<b>4,988</b>	<b>5,214</b>	<b>(226)</b>

#### 4. External costs –983,721 thousand euros

This item showed a decrease totalling 78,732 thousand euros (-7.4%) compared to 30 June 2014 (1,062,453 thousand euros).

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Electricity, gas and fuel	816,604	889,071	(72,467)	(8.2%)
Materials	12,250	13,055	(805)	(6.2%)
Services	109,819	115,430	(5,610)	(4.9%)
Concession fees	21,312	21,425	(112)	(0.5%)
Lease expenses	11,720	11,115	605	5.4%
Sundry operating costs	12,015	12,359	(343)	(2.8%)
<b>Consolidated operating costs</b>	<b>983,721</b>	<b>1,062,453</b>	<b>(78,732)</b>	<b>(7.4%)</b>

#### Costs for electricity, gas and fuel

This item included:

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Procurement of electricity	766,743	824,195	(57,452)	(7.0%)
Gas	42,679	34,344	8,335	(24.3%)
Green certificates and CO2 rights	495	537	(42)	(7.8%)
White certificates	6,131	25,588	(19,457)	(76.0%)
Other costs	556	4,407	(3,851)	(87.4%)
<b>Total</b>	<b>816,604</b>	<b>889,071</b>	<b>(72,467)</b>	<b>(8.2%)</b>

The drop was mainly due to: **i)** lower electricity procurement costs for both the protected and free market alike and related transport costs (-57.452 thousand euros). This reduction resulted from the combined effect of lower amounts of electricity sold due to the customer portfolio diversification and different quantity/price mix in the different months and time brackets, partially offset by greater purchasing costs on the gas market (+24%); **ii)** a reduction in costs for the purchase of white certificates by ACEA Distribuzione in order to meet regulatory energy efficiency requirements, such reduction resulting from lower amounts purchased in the period under review compared to the first half of 2014 (-147,472 certificates).

#### Materials

Costs for materials totalled 12,250 thousand euros (13,055 thousand euros at 30 June 2014) and accounted for materials used during the period, net of capital expenditure. A breakdown of this item is shown in the table below.



€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Purchase of materials	21,263	22,866	(1,604)	(7.0%)
Change in inventories	(605)	(432)	(173)	40.2%
<b>Change in inventories</b>	<b>20,657</b>	<b>22,434</b>	<b>(1,777)</b>	<b>(7.9%)</b>
Capitalised costs	(8,407)	(9,380)	973	(10.4%)
<b>Total</b>	<b>12,250</b>	<b>13,055</b>	<b>(804)</b>	<b>(6.2%)</b>

Capitalised costs posted a decrease of 973 thousand euros, basically attributable to ACEA Distribuzione (-1,093 thousand euros).

A breakdown of costs for materials by Operating Segment is shown in the table below.

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Environment	2,490	2,520	(31)	(1.2%)
Energy	(499)	(102)	601	(590.6%)
Water	5,903	6,378	(475)	(7.5%)
Networks	2,974	3,957	(983)	(24.8%)
Parent Company	384	301	83	27.7%
<b>Costs for materials</b>	<b>12,250</b>	<b>13,055</b>	<b>(805)</b>	<b>(6.2%)</b>

### Services and contracts

This item came in at 109,819 thousand euros, showing an overall decrease of 5,610 thousand euros (115,430 thousand euros at 30 June 2014).

A breakdown of this item is shown in the table below.

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Contract work	20,137	23,997	(3,860)	(16.1%)
Electricity, water and gas consumption	1,935	3,655	(1,720)	(47.1%)
Technical and administrative services (including consultancy e freelance work)	23,470	20,792	2,678	12.9%
Disposal and transport of sludge, slag, ash and waste	12,189	14,869	(2,681)	(18.0%)
Other services	14,414	12,080	2,334	19.3%
Insurance costs	6,367	6,571	(204)	(3.1%)
Payroll services	7,816	8,050	(234)	(2.9%)
Telephone and data transmission costs	2,960	2,848	112	3.9%
Intragroup services	3,445	3,102	344	11.1%
Internal uses of electricity	3,888	3,943	(56)	(1.4%)
Postal services	2,203	3,200	(996)	(31.1%)
Corporate bodies	1,703	2,270	(567)	(25.0%)
Cleaning, transport and courier	1,850	2,166	(316)	(14.6%)
Maintenance fees	1,885	2,146	(261)	(12.2%)
Advertising and sponsorship costs	2,020	2,049	(29)	(1.4%)
Bank charges	1,180	935	245	26.2%
Meter reading costs	1,070	1,529	(460)	(30.1%)
Seconded staff	637	609	29	4.7%
Travel and accommodation expenses	570	535	35	6.6%
Printing costs	80	84	(3)	(4.0%)
<b>Services and contracts</b>	<b>109,819</b>	<b>115,430</b>	<b>(5,610)</b>	<b>(4.9%)</b>

### Concession fees

These fees stood at 21,312 thousand euros (-112 thousand euros compared to 30 June 2014) and pertained to fees paid by companies running certain ATOs of Lazio and Campania under concession.

A breakdown by company is shown in the table below compared to the previous year.

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
ACEA Ato2	17,733	17,676	56	0.3%
ACEA Ato5	3,375	3,544	(169)	(4.8%)
Gesesa	178	178	0	0.0%
Crea Gestioni	26	26	0	0.0%
<b>Concession fees</b>	<b>21,312</b>	<b>21,425</b>	<b>(112)</b>	<b>(0.5%)</b>

For further information, reference should be made to "Service Concession Arrangements".

### Lease expenses

This item stood at 11,720 thousand euros, up 605 thousand euros over the first half of 2014.

The following table illustrates the changes by Operating Segment.

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Environment	277	591	(314)	(53.2%)
Energy	1,999	1,668	331	19.8%
Water	2,437	2,413	24	1.0%
Networks	2,166	1,957	210	10.7%
Parent Company	4,842	4,486	355	7.9%
<b>TOTAL</b>	<b>11,720</b>	<b>11,115</b>	<b>605</b>	<b>5.4%</b>

This item comprised lease payments to the extent of 5,404 thousand euros and charges pertaining to other leases and rentals totalling 6,316 thousand euros, showing an increase of 792 thousand euros over 30 June 2014.

### Sundry operating costs

This item totalled 12,015 thousand euros at 30 June 2015, falling by 343 thousand euros.

The following table provides a breakdown of this item by type:

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Taxes and duties	5,753	5,616	136	2.4%
General expenses	1,124	1,495	(370)	(24.8%)
Non-recurring losses	2,640	3,165	(524)	(16.6%)
Contributions paid and membership fees	1,019	1,367	(348)	(25.5%)
Damages and outlays for legal disputes	1,468	578	890	154.1%
Losses on assets disposals	10	137	(127)	(92.8%)
<b>Sundry operating costs</b>	<b>12,015</b>	<b>12,359</b>	<b>(343)</b>	<b>(2.8%)</b>

## 5. Net income (costs) from commodity risk management -0 thousand euros

At 30 June 2015, the change in the fair value measurement of financial contracts recognised in the consolidated income statement totalled 0 euros.

The portfolio of financial instruments under Hedge Accounting was the main component of the overall portfolio.

The table below provides all relevant information on the operations, aggregated by hedged index, i.e. a valuation of the hedging portfolio is shown together with the type of accounting.

Swap	Purpose	Purchases/Sales	Fair Value in € thousand	Amount recognised in shareholders' equity	Amount recognised in income statement
PUN	Hedge power portfolio	Purchase/sale electricity	(362)	(362)	0
CONSIP	Hedge power portfolio	Purchase/sale electricity	295	295	0
			<b>(67)</b>	<b>(67)</b>	<b>0</b>

It should be noted that, as regards the types of commodity whose fair value is calculated: (i) for derivatives on single commodities (PUN - single national price - standard base load products, Peak/Off Peak) the fair value level is 1, as they are listed on active markets, (ii) for complex indexes (ITRemix, PUN profiled products, etc.) the fair value level is 2, as these derivatives are the result of formulas containing a mix of commodities listed on active markets. For certain components of complex indexes the fair value level is 3, as they do not derive from listing on active markets but instead from estimates.

#### 6. Income (costs) from equity investments of non-financial nature- 12,901 thousand euros

This item is the consolidated result according to the equity method that is included among the components of the consolidated EBITDA of companies that used to be proportionally consolidated. Below is a breakdown of this item:

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
EBITDA	67,730	60,632	7,098	11.7%
Amortisation, depreciation, impairment charges and provisions	(43,698)	(39,505)	(4,194)	10.6%
Financing transactions	(4,415)	(4,927)	512	(10.4%)
Taxation	(6,715)	(7,586)	872	(11.5%)
<b>Total</b>	<b>12,901</b>	<b>8,614</b>	<b>4,287</b>	<b>49.8%</b>

The details of the assessments of the companies are shown below.

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Publiacqua	5,899	3,102	2,797	90.2%
Acque Group	4,081	1,601	2,479	154.8%
Acquedotto del Fiora	468	1,406	(938)	(66.7%)
Umbra Acque	276	414	(137)	(33.2%)
Gori	1,116	826	290	35.1%
Nuove Acque e Intesa Aretina	237	270	(33)	(12.4%)
Acqua Azul	560	422	138	32.7%
Voghera Energia Vendite in liquidation	(216)	93	(309)	(331.1%)
Ingegnerie Toscane	501	271	230	84.9%
Ecomed in liquidation	(21)	208	(229)	(110.0%)
<b>Total</b>	<b>12,901</b>	<b>8,614</b>	<b>4,287</b>	<b>49.8%</b>

The increase was primarily due to:

- ✓ In terms of EBITDA, a better performance shown by Publicacqua (+3,552 thousand euros) and by Gruppo Acque (+2,907 thousand euros);
- ✓ In terms of amortisation, depreciation and provisions, the effects of GORI's conservative doubtful receivables write-down policies (+1.1 million euros), greater amortisations recorded in Publicacqua (+1.2 million euros) and provisions for litigation risks in Acquedotto del Fiora (+2.3 million euros).

## 7. Amortisation, depreciation, impairment charges and provisions –150,597 thousand euros

Compared to the previous year this item increased by 8,008 thousand euros. The breakdown is as follows.

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Amortisation and depreciation	110,346	93,221	17,124	18.4%
Doubtful receivables	32,735	40,617	7,882	(19.4%)
Provision for risks	7,516	8,750	(1,234)	(14.1%)
<b>TOTAL</b>	<b>150,597</b>	<b>142,589</b>	<b>8,008</b>	<b>5.6%</b>

### Amortisation and depreciation

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Depreciation of tangible assets	67,363	59,016	8,347	14.1%
Depreciation of intangible assets	42,983	34,206	8,777	25.6%
<b>Total</b>	<b>110,346</b>	<b>93,221</b>	<b>17,124</b>	<b>18.4%</b>

The increase in depreciation and amortisation, amounting to 17,124 thousand euros, was primarily due to the growth of investments in all operating segments, and as regards the water segment also took account of the regulatory scenario and tariff adjustments relative to capital investments. The increase in amortisation of intangible assets was primarily influenced by investments in information technology that came on stream between the end of 2014 and during the course of 2015. The item under review included an impairment charge of 1,411 thousand euros for the goodwill with indefinite useful life for Ecogena as a result of the impairment test conducted in line with the provisions of the 2015-2019 Business Plan approved in June 2015. For more details, reference should be made to the comments in Note 15.

### Impairment charges and doubtful receivables

This item totalled 32,735 thousand euros and showed a decrease of 7,882 thousand euros, resulting primarily from the Water Segment (-5,949 thousand euros) and the Energy Segment (-2,440 thousand euros). The reduction in impairment charges was the direct result of the better performance in the collection of receivables.

Below is a breakdown by operating segment.

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Environment	397	0	397	100.0%
Energy	25,806	28,246	(2,440)	(8.6%)

Water	2,717	8,666	(5,949)	(68.7%)
Networks	2,243	2,657	(414)	(15.6%)
Parent Company	1,572	1,048	524	50.0%
<b>TOTAL</b>	<b>32,735</b>	<b>40,617</b>	<b>(7,882)</b>	<b>(19.4%)</b>

### Provisions

At 30 June 2015, provisions totalled 7,516 thousand euros, broken down as follows.

Type of provision	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Legal	1,981	267	1,714	641.9%
Tax	300	28,246	164	120.3%
Regulatory risks	1,433	2,002	(570)	(28.4%)
Investees	0	97	(97)	(100.0%)
Early retirement and redundancies	721	3,493	(2,772)	(79.4%)
Contracts and supplies	379	0	379	100.0%
Insurance fees	408	0	408	100.0%
Other liabilities and charges	29	440	(411)	(93.4%)
<b>TOTAL</b>	<b>5,250</b>	<b>6,435</b>	<b>(1,186)</b>	<b>(18.4%)</b>
Restoration charges Ifric12	2,267	2,315	(48)	(2.1%)
<b>TOTAL PROVISIONS</b>	<b>7,516</b>	<b>8,750</b>	<b>(1,234)</b>	<b>(14.1%)</b>

Below is a breakdown by operating segment.

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Environment	156	500	(344)	(68.9%)
Energy	1,447	1,561	(114)	(7.3%)
Water	4,460	760	3,700	486.6%
Networks	809	988	(178)	(18.1%)
Parent Company	644	4,941	(4,297)	(87.0%)
<b>Provisions</b>	<b>7,516</b>	<b>8,750</b>	<b>(1,234)</b>	<b>(14.1%)</b>

The decrease was primarily due to reductions in provisions to the extent of: (i) 2,772 thousand euros for early retirement and redundancies (ii) and 570 thousand euros for regulatory risks specifically pertaining to the Energy Segment, which were partially offset by increases in provisions for legal (+1,980 thousand euros) and insurance (+408 thousand euros) risks.

For more details, reference should be made to Note 27 and "Update on major disputes and litigation".

### 8. Financial income - 11,365 thousand euros

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Interest on loans and receivables	1,591	1,189	401	33.8%
Bank interest income	1,426	714	712	99.6%
Interest on customer receivables	7,451	8,689	(1,238)	(14.2%)
Interest on other receivables	125	3	122	n.a.
Income from measurement of fair value hedges	0	350	(350)	(100.0%)

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Other income	773	1,015	(242)	(23.9%)
<b>Financial income</b>	<b>11,365</b>	<b>11,960</b>	<b>(595)</b>	<b>(5.0%)</b>

Financial income, amounting to 11,365 thousand euros, showed a decrease of 595 thousand euros compared to the first half of the previous year.

The fall was mainly attributable to the recognition of lower financial income concerning customers of ACEA Ato2 (-1,114 thousand euros) and ACEA Ato5 (-414 thousand euros), partially offset by a rise in income attributable to Acea Energia (+281 thousand euros).

### 9. Financial costs - 56,281 thousand euros

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Costs (income) on interest rate swaps	1,483	1,994	(511)	(25.6%)
Interest on bonds	32,961	31,946	1,015	3.2%
Interest on medium/long-term borrowing	13,429	15,180	(1,750)	(11.5%)
Interest on short-term borrowings	919	2,072	(1,153)	(55.6%)
Default interest and interest on deferred payments	1,174	1,679	(505)	(30.1%)
Interest cost net of actuarial gains and losses	878	1,672	(794)	(47.5%)
Fair value hedge valuations	327	0	327	100.0%
Factoring fees	4,746	6,230	(1,484)	(23.8%)
Interest on payments by instalment	169	440	(272)	(61.8%)
Costs from discounting to present value	0	1,387	(1,387)	(100.0%)
Other financial charges	387	173	214	123.7%
Interest payable to end users	217	141	75	53.2%
Foreign exchange gains (losses)	(81)	(80)	(1)	1.3%
<b>Financial costs</b>	<b>56,608</b>	<b>62,834</b>	<b>(6,226)</b>	<b>(9.9%)</b>

Financial costs amounted to 56,808 thousand euros, down by 6,226 thousand euros compared to the first half of the previous year.

The average overall "all in" cost of the Acea Groups' debt at 30 June 2015 stood at 3.37% compared to 3.42% in the first half of the previous year.

Net costs resulting from fair value hedges totalled 327 thousand euros, and pertained to a derivative contract entered into to hedge the interest rate risks of the new bonded loan (at 30 June 2014 the valuation of this derivative yielded a net income totalling 350 thousand euros).

With reference to the financial costs relating to borrowings the following changes should be noted:

- ✚ Interest on bonded loans, compared to 30 June 2014, was up 1,015 thousand euros as a result of the new bonds placed on the market at the beginning of July 2014 under the EMTN scheme;
- ✚ Financial costs on medium, long and short-term borrowings were down 2,903 thousand euros due to lower average interest rates;
- ✚ Factoring fees fell by 1,484 thousand euros due to a reduction in applied rates, in spite of the increase in factored receivables compared to the first half of 2014.

## 10. Income and costs from equity investments– (604) thousand euros

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Income from investments in associates	469	2,928	(2,459)	(84.0%)
(Costs) from investments in associates	(1,073)	(1,851)	778	(42.0%)
<b>Total</b>	<b>(604)</b>	<b>1,076</b>	<b>(472)</b>	<b>(43.9%)</b>

The decrease was primarily attributable to the recognition at 30 June 2014 of income totalling 2,300 thousand euros as a result of the revised forecast for the completion of Marco Polo liquidation proceedings.

## 11. Income tax - 53,201 thousand euros

The estimate of tax payables for the period, carried out in compliance with IAS34, was 53,201 thousand euros, compared to 54,858 thousand euros in the previous period.

The breakdown is essentially as follows:

- ✓ Current tax: 53,538 thousand euros (53,519 thousand euros at 30 June 2014),
- ✓ Net deferred (prepaid) taxes: -337 thousand euros (1,339 thousand euros at 30 June 2014).

The overall decrease posted for the period, amounting to 1,657 thousand euros, was essentially due to (i) the write-off of the corporate income tax (IRES) surcharge and (ii) staff cost for employees hired under a permanent contract being deductible for IRAP (regional tax on business concerns) purposes.

The table below shows a breakdown of taxes for the period and the related percentage weight calculated on consolidated pre-tax profit.

€ thousands	2015	%	2014	%
<b>Profit (loss) before tax</b>	<b>156,825</b>		<b>138,579</b>	
Theoretical tax charge at 27.5% on profit before tax (A)	43,127	27.5%	38,109	27.5%
Net deferred taxation (B)	(3,692)	(2.4%)	(2,016)	(1.4%)
Permanent differences (C)	(1,638)	(1.0%)	245	0.2%
IRES (corporate income tax) for the period (D) = (A) + (B) + (C)	37,797	24.1%	36,338	26.3%
IRAP (regional income tax) (E)	12,049	7.7%	15,165	10.9%
Tax Assets (F)	3,355	2.1%	3,355	2.4%
<b>Total taxes recognised in income statement (G) = (D) + (E) + (F)</b>	<b>53,201</b>	<b>33.9%</b>	<b>54,858</b>	<b>39.6%</b>

The tax rate for the year amounted to 33.9% (39.6% in the first half of 2014).

## 12. Earnings per share

Earnings per share, determined in accordance with IAS 33, are shown in the table below:

€ thousands	30/06/2015	30/06/2014	Increase (decrease)	Increase (decrease) %
Net profit attributable to the Group (€/000)	99,329	80,538	18,791	23.3%
Net profit attributable to ordinary equity holders of the Group (€/000) (A)	99,329	80,538	18,791	23.3%
Weighted average number of ordinary shares outstanding for the purpose of determining earnings per share				
- Basic (B)	212,964,900	212,964,900	0	0.0%
- Diluted (C)	212,964,900	212,964,900	0	0.0%
Earnings per share (in €)				
- Basic (A/B)	0.4664	0.3782	0.0882	23.3%
- Diluted (A/C)	0.4664	0.3782	0.0882	23.3%



## Notes to the Consolidated Statement of Financial Position

### Assets

As at 30 June 2015, these amounted to 6,450,618 thousand euros (6,911,645 thousand euros at 31 December 2014), showing a decrease of 461,027 thousand euros or -6.6% over the previous year. A breakdown of this item is shown below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Non-current assets	4,337,796	4,270,593	67,203	1.6%
Current assets	2,112,326	2,640,556	(528,230)	(20.0%)
Non-current assets held for sale	497	497	0	0.0%
<b>Total assets</b>	<b>6,450,618</b>	<b>6,911,645</b>	<b>(461,027)</b>	<b>(6.7%)</b>

### 13. Property, plant and equipment - 2,041,027 thousand euros

The details and changes in property, plant and equipment for the first half of 2015 are shown below.

€ thousands	Land and buildings	Plant and machinery	Industrial equipment	Other assets	Fixed assets in progress	Assets to be relinquished	Total property, plant and equipment
<b>31/12/2014</b>	<b>375,002</b>	<b>1,134,715</b>	<b>458,327</b>	<b>28,032</b>	<b>33,400</b>	<b>1,934</b>	<b>2,031,410</b>
Assets held for sale	0	0	0	0	0	0	0
Additions/Acquisitions	1,194	23,953	13,191	2,649	32,804	301	74,091
Change in basis of consolidation	0	0	0	40	0	0	40
Depreciation/amortisations	(7,439)	(40,635)	(9,495)	(9,589)		(175)	(67,332)
Other changes	(72)	249	419	6,266	(3,967)	(77)	2,819
<b>30/06/2015</b>	<b>368,684</b>	<b>1,118,282</b>	<b>462,442</b>	<b>27,398</b>	<b>62,237</b>	<b>1,984</b>	<b>2,041,027</b>

**Capital expenditures** during the period under review increased over the previous year and amounted to 74,091 thousand euros. These mainly pertained to:

- ✓ **ACEA Distribuzione** (57,707 thousand euros) for expansion of and works on the HV lines, installation or reconstruction of primary substations, maintenance and works on the MV and LV lines, in accordance with priorities set out in company planning;
- ✓ **SAO** (7,396 thousand euros) primarily for investments in works for revamping the waste-treatment plant;
- ✓ **A.R.I.A.** (2,070 thousand euros) for investments in revamping Line 1 of the San Vittore in Lazio plant;
- ✓ **ACEA Produzione** for 2,017 thousand euros, essentially due to works for the extension of the district heating grid in the Torrino Mezzocammino zone and activities at the Castel Madama hydroelectric plant;
- ✓ **ACEA** (1,335 thousand euros) mainly regarding extraordinary maintenance operations at the headquarters and investments in hardware equipment required pursuant to the IT network improvement and development plan.

The **other changes** were primarily attributable to the commissioning of property, plant and equipment.

### 14. Investment property - 2,792 thousand euros

This item consisted primarily of land and buildings not used in operations and held for rental and was essentially in line with the previous year (2,819 thousand euros).

### 15. Goodwill - 149,361 thousand euros

This item remained unchanged compared to the previous year.

The following table shows the individual cash generating units (CGUs) by Operating Segment.

€ thousands	31/12/2014	Acquisitions	Devaluation/ Revaluation	Other changes	30/06/2015
<b>Energy:</b>	<b>141,392</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>139,981</b>
<i>Acea Produzione</i>	91,618	0	0	0	91,618
<i>Acea Energia</i>	46,935	0	0	0	46,935
<i>Ecogena</i>	2,839	0	(1,411)	0	1,428
<b>Environment:</b>	<b>9,379</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,379</b>
<i>ARIA</i>	7,744	0	0	0	7,744
<i>Aquaser*</i>	1,635	0	0	0	1,635
<b>Total</b>	<b>150,772</b>	<b>0</b>	<b>(1,411)</b>	<b>0</b>	<b>149,361</b>

\* This items includes Samace and Solemme

It should be noted that in the period under review no impairment indicators were identified, including with reference to the 2015-2019 business plan approved by the ACEA Board of Directors in June 2015, with the exception of Ecogena. The results of the impairment test, carried out on the basis of internal evaluations, led to an impairment charge of 1,411 thousand euros as the difference between the recoverable amount and the carrying amount at 30 June 2015. The recoverable amount was calculated using the financial method and, for the purpose of calculating the operating flows and terminal value, by using the estimates concerning the CGU as contained in the 2015-2019 Business Plan. The WACC used was consistent with that applied for CGUs in the Energy Segment. For further information on the cash generating units and the corresponding goodwill values, reference should be made to "Goodwill" in the 2014 Consolidated Financial Statements.

### Intangible assets

€ thousands	Patent rights	Other intangible assets	Fixed assets in progress	Concessions	Total
<b>31/12/2014</b>	48,112	16,791	20,381	1,398,571	1,483,855
Additions/Acquisitions	2,889	775	17,448	72,230	93,342
Change in basis of consolidation	0	385	5	0	390
Amortisation	(13,377)	(897)	0	(27,298)	(41,572)
Other changes	5,915	9,547	(6,234)	(4,328)	4,900
<b>30/06/2015</b>	<b>43,540</b>	<b>26,600</b>	<b>31,601</b>	<b>1,439,175</b>	<b>1,540,915</b>

Intangible fixed assets compared to 31 December 2014 showed an increase of 57,060 thousand euros resulting from the net balance of investments (93,342 thousand euros), amortisations (41,572 thousand euros) and other changes (-4,900 thousand euros).

### 16. Concessions and rights on infrastructure - 1,439,175 thousand euros.

This item covers the value of concessions received from the municipalities (169,215 thousand euros at 30 June 2015), and in keeping with IFRIC 12, the overall sum of the whole of the physical infrastructure in use for the operation of the water service (1,269,960 thousand euros).

In detail, **Concessions** consisted of 166,159 thousand euros pertaining to the thirty-year concession granted by Roma Capitale for assets consisting of water and sewage treatment plants, and 498 thousand euros pertaining to rights arising from the takeover of Integrated Water Service operations in the area of the Municipality of Formello. The amortisation of rights is carried out a

systematic basis according to the duration of the concession stipulated between ACEA S.p.A. and Roma Capitale and the duration of the Management Agreement signed by the Mayors of AATO2, respectively.

This item also reflected changes the basis of consolidation pertaining thereto, consisting of greater costs incurred in respect of the acquisitions of (i) water management operations and (ii) Gruppo A.R.I.A., with special reference to SAO (2,148 thousand euros).

The **Rights on Infrastructure** recognised in the statements totalled 1,269,960 thousand euros (1,222,352 thousand euros at 31 December 2014) and consisted of the infrastructure used for the management of the Integrated Water Service.

The investments for the period stood at 72,230 thousand euros and mainly referred to works performed for the remediation and expansion of water and sewerage networks for a number of municipalities, as well as the extraordinary maintenance of water facilities and works on treatment facilities, the construction of buildings for water treatment plants, works regarding water sources, and new service connections in the areas of the Municipality of Rome and in the other acquired municipalities.

The item also included 789 thousand euros relating to the value of the assets deriving from the acquisition of the business division of 2iRete Gas S.p.A. concerning the management of water services in the Municipality of Colleferro.

#### 17. Other intangible assets - 101,741 thousand euros

The increase over the previous year amounted to 16,457 thousand euros, and was primarily due to **investments** made during the period, totalling 21,112 thousand euros. These referred to **(i)** charges incurred by ACEA Distribuzione for the re-engineering of information systems and for investments in the new billing system (+8,701 thousand euros); **(ii)** investments by Acea Energia (4,072 thousand euros) for CRM (Customer Relations Management) software, for implementation of data warehouse software, purchase of software user licences, implementation of web-portal/front-end software, and development and maintenance of the credit care platform and software for the NETA system; **(iii)** investments of 7,495 thousand euros by the Parent Company, primarily concerning the purchase and upgrading of software under the Acea 2.0 programme.

**Other changes** chiefly pertained to the increase in green certificates for Acea Produzione and ARIA, totalling 7,439 thousand euros.

**Change in the basis of consolidation** accounted to the change in intangible assets to the extent of 390 thousand euros and pertained to the full consolidation of Cesap Vendita Gas, following the acquisition of its entire share capital by Umbria Energy. The other changes referred to restatements due to the commissioning of the underlying assets.

#### 18. Equity investments in unconsolidated subsidiaries and associates - 231,004 thousand euros

A breakdown of the ACEA Group's investment portfolio is shown in the following table.

€ thousands	31/12/2014	Impact on income statement	Impact on equity	Change in basis of consolidation	Other changes	30/06/2015
Equity investments in subsidiaries and associates	224,767	12,516	1,614	(435)	(7,458)	231,004

The changes occurring in the first half year concerned:

- ✓ The valuations of companies consolidated with the equity method and having an impact on the income statement to the extent of 12,516 thousand euros; these valuations were reflected in the income statement mainly under "Costs/income from equity investments of non-financial nature" (12,901 thousand euros) and "Costs/Income from equity investments" (-381 thousand euros);
- ✓ The "change in the basis of consolidation" due to the acquisition of sole control of Cesap Vendita Gas, which was accounted for using the equity method in the previous year;
- ✓ The effect of valuations of the companies consolidated using the equity method in the Shareholders' equity (1,614 thousand euros);
- ✓ The dividends distributed by Acque and Publiacqua.

Economic/financial data is provided for the main investments in the subsidiaries accounted for using the equity method.

€ thousands

30/06/2015	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Net profit/(loss)	NFP
Publiacqua	184,667	64,410	(78,985)	(84,269)	45,490	5,933	(45,989)
Acque	181,890	36,469	(150,455)	(35,407)	33,089	3,533	(106,193)
Intesa Aretina	8,096	831	0	(602)	0	0	340
Nuove Acque	20,123	3,996	(14,253)	(1,952)	4,191	420	(9,560)
Gori	69,934	166,926	(62,816)	(139,109)	33,276	1,174	(4,024)
Umbra Acque	49,336	17,846	(30,389)	(26,581)	13,586	298	(14,249)
Ingegnerie Toscane	3,166	6,251	(496)	(5,044)	3,959	501	(3,407)
Acquedotto del Fiora	97,565	22,135	(69,492)	(27,816)	19,766	779	(51,999)
Voghera vendite	169	4,891	(245)	(8,037)	377	(216)	405
Ecomed	3	340	0	(359)	0	(21)	129
Consorzio Agua Azul	6,877	927	(234)	(803)	1,606	560	491
Acque industriali	1,543	2,779	(756)	(2,435)	2,252	40	(658)
Acque servizi	576	8,301	(420)	(5,428)	4,983	178	(1,198)

€ thousands

31/12/2014	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Net profit/(loss)	NFP
Publiacqua	181,328	45,453	(64,188)	(76,638)	88,949	7,279	(36,225)
Acque	184,097	35,463	(156,232)	(35,210)	62,728	4,882	(103,582)
Intesa Aretina	8,096	831	0	(602)	266	586	340
Nuove Acque	20,388	4,247	(14,755)	(2,331)	8,202	666	(9,246)
Gori	70,148	154,975	(59,414)	(132,004)	74,663	184	(7,346)
Umbra Acque	50,083	14,901	(30,756)	(24,800)	27,569	301	(12,695)
Ingegnerie Toscane	3,354	7,087	(607)	(5,755)	8,693	970	(2,126)
Acquedotto del Fiora	93,226	21,519	(26,638)	(66,673)	38,968	3,940	(49,031)
Voghera vendite	169	4,887	(237)	(7,825)	3	(357)	290
Ecomed	3	285	0	(290)	232	145	74
Consorzio Agua Azul	6,989	1,006	(283)	(932)	2,734	742	614
Acque industriali	1,457	1,984	(805)	(1,500)	3,805	233	(705)
Acque servizi	558	7,734	(418)	(4,655)	9,932	554	391

### 19. Other investments - 2,379 thousand euros

This item stood at 2,379 thousand euros, showing a 103 thousand euros decrease compared to the end of the previous year, due to the impairment charges applied to the amounts of equity held in WRC Plc and Polo Tecnologico Industriale.

## 20. Deferred tax assets - 292,568 thousand euros

At 30 June 2015, this item totalled 292,568 thousand euros (296,224 thousand euros at 31 December 2014), and basically consisted of: **(i)** 36,538 thousand euros (39,893 thousand euros at 31 December 2014) relating to the temporary differences between the carrying amounts recognised in the financial statements of subsidiaries, following the transfer of business units, and the corresponding amounts recognised in the consolidated financial statements, **(ii)** 129,069 thousand euros (127,240 thousand euros at 31 December 2014) relating to lower tax depreciation/amortisation, **(iii)** 19,911 thousand euros relating to provisions for risks that have an impact on taxes (19,370 thousand euros at 31 December 2014), **(iv)** 52,488 thousand euros relating to doubtful receivables (52,388 thousand euros at 31 December 2014).

The following table details the changes in this item.

€ thousands	Balance 31/12/2014	Change in basis of consolidation	Adjustments/ Reclassifications	Changes in shareholder's equity	Utilisations	IRES/IRAP provisions	Balance 30/06/2015
<b>Deferred tax assets</b>							
Tax losses	996	0	0	0	0	549	1,545
Directors' fees	849	0	0	0	(8)	46	887
Provision for liabilities and charges	19,370	0	0	0	(1,080)	1,622	19,911
Impairment of receivables and investments	52,338	0	0	0	(188)	338	52,488
Depreciation / amortisation	127,240	0	(11)	0	(2,796)	4,635	129,069
Defined benefit and defined contribution plans	16,876	0	0	(226)	(710)	178	16,118
Tax assets on consolidation adjustments	39,893	0	0	0	(3,355)	0	36,538
Fair value commodities and other financial instruments	18,596	0	0	(4,005)	0	0	14,590
Other taxes	20,067	509	31	(363)	(350)	1,529	21,422
<b>Total</b>	<b>296,224</b>	<b>509</b>	<b>20</b>	<b>(4,595)</b>	<b>(8,488)</b>	<b>8,897</b>	<b>292,568</b>
<b>Deferred tax</b>							
Amortisation	75,992	0	0	0	(1,979)	2,923	76,935
Defined benefit and defined contribution plans	(311)	(1)	0	1,640	(282)	29	1,075
Fair value commodities and other financial instruments	9,749	0	0	(2,272)	0	65	7,542
Other taxes	7,854	0	(139)	0	(65)	(618)	7,032
<b>Total</b>	<b>93,284</b>	<b>0</b>	<b>(139)</b>	<b>(633)</b>	<b>(2,327)</b>	<b>2,399</b>	<b>92,584</b>
<b>Net</b>	<b>202,941</b>	<b>509</b>	<b>159</b>	<b>(3,963)</b>	<b>(6,161)</b>	<b>6,498</b>	<b>199,984</b>

"Other taxes" included deferred taxation related to connection fees.

The Group recognises deferred tax assets based on profitability prospects reflected in the Group's plans, substantiating the likelihood that sufficient future taxable profit will be available against which all of the deferred tax assets recognised in the financial statements can be recovered.

## 21. Non-current financial assets - 35,862 thousand euros

This item totalled 35,862 thousand euros (34,290 thousand euros at 31 December 2014), showing an increase of 1,572 thousand euros.

The item reflected basically receivables from Roma Capitale to the extent of 33,501 thousand euros relating to works carried out to upgrade systems in compliance with safety and regulatory requirements, as well as new constructions per the addendum to the public lighting agreement, which were carried out in 2013. These receivables referred to the long-term portion resulting from the application of the financial method defined under IFRIC 12 dealing with Service Concession Arrangements.

## 22. Other non-current assets - 41,886 thousand euros

At 30 June 2015 these consisted of the following:

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Receivables from the State	113	113	0	0,0%
Advances and deposits	1,337	1,327	10	0,7%
Other receivables	39,870	41,567	(1,697)	(4,1%)
Accrued income and deferred charges	566	965	(398)	(41,3%)
<b>Other non-current assets</b>	<b>41,886</b>	<b>43,972</b>	<b>(2,086)</b>	<b>48,4%</b>

Other receivables totalled 41,886 thousand euros (43,972 thousand euros at 31 December 2014) and primarily referred to long-term receivables deriving from contract for the delivery of the public lighting service in the city of Rome - which represents the overall investments made up to 31 December 2010 in connection with this service - following the adoption of the financial method in accordance with IFRIC 12, as a result of the additions to the service contract agreed between ACEA and Roma Capitale.

## 23. Current assets - 2,112,326 thousand euros

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
<b>Inventories</b>	<b>30,052</b>	<b>29,229</b>	<b>823</b>	<b>2.8%</b>
Trade receivables	1,111,197	1,162,973	(51,776)	(4.5%)
Amounts due from the Parent Company	69,429	67,231	2,198	3.3%
Amounts due from subsidiaries and associates	30,450	29,716	734	2.5%
<b>TOTAL TRADE RECEIVABLES</b>	<b>1,211,076</b>	<b>1,259,920</b>	<b>(48,844)</b>	<b>(3.9%)</b>
Other receivables and current assets	94,443	141,467	(47,024)	(33.2%)
Current financial assets	125,574	92,130	33,444	36.3%
Current tax assets	56,679	99,843	(43,164)	(43.2%)
Cash and cash equivalents	594,502	1,017,967	(423,465)	(41.6%)
<b>CURRENT ASSETS</b>	<b>2,112,326</b>	<b>2,640,556</b>	<b>(528,230)</b>	<b>(20.0%)</b>

### 23.a Inventories

Inventories totalled 30,052 thousand euros (+823 thousand euros over 31 December 2014). A breakdown by Operating Segment is shown below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)
Environment	3,305	3,410	(104)
Energy	1,793	1,515	277
Water	7,707	8,420	(713)
Networks	16,976	15,613	1,363
Parent Company	270	270	0
<b>Total</b>	<b>30,052</b>	<b>29,229</b>	<b>823</b>

### 23.b - Trade receivables

This item totalled 1,211,076 thousand euros, showing a 48,844 thousand euros decrease compared to the previous year (1,259,920 thousand euros).

#### **Amounts due from customers**

This item stood at 1,111,197 thousand euros, down 51,776 thousand euros compared to the end of the previous period. A breakdown of this items is shown below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Amounts due from users for bills issued	467,046	549,835	(82,789)	(15.1%)
Amounts due from users for bills to be issued	449,496	416,132	33,364	8.0%
<b>Total amounts due from users</b>	<b>916,542</b>	<b>965,967</b>	<b>(49,425)</b>	<b>(5.1%)</b>
Amounts due from customers other than users	173,463	175,148	(1,685)	(1.0%)
Disputed receivables	21,192	21,858	(667)	(3.1%)
<b>Total receivables</b>	<b>1,111,197</b>	<b>1,162,973</b>	<b>(51,776)</b>	<b>(4.5%)</b>

The decrease compared to 31 December 2014, amounting to 51,776 thousand euros, was due to a reduction in receivables from users and non users in the Energy Segment, which were partially offset by increases in the Water, Environment and Networks Segments.

A summary of the changes by Operating Segment is provided in the table below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Environment	37,187	29,702	7,485	25.2%
Energy	560,140	643,955	(83,814)	(13.0%)
Water	428,783	406,340	22,443	5.5%
Networks	49,989	43,638	6,351	14.6%
Parent Company	35,097	39,337	(4,240)	(10.8%)
<b>TOTAL</b>	<b>1,111,197</b>	<b>1,162,973</b>	<b>(51,776)</b>	<b>(4.5%)</b>

Receivables are shown net of the **Provisions for doubtful receivables**, which at 30 June 2015 amounted to 301,684 thousand euros, compared to 278,191 thousand euros at the end of the previous year and 209,395 thousand euros at 30 June 2014.

#### **Environment Segment receivables**

These totalled 37,187 thousand euros, up 7,485 thousand euros compared to 31 December 2014, primarily attributable to ARIA (+6,571 thousand euros) due to greater amounts of electricity provided.

#### **Energy Segment receivables**

This item stood at 560,140 thousand euros, showing a decrease of 83,814 thousand euros, primarily attributable to Acea Energia (80,456 thousand euros) and Umbria Energy (3,141 thousand euros), as a result of the lesser volumes of energy sold. In contrast to this there were as increase deriving from the full consolidation of Cesap Vendita Gas (+4,577 thousand euros).

It should be noted that in first half year Acea Energia, under the securitisation contract executed in 2009, transferred receivables from private entities for an amount of 202,212 thousand euros, both in non-recourse and recourse sales, of receivables mainly from customers in the Public

Administration, for a total value of approximately 9,383 thousand euros. The total value for revolving values in the period amounted to 57,548 thousand euros.

Provisions for doubtful receivables at 30 June 2015 totalled 208,146 thousand euros, showing an increase, net of uses, of 19,732 thousand euros compared to 31 December 2014.

#### **Water Segment receivables**

These amounted to 428,783 thousand euros. A breakdown by geographic area and activity is shown in the table below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Italian water services	426,136	403,990	22,147	5.5%
<i>Lazio-Campania</i>	425,867	403,728	22,139	5.5%
<i>Tuscany-Umbria</i>	269	262	8	3.1%
Overseas water services	2,026	1,823	203	11.1%
Engineering and Laboratory services	621	528	93	17.6%
<b>Amounts due from water customers</b>	<b>428,783</b>	<b>406,340</b>	<b>22,443</b>	<b>5.5%</b>

Total receivables showed an increase of 22,443 thousand euros over 31 December 2014, largely attributable to ACEA Ato2 (19,738 thousand euros), primarily for amounts due from customers for bills still to be issued.

It should be noted that in the first half year of 2014, ACEA Ato2, under the securitisation contract executed in 2009, transferred receivables from private entities for an amount of 99,329 thousand euros, and conducted spot operations for non-recourse sales for 11,798 thousand euros of amounts due from the Public Administration.

Provisions for doubtful receivables at 30 June 2015 stood at 67,954 thousand euros, showing an increase, net of uses, of 1,767 thousand euros compared to 31 December 2014.

#### **Network Segment receivables**

These amounted to 49,989 thousand euro, showing an overall increase of 6,351 thousand euros, primarily attributable to ACEA Distribuzione (+4,960 thousand euros).

Provisions for doubtful receivables in this segment amounted to 15,979 thousand euros and showed an increase of 1,542 thousand euros, attributable to ACEA Distribuzione.

It should be noted that over the course of the first half year, ACEA Distribuzione, under the securitisation contract in place, sold receivables for 178,444 thousand euros, and 85,769 thousand euros stated in other receivables.

#### **Parent Company receivables**

These totalled 35,097 thousand euros (-4,240 thousand euros compared to the end of 2014), with the drop substantially resulting from changes in amounts due from the Municipality of Naples.

Provisions for doubtful receivables amounted to 6,805 thousand euros, showing an increase of 58 thousand euros following the impairments applied in the first half of 2015.

#### **Amounts due from the Parent Company Roma Capitale**

Trade receivables from Roma Capitale at 30 June 2015 totalled 76,535 thousand euros (72,889 thousand euros at 31 December 2014).

The total amount of receivables, including financial receivables deriving from both the short and medium-long term public lighting contracts, stood at 165,121 thousand euros compared to 135,278 thousand euros at the end of the previous year.



The following table provides a breakdown of the ACEA Group's dealings with Roma Capitale regarding both receivables and payables, including those of a financial nature.

Amounts due from Roma Capitale	30/06/2015	31/12/2014	Increase (decrease)
Utility receivables	54,486	51,318	3,168
Receivables for contract work and services	16,777	16,493	283
Other receivables: Seconded staff	157	151	6
<b>Total services billed</b>	<b>71,420</b>	<b>67,963</b>	<b>3,457</b>
Grants receivable	2,402	2,402	0
<b>Total services requested</b>	<b>73,821</b>	<b>70,364</b>	<b>3,457</b>
Receivables for bills to be issued: Public Lighting	970	1,013	(43)
Receivables for bills to be issued: other	1,743	1,512	231
<b>Total services to be billed</b>	<b>2,713</b>	<b>2,525</b>	<b>188</b>
<b>Total trade receivables</b>	<b>76,535</b>	<b>72,889</b>	<b>3,645</b>
<b>Financial receivables for Public Lighting</b>	<b>88,586</b>	<b>62,389</b>	<b>26,197</b>
Financial receivables for billed Public Lighting	82,548	49,713	32,835
Financial receivables for Public Lighting to be billed	6,038	12,676	(6,638)
<b>Total receivables due within one year (A)</b>	<b>165,121</b>	<b>135,278</b>	<b>29,842</b>

Amounts due to Roma Capitale	30/06/2015	31/12/2014	Increase (decrease)
Electricity surtax payable	(15,185)	(15,178)	(7)
Concession fees payable	(84,759)	(74,047)	(10,712)
Total trade payables	<b>(99,944)</b>	<b>(89,225)</b>	<b>(10,719)</b>
<b>Total payables due within one year (B)</b>	<b>(99,944)</b>	<b>(89,225)</b>	<b>(10,719)</b>

<b>Total (A) - (B)</b>	<b>65,177</b>	<b>46,053</b>	<b>19,124</b>
<b>Other financial receivables/(payables)</b>	<b>(1,793)</b>	<b>29,442</b>	<b>(31,235)</b>
Receivables for Dividends	(35,295)	(3,138)	(32,157)
Medium/long-term financial receivables for Public Lighting	33,501	32,580	922
<b>Other trade receivables/(receivables)</b>	<b>(33,268)</b>	<b>(33,111)</b>	<b>(157)</b>
<i>of which: disputed payables – Vatican City fees</i>	(20,516)	(20,516)	0
<b>Net balance</b>	<b>30,116</b>	<b>42,385</b>	<b>(12,269)</b>

The change in receivables and payables was due to the period falling due and the effects arising from the offsetting completed in June 2015.

In the course of the first half year, total receivables showed an increase of 29,842 thousand euros compared to the previous period, comprising in particular:

- ✚ an increase in receivables for utilities amounting to 3,168 thousand euros, primarily attributable to Acea Energia,
- ✚ an increase in financial receivables for public lighting amounting to 26,197 thousand euros, due to accruals of payments due over the period.

The balances at the end of the six-month period are influenced by the offsetting entries carried out in June 2015, amounting to 19,331 thousand euros, which offset receivables for utilities (14,700 thousand euros) and public lighting (4,307 thousand euros) against payables for dividends due from ACEA.

The remaining receivables at 30 June 2015 referring to previous years (excluding the medium/long-term component), totalled 117,731 thousand euros, of which:

- ✓ 47,819 thousand euros for water and electricity utilities,
- ✓ 54,195 thousand euros referring to the public lighting service,
- ✓ 15,717 thousand euros for works and services.

With regard to payables, they showed an overall increase of 42,876 thousand euros attributable to ACEA Ato2, essentially due to the share of concession fees accrued over the period (+10,719 thousand euros), and to the accrual of dividends declared by ACEA and ACEA Ato2 (totalling +32,157 thousand euros).

It should be also noted that (i) in January 2015, the tax regulations on "split payment" came into effect, which require that invoices to the Public Administration (including Roma Capitale) are made applying VAT rates under the split payment model, and (ii) the requirement of electronic billing became effective as of 1 April. The application of these regulations caused delays in issuing the bills for utilities receivables, which were currently being dealt with.

Finally, it should be noted that Acea Energia ceased the provision of electricity, effective 28 February 2015 (date of contract termination).

#### **Amounts due from subsidiaries and associates**

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Amounts due from associates	5,188	7,351	(2,163)	(29.4%)
Amounts due from subsidiaries	25,263	22,366	2,897	13.0%
<b>Total amounts due from subsidiaries and associates</b>	<b>30,450</b>	<b>29,716</b>	<b>734</b>	<b>2.5%</b>

#### **Receivables from associates**

This item totalled 5,188 thousand euros (7,351 thousand euros at 31 December 2014) and primarily referred to receivables from Marco Polo (1,229 thousand euros), Umbria Due Servizi Idrici scarl (1,165 thousand euros), Sogea (952 thousand euros), Si(e)nergia (639 thousand euros) and Agua de San Pedro (605 thousand euros).

#### **Receivables from subsidiaries**

This item totalled 25,263 thousand euros (22,366 thousand euros at 31 December 2014) and increased by 2,897 thousand euros. It referred to receivables from companies consolidated with the equity method, consisting in particular of receivables reflected in Acea Energia for amounts due from its subsidiaries (15,356 thousand euros and 7,525 thousand euros) reflected in Sarnese Vesuviano for amounts due from its subsidiary GORI.

#### **23.c –Other current receivables and assets**

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Receivables from others	77,424	126,783	(49,358)	(38.9%)
Accrued income and prepayments	17,019	14,685	2,335	15.9%
<b>Total other receivables and current assets</b>	<b>94,443</b>	<b>141,467</b>	<b>(47,024)</b>	<b>(33.2%)</b>

### **Receivables from others**

These totalled 77,424 thousand euros. A breakdown of the main contributing items is shown below.

€ thousand	30/06/2015	31/12/2014	Increase (decrease)
Receivables due from the Energy Equalisation Fund	11,106	47,299	(36,193)
Receivables due from the Equalisation Fund for TOE	581	18,501	(17,920)
Other receivables due from the Equalisation Fund	25,243	17,708	7,536
Financial receivables due from Trifoglio property company	10,250	10,250	0
Receivables due from INPS welfare contributions in accordance with article 41, para. 2, letter A of Law 488/1999	5,824	6,240	(416)
Regional grants due	4,884	6,521	(1,636)
Receivables from Equitalia	4,157	4,157	0
Other minor receivables	3,320	4,354	(1,034)
Security deposits	3,579	3,566	12
Receivables due from social security institutions	2,362	3,301	(939)
Receivables from single transfers	4,372	2,465	1,907
Suppliers' advances	1,746	1,722	25
Receivables from Citelum	950	522	429
Receivables due for insurance settlements	0	700	(700)
<b>Total</b>	<b>77,424</b>	<b>126,783</b>	<b>(49,358)</b>

The decrease in receivables totalling 49,358 thousand euros compared to the end of 2014 is mainly due to:

- ✓ A decrease in receivables from the Equalisation fund to the extent of 36,193 thousand euros, attributable to the assignment of receivables under the general equalisation;
- ✓ A decrease of 17,920 thousand euros for receivables from the Equalisation fund for Energy Efficiency Certificates accrued due to the acquisition by ACEA Distribuzione of energy efficiency certificates to meet the related regulatory obligations. The change was due to the assignments made over the period.
- ✓ An increase in receivables from the Equalisation Fund accumulated by Acea Energia, deriving from the AEEGSI Ruling 670/2014/R/eel, which set the national "unpaid ratio" to 24 months.

### **Accrued income and prepayments**

This item totalled 17,019 thousand euros (14,685 thousand euros at 31 December 2014) and mainly referred to rent on public lands, other rentals and insurance.

The 2,335 thousand euros rise is mainly attributable to ACEA (+3,172 thousand euros) and ACEA Distribuzione (+562 thousand euros), partially offset by the decrease posted by Acea Energia (-2,199 thousand euros).

### **Receivables from commodity derivatives**

The fair value of commodities contracts at 30 June 2015 is nil.

### **23.d – Current tax assets**

This item totalled 56,679 thousand euros (99,843 thousand euros at 31 December 2014) broken down as follows:

€ thousands	30/06/2015	31/12/2014	Increase (decrease)
VAT receivables	10,897	55,566	(44,670)
IRAP and IRES receivables	25,109	11,770	13,339
Municipal and provincial surcharge, revenue tax	1,051	906	144
Other tax receivables	19,622	31,600	(11,978)
<b>Current tax assets</b>	<b>56,679</b>	<b>99,843</b>	<b>(43,164)</b>

### 23.e – Current financial assets

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Financial receivables from the Parent Company Roma Capitale	88,586	62,389	26,197	42.0%
Financial receivables from subsidiaries and associates	13,847	6,653	7,195	108.1%
Financial receivables from third parties	23,141	23,088	52	0.2%
<b>Total current financial assets</b>	<b>125,574</b>	<b>92,130</b>	<b>33,444</b>	<b>36.3%</b>

#### **Financial receivables from the parent company Roma Capitale**

This item totalled 88,586 thousand euros (62,389 thousand euros at 31 December 2014) and represented the unconditional right to receive cash flows in line with the methods and timing envisaged in the service agreement for operation of public lighting. Further details are provided in "Amounts due from the Parent Company Roma Capitale".

#### **Financial receivables from subsidiaries and associates**

This item totalled 13,847 thousand euros (6,653 thousand euros at 31 December 2014) and referred to receivables for dividends from associates (7,137 thousand euros), a loan, including the accrued interest, issued to Sienergia in November 2010 to cover certain investment projects (2.740 thousand euros), 3,022 thousand euros recognised in Crea Gestioni for a loan to Umbriadue Servizi, and 322 thousand euros for a loan granted to the company Citelum Acea Napoli Pubblica Illuminazione.

#### **Financial receivables from third parties**

This item totalled 23,141 thousand euros (23,088 thousand euros at 31 December 2014). It remained virtually unchanged compared to the previous period and mainly consisted of:

- 10,700 thousand euros in ACEA Ato5 for amounts due from the ATO and accrued over three years; one-third of the above amount was due December 31 of each year, with the first instalment due 31 December 2007. The Settlement Agreement entered into by the Company and the ATO concerns the issue of higher operating costs incurred in the 2003-2005 period and provides for the recognition of higher costs net of sums relating to (i) the tariff portion - corresponding to amortisation/depreciation and return on inflated invested capital - relating to the investments set out in the Area Plan and not carried out in the first three-year period (ii) the portion of inflation accrued on concession fees and (iii) penalties for the non-fulfilment of contractual obligations in the three-year period;
- 6,000 thousand euros recognised in ACEA for receivables from the transfer of the Laurentina property complex;
- 5,370 thousand euros of receivables accrued for the management of the public lighting service.

### 23.f – Cash and cash equivalents

The closing balance for the first half of 2015 of bank current accounts and postal accounts, held in various banks and Poste Italiane, for the various consolidated companies except those held for sale, amounted to 594,502 thousand euros.

A breakdown of and changes in this item by Operating Segment are shown in the table below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)
Environment	1,471	1,140	331

€ thousands	30/06/2015	31/12/2014	Increase (decrease)
Energy	3,941	1,532	2,409
Water	30,956	36,215	(5,259)
Networks	590	639	(49)
Parent Company	557,543	978,440	(420,897)
<b>TOTAL</b>	<b>594,502</b>	<b>1,017,967</b>	<b>(423,465)</b>

**24. Non-current assets held for sale/liabilities directly associated with assets held for sale—398 thousand euros**

The balance at 30 June 2015 totalled 398 thousand euros and was unchanged compared to 31 December 2014. It includes 497 thousand euros as the fair value of the repurchase commitment, if certain contractual conditions are not satisfied, as a result of the possible exercise of the put option granted to the buyer of the PV business unit, and the recognition of 99 thousand euros for the amount due to the buyer for the repayment of equity corresponding to the plants subject to the put.

## Liabilities

At 30 June 2015 this item totalled 6,450,618 thousand euros (6,911,645 thousand euros at 31 December 2014) and showed a decrease of 461,027 thousand euros (-6.7%) compared to the previous year. The item is broken down as follows.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Shareholders' equity	1,518,605	1,502,391	16,214	1.1%
Non-current liabilities	3,265,212	3,598,633	(333,422)	(9.3%)
current liabilities	1,666,703	1,810,522	(143,819)	(7.9%)
Liabilities directly associated with assets held for sale	99	99	0	(0.0%)
<b>Total liabilities</b>	<b>6,450,618</b>	<b>6,911,645</b>	<b>(461,027)</b>	<b>(6.7%)</b>

### 25. Shareholders' equity—1,518,605 thousand euros

Consolidated shareholders' equity at 30 June 2015 amounted to 1,518,605 thousand euros (1,502,391 thousand euros at 31 December 2014).

The changes occurring during the period are shown in the appropriate statement.

### Share capital

Share capital amounted to 1,098,899 thousand euros, represented by 212,964,900 ordinary shares with a par value of 5.16 euros each, as shown in the Shareholders' Register. The share capital is subscribed and paid up as detailed below:

- **Roma Capitale: 108,611,150** ordinary shares for an overall par value of 560,433 thousand euros;
- **Free float: 103,936,757** ordinary shares for an overall par value of 536,314 thousand euros;
- **Treasury shares: 416,993** ordinary shares for an overall par value of 2,152 thousand euros.

### Statutory reserve

This item reflects the allocation of 5% net profit for previous years in accordance with article 2430 of the Italian Civil Code, and refers to the legal reserve of the Parent Company, which amounts to 87,908 thousand euros.

### Other reserves and retained earnings

At 30 June 2015, this item amounted to 159,338 thousand euros, compared to 85,780 thousand euros at 31 December 2014. The increase of 73,558 thousand euros is partly due to the change in retained earnings (+37,054 thousand euros), as well as changes in other reserves, such as the cash flow hedge for financial instruments (-6,850 thousand euros) (net of taxation), changes in fair value measurement of derivative contracts of ACEA Energia (-203,8 thousand euros), and change in actuarial gains and losses amounting to +4,733 thousand euros. The change was also affected by the dividend distribution of 95,834 thousand euros.

As of 30 June 2015, ACEA held 416,993 Treasury Shares to be used for future medium/long-term incentive schemes. At this time there are no medium/long-term share-based payment schemes planned.

### Minority interests

This item stood at 73,131 thousand euros and increased by 1,306 thousand euros. The difference between the two compared periods is essentially due to the combined effect of the portion of net profit attributable to minority interests, the decrease in shareholders' equity as a result of the distribution of dividends relative to the net profit of 2014, and the change in the basis of

consolidation after the acquisition of Cesap Vendita Gas during the period, as well as acquisition of further shareholdings in AcqueBlu Arno Basso and Elga Sud.

## 26. Staff termination benefits and other defined benefit plans - 112,054 thousand euros

At 30 June 2015 this item amounted to 112,054 thousand euros (118,004 thousand euros at 31 December 2014) and reflected the termination and other benefits payable to employees on termination of employment.

The following table shows the changes in actuarial liabilities during the period.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Benefits payable upon termination of employment				
- Staff termination benefits	65,470	69,116	(3,647)	(5.3%)
- Monthly bonuses	10,307	10,792	(485)	(4.5%)
- Long-term incentive plans (LTIPs)	2,539	2,016	523	25.9%
Post-employment benefits				
- Tariff subsidies	33,739	36,080	(2,341)	(6.5%)
<b>TOTAL</b>	<b>112,054</b>	<b>118,004</b>	<b>(5,950)</b>	<b>(5.0%)</b>

The change is affected by the allocation, which after the reform of termination benefits accounts for the staff termination benefits of employees up to 31 December 2006, and by the impact deriving from the review of the discount rate used for evaluation in accordance with IAS19.

As required by paragraph 78 of IAS 19, the interest rate used to calculate the present value of the obligation was based on returns, at the end of the reporting period, on securities of major companies listed on the same financial market as ACEA, and on returns on government bonds in circulation at the same date that have terms to maturity similar to the residual term of the liability for the workforce in question.

As regards the economic and financial scenario, a 1.98% discount rate was used for the evaluation, compared to a 1.49% rate used for the 2014 financial year. In addition, the following parameters were used for the evaluation:

	June 2015	December 2014
Discount rate	1.98%	1.49%
Revenue growth rate (average)	1.6%	1.6%
Long-term inflation	2.0%	1.0%

With regard to the measurement of Group Employee Benefits (staff termination benefits, monthly bonuses and tariff subsidies for current and retired staff) a sensitivity analysis was performed to assess the changes in the liability resulting from both positive and negative shifts of the rate curve (+0.5% shift /-0.5% shift). The results of this analysis are shown below.

Type of plan	+0.5%	-0.5%
	€ millions	€ millions
<b>Staff termination benefits</b>	-4.1	+4.4
<b>Tariff subsidies</b>	-0.6	+0.6
<b>Monthly bonuses</b>	-0.1	+0.3
<b>LTIP</b>	-0.1	+0.1

In addition, a sensitivity analysis was carried out in relation to the age of the workforce, assuming one year less than the actual age.

Type of plan	-1 year of age
	€ millions
Staff termination benefits	-0.4
Tariff subsidies	+0.8
Monthly bonuses	-0.6

No sensitivity analyses were conducted on other variables, such as the inflation rate.

## 27. Provision for risks and charges - 170,210 thousand euros

At 30 June 2015, the provision for risks and charges amounted to 170,210 thousand euros (168,644 thousand euros at 31 December 2014) and were intended to cover potential liabilities that may derive from pending litigations, estimated on the basis of information provided by the company's internal and external legal advisors. The provisions do not take account of the effects of litigation that is expected to be concluded in the company's favour or of litigations where the potential liability arising from a negative outcome is merely considered possible.

When calculating the size of the provisions, account is taken both of the estimated costs that may derive from litigation or other disputes arising during the year and an update of estimates of the potential liabilities deriving from the litigation involving the Company in previous years.

The following table shows a breakdown of provisions and changes during the period.

Type of provision	31/12/2014	Provisions 30/06/2015	Utilizations	30/06/2015
Legal	20,117	1,981	(1,561)	20,537
Tax	4,604	300	(1,737)	3,167
Regulatory risks	46,595	1,433	(90)	47,938
Subsidiaries	12,374	0	51	12,425
Contribution risks	6,594	0	(188)	6,406
Early retirement and redundancies	2,710	721	(1,678)	1,753
Post mortem	23,137	0	(51)	23,086
Insurance fees	255	408	(73)	590
Other risks and charges	9,172	408	(542)	9,037
<b>TOTAL</b>	<b>125,557</b>	<b>5,250</b>	<b>(5,869)</b>	<b>124,939</b>
Provision for restoration charges	43,087	2,267	(82)	45,271
<b>TOTAL PROVISIONS</b>	<b>168,644</b>	<b>7,516</b>	<b>(5,951)</b>	<b>170,210</b>

The 1,566 million euros decrease compared to 31 December 2014 resulted from:

- **Uses**, amounting to 5,951 thousand euros, mainly attributable to:
  - ✓ The early retirement and redundancies provision, which in the period was used to the extent of 1,678 thousand euros;
  - ✓ Provisions for the assessments relating to long leasehold property in ARSE, used to the extent of 1,737 thousand euros;
  - ✓ Provisions for legal disputes, used to the extent of 1,576 thousand euros due to disputes settled over the period.
- **Allocations**, amounting to 7,516 thousand euros, mainly referred to:
  - ✓ 2,267 thousand euros to cover obligations for the maintenance in good condition of the infrastructure utilised in the management of water services,



- ✓ 1,981 thousand euros for allocations regarding legal disputes and for potential provisions that the companies would have to make in the event of negative outcomes in disputes currently in progress,
- ✓ 1,343 thousand euros for obligations regarding additional concession fees for the Imbrifero Montano hydrological basin of the Sangro River on the basis of Law 228/2012, for the first half of 2015, as well as for increases in concession fees due to the Region of Abruzzo under Regional Law 22/10/2013 No.38, for the first half of 2015.

The item for coverage of regulatory risks included the amount of 39,205 thousand euros to address the legal uncertainties involving GORI.

Provisions for risks included the obligation undertaken by the AEEGSI in a declaration to ACEA Distribuzione (1,500 thousand euros), for elimination of the irregular conduct that was alleged in the investigation opened under Resolution No. 300/2013/S/eel ("Initiation of a sanction procedure for the determination of violations on the matter of aggregation of measurements").

For more information on the nature of the provisions allocation, reference should be made to Note 7.

The settlement of ongoing disputes and other potential disputes is not expected to result in additional charges for Group companies with respect to the provisions made, which represent the best estimates possible based on the facts known as of today.

Finally, for further information reference should be made to "Update on major disputes and litigation".

## 28. Non-current borrowings and financial liabilities - € 2,707,036 thousand euros

€ thousands	30/06/2015	31/12/2014	Increase (decrease)
Bonds	1,906,340	1,909,117	(2,777)
Medium/long-term borrowings	800,696	1,131,595	(330,899)
<b>Total</b>	<b>2,707,036</b>	<b>3,040,712</b>	<b>(333,676)</b>

The figures in the table include the fair value as of the end of the first half of 2015 of hedging instruments stipulated by ACEA, which in the table below are shown separately from the instrument hedged.

€ thousands	Instrument hedged	Fair Value of hedge	30/06/2015	Instrument hedged	Fair Value of hedge	31/12/2014
Bonds	1,854,733	51,606	1,906,340	1,855,385	53,732	1,909,117
Medium/long-term borrowings	792,981	7,716	800,696	1,122,558	9,037	1,131,595
<b>Total</b>	<b>2,647,714</b>	<b>59,322</b>	<b>2,707,036</b>	<b>2,977,943</b>	<b>62,769</b>	<b>3,040,712</b>

### Bonds

This item totalled 1,906,340 thousand euros (1,909,117 thousand euros at 31 December 2014) and referred to:

- 607,401 thousand euros (including accrued interest and issuing costs) relating to the 10-year fixed rate bond issued by ACEA in July 2014, as part of the 1.5 billion euros Euro Medium Term Notes (EMTN) scheme. Interest accrued during the period amounted to 7,810 thousand euros;

- 607,265 thousand euros (including accrued interest and the fair value of the hedging instrument) relating to the bond issued by ACEA in September 2013, with 5-year maturity and expiring on 12 September 2018. The fair value of derivatives measured on this debt was positive and amounted to 842 thousand euros. The amount of interest accrued in the period was 11,157 thousand euros;
- 504,611 thousand euros (including accrued interest and costs related to the issue) relating to the 10-year bond issued by ACEA in March 2010, expiring on 16 March 2020. Interest accrued during the period amounted to 11,140 thousand euros;
- 187,107 thousand euros (including accrued interest and the fair value of the hedging instrument) relating to the private placement. The fair value of this hedging instrument was a negative to the extent of 40,618 thousand euros and was allocated to a specific shareholders' equity reserve. The exchange rate difference (+19,178 thousand euros), of the instrument hedged calculated at 30 June 2015 was allocated to an appropriate reserve. The exchange rate at the end of the period stood at 137.01 euros compared to 145.23 euros at 31 December 2014. The interest accrued in the period amounted to 1,830 thousand euros.

### Medium/long-term borrowings (including short term portions)

They amount totalled 846,177 thousand euros (1,178,058 thousand euros at 31 December 2014) and consisted of: **(i)** principal outstanding and falling due beyond twelve months to the extent of 800,696 thousand euros (1,131,595 thousand euros at 31 December 2014), **(ii)** the portions of the same borrowings falling due in the following twelve months to the extent of 45,481 thousand euros (46,462 thousand euros in 2014) and **(iii)** negative fair value to the extent of 7,716 thousand euros of the interest rate and exchange rate hedging derivatives.

The following table shows medium/long-term and short-term borrowings by term to maturity and type of interest rate.

Bank loans:	Total Residual debt	Due by 30/06/2016	From 30/06/2016 to 30/06/2021	Due after 30/06/2021
Fixed rate	312,109	21,220	83,993	206,895
Floating rate	472,218	15,926	202,959	253,333
Floating rate to fixed rate	61,850	8,335	41,016	12,500
<b>Total</b>	<b>846,177</b>	<b>45,481</b>	<b>327,968</b>	<b>472,729</b>

The fair value of the ACEA hedging derivatives was negative to the extent of 7,716 thousand euros and decreased by 1,321 thousand euros compared to 31 December 2014 (in 2014 it was negative to the extent of 9,037 thousand euros).

The main medium/long-term borrowings of the Group are subject to covenants to be complied with by the borrowing companies in accordance with normal international practices.

In particular, the loan taken out by ACEA Distribuzione is subject to a financial covenant reflected in the current agreement as a two decimal places ratio of 0.65 between net financial debt and the sum of net financial debt and shareholders' equity, which must not be exceeded at the end of each reporting period; this ratio must be complied with by both the borrowing company and the ACEA Group. The ratio, calculated with the same criteria as the aforementioned agreement, has been complied with in the first half of 2015.

With regard to the loan agreements by the Parent Company, the contracts envisage:

- standard Negative Pledge and Acceleration Events clauses;
- clauses requiring compulsory credit rating monitoring by at least two major agencies;

- clauses requiring the company to maintain a credit rating above certain levels;
- the obligation to arrange insurance cover and maintain ownership, possession and usage of the works, plant and machinery financed by the loan through to the maturity date;
- periodic reporting requirements;
- clauses giving lenders the right to call in the loans on the occurrence of a certain event (i.e. serious errors in the documentation provided when negotiating the agreement, default on repayments, the suspension of payments), giving the bank the right to call in all or a part of the loan.

It is pointed out that during year there was no evidence that any of the covenants had not been complied with.

With regard to information regarding the fair value of the loans described above, reference should be made to "Additional disclosures on financial instruments and risk management policies". The table below shows the overall fair value changes of the debt portfolio, by type of instrument and interest rate determined at 30 June 2015. The fair value of the medium/long-term borrowings is calculated based on curves of risk-less and risk-adjusted rates.

Bank loans:	Amortised cost	FV RISK LESS	delta	FV RISK ADJUSTED	delta
	(A)	(B)	(A)-(B)	(C)	(A)-(C)
Bonds	1,906,340	2,168,211	(261,871)	2,111,619	(205,279)
Fixed rate	312,109	401,267	(89,158)	390,687	(78,579)
Floating rate	472,218	485,163	(12,945)	484,136	(11,917)
Floating rate to fixed rate	61,850	63,352	(1,501)	62,608	(758)
<b>Total</b>	<b>2,752,517</b>	<b>3,117,993</b>	<b>(365,476)</b>	<b>3,049,050</b>	<b>(296,533)</b>

With regard to the type of hedging for which the fair value is determined and with reference to the hierarchies required by the IASB, it should be noted that since these are composite instruments, the level is type 2.

## 29. Other non-current liabilities - 183,328 thousand euros

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Advances from end users and customers	110,108	102,464	7,644	7.5%
Water connection fees	24,349	24,681	(332)	(1.3%)
Capital grants for plant	17,918	18,259	(341)	(1.9%)
Accrued liabilities and deferred income	30,954	32,586	(1,632)	(5.0%)
<b>TOTAL</b>	<b>183,328</b>	<b>177,990</b>	<b>5,338</b>	<b>3.0%</b>

### Advances from end users and customers

In the Advances item, it is noted that the advances for the supply of water are not subject to accrual of interest, while those for the distribution and sale of electricity and supply of heat are subject to interest accrual, under the conditions set forth respectively by the AEEGSI regulations (Resolution no. 204/99) and the Regulation on Supply.

A breakdown by operating segment is provided in the table below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Energy	39,438	36,142	3,296	9.1%
Water	69,414	65,066	4,348	6.7%
Networks	1,232	1,232	0	0.0%
Parent Company	23	23	0	0.0%
<b>TOTAL</b>	<b>110,108</b>	<b>102,464</b>	<b>7,644</b>	<b>7.5%</b>

### Water connection fees

This item totalled 24,349 thousand euros (24,681 thousand euros at 31 December 2014) and refers to ACEA Ato2 and ACEA Ato5.

### Capital grants for plants

At 30 June 2015, this item totalled 17,918 thousand euros (18,259 thousand euros at 31 December 2014) and referred to capital grants for plant in ACEA Ato2. These grants were recognised under liabilities, annually transferred in instalments to profit and loss in relation to the duration of the investment to which the disbursement of the grant refers. The payback rate is determined on the basis of the useful life of the asset concerned.

### Deferred liabilities and accrued income

This item totalled 30,954 thousand euros and referred to the grants received, transferred to profit and loss at a rate equivalent to the depreciation produced by the investment to which they are connected. In particular, this item includes the contribution received by ACEA Distribuzione for the replacement of electromechanical meters with electronic meters (AEEGSI Resolution 292/06).

### 30. Provision for deferred taxes - 92,584 thousand euros

At 30 June 2015, these provisions totalled 92,584 thousand euros (93,284 thousand euros at 31 December 2014). The provisions above all pertained to the difference between economic and technical rates of depreciation and tax-related rates. The item also comprised uses in the period to the extent of 2,327 thousand euros and allocations for 2,399 thousand euros. For details see Note 20.

### 31. Current liabilities -1,666,703 thousand euros

This item totalled 1,666,703 thousand euros, dropping by 143,819 thousand euros compared to the previous period (1,810,522 thousand euros).

The table below shows the composition and changes occurring in the first half year.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Borrowings	174,959	189,957	(14,998)	(7.9%)
Trade payables	1,098,126	1,249,366	(151,240)	(12.1%)
Tax payables	109,140	83,941	25,199	30.0%
Other current liabilities	284,478	287,259	(2,781)	(1.0%)
<b>TOTAL</b>	<b>1,666,703</b>	<b>1,810,522</b>	<b>(143,819)</b>	<b>(7.9%)</b>

### 31.a - Borrowings

At 30 June 2015 borrowings totalled 174,959 thousand euros, showing a decrease of 14,998 thousand euros compared to 31 December 2014, as broken down below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Short term bank credit lines	8,904	11,699	(2,795)	(23.9%)
Bank loans	45,481	46,462	(981)	(2.1%)
Due to Municipality of Rome	35,295	3,138	32,157	1024.9%
Due to subsidiaries and associates	1,139	1,735	(596)	(34.3%)
Due to third parties	84,140	126,923	(42,783)	(33.7%)
<b>TOTAL</b>	<b>174,959</b>	<b>189,957</b>	<b>(14,998)</b>	<b>(7.9%)</b>

#### Short term bank credit lines

This item totalled 8,904 thousand euros (11,699 thousand euros at 31 December 2014), showing a 2,795 decreases euros decreases primarily due to the reduction in debt exposure in the Water and Energy Segments.

#### Bank loans

This item totalled 45,481 thousand euros and referred to the current portion of bank loans falling due within twelve months. Further details are provided in Note 28 of this report.

#### Amounts due to Parent Company Roma Capitale

This item totalled 35,295 thousand euros, showing an increase of 32,157 thousand euros due to the dividends declared by ACEA and ACEA Ato2 becoming due (totalling +32,157 thousand euros). For further information on the breakdown and changes of the item, reference should be made to the corresponding item in assets.

#### Amounts due jointly to subsidiaries and associates

This item totalled 1,139 thousand euros and mainly reflects financial payables recognised by Ecogena to Eur Power S.r.l. in liquidation for the portion of capital to be paid up following the capital increase approved on 27 April 2012.

#### Amounts due to third party suppliers

This item totalled 84,140 thousand euros, showing a decrease of 42,783 thousand euros compared to 31 December 2014 (126,923 thousand euros). Below is a breakdown of this item:

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
<b>Dividends payable to shareholders</b>	<b>618</b>	<b>4,382</b>	<b>(3,764)</b>	<b>(85.9%)</b>
<i>Environment</i>	375	1,270	(895)	(70.5%)
<i>Water</i>	242	3,110	(2,869)	(92.2%)
<i>Parent Company</i>	1	1	0	21.4%
<b>Due to third party suppliers</b>	<b>83,522</b>	<b>122,541</b>	<b>(39,019)</b>	<b>(31.8%)</b>
<i>Environment</i>	3,087	2,862	225	7.9%
<i>Energy</i>	36,255	56,555	(20,300)	(35.9%)
<i>Water</i>	20,382	53,459	(33,077)	(61.9%)
<i>Networks</i>	22,029	7,896	14,133	179.0%
<i>Parent Company</i>	1,769	1,769	0	0.0%
<b>TOTAL</b>	<b>84,140</b>	<b>126,923</b>	<b>(42,783)</b>	<b>(33.7%)</b>

Payables to shareholders for dividends showed a 3,764 thousand euros reduction due to the payment over the current period of the 2014 dividend to the other partners.

It should be noted that over the course of the first half year here was a reduction in the payables to factoring companies for ACEA Ato2 (33,322 thousand euros), Acea Energia (16,672 thousand euros) and Acea Produzione (3,629 thousand euros), partially offset by greater payables for reimbursements to be made regarding payments received by ACEA Distribuzione for bills concerning assignments by wholesalers (16,857 thousand euros).

### 31.b –Trade payables

This item totalled 1,098,126 thousand euros, showing a reduction of 12.1% (151,240 thousand euros) compared to the end of the previous period.

A breakdown is shown in the table below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Amounts due to third party suppliers	968,243	1,130,158	(161,915)	(14.3%)
Amounts due to Roma Capitale	126,107	116,678	9,429	8.1%
Amounts to subsidiaries and associates	3,776	2,531	1,246	49.2%
<b>Trade payables</b>	<b>1,098,126</b>	<b>1,249,366</b>	<b>(151,240)</b>	<b>(12.1%)</b>

#### Amounts due to third-party suppliers

Trade payables totalled 968,243 thousand euros. A breakdown by Operating Segment is shown in the table below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Environment	41,712	38,494	3,218	8.4%
Energy	379,605	471,596	(91,991)	(19.5%)
Water	222,833	247,539	(24,706)	(10.0%)
Networks	279,518	318,510	(38,992)	(12.2%)
Parent Company	44,574	54,018	(9,444)	(17.5%)
<b>TOTAL</b>	<b>968,243</b>	<b>1,130,158</b>	<b>(161,915)</b>	<b>(14.3%)</b>

Amounts due to suppliers showed a reduction in almost all Operating Segments except Environment, especially in the Energy and Network Segments. In the case of the Environment Segment, it is noted that there were greater payables to suppliers for the company SAO, primarily due to modernisation works carried out over the course of the first half year.

#### Amounts due to the Parent Company Roma Capitale

These payables totalled 126,107 thousand euros and are described under trade receivables in Note 23 of this report.

#### Amounts due to subsidiaries and associates

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Due to subsidiaries	1,178	93	1,085	1165.1%
Due to associates	2,598	2,437	161	6.6%
<b>TOTAL</b>	<b>3,776</b>	<b>2,531</b>	<b>1,246</b>	<b>49.2%</b>

Amounts due to subsidiaries consisted mainly of payables to Acque Industriali (1,008 thousand euros), while amounts due to associates refer mainly to payables recognised in ACEA, to the associate Citelum Napoli Pubblica Illuminazione (2,265 thousand euros).

### 31.c – Tax payables

This item totalled 109,140 thousand euros (83,941 thousand euros at 31 December 2014), reflecting IRAP and IRES tax payables to the extent of 35,321 thousand euros and VAT payables to the extent of 24,170 thousand euros. The remaining part referred to municipal and provincial surtaxes (32,264 thousand euros).

The 25,199 thousand euros increase derives primarily from the recognition of current taxes for the first half year.

### 31.d – Other current liabilities

This item totalled 284,478 thousand euros and is broken down as follows:

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Amounts due to social security institutions	13,276	17,480	(4,203)	(24.0%)
Amounts due to end users for tariff restrictions	44	44	0	0.0%
Payables arising from commodity derivatives	68	349	(281)	(80.6%)
Other current liabilities	271,090	269,386	1,703	0.6%
<b>TOTAL</b>	<b>284,478</b>	<b>287,259</b>	<b>(2,781)</b>	<b>(1.0%)</b>

#### Amounts due to social security institutions

At 30 June, this item totalled 13,276 thousand euros (17,480 thousand euros at December 2014). A breakdown by Operating Segment is shown in the table below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Environment	521	694	(173)	(24.9%)
Energy	1,277	1,778	(501)	(28.2%)
Water	4,903	5,992	(1,090)	(18.2%)
Networks	4,414	5,719	(1,305)	(22.8%)
Parent Company	2,161	3,295	(1,135)	(34.4%)
<b>TOTAL</b>	<b>13,276</b>	<b>17,480</b>	<b>(4,203)</b>	<b>(24.0%)</b>

#### Payables arising from commodity derivatives

This item amounted to 68 thousand euros and reflected the fair value of certain financial contracts signed by Acea Energy.

#### Other current liabilities

This item totalled 271,090 thousand euros, showing an increase of 1,703 thousand euros compared to 31 December 2014 (269,386 thousand euros). A breakdown of and changes in this item in the first half of 2015 are shown in the table below.

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Payables to Equalisation Fund	78,584	78,073	511	0.7%
Payables to municipalities for concession fees	54,662	51,827	2,835	5.5%
Payables for collections subject to verification	53,289	48,606	4,684	9.6%
Amounts due to staff	37,540	45,277	(7,737)	(17.1%)

€ thousands	30/06/2015	31/12/2014	Increase (decrease)	Increase (decrease) %
Other payables due to municipalities	9,128	14,296	(5,167)	(36.1%)
Payables due to Equitalia	10,304	11,078	(774)	(7.0%)
Other payables	10,846	7,695	3,152	41.0%
Welfare contribution payables	12,177	8,363	3,814	45.6%
Payables for environmental premium Art. 10 of ATI4 agreement of 13/08/2007	1,491	1,149	342	29.8%
Payables for purchase of rights of superficies	1,100	1,133	(33)	(2.9%)
Payables for acquisition of corporate branch	1,848	1,106	742	67.1%
Accrued liabilities and deferred income	557	686	(129)	(18.9%)
Amounts due to end users for refund of Tariff Component as per referendum outcome	51	98	(47)	(48.1%)
<b>TOTAL</b>	<b>271,090</b>	<b>269,386</b>	<b>1,703</b>	<b>0.6%</b>

The 1,703 thousand euros rise mainly reflected the combined effect of:

- +4,684 thousand euros for higher payables to be collected from customers, in particular in Acea Energia;
- +2,835 thousand euros for higher payables to the municipalities for concession fees, particularly for those accumulated by ACEA Ato5 and ACEA Ato2;
- +1,994 thousand euros for payables to STO deriving from revenue for the application of the welfare contribution (this income is assigned to a fund for rate subsidies for low income households);
- +1,331 thousand euros for the reclassification of provisions for liabilities as payables, following the filing of the tax settlement proposal for the definition of right of superficies on plants sold by ARSE;
- -7,737 thousand euros for lower payables to staff, in particular in ACEA Ato2 (-3,711 thousand euros) and in ACEA Distribuzione (-2,421 thousand euros);
- -5,176 thousand euros for other payables to the municipalities, in particular in ACEA Ato2 (-4,341 thousand euros), for billing prior to the entry of the company in the integrated water service.



## Commitments and contingencies

### Endorsements, sureties and guarantees

At 30 June 2015, these items totalled 624,350 thousand euros, compared to 713,555 thousand euros at 31 December 2014, showing a decrease of 89,205 thousand euros.

The balance consisted of:

- + 120,000 thousand euros relating to a bank guarantee issued in January 2012 by Cassa Depositi e Prestiti to the European Investment Bank for the loan agreement signed between ACEA and the European Investment Bank on 14 September 2009;
- + 100,000 thousand euros relating to the guarantee agreement entered into by the European Investment Bank and Cassa Depositi e Prestiti on 9 July 2013, with reference to the 100 thousand euros loan agreement entered into on 25 October 2012 by ACEA and the EIB;
- + 81,890 thousand euros relating to bank guarantees issued by Acea Energia mainly to Terna and Eni Trading regarding the contract for the electricity dispatch service;
- + 68,277 thousand euros granted to Single Buyer in the interest of Acea Energia as a back-to-back guarantee relating to the electricity sale agreement signed between the parties;
- + 66,000 thousand euros granted to Acea Energia in the interest of Enel Distribuzione S.p.A. as a back-to-back guarantee for the transport of electricity;
- + 53,666 thousand euros by way of a bank guarantee issued by ACEA to Cassa Depositi e Prestiti in relation to refinancing of the loan issued to ACEA Distribuzione. This is an autonomous first-demand guarantee covering all obligations linked to the original loan (493 million euros). The sum of 53,666 thousand euros refers to the guaranteed portion exceeding the loan originally disbursed (439 million euros);
- + 10,000 thousand euros relating to the Global Guarantee issued to Axpo Italia in the interest of Acea Energia as a back-to-back guarantee of the electrical trading transactions agreed or to be agreed between the parties;
- + Global Guarantees totalling 10,000 thousand euros issued to Barclays Bank in the interest of Acea Energia as back-to-back guarantees of the transaction agreed or to be agreed between the parties under the terms of the ISDA Master Agreements reached;
- + 21,424 thousand euros issued by insurance institutions on behalf of SAO to: (i) the Provincial Authority of Terni for the management of landfill operations and post-closure operations (15,492 thousand euros) and waste disposal (3,157 thousand euros) and (ii) suppliers as surety for contracts (2,775 thousand euros);
- + 19,000 thousand euros granted to EDF Trading in the interest of Acea Energia as back-to-back guarantee of the electrical trading transactions;
- + 15,000 thousand euros granted to Enel Trade in the interest of Acea Energia as a back-to-back guarantee on electrical energy trading transactions;
- + 10,000 thousand euros as guarantees provided to Deutsche Bank AG and issued on behalf of Acea Energia as back-to-back guarantees of the transaction agreed or to be agreed between the parties under the terms of the ISDA Master Agreements reached;
- + 8,000 thousand euros as a guarantee provided to Iren Mercato S.p.A. for the complete fulfilment of the EFET agreement entered into in July 2012 between the beneficiary company and Acea Energia;
- + 4,558 thousand euros relating to the bank guarantee issued to Roma Capitale in relation to the "Progetto Tecnologico" contract for the completion of the works new multi-service pipe network in Via Tiburtina and adjacent streets, in the interest of Acea Distribuzione for 2,701 thousand euros and ACEA Ato2 for 1,501 thousand euros;
- + 2,063 thousand euros as bank guarantees issued by BBVA on behalf of ARSE to guarantee the contracts for the design, supply and installation of photovoltaic plants;

- ✚ 3,712 thousand euros as a guarantee provided to Italgas S.p.A. in the interest of Acea Energia, renewed in October 2014;
- ✚ 1,295 thousand euros relating to the bank guarantee issued by bank Bilbao Vizcaya Argentaria to G.S.E. for the complete fulfilment of the obligation of the company ARIA S.r.l. to provide restitution to G.S.E.

This item also comprised sureties issued by ACEA for Sidra S.p.A. totalling 6,830 thousand euros with reference to the works contract for the project "Campaign for the recovery of water leakage in the Catania distribution system" and for Sarnese Vesuviano Area Authority for an amount of 5,165 thousand euros to participate in the tender for the selection of a partner in the GORI company. Among the commitments implemented in the first half of 2015, note is made of the guarantees totalling 46,185 thousand euros in favour of the Revenue Agency to guarantee the payment in instalments of the amounts due under the tax settlement proposals by Acea Energia (9,158 thousand euros) and by ACEA (37,027 thousand euros).

## Service Concession Arrangements

The ACEA Group operates water, environmental and public lighting services under concession. It also manages the selection, treatment and disposal of urban waste produced in municipalities in ATO 4 Ternano–Orvieto, through SAO and the ARIA Group.

As regards the water-environment segment, the ACEA Group provides **Integrated Water Service** under concession in the following regions:

- Lazio, where ACEA Ato2 S.p.A. and ACEA Ato5 S.p.A. provide services in the provinces of Rome and Frosinone, respectively;
- Campania, where G.O.R.I. S.p.A. provides services in the area of the Sorrento Peninsula and Capri island, the Vesuvius area, the Monti Lattari Area, as well as in the catchment area of the Sarno river;
- Tuscany, where the ACEA Group operates in the province of Pisa, through Acque S.p.A., in the province of Florence, through Publicacqua S.p.A., in the provinces of Siena and Grosseto, through Acquedotto del Fiora S.p.A. and in the province of Arezzo through Nuove Acque S.p.A. It also provides the service in Lucca and province of Lucca through GEAL S.p.A.;
- Umbria, where the Group operates in the province of Perugia, through Umbra Acque S.p.A.

The Group is also in charge of several services formerly run under CIPE (Italian government's cross-party infrastructure committee) provisions in the province of Benevento with GESESA S.p.A. and in the municipalities of Termoli and Campagnano with Crea Gestioni S.p.A.

The following section describes the major events occurred in the first half year. Further information can be found in the 2014 Consolidated Financial Statements.

Changes to the legal and regulatory framework are described in the Report on Operations.

### **Lazio – ACEA Ato2 S.p.A. (Ato2 – Central Lazio - Rome)**

With reference to the area under management, in the course of the first half year ACEA Ato2 acquired:

- The wastewater treatment and sewerage services for the Municipality of Rocca di Papa,
- The water services for the Municipality of Colleferro, previously operated by 2I Rete Gas. As to the wastewater treatment and sewerage service, ACEA Ato2 has agreed to operate the plants on behalf of the municipality until completion of the upgrading works.

The company is also engaged in finalising the agreement to take over water service operations in the Municipality of Valmontone from 21 Rete Gas as well as the sewerage and wastewater treatment service.

Following the acquisition of the operation of services in the above municipalities, coupled with the previous acquisition of water supply and/or distribution services in six municipalities of the Central Lazio-Rome ATO (Canterano, Capranica Prenestina, Gerano, Olevano Romano, Rocca Canterano and Rocca di Papa), which took place at the end of 2014, the ATO, through its Technical Office, informed ACEA Ato2 and the AEEGSI that the impact on internal operating costs resulting from the increase in areas managed and the resulting rise in the 2015 guaranteed revenues (VRG) was estimated at 1.7 million euros. The greater internal operating costs, calculated pursuant to Resolution No. 643/2013, Attachment A, Article 25, will not affect the 2015 tariff multipliers (which thus remain unchanged at 1.251) and will be considered in the pricing for the years following 2015 equalisations.

The increase takes account of the evaluation of revenues in the first half year, which amounted to 244.5 million euros, including the estimate of adjustments for pass-through items.

### **Lazio – ACEA Ato5 S.p.A. (Ato5 – Southern Lazio - Frosinone)**

With reference to the area under management, there were no new acquisitions during the period under review.

With regard to the appeal lodged by the company in July 2014 against the Municipality of Cassino for its continued failure to deliver the plants pertaining to the Integrated Water Service, it should be stressed that on 26 May 2015 the State Council issued a final decision on the appeal filed by the Municipality of Cassino against a judgement given at first instance (No. 1090/2014) whereby ACEA Ato5's appeal was upheld.

Basically, the decision issued by the State Council bears out the company's right to take over the service and, therefore, the Municipality's obligation to comply.

On 28 May 2015, the company submitted a formal request to the Municipality seeking that plant delivery operations be completed within 90 days after receipt of notice, such operations having already started during the year in pursuance of current provisions. In the same note, the company also signified its intention to resort to additional remedies if the above deadline was not met.

In the course of the first quarter, as determined by the Commissioner appointed by the Latina Section of the Lazio Regional Administrative Court (TAR), the Company began the process of refunding the amounts of the tariff rates for wastewater treatment that were not payable by end customers. The procedures were initiated on 23 March 2015, using physical and virtual channels for accepting the requests for reimbursement submitted by customers.

With reference to prior year adjustments pertaining to the 2006-2011 period, which the Extraordinary Commissioner stated to be 75.2 million euros, it should be noted that by decision issued on 26 June 2015 the Latina Division of the Lazio Regional Administrative Court fully rejected the appeal filed by ATO 5 for the annulment of the Order, judging it as "*devoid of any legal basis.*"

The AEEGSI was still considering the tariff proposals for the years 2012-2013 and 2014-2015, as respectively approved by the Mayors' Conferences held in April and July 2014, where tariff multipliers were found to be higher than the maximum levels allowed.

Year	Multiplier approved by the Mayors' Committee and submitted for consideration by the AEEGSI
2012	1.350
2013	1.397
2014	1.669
2015	1.660

Pending a decision by the AEEGSI, the maximum increase under Resolution No. 643/2013 will apply.

Revenues for the first half of 2015 totalled 67.2 million euros, including the estimate of adjustments for pass-through items. As was the case with previous periods starting from 2012, these were calculated considering the tariff multipliers noted above, and thus in excess of maximum levels permissible. It should be noted that the difference in revenues between the application of the  $\vartheta$  deriving from the tariff method contained in the proposal submitted to the AEEGSI and the maximum allowable, initially amounted to 42.1 million euros for the period January 2012 to 30 June 2015. The process for the recovery of such higher amounts as currently being reviewed by the AEEGSI pursuant to Article 7.1 of Resolution No. 585/2012 and Article 3.4 of Resolution 643/2013 entails a degree of uncertainty and a negative outcome of the aforesaid review could significantly impact the financial position of ACEA Ato5.

ACEA Ato5 reflected in its financial statements a provision for doubtful receivables totalling 34 million euros, which also took into account the time necessary for the recovery of the significant

amount of bills still to be issued (totalling approximately 114 million euros) for coverage of prior items and the difference between the cap multiplier and the multiplier contained in the tariff proposals by the operator.

### **Campania – GORI S.p.A. (Sarnese Vesuviano)**

As known, following the approval of the Financial and Economic Plan by Resolution No. 27 dated 31 March 2014, consistent with the enquiry outcome and decisions made by the Sarnese Vesuviano Area Authority by Resolution No. 5 dated 27 October 2012 and further in compliance with Articles 31 and 32 of Annex A to Authority Resolution No. 643/2013/R/idr, the Commissioner adopted Resolution No. 43 dated 30 June 2014 to establish prior year adjustments pertaining to the 2003-2011 period, totalling 122.5 million euros (Group share: 45.4 million euros) and, as a result, approved this amount to be paid by instalments as follows:

- ✓ 2014: 61.2 million euros (50% of the total amount);
- ✓ 2015: 20.4 million euros (16.67% of the total amount);
- ✓ 2016: 20.4 million euros (16.67% of the total amount);
- ✓ 2017: 20.4 million euros (16.67% of the total amount).

The tariff adjustments as defined by the Commissioner were linked primarily to the debt position accrued by the company over the years for amounts due to the Campania Regional Authority for the supply of wholesale water supply and wastewater collection and purification services provided by the latter, such payables resulting from an inadequate tariff structure which basically failed (and still fails) to cover costs.

The main purpose underlying the approval of the economic and financial plan and prior year items was therefore to ensure the financial equilibrium of the Integrated Water Service management of ATO 3.

As a result, in September 2014 the company started issuing invoices relating to the recovery of the aforesaid adjustments.

However, the actions undertaken by GORI for the recovery of the aforesaid prior year items resulted in many complaints (including legal claims) and requests for clarification submitted by the Mayors of the Municipality in ATO 3 and by other Consumer Associations and Agencies relating to the nature of such accounts and the criticalities connected to the social sustainability of the charges in question. At the same time, a major dispute arose on the aforesaid prior year items, with the Extraordinary Commissioner repeatedly requesting that the operator deferred collection.

The above requests rested essentially on the following grounds: (i) the preliminary proceedings started by the AEEGSI in December 2014 were still underway; (ii) at the same time, with reference to and as part of the aforesaid proceedings, discussions were still being conducted within the Technical Committee comprising the Regional Authority, the Area Authority and GORI to identify common solutions on how to transfer Regional Works so that the social sustainability of the IWS tariff applied to ATO 3 users may, insofar as possible, be guaranteed; (iii) for the purposes such proceedings, a specific request was submitted to the AEEGSI, with joint note from the Campania Regional Authority and the Commissioner, seeking access to financial equalisation instruments.

Pending the conclusion of the Technical Committee proceedings and the AEEGSI enquiry, the company stopped prior year item invoicing, while by Resolution No. 14 dated 29 June 2015 the Extraordinary Commissioner changed the instalment payment terms thereof to make the recovery of the amounts pertaining to each year more sustainable from a social and economic perspective. Indeed, pursuant to Resolution dated 29 June, the amount of 122.5 million euros may be paid by instalments within the 2015-2018 timeframe (with one year postponement compared to the previous resolution), with 10% being payable in 2015 and the remainder in the subsequent three-year term. The Commissioner further reserved the right to make an additional change to the instalment payment terms benefitting end users if the AEEGSI allowed GORI to access the

economic and financial equalisation measures as under Resolution No. 122/2015, with respect to which, as mentioned earlier, a formal request had already been submitted.

By Resolution No. 15 dated 30 June 2015, the Extraordinary Commissioner approved again the guaranteed revenues (VRG) for 2014 and 2015 complete with the relevant tariff multiplier, set at 1.445010 and 1.493518, respectively. The tariff multiplier for 2014 was determined solely for the calculation of tariff adjustments to be considered for 2016. By the aforesaid Resolution the Commissioner also:

- ✓ Confirmed the allocation of the 2014 and 2015 FoNI share to finance social-related aids;
- ✓ Changed the fee structure approved by Commissioner's Resolution No. 27/2014 effective 1 July 2015;
- ✓ Approved the criteria to establish sewerage and purification tariffs for industrial users, pending the adoption of measures by the AEEGSI governing such tariffs.

The grounds for the amendments to the economic and financial plan rest essentially on the implementation of the effects of Regional Law No. 16/2014<sup>1</sup> approved after the tariff resolutions of March 2014. More specifically, the economic and financial plan considers the costs arising from the transfer of Regional Works starting from June 2018 and as of the same date it contemplates a reduction in wholesale water costs and wastewater collection and purification costs by the Regional Authority of Campania. Consistent with Regional Law No. 1/2012, the plan also contemplates a ten-year rescheduling of GORI debt payable to the Regional Authority of Campania relating to the period spanning 1 January 2013 31 March 2015 and, on the other hand, reflects the different rescheduling of prior year items.

It should be noted that by Resolution 338/2015/R/Idr reached on 9 July 2015 the AEEGSI, upon establishing that the procedure followed by the Regional Authority of Campania for the quantification of the values of the tariff multiplier relating to wholesale water supply and wastewater collection and treatment services within the region was not consistent with the provisions of Resolutions 88/2013R/IDR and 643/2013/IDR and had not been prepared in a clear and transparent manner given the incompleteness of the data and records produced (as ascertained by the aforesaid relevant authority, with particular reference to the wastewater collection and treatment services), thereby preventing consistency between the proposed tariff change and the plan of works deemed as necessary across the regional area, and further noting the prolonged failure to comply (even following warning letter) with the stated obligations to provide complete and consistent data and records, arbitrarily determined the tariffs for the Campania Region wholesaler concerning the first 2012-2015 regulatory period, setting the maximum value of the multiplier (ϑ) at 0.9, in line with Clause 6.7 of Resolution 585/2012R/IDR and Clause 4.7 of Resolution 88/2013R/IDR, as well as Clause 5.7 of Resolution 643/2013R/IDR.

Finally, it should be stressed that by note 30332 dated 22 April 2015, Ref. No PS/9919, the Competition and Market Authority (AGCM, Autorità Garante della Concorrenza e del Mercato) started proceedings against GORI in pursuance of Article 27, paragraph 3, of Legislative Decree No. 206 dated 6 September 2005, as amended, and Article 6 of the "*Regulations on investigation proceedings relating to misleading and comparative advertising, unfair trade practices, violations of consumers' rights in contracts and unfair contract terms*" adopted by the Authority in its resolution of 5 June 2014, with a request for information being submitted at the same time under Article 12,

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<sup>1</sup>According to the aforesaid Regional Regulations, the transfer of Regional Works must be executed following a temporary management of such works for a 36-month period, with costs covered by the Regional Authority, and with an efficiency plan of such a temporary management being implemented. Upon the 36-month term expiring, the management will be entrusted on a final basis to the relevant Integrated Water Service operators. It should be noted that by judgment No. 117 issued on 25 June 2015, the Constitutional Court declared Campania Regional Law No. 7 dated 7 August 2014 governing water service as constitutionally illegal with reference to "*Article 1, paragraph 49(a), (e), (f), (g), (i), 88, 89, 93(b), 104(a), 105 and 108(a) of Campania Regional Law No. 16 dated 7 August 2014 (Measures for relaunching and developing the regional economy and legislative and organisational measures as related to the 2014 Regional Stability Law).*"

paragraph 1, of the Regulations. This procedure is part of a broader action undertaken by the AGCM to supervise and assess the commercial activities carried out by the IWS operators. On 29 April 2015, the AGCM officers conducted a planned inspection visit at the premises of the company, who provided full support in the process. At present, the documents collected by the AGCM for the purpose of preparing defence briefs are being reviewed.

Revenues for the six-month period totalled 87.1 million euros (Groups share 32.4 million euros) and were quantified based on the Extraordinary Commissioner's calculations and with due account being taken of the changes that had an impact on the restriction on operator's revenues (VRG). These revenues, as was the case in previous years starting from 2012, included the difference between revenues arising from the application of the rules in Resolutions Nos. 585/2012 and 643/2013 and maximum revenues allowed in the first phase.

The critical aspects discussed above and on which corporate management is currently focusing actions to find long-term solutions and to achieve tariff and financial stabilisation require a review of the procedures for collecting prior items, with the consequent revision of financial planning, given the decision by the Region of Campania and the Extraordinary Commissioner of the Sarnese Vesuviano Area Authority to ensure tariff equalisation and social sustainability by enacting, among other things, specific legislation.

The above scenario highlights significant uncertainties regarding the timeframes involved for invoicing, collection and use of the financial flows to repay the amounts due, especially to the Region, considering that the company is basically subject to the acts and/or provisions to be issued in the future by the Regional Authority of Campania to guarantee timeframes for the payment of its own (current and future) payables that are consistent with the timeframes for the collection of its own trade receivables (ordinary and relating to prior periods), with possible impact on its capacity (in this context) to obtain adequate financial resources.

In the light of the foresaid intention to review the plan for recovering prior items, and more generally of tariff policy applicable to customers, measures are currently being reviewed by GORI, the Area Authority and the Region of Campania for rescheduling the financial commitments to the Region, in accordance with safeguarding agreements made between the parties.

The definition of the above measures and the consequent implementation are necessary for the Company's maintenance of the principle of going concern.

It is recalled that the Consolidated Financial Statements include provisions for 39.2 million euros, allocated in 2011 for 44.1 million euros, intended to cover the uncertainties regarding GORI.

### **Tuscany – Acque S.p.A. (Ato2 – Basso Valdarno)**

With regard to the **extension of the concession to 2026**, on 13 February 2015 AIT approved the company's proposal and Acque submitted a request for waiver to the Lenders so as to obtain the consent to the extension and make it fully effective and valid. The Lenders required that checks be performed on the documents, tariff model and financial model of the extension by three independent advisors who were entrusted with this task in June 2015.

With regard to **tariffs**, as already outlined for the other water operations, in 2015 the company will apply the pricing approved by the AEEGSI by Resolution No. 402/2014/R/idr dated 31 July 2014 contemplating a tariff multiplier of 1.251.

Based on such resolutions, revenues in the first half of 2015 totalled 64.7 million euros, including adjustments of pass-through items (Group share 29.1 million euros).

AIT Resolution No. 16 of 11 May 2015 introduced a change in the tariff structure for Acque. The new tariffs, while aiming at ensuring consistency across the region, should contribute to reaching the VRG and limiting the extent of future equalisations.

**Tuscany – Acquedotto del Fiora S.p.A. (Ato6 – Ombrone)**

With regard to **tariffs**, for year 2015 the Company will apply the pricing approved by the AEEGSI by Resolution No. 402/2014/R/idr dated 31 July 2014 contemplating a tariff multiplier of 1.208. Based on the above pricing, revenues for the first half of 2015, including the equalisations for pass-through items, totalled 46.0 million euros (Group share 18.4 million euros).

As to **financial matters**, it should be noted that on 30 June 2015 the Company executed a loan agreement for a total of 143 million euros, which allowed all debt existing at the time of contract execution to be paid off, while funding part of the planned investments. The loan is set to expire on 31 December 2015. For the purpose of minimising the interest rate risk, hedging contracts against rate movements were executed to the extent of 70% of the notional amount.

**Tuscany – Publiacqua S.p.A. (Ato3 – Medio Valdarno)**

With regard to **tariffs**, for 2015 the Company will apply the pricing approved by the AEEGSI by Resolution No. 402/2014/R/idr dated 31 July 2014 contemplating a tariff multiplier of 1.171. Based on this pricing, revenues for the first half of 2015, including the equalisations for pass-through items, totalled 106.6 million euros (Group share 42.6 million euros).

With regard to lending sources, on 5 May 2015 the company signed a 50 million euros loan agreement with the EIB expiring at the end of 2020. Some bilateral loans were repaid to the extent of 42.5 million euros, while the total amount of 50 million euros will expire on 27 November 2015.

**Umbria – Umbra Acque S.p.A. (Ato1 – Umbria 1)**

For the year 2015 the Company will apply the pricing approved by the AEEGSI by Resolution No. 252/R/idr dated 29 May 2014 contemplating a tariff multiplier of 1.195. Based on this pricing, revenues for the first half of 2015, including the equalisations for pass-through items, totalled 30.3 million euros (Group share 12.2 million euros).

It should be also noted that in its meeting of 20 April 2015 the ATO Assembly of Representatives approved the total prior items for the operating period spanning 2003 2011, totalling 5.3 million euros.



## Related party transactions

### ACEA GROUP AND ROMA CAPITALE

Dealings between ACEA Group companies and Roma Capitale include the supply of electricity and water and provision of services to the Municipality.

Among the principal services are the operation, maintenance and upgrading of public lighting facilities and, with regard to environmental-water services, the maintenance of fountains and drinking fountains, additional water services, as well as contract work.

Such dealings are governed by appropriate service contracts and the supply of water and electricity is subject to the current market tariffs adjusted for supply conditions.

It is pointed out that ACEA and ACEA Ato2, respectively, provide public lighting and integrated water services under the terms of two thirty-year concession agreements. Further details are provided in "Service concession arrangements".

With regard to public lighting, the Group provides public lighting services on an exclusive basis within the Rome area. As part of the thirty-year free concession granted by the Municipality of Rome in 1998, the economic terms of the concession services are currently governed by a service contract signed by the parties, effective as of May 2005 until the concession expiry (31 December 2027). On 15 March 2011, ACEA and Roma Capitale signed a supplemental agreement effective from the beginning of the year.

The supplements regard the following elements:

- ✚ Alignment of the term of the service contract with the expiry of the concession (2027), given that the contract is merely additional to the agreement;
- ✚ Annual updating of the compensation concerning consumption of electricity and maintenance;
- ✚ Annual increase in the lump-sum payment with regard to new lighting points installed.

Furthermore, the investments required for the service may be **(i)** requested and funded by the Municipal Authorities or **(ii)** financed by ACEA. In the first case, such works will be paid based on a price list agreed by the parties (and subject to review every two years) and will result in a percentage decrease in the ordinary fee. In the second case, the Municipality is not bound to pay a surcharge; however, ACEA will be awarded all or part of the savings expected in both energy and economic terms according to pre-established methods.

Moreover, it has been established that qualitative/quantitative parameters shall be renegotiated in 2018.

Upon expiry or earlier termination, ACEA will be awarded an allowance corresponding to the residual carrying amount, which will be paid by the Municipality or the incoming operator if this obligation is expressly set out in the call for tenders for the selection of the new operator.

The contract sets out a list of events that represent reason for early termination of the concession and/or resolution of contract by the will of the parties. Among these events, reference is made to newly arising needs attributable to the public interest including that set out in Article 23bis Decree Law 112/2008 and repealed following the referenda of 12 and 13 June 2011, on the basis of which ACEA has the right to receive an allowance according to the discounted result of a defined percentage of the annual contractual amount multiplied by the number of years until expiry of the concession.

Based on the fact that the supplementary agreement exceeds the reference thresholds set out by the Company with regard to Related Party Transactions, it was analysed by the Board of Directors and approved during the meeting held on 1 February 2011, having obtained the favourable opinion of the Committee for Related Party Transactions.

The current contract, as amended by the supplemental agreement, involves a lump-sum payment as compensation for ordinary operations, ongoing and extraordinary maintenance and the supply of electricity.

The amount accrued at 30 June 2015, calculated on the basis of lighting points as at 31 December 2014, amounted to 33.5 million euros and is billed in monthly instalments with payment set at 60 days.

The new constructions and investments contribute to the increase in the lump-sum figure due to the annual accrual calculated according to the capital allowance mechanism envisaged for the plants underlying the specific operation, as well as the percentage reduction of the ordinary fee due from Roma Capitale, the amount of which is defined in the technical-economic project document.

A variable interest rate is applied to the invested capital.

It should be noted that as a Local Authority, Roma Capitale has the power to regulate municipal taxes and duties that the Group companies are required to pay and which fall under its territorial jurisdiction. However, the Group is not solely liable for any such taxes and duties with respect to other companies operating in the municipality.

The reciprocal receivables and payables –with regard to payment terms and conditions – are governed by each single contract:

- a) For the public lighting service contract, payment shall be made within sixty days of receipt of the invoice and, in case of delayed payment, the legal interest rate will be applied for the first sixty days, after which the default interest rate will be applied, as set out from year to year by a Decree of the Ministry of Public Works and the Ministry of Economy and Finance;
- b) With reference to all other service contracts, the payment term for Roma Capitale as regards service contracts is sixty days from receipt of invoice, and in the case of late payment the parties have agreed to apply the current bank rate at the time;
- c) For the supply of electricity and water to Roma Capitale (solely with reference to regulated market users) it is provided that Roma Capitale makes an advance payment of 90% within 40 days of receiving a summary list of the bills issued by Group companies. Moreover, Roma Capitale must settle the balance by June of the following year. In the case of late payment for sales of electricity or water, interest is payable to the extent permitted under the terms of the prevailing AEEGSI contract;
- d) The prices applied to the sales of electricity to free market users are in line with the commercial policies of Acea Energia. Payment terms are sixty days, and in case of delay, the default interest rate will be applied;
- e) The terms of payment for the ACEA group relating to the concession fees for water-environment services are set at thirty days from receipt of the invoice, and in the case of late payment, interest shall be paid in accordance with the prevailing bank rate.

It is noted that the electricity sales contract terminated on 28 February 2015.

For further information regarding relations between the ACEA Group and Roma Capitale, reference should be made to the disclosures regarding amounts owed by and to the Parent Company in Note 23.b of this document.

The following table shows details of revenues and costs at 30 June 2015 of the ACEA Group (compared to those for the same period of the previous year) deriving from the most significant financial relations.

€ thousands	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Water supply	18,513	17,145	0	0
Electricity supply	11,974	15,257	0	0
Public Lighting service contract	26,839	28,378	0	0
Interest on Public Lighting contract	1,517	1,004	0	0
Water service maintenance contract	88	207	0	0
Monumental fountain service contract	88	207	0	0

€ thousands	30/06/2015	30/06/2014	30/06/2015	30/06/2014
Concession fee	0	0	10,712	10,638
Rental expenses	0	0	100	127
Taxes and duties	0	0	3,176	2,811

In the first half of 2015, Roma Capitale and ACEA offset 19,331 thousand euros. Reference should be made to **Note 23.b** for details on the impact of these transactions, while the table below summarises the changes in receivables and payables.

€ thousands	31/12/2014	Collections/ payments	Accruals 1st half 2015	30/06/2015
Receivables	162,273	(19,331)	48,577	191,519
Payables	119,888	(19,331)	60,847	161,404

### **ACEA GROUP AND ROMA CAPITALE GROUP**

The ACEA Group maintains trading relations with other companies, special companies and entities owned by Roma Capitale, mainly concerning the supply of electricity and water.

The prices applied to sales of electricity to legal entities belonging to the Roma Capitale Group are in line with the prevailing market tariffs, adjusted for supply conditions. The prices applied to sales of electricity to free market users are in line with the sales policies of Acea Energia.

With regard to the supply of electricity, it should be noted that as of 1 February 2012, ATAC is no longer supplied by Acea Energia.

The following table shows the most significant amounts (in € thousands) of revenues, costs, receivables and payables deriving from relations between the ACEA Group and the entities owned by the Roma Capitale Group.

Roma Capitale Group	Trade payables	Costs	Trade receivables	Revenue
AMA S.P.A.	639	621	8,566	6,417
ATAC S.P.A.	425	116	28,251	1,217
ROMA MULTISERVIZI S.P.A.	542	415	0	0
<b>Total Roma Capitale Group</b>	<b>1,606</b>	<b>1,152</b>	<b>36,817</b>	<b>7,634</b>

### **ACEA GROUP AND MAIN ASSOCIATES**

**Marco Polo** engaged in facility management operations until 31 December 2011, i.e. the expiry date of the business unit lease. From 1 January 2012, the aforementioned business unit returned to ACEA, including the staff and related facility management operations.

Marco Polo was converted into a limited liability company and was placed in liquidation as of 8 May 2013.

The following table shows amounts (in thousands of euros) pertaining to revenues, costs, receivables and payables arising from transactions between the ACEA Group and Marco Polo.

€ thousands	Revenues		Costs		Receivables		Payables	
	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014	30/06/2015	30/06/2014
<b>Marco Polo</b>	<b>347</b>	<b>74</b>	<b>0</b>	<b>0</b>	<b>2,811</b>	<b>2,827</b>	<b>101</b>	<b>972</b>

### **ACEA GROUP AND THE MAIN COMPANIES OF THE GdF-Suez GROUP**

At the reporting date, essentially all purchase and supply agreements signed under the terms of the 2010 Framework Agreement had expired.

**ACEA GROUP AND THE MAIN COMPANIES OF THE CALTAGIRONE GROUP**

The ACEA Group also maintains trading relations with Caltagirone subsidiaries or associates, primarily concerning the supply of electricity and water.

The prices applied to sales of electricity to legal entities belonging to Caltagirone companies are in line with the prevailing market tariffs, adjusted for supply conditions. The prices applied to sales of electricity to free market users are in line with the sales policies of Acea Energia.

The following table shows amounts (in thousands of euros) for the more important equity and economic relations between the ACEA Group and the main companies of the Caltagirone Group at 30 June 2015.

€ thousands	Revenues	Costs	Receivables	Payables
Gruppo Caltagirone	4,163	2,734	1,894	2,864

**List of significant related parties transactions**

No significant related parties transactions took place in the period under review.

## Update on major disputes and litigations

This section provides updates on the significant events occurring during the six-months period. For more information on the individual issues, reference should be made to the 2014 Consolidated Financial Statements.

### Tax issues

#### ACEA Distribuzione tax inspection

On 6 May 2015, ACEA Distribuzione was served with two notices of assessment concerning additional IRES, IRAP and VAT taxation for 2010. On the same day, ACEA was also served with a notice of assessment for consolidated IRES in the same year in its capacity as the entity consolidating the taxes for ACEA Distribuzione.

These notices were the result of the general inspection that the Inland Revenue carried out on Acea Distribuzione during the course of 2013. The amount of assessments notified totalled 1.0 million euros, plus penalties and interest. The company submitted a tax settlement proposal to the relevant office of the Inland Revenue.

Still as a result of the above inspection, in 2014 Lazio Regional Revenue Department (DRE) provided two notices of assessment in which it notified the company of excessive IRES and IRAP deductions amounting to 219 thousand euros and excessive VAT deductions for 163 thousand euros concerning year 2009. On 19 February 2015, as a result of the application for suspension filed by the company, the DRE ordered the total annulment of the assessments for IRES and IRAP and the partial annulment of the VAT assessment.

For the VAT notifications still outstanding, the company appealed with the relevant Tax Board.

#### Claims/fiscal disputes related to Arse

In January 2015, 13 notices for adjustment and liquidation were issued to ARSE and Apollo – the company to which the photovoltaic plants built by ARSE were conferred, and which was sold to RTR Capital at the end of 2012. These notices concerned the assessment of higher amounts due in relation to registration charges, mortgage registration fees and land register fees, compared to the amount declared at the time the leasehold right was established for some portions of land where the plants were constructed.

The deeds signed substantially involved the termination of the previous land rental contract and at the same time the establishment of leasehold rights on the same portions of land. The Inland Revenue challenged the value declared in the deeds, claiming that the subject of these deeds was the transfer not only of the real rights to the land, but also of the leasehold right of the photovoltaic plants. It is pointed out that these plants were constructed by ARSE, and therefore, at the time the leasehold right was established it already owned the plants, which were later conferred upon Apollo. The higher tax assessment on ARSE and Apollo, including fines and interest, totalled around 9.5 million euros.

The amount assessed was reduced to 1.7 million euros as a result of the procedure for tax settlement that was completed in June 2015.

### Other issues

#### ACEA Ato5 - Tariffs

During June 2015, the Latina Regional Court rejected, on the grounds of lack of legal basis, the appeal filed by the Area Authority on 31 July 2013 for the annulment of the Extraordinary Commissioner's final report dated 30 May 2013, thereby closing the proceedings as stated in Resolution No. 529/11, given the inaction by the Public Administration.

### **ACEA/SASI Proceedings**

In ruling 6/10 the Regional Court of Public Waters (TRAP) accepted the request for damages for the illegal drawing of water from the Verde River, filed by ACEA against Società Abruzzese per il Servizio Integrato S.p.A. (SASI). ACEA was awarded damages amounting to 9 million euros, plus interest accrued from 14 June 2001 to 30 July 2013.

The sentence, which was not provisionally enforceable, was appealed by SASI before the TSAP (Higher Court for Public Waters), with ACEA lodging a counterclaim. In non-definitive judgement No. 117/13 of 11 June 2013, the TSAP, upholding one of the reasons of appeal, adjourned the proceedings appointing a court-appointed expert to estimate the damages suffered by ACEA over the period spanning 2010-2013. The TSAP set the hearing for 23 October 2013, then adjourned the proceedings to 27 November 2013. At this hearing the same court-appointed expert from the first instance was assigned to the case, and the proceedings were adjourned to 14 May 2014 for the court-appointed expert's findings. The expert's assessment reduced the amount due by SASI to 6 million euros, and at the hearing of 28 January 2015, the higher court rejected the application made by the counterparty to request clarifications from the expert, with the case being adjourned for sentence to 27 May 2015. On that date the case was again adjourned for sentence by the full court on 25 November 2015.

### **Trifoglio dispute**

As described in the 2014 Consolidated Financial Statements, to which reference should be made for further information, this complex dispute consists of a case filed by ACEA as plaintiff and a case as defendant, which were joined under the judge who was hearing the case as plaintiff. The preliminary procedural issues were resolved and the case was adjourned to 6 October 2015 for appointment of an expert with assignment of investigation.

### **Province of Rieti dispute**

The Province of Rieti notified a summons to ACEA and ACEA Ato2 claiming damages (for various reasons) allegedly suffered due to the failure to approve the agreement on so-called inter-area overlapping.

The other parties summoned in the lawsuit together with ad ACEA and ACEA Ato2 included the Provincial Authority of Rome, the ATO2 Central Lazio Rome Area Authority, Roma Capitale and the Regional Authority of Lazio.

The amount of this litigation is high, standing currently at approximately 90 million euros (25 million euros up to 31 December 2005 and 8 million euros annually for the subsequent period), but the formulation of the defensive arguments is rather weak, especially regarding ACEA. First of all, the selection of the court having jurisdiction appears to be disputable, insofar as the ordinary court was selected in lieu of the Regional Court of Public Waters. Secondly, the claim for damages arising from the delay in the approval of the agreement on overlapping is definitely not attributable to ACEA since it was not due to the conduct of the company.

The initial hearing was scheduled for 21 April 2015, and the judgment was delayed until 14 July 2015 for admission of investigative proceedings by the parties, within defined dates.

Considering that the case involves extensive preliminary objections, it is highly likely that on that occasion the case will be adjourned for the closing submissions. The case was indeed adjourned to 2 February 2017 for the closing submissions.

### **Giancarlo Cremonesi dispute**

The former chairman of ACEA, Giancarlo Cremonesi, appealed before the Rome Court (Labour Division) to seek payment by the company in respect of unpaid remuneration following the early termination of his term of office, as well as compensation for non-financial damages.

The hearing was set for 5 October 2015. ACEA has not yet filed its response, having until 25 September 2015 to do so.

### **Andrea Peruzzy and Maurizio Leo dispute**

In similar cases filed before the Labour Division of the Court, Peruzzy and Leo, former ACEA Directors, summoned ACEA itself requesting that the Company be sentenced to pay remuneration that was not provided – respectively for the amounts of 190 thousand and 185 thousand euros – following the early termination of their appointments, seeking at the same time equitable compensation of financial and non-financial damages on various grounds.

ACEA joined proceedings claiming the inapplicability of labour law and thus seeking that the case be referred to the ordinary court, and groundlessness of the request.

The cases were adjourned to 19 November 2015 for ruling on the preliminary question of jurisdiction.

### **Parco della Mistica**

In a notification submitted on 19 March 2015, Roma Capitale, objecting to presumed lack of authorisation, notified ARSE of proceedings started under Articles 7 and 8 of Law 241/1990 for the issue of the deeds required to reclaim the land inside the Parco della Mistica, on which a greenhouse-photovoltaic plant was built.

### **ALMA CIS dispute**

Alma Cis s.r.l., in its capacity as agent of a joint venture, appeal before the Regional Court against the final award of the two lots making up a call for tenders (total value 220 million euros) for maintenance, emergency, water and sewerage network works for the ATO2 Central Lazio plants, claiming procedural irregularities.

The appellant requested that the award of the tender be cancelled and sought compensation for specified damages by claiming itself the award of the tender or equitable resolution, with damages to be paid at 10% of the value of the tender (or preferably for the lot of tender not awarded).

At the court hearing held on 16 July 2015 to consider whether a stay should be applied, the request for suspension of enforcement of the award of tenders was rejected.

### **Ex COS proceedings**

It should be noted that the claims filed by six employees formerly assigned to the COS contract - who did not settle their contract dispute with ACEA and who won the appeal for recognition of the right to waged labour and then requested judgment to obtain unpaid salary - were entirely rejected by Sentence 5538/15 of 3 June 2015. The main argument contained in the sentence was that pending recognition of employment they remained employees of ALMAVIVA Contact (formerly COS) and as such, recipients of income. The value of the employees' claim amounted to 660 thousand euros net of additional charges. It is likely that the sentence will be appealed.



## **Annexes to the Notes**

- A. List of consolidated companies
- B. Reconciliation of shareholders' equity and statutory profit – consolidated
- C. Remuneration of Directors, Statutory Auditors, Key Managers and Independent Auditors
- D. Segment information: statement of financial position and income statement



## A. List of consolidated companies

Name	Registered Office	Share capital (€)	% interest	Group's consolidated interest	Method of consolidated
<b>Environment Segment:</b>					
ARIA S.r.l.	Via G. Bruno 7- Terni	2.224.992	100,00%	100,00%	Line-by-line
Aquaser S.r.l.	Via dei Lecceti, 16 - Volterra (PI)	3.900.000	88,29%	100,00%	Line-by-line
Ecoenergie S.r.l. (in liquidazione)	Via San Francesco d'Assisi 15/C - Paliano (FR)	10.000	90,00%	100,00%	Line-by-line
Innovazione Sostenibilità Ambientale	Via Ravano K.m. 2,400 - Pontecorvo (FR)	91.800	51,00%	100,00%	Line-by-line
Kyklos S.r.l.	Via Ferriere - Nettuno n. km 15 - Latina	255.000	51,00%	100,00%	Line-by-line
S.A.M.A.CE. S.r.l.	Via Lungo Sisto, 60 - Sabaudia (LT)	38.480	100,00%	100,00%	Line-by-line
S.A.O. S.r.l.	Loc. Pian del Vantaggio 35/B - Orvieto (TR)	7.524.400	100,00%	100,00%	Line-by-line
Solemme S.p.A.	Località Carboni in Monterotondo Marittimo (GR)	761.400	100,00%	100,00%	Line-by-line
<b>Energy Segment:</b>					
Acea Energia S.p.A.	P.le Ostiense, 2 - Roma	10.000.000	100,00%	100,00%	Line-by-line
Acea Produzione S.p.A.	P.le Ostiense, 2 - Roma	5.000.000	100,00%	100,00%	Line-by-line
Acea8cento S.r.l.	P.le Ostiense, 2 - Roma	10.000	100,00%	100,00%	Line-by-line
Cesap Vendita Gas S.r.l.	Via del Teatro, 9 - Bastia Umbra (PG)	10.000	100,00%	100,00%	Line-by-line
Ecogena S.p.A.	P.le Ostiense, 2 - Roma	6.000.000	100,00%	100,00%	Line-by-line
Elga Sud S.p.A.	Via Montegrappa, 6 - Trani	250.000	100,00%	100,00%	Line-by-line
Parco della Mistica S.r.l.	P.le Ostiense, 2 - Roma	10.000	100,00%	100,00%	Line-by-line
Umbria Energy S.p.A.	Via B. Capponi, 100- Terni	1.000.000	50,00%	100,00%	Line-by-line
<b>Water Segment:</b>					
ACEA Ato2 S.p.A.	P.le Ostiense, 2 - Roma	362.834.320	96,46%	100,00%	Line-by-line
ACEA Ato5 S.p.A.	Viale Roma -Frosinone	10.330.000	98,45%	100,00%	Line-by-line
Acea Dominicana S.A.	Avenida Las Americas - Esquina Mazoneria, Ensanche Ozama -Santo Domingo	644.937	100,00%	100,00%	Line-by-line
Acea Gori Servizi S.c.a.r.l.	Via ex Aeroporto s.n.c. localita Area "Consorzio Sole" - Pomigliano d'Arco	1.000.000	69,82%	100,00%	Line-by-line
Acea Servizi Acqua S.r.l. (in liquidazione)	P.le Ostiense, 2 - Roma	10.000	70,00%	100,00%	Line-by-line
Acque Blu Arno Basso S.p.A.	P.le Ostiense, 2 - Roma	8.000.000	76,81%	100,00%	Line-by-line
Acque Blu Fiorentina S.p.A.	P.le Ostiense, 2 - Roma	15.153.400	75,01%	100,00%	Line-by-line
Acquaazul Bogotà S.A.	Calle 82 n. 19 <sup>o</sup> -34 - Bogotà- Colombia	1.482.921	51,00%	100,00%	Line-by-line
Crea Gestioni S.r.l.	P.le Ostiense, 2 - Roma	100.000	100,00%	100,00%	Line-by-line
CREA S.p.A. (in liquidazione)	P.le Ostiense, 2 - Roma	2.678.958	100,00%	100,00%	Line-by-line
Gesesa S.p.A.	Z.I. Pezzapiana lotto 11/12 - Benevento	520.632	59,52%	100,00%	Line-by-line
Lunigiana S.p.A. (in liquidazione)	Via Nazionale 173/175 - Massa Carrara	750.000	95,79%	100,00%	Line-by-line
Ombrone S.p.A.	P.le Ostiense, 2 - Roma	6.500.000	99,51%	100,00%	Line-by-line
Sarnese Vesuviano S.r.l.	P.le Ostiense, 2 - Roma	100.000	99,16%	100,00%	Line-by-line
ACEA Elabori S.p.A.	Via Vitorchiano - Roma	2.444.000	100,00%	100,00%	Line-by-line
<b>Network Segment:</b>					
ACEA Distribuzione S.p.A.	P.le Ostiense, 2 - Roma	345.000.000	100,00%	100,00%	Line-by-line
Acea Illuminazione Pubblica S.p.A.	P.le Ostiense, 2 - Roma	1.120.000	100,00%	100,00%	Line-by-line
Acea Reti e Servizi dell'Energia S.p.A.	P.le Ostiense, 2 - Roma	300.120.000	100,00%	100,00%	Line-by-line

Companies accounted for using the equity method as from 1 January 2014 in accordance IFRS11:

Name	Registered Office	Share capital (€)	% interest	Group's consolidated interest	Method of consolidated
<b>Environment Segment:</b>					
Ecomed S.r.l.	P.le Ostiense, 2 - Roma	10.000	50,00%	50,00%	Equity Method
<b>Energy Segment:</b>					
Voghera Energia Vendita S.p.A. (in liquidazione)	Largo Toscanini n.5 - Voghera (PV)	250.000	50,00%	50,00%	Equity Method
<b>Water Segment:</b>					
Acque S.p.A.	Via Garigliano,1- Empoli	9.953.116	45,00%	45,00%	Equity Method
Acque Industriali S.r.l.	Via Bellatalla,1 - Ospedaletto (Pisa)	100.000	100,00%	45,00%	Equity Method
Acque Servizi S.r.l.	Via Bellatalla,1 - Ospedaletto (Pisa)	400.000	100,00%	45,00%	Equity Method
Acquedotto del Fiora S.p.A.	Via Mameli,10 Grosseto	1.730.520	40,00%	40,00%	Equity Method
Consorzio Agua Azul S.A.	Calle Amador Merino Reina 307 - Lima - Perù	17.379.190	25,50%	25,50%	Equity Method
GORI S.p.A.	Via Trentola, 211 - Ercolano (NA)	44.999.971	37,05%	37,05%	Equity Method
Ingegnerie Toscane S.r.l.	Via di Villamagna 90/c - Firenze	100.000	43,01%	43,01%	Equity Method
Intesa Aretina S.c.a.r.l.	Via B.Crespi, 57 - Milano	18.112.000	35,00%	35,00%	Equity Method
Nuove Acque S.p.A.	Loc.Cuculo - Arezzo	34.450.389	46,16%	16,16%	Equity Method
Publiacqua S.p.A.	Via Villamagna - Firenze	150.280.057	40,00%	40,00%	Equity Method
Umbra Acque S.p.A.	Via G. Benucci, 162 - Ponte San Giovanni (PG)	15.549.889	40,00%	40,00%	Equity Method

The following companies were consolidated using the equity method:

Name	Registered Office	Share capital (€)	% interest
<b>Environment Segment:</b>			
Amea S.p.A.	Via San Francesco d'Assisi 15C - Paliano (FR)	1.689.000	33,00%
Arkesia S.p.A. (in liquidazione)	Via S. Francesco D'Assisi, 17 - Paliano (FR)	170.827	33,00%
Coema	P.le Ostiense, 2 - Roma	10.000	33,50%
<b>Water Segment:</b>			
Azga Nord S.p.A. (in liquidazione)	Piazza Repubblica Palazzo Comunale - Pontremoli (MS)	217.500	49,00%
Geal S.p.A.	Viale Luporini, 1348 - Lucca	1.450.000	28,80%
Sogea S.p.A.	Via Mercatanti, 8 - Rieti	260.000	49,00%
Aguas de San Pedro S.A.	Las Palmas, 3 - San Pedro (Honduras)	6.162.657	31,00%
Umbriadue Servizi Idrici S.c.a.r.l.	Strada Sabbione zona ind. A72 - Terni	100.000	34,00%
Le Soluzioni	Via Garigliano,1 - Empoli	250.678	30,50%
<b>Network Segment:</b>			
Citelum Napoli Pubblica Illuminazione S.c.a.r.l.	Via Monteverdi Claudio, 11 - Milano	90.000	32,18%
Eur power S.r.l. (in liquidazione)	Largo Virgilio Testa, 23 - Roma	4.100.000	32,99%
Sienergia S.p.A. (in liquidazione)	Via Fratelli Cairoli, 24 - Perugia	132.000	42,08%
Sinergetica S.r.l.	Via Fratelli Cairoli, 24 - Perugia	10.000	21,46%
Sinergetica Gubbio S.r.l.	Via Fratelli Cairoli, 24 - Perugia	15.000	35,77%
Sienergy Project S.r.l.	Via Fratelli Cairoli, 24 - Perugia	40.000	23,85%
Sienergy Distribuzione S.r.l.	Via Fratelli Cairoli, 24 - Perugia	20.000	42,08%
Umbria Distribuzione Gas S.p.A.	Via Bruno Capponi 100 - Terni	2.120.000	15,00%
<b>Other</b>			
Marco Polo Srl (in liquidazione)	Via delle Cave Ardeatine, 40 - Roma	10.000	33,00%

## B. Reconciliation of shareholders' equity and statutory profit - consolidated

€ thousands	Profit for the period		Shareholder's equity	
	30/06/2015	30/06/2014	30/06/2015	31/12/2014
<b>Balances in ACEA's statutory financial statements</b>	<b>122,320</b>	<b>90,518</b>	<b>1,430,126</b>	<b>1,397,478</b>
Surplus of shareholders' equity and profit for the year at current values compared to book values	98,632	95,931	99,620	137,058
Higher depreciation and amortisation in consolidated financial statements	(1,680)	(870)	7,381	9,061
Elimination of effects of business combination of entities under common control	(265)	(796)	(265)	(2,377)
Elimination of tax effects, including those from previous years	(3,355)	(3,355)	17,038	20,393
Accounted for using the equity method	9,925	6,001	73,139	63,214
Elimination of dividends	(138,887)	(117,083)	0	0
Goodwill ACEA Ato2, ACEA Distribuzione e ARIA	12,370	12,370	(181,834)	(194,204)
Elimination of extraordinary items	269	(4)	269	(57)
<b>Balances in consolidated financial statements</b>	<b>99,329</b>	<b>82,713</b>	<b>1,445,474</b>	<b>1,430,566</b>

## C. Remuneration of Directors, statutory auditors and key managers

### Board of Directors and Board of Statutory Auditors

€ thousands	Remuneration due				Total
	Emoluments for corporate offices	Non-monetary benefits	Bonuses and other incentives	Other compensation	
<b>Board of Directors</b>	101	34	105	199	<b>439</b>
<b>Board of Statutory Auditors</b>	246	0	0	0	<b>246</b>

### Key Managers

Compensation due to key managers with strategic responsibilities for the first half of 2015 amount to:

Salaries and bonuses	980 thousand euros;
Non-monetary benefits	73 thousand euros.

Remuneration paid to key managers with strategic responsibilities is set by the Remuneration Committee based on average levels of pay in the labour market.

## **D. Segment information: statement of financial position and income statement**

The following information is provided to ensure a better understanding of this section:

- ✚ Generation, trading/energy management and sales refer to the Energy Segment which, from an organizational standpoint, is responsible for Acea Energia, Umbria Energy, Voghera Energia Vendite in liquidation, Elga Sud, Acea Produzione, Ecogena, Parco della Mistica and Cesap Vendita Gas;
- ✚ Distribution, public lighting (Rome and Naples) and PV systems refer to the Networks segment which, from an organisational standpoint, is responsible for ACEA Distribuzione, ARSE and Acea Illuminazione Pubblica;
- ✚ Analysis and research services refer to the Engineering and Services Department, which, from an organizational standpoint, is responsible for Acea Elabori;
- ✚ Overseas Water Services refer to the Water segment which, from an organizational standpoint, is also responsible for the water companies operating abroad;
- ✚ Italian Water Services refer to the Water segment which, from an organizational standpoint, is responsible for the water companies operating in Lazio, Campania, Tuscany and Umbria, and for Acea Gori Servizi;
- ✚ Environment refers to the Environment segment which, from an organizational standpoint, is responsible for the Companies of the ARIA Group and Aquaser Group and for Solemne and Samace.



## 2014 Statement of Financial position

	Generation	Distribution	Sales	Public lighting	Italian water services	Overseas	Engineering	Corporate	Environment	PV power	Group total	Consolidation adjustments	Consolidated Total
Investments	11,590	121,404	8,142	747	146,839	590	1,499	14,159	13,341	262	318,574	0	318,574
Operating segments													
Property, plant and equipment	172,035	1,407,170	1,744	765	14,073	2,571	3,008	160,971	243,855	32,699	2,038,890	(4,671)	2,034,219
Intangible assets	6,504	41,908	128,545	2,407	1,809,739	153	206	14,344	26,085	0	2,029,890	(395,252)	1,634,638
Non-current financial assets measured at equity		0	0								2,079,897	(1,855,130)	224,767
Non-current financial assets													2,482
Other non-current trading assets													340,196
Other non-current financial assets													34,290
Inventories	1,515	9,175	0	6,505	8,096	324	0	0	3,410	204	29,229	0	29,229
Trade receivables from third parties	19,434	102,859	707,666	15,598	404,976	1,818	32,244	25,753	53,475	22,819	1,386,641	(223,668)	1,162,973
Trade receivables from Parent Company	469	1,514	37,538	4,533	31,389	5	15	591	88	0	76,141	(8,910)	67,231
Trade receivables from subsidiaries and associates	0	0	16,784	0	8,452	16	0	36,850	317	0	62,419	(32,702)	29,716
Other current trading assets													241,310
Other current financial assets													92,130
Cash and cash equivalents													1,017,967
Non-current assets held for sale										497	497		497
<b>Total assets</b>													<b>6,911,645</b>

Amounts in € thousands



## 2014 Statement of Financial Position

	Generation	Distribution	Sales	Public lighting	Italian water services	Overseas	Engineering	Corporate	Environment	PV power	Group total	Consolidation adjustments	Consolidated Total
Segment liabilities													
Trade payables to third parties	14,493	311,857	532,559	14,043	364,908	725	3,500	49,868	41,526	2,468	1,335,947	(205,789)	1,130,158
Trade payables to Parent Company	3,059	8,082	16,897	100	98,636	0	214	20,523	1,107	0	148,618	(31,941)	116,678
Trade payables to subsidiaries and associates	0	32	5,215	3,282	650	232	0	7,050	29	0	16,489	(13,959)	2,531
Other current trading liabilities													371,199
Other current financial liabilities													189,957
Staff termination benefits and other defined-benefit plans	2,592	38,724	4,672	3,036	31,419	203	3,266	30,685	3,419	0	118,016	(12)	118,004
Other provisions	5,418	8,170	10,502	411	56,954	0	745	35,073	27,613	2,379	147,264	21,380	168,644
Provision for deferred taxes													93,284
Other non-current trading liabilities													177,990
Other non-current financial liabilities													3,040,712
Liabilities directly associated with assets held for sale										99	99		99
Shareholders' equity													1,502,391
<b>Total liabilities and shareholders' equity</b>													<b>6,911,645</b>

Amounts in € thousands

## 2014 Half-year Income Statement

	Generation	Distribution	Sales	Public lighting	Italian water services	Overseas	Engineering	Corporate	Environment	PV power	Group total	Consolidation adjustments	Consolidated Total
Revenues	32,283	252,720	1,021,297	33,573	304,122	4,281	14,860	64,957	2,959	59,027	1,790,079	-278,861	1,511,219
Staff costs	2,881	32,412	10,723	3,989	45,096	1,401	5,202	5,451	174	29,335	136,664	(10,296)	126,368
Energy purchases	3,288	66,717	945,688	0	37	0	0	1,377	0	62	1,017,169	(128,098)	889,071
Sundry materials and overheads	7,020	39,089	38,410	26,945	134,477	1,876	5,307	30,512	789	29,445	313,869	(140,440)	173,429
Income (costs) from equity investments of a non-financial nature			93	0	7,890	422	0	208	0	0	8,614	0	8,614
<b>EBITDA</b>	<b>19,093</b>	<b>114,502</b>	<b>26,570</b>	<b>2,638</b>	<b>132,402</b>	<b>1,426</b>	<b>4,352</b>	<b>27,826</b>	<b>1,996</b>	<b>185</b>	<b>330,991</b>	<b>(27)</b>	<b>330,965</b>
Depreciation/amortisation	9,193	42,348	31,264	277	34,192	153	269	12,697	0	12,240	142,634	(45)	142,589
<b>EBIT</b>	<b>9,900</b>	<b>72,154</b>	<b>(4,694)</b>	<b>2,361</b>	<b>98,210</b>	<b>1,273</b>	<b>4,082</b>	<b>15,129</b>	<b>1,996</b>	<b>(12,055)</b>	<b>188,357</b>	<b>18</b>	<b>188,376</b>
Finances (costs)/income													(50,873)
(Costs) income from investments		(1,139)	(248)		(100)	315				2,248	1,076		1,076
<b>Profit (loss) before tax</b>													<b>138,579</b>
Taxation													54,858
<b>Net profit (loss)</b>													<b>83,721</b>

Amounts in € thousands





## 2015 Half –year Statement of Financial Position

	Generation	Distribution	Sales	Public lighting	Italian water services	Overseas	Engineering	Corporate	Environment	PV power	Group total	Consolidation adjustments	Consolidated Total
<b>Investments</b>	2,539	66,409	4,072	1,231	73,968	164	434	8,830	9,757	34	167,437	0	<b>167,437</b>
Operating segments													
Property, plant and equipment	166,679	1,430,167	1,718	1,677	14,743	2,576	2,849	156,902	240,848	31,622	2,049,781	(5,971)	2,043,809
Intangible assets	10,467	46,212	127,963	2,662	1,850,729	287	483	19,287	27,448	0	2,085,539	(395,252)	1,690,287
Non-current financial assets measured at equity		0	0								2,080,797	(1,849,793)	231,004
Non-current financial assets													2,379
Other non-current trading assets													334,454
Other non-current financial assets													35,862
Inventories	1,793	10,379	0	6,693	7,410	297	0	0	3,305	174	30,052	0	30,052
Trade receivables from third parties	16,721	102,723	624,296	13,274	426,554	2,019	33,134	24,288	77,317	23,532	1,343,859	(232,662)	1,111,197
Trade receivables from Parent Company	(1,237)	3,522	50,466	1,148	29,351	7	27	504	369	0	84,157	(14,728)	69,429
Trade receivables from subsidiaries and associates	0	0	15,779	0	8,765	18	0	38,478	524	976	64,540	(34,089)	30,450
Other current trading assets													151,122
Other current financial assets													125,574
Cash and cash equivalents													594,502
Non-current assets held for sale										497	497		497
<b>Total assets</b>													<b>6,450,618</b>

Amounts in € thousands



## 2015 Half-year Statement of Financial Position

	Generation	Distribution	Sales	Public lighting	Italian water services	Overseas	Engineering	Corporate	Environment	PV power	Group total	Consolidation adjustments	Consolidated Total
<b>Segment liabilities</b>													
Trade payables to third parties	9,307	274,088	438,870	9,773	357,368	755	2,453	43,641	46,242	2,531	1,185,029	(216,786)	968,243
Trade payables to Parent Company	1,900	8,221	17,432	847	110,767	379	1,064	20,516	1,925	0	163,052	(36,945)	126,107
Trade payables to subsidiaries and associates	0	32	4,285	5,032	654	150	0	666	1,018	160	11,998	(8,221)	3,776
Other current trading liabilities													393,617
Other current financial liabilities													174,959
Staff termination benefits and other defined-benefit plans	2,539	36,141	4,713	2,965	30,009	223	3,260	29,360	2,857	0	112,066	(12)	112,054
Other provisions	6,773	4,858	10,346	411	60,344	22	744	34,267	27,403	3,617	148,785	21,425	170,210
Provision for deferred taxes													92,584
Other non-current trading liabilities													183,328
Other non-current financial liabilities													2,707,036
Liabilities directly associated with assets held for sale										99	99		99
<b>Shareholders' equity</b>													1,518,604
<b>Total liabilities and shareholders' equity</b>													<b>6,450,618</b>

Amounts in € thousands



## 2015 Half-year Income Statement

	Generation	Distribution	Sales	Public lighting	Italian water services	Overseas	Engineering	Corporate	Environment	PV power	Group total	Consolidation adjustments	Consolidated Total
Revenues	31,693	229,448	971,698	32,687	298,413	8,276	13,295	63,853	2,853	54,624	1,706,841	(265,698)	1,441,143
Staff costs	2,846	24,285	11,431	3,776	41,762	1,761	6,922	5,851	0	27,345	125,979	(8,925)	117,054
Energy purchases	3,252	51,362	879,946	59	1,604	0	33	1,457	0	466	938,176	(122,128)	816,049
Sundry materials and overheads	7,249	35,029	42,517	26,546	128,143	2,736	3,506	29,397	639	26,551	302,314	(134,641)	167,673
Income (costs) from equity investments of a non-financial nature			(216)	0	12,577	560	0	(21)	0	0	12,901	0	12,901
<b>EBITDA</b>	<b>18,346</b>	<b>118,772</b>	<b>37,588</b>	<b>2,305</b>	<b>139,482</b>	<b>4,339</b>	<b>2,835</b>	<b>27,128</b>	<b>2,214</b>	<b>262</b>	<b>353,273</b>	<b>(4)</b>	<b>353,269</b>
Depreciation/amortisation	10,686	43,203	31,095	196	40,839	78	316	14,011	0	10,173	150,597	0	150,597
<b>EBIT</b>	<b>7,660</b>	<b>75,569</b>	<b>6,493</b>	<b>2,109</b>	<b>98,643</b>	<b>4,261</b>	<b>2,519</b>	<b>13,117</b>	<b>2,214</b>	<b>(9,910)</b>	<b>202,676</b>	<b>(4)</b>	<b>202,672</b>
Finances/(costs) income													(45,243)
(Costs) income from investments		(846)	(40)		57	401		42		(218)	(604)		(604)
<b>Profit (loss) before tax</b>													<b>156,825</b>
Taxation													53,201
<b>Net profit (loss)</b>													<b>103,624</b>

Amounts in € thousands