PRESS RELEASE
ACEA: BOARD APPROVES SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2014

EBITDA up 6.3% to €717.7m, thanks to contributions from all areas of business and the Parent Company. Growth in EBIT (up 7.5%) and net profit (up 14.4%).

Net debt falls to €2,089.1m, down from €2,248.6m of 31 December 2013 and €2,412.0m of 30 September 2014, reflecting the positive impact of working capital management. The ratio of net debt to EBITDA is down from the 3.3x of 2013 to 2.9x at the end of 2014.

Payment of a dividend for 2014 of €0.45 per share (a *payout* ratio of 59%) to be proposed to the AGM.

Rome, 11 March 2015 – The Board of Directors of Acea SpA, chaired by Catia Tomasetti, has approved the separate and consolidated financial statements for the year ended 31 December 2014 and the Sustainability Report for 2014, which represents a key means of dialogue with all the Company's stakeholders and local communities.

The Annual General Meeting (AGM) of shareholders will be held on 23 April and 24 April 2015, in first and second call, respectively, in order to approve the financial statements and vote on the appropriation of profit for the year.

The documentation regarding approval of the financial statements for 2014 and reports on the other Agenda items, required by the regulations in force, will be made available for inspection within the deadline established by law.

"We have achieved all the financial objectives that we set ourselves - commented Catia Tomasetti, Acea's President - whilst, at the same time, making a solid start to modernising all the companies in the Group. Thanks to strategic investment in new technologies and the commitment of our workforce, all our industrial processes and the services provided by Acea will soon be managed in digital form. Once completed, this process of structural change and innovation will rapidly transform us into a new, increasingly competitive form of multi-utility. Customer care, the efficient management of our infrastructure and the ability to innovate are the areas on which we will continue to focus".

"The improvement in EBITDA and the reduction in debt are key milestones for a company engaged in an ongoing process of renewal - stated Alberto Irace, Acea's CEO -. The Group has seen growth and continued profitability across all areas of business and, above all, in the Water and Energy segments. This has been accompanied by an improvement in working capital with respect to 2013 and this has resulted in a tangible strengthening of our financial structure. Results like these will form the basis on which we will work, with renewed dedication and confidence, on building the new Acea 2.0. Our aim is to create a company that, in terms of service quality and response times, will be in a position to compete on an equal footing with the best in Europe".

*The adoption of new accounting standards regarding control (**IFRS 10** - Consolidated Financial Statements and **IFRS 11** - Joint Arrangements) became mandatory from 1 January 2014. This essentially requires the Company to consolidate its investments in water companies in Tuscany, Umbria and Campania using the equity method (previously these were consolidated using proportionate consolidation).*
For comparative purposes, amounts in the consolidated statement of financial position and income statement at and for the year ended 31 December 2013 have been restated.
The portion of the investee company's profit or loss resulting from consolidation using the equity method is conventionally included in the components that contribute to EBITDA, namely the item "Profit/(loss) on non-financial investments", given that there have not been any events resulting in a discontinuation of control or governance structures or of the operating activities of the industrial partner.

FINANCIAL HIGHLIGHTS

(€m)	2013 (restated)*	2014	% inc./(dec.)
Consolidated revenue	3,289.0	**3,038.3**	***-7.6%***
Profit/(loss) on investments consolidated under IFRS 11°	30.3	**18.8**	***-38.0%***
of which: EBITDA	*122.3*	*125.7*	*+2.8%*
of which: Amortisation. depreciation. impairment losses and provisions	*(71.1)*	*(82.4)*	*+15.9%*
of which: Net finance income/(costs)	*2.0*	*(9.7)*	*n.s.*
of which: Income tax expense	*(22.9)*	*(14.8)*	*-35.4%*
EBITDA	675.4	**717.7**	***+6.3%***
EBIT	363.2	**390.4**	***+7.5%***
Profit/(Loss) before tax	259.2	**289.8**	***+11.8%***
Group net profit/(loss) (before non-controlling interests)	153.4	**168.9**	***+10.1%***
Group net profit/(loss) (after non-controlling interests)	142.0	**162.5**	***+14.4%***

(€m)	2013 (restated)*	2014	% inc./(dec.)
Investment	268.6	**318.5**	*+18.6%*

(€m)	2013 (restated)*(a)	9M 2014	2014 (b)	% inc./(dec.) (b/a)
Net debt	2,248.6	2,412.0	**2,089.1**	***-7.1%***
Equity	1,406.8	1,461.2	**1,502.4**	***+6.8%***
Invested capital	3,655.4	3,873.2	**3,591.5**	***-1.7%***

** After application of IFRS 11.*
° The component, "Profit on investments consolidated under IFRS11", has fallen from €30.3m to €18.8m, reflecting recognition, in 2013, of finance income from the discounting to present value of the amounts payable by Gori to Campania Regional Authority and the FNI component - designed to fund new investment - of the water tariff for 2012 and 2013.

ACEA GROUP'S RESULTS FOR 2014

The positive contribution from all areas of business and the Parent Company, in addition to the steps taken to improve operating efficiency, have enabled the Group to report an increase in **EBITDA**, which is up from €675.4m to €717,7m (an increase of 6.3%), in what remains a highly challenging economic environment.
Contributions to total EBITDA are as follows: Water 41%; Grids 35%; Energy 15%; Environment 8%; Parent Company 1%.
Under the proportionate method of consolidation, the Group's EBITDA would have been €824.6m, compared with €766.1m in 2013, marking an increase of €58m or 7.6%.

Consolidated **EBIT** of €390.4m is up (7.5%) on the €363.2m of 2013. Provisions for bad debts rose in the Energy and Water segments.

Net profit, after non-controlling interests, is up 14.4% to €162.5m. The positive result has absorbed the negative impact of recognition of the €17m charge deriving from recalculation of the deferred tax liability resulting from the one-off hike in corporation tax (IRES), known as the "Robin Tax". After stripping out this charge, the Group's net profit is up by over 26%.
The tax rate for 2014 is 41.7% (40.8% in 2013).

The Group **invested** a total of €318.5m in 2014 (€268.6m in 2013). This sum breaks down as follows: Water €148.9m; Grids €122.4m; Energy €19.7m; Environment €13.3m; Parent Company €14.2m.

Net debt at 31 December 2014, amounting to €2,089.1m, is down on the figures for 30 September 2014 (a reduction of €322.9m) and 31 December 2013 (down €159.5m). The reduction reflects the positive impact of the management of working capital (which is down by over €185m), particularly significant in the last quarter of the year, in part due to the billing of accumulated adjustments by the Water business (billing started from 1 July) and the recovery of previously unbilled amounts in the Energy segment.
The **ratio of net debt to EBITDA** is down from the 3.3x of 2013 to 2.9x at the end of 2014.

In view of the results achieved in 2014, the Board of Directors has decided to propose that the AGM approve payment of an ordinary dividend of €0.45 per share (representing a payout of 59% based on net profit attributable to owners of the Parent).

SEGMENT INFORMATION FOR 2014

Environment

The Environment segment contributed EBITDA of €54.5m, up 12.6% on 2013 (€48.4m), thanks to the positive results achieved by ARIA, which benefitted above all from the improved performance of the Terni plant following its revamp and the increased volumes treated at the San Vittore plant.

ENVIRONMENT – operational highlights	2013	2014
Treatment and disposal (/000 tonnes)	730	**774**
WTE electricity sold (GWh)	222	**249**

Energy[1]

The Energy segment's EBITDA is up 21.7% to €111.6m. The improvement primarily reflects a rise in the margin on sales, despite the reduced volumes sold. In the "enhanced protection market", the margin is up €14.4m, primarily following the review of the tariff for energy sold (AEEGSI resolutions 637/2013, 136/2014 and 670/2014), with the introduction of two compensation mechanisms for unpaid bills, which are accessible to operators who have implemented efficient credit collection initiatives. The contribution from electricity production, which was hit by the reduction in energy prices, was partially offset by increased water flow.

ENERGY – EBITDA (€m)	2013	2014
Energy segment	**91.7**	**111.6**
Production	*37.5*	*33.8*
Sales	*52.1*	*77.8*
Energy Management	*2.1*	*0*

ENERGY – operational highlights	2013	2014
Electricity production (GWh)	**500**	**498**
Electricity sold (GWh)	**12,616**	**10,887**
Enhanced protection market	*3,234*	*3,000*
Free market	*9,382*	*7,887*
Gas sold (million m^3)	**100**	**103**

Water

EBITDA for the Water segment is up from €280.8m in 2013 to €292.2m in 2014 (up 4.1%). The companies consolidated using the equity method report a €10.6m reduction in EBITDA, reflecting the presence, in 2013, of the FNI tariff component (providing funding for new investment) for 2012 and 2013 and finance income following the discounting to present value of the amounts payable by Gori to Campania Regional Authority, both offset in full by increased revenue from application of the new Water Tariff Regime introduced by AEEGSI in resolution 643/2013. This resolution has given stability to the entire sector by establishing a national regulatory framework providing greater certainty.

WATER – operational highlights	2013	2014
Water sold (million m^3)*	566	**540**

** includes the Group's share of water sold by the water companies operating in Tuscany, Umbria and Campania.*

Grids

EBITDA for the Grids segment is slightly down at €253.3m, substantially reflecting a reduced contribution from the photovoltaic plants and a reduction in Acea Distribuzione's energy margin.

GRIDS – operational highlights	2013	2014
Electricity distributed (GWh)	10,784	**10,294**

Parent Company

The Parent Company reports an increase in EBITDA of €8.9m to €6.1m (negative EBITDA of €2.8m in 2013), thanks to cost savings and the presence of extraordinary items.

[1] *Ecogena has been consolidated on a line-by-line basis and allocated to the Energy – Generation segment from 1 January 2014, after being included in the Grids segment until 31 December 2013.*

OUTLOOK

The ACEA Group confirms its strong commitment to rationalising and streamlining its operating processes across all areas of business and corporate activities. Pursuit of these goals will also involve major changes to information systems, particularly those related to billing, and the introduction of Work Force Management.

EVENTS AFTER 31 DECEMBER 2014

The Group has launched Project Acea 2.0, which will enable us, by 2016, to fully integrate and manage all our business processes using innovative mobile technologies: from the construction of infrastructure to maintenance services, from network management to customer care. This revolution will be made possible by the new Work Force Management (WFM) system, a digital IT platform – developed by the multinational, SAP - will allow us to coordinate and monitor the activities of Acea and our suppliers in real time.
The water networks in Rome and Frosinone and the electricity distribution network in Rome will be the first to be involved in the digitalization process, starting with the selection of suppliers, for which it will be obligatory to adopt the new digital working methods.
Acea has, in fact, prepared a new procedure for tenders that will enable us to invest around €500m in the local area.

CALL TO THE AGM

The Annual General Meeting of shareholders will be held in first call on 23 April 2015 and in second call on 24 April 2015, to approve the financial statements for 2014 and acknowledge the consolidated financial statements and attached reports.
As previously noted, the Board of Directors intends to propose payment of a dividend of €0.45 per share.
The dividend (coupon no. 16) will be paid from 24 June 2015. The ex-dividend date is 22 June and the record date 23 June.

In view of changes in the regulatory and economic environment, the Board of Directors also intends to propose that the AGM approve a motion increasing the number of Directors from seven to nine.

The following schedules are attached:
CONSOLIDATED ACCOUNTS, STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2014, INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014, ANALYSIS OF NET DEBT AT 31 DECEMBER 2014 AND STATEMENT OF CHANGES IN EQUITY.

A conference call will be held at 5.30pm (Italian time) on Wednesday, 11 March 2015 in order to present the results for the year ended 31 December 2014. To coincide with the start of the conference call, back-up material will be made available at www.acea.it.

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

Acea SpA

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

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

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014

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	31 December 2014	31 December 2013 (restated)	Increase/ (Decrease)	% increase/ (decrease)
Sales and service revenues	2,931,592	3,203,569	(271,978)	(8.5%)
Other operating income	106,661	85,446	21,215	24.8%
Consolidated net revenue	**3,038,253**	**3,289,015**	**(250,762)**	**(7.6%)**
Staff costs	229,543	238,327	(8,784)	(3.7%)
Cost of materials and overheads	2,109,768	2,405,669	(295,902)	(12.3%)
Consolidated operating costs	**2,339,311**	**2,643,996**	**(304,685)**	**(11.5%)**
Net profit/(loss) from commodity risk management	(47)	67	(115)	(169.8%)
Profit/(loss) on non-financial investments	18,822	30,309	(11,487)	(37.9%)
Gross operating profit	**717,716**	**675,395**	**42,321**	**6.3%**
Amortisation, depreciation, provisions and impairment losses	327,273	312,162	15,110	4.8%
Operating profit/(loss)	**390,444**	**363,233**	**27,211**	**7.5%**
Finance income	28,170	27,084	1,086	4.0%
Finance costs	(129,348)	(126,386)	(2,962)	2.3%
Profit/(loss) on investments	527	(4,762)	5,288	(111.1%)
Profit/(loss) before tax	**289,793**	**259,170**	**30,623**	**11.8%**
Income tax expense	120,874	105,786	15,088	14.3%
Net profit/(loss)	**168,919**	**153,383**	**15,536**	**10.1%**
Net profit/(loss) attributable to non-controlling interests	6,460	11,443	(4,984)	(43.6%)
Net profit/(loss) attributable to owners of the Parent	**162,459**	**141,940**	**20,519**	**14.5%**
Earnings/(Loss) per share (€)				
basic	0.7628	0.6665	0.0963	
diluted	0.7628	0.6665	0.0963	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2014

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ASSETS	31 December 2014	31 December 2013 (restated)	Increase/ (Decrease)	1 January 2013 (restated)
Property, plant and equipment	2,031,410	2,006,192	25,218	2,012,319
Investment property	2,819	2,872	(53)	2,933
Goodwill	150,772	149,608	1,164	147,719
Concessions	1,398,571	1,317,286	81,285	1,243,267
Other intangible assets	85,284	68,790	16,495	64,603
Investments in subsidiaries and associates	224,767	211,952	12,815	184,347
Other investments	2,482	3,321	(838)	4,763
Deferred tax assets	296,224	308,969	(12,744)	326,374
Financial assets	34,290	34,788	(498)	32,283
Other assets	43,972	48,770	(4,797)	53,861
NON-CURRENT ASSETS	**4,270,593**	**4,152,547**	**118,046**	**4,072,468**
Inventories	29,229	33,754	(4,525)	39,126
Trade receivables	1,259,920	1,346,556	(86,636)	1,302,308
Other current assets	141,467	111,410	30,058	121,152
Current tax assets	99,843	91,984	7,859	67,191
Current financial assets	92,130	118,302	(26,172)	152,832
Cash and cash equivalents	1,017,967	563,066	454,900	405,510
CURRENT ASSETS	**2,640,556**	**2,265,072**	**375,484**	**2,088,118**
Non-current assets held for sale	**497**	**6,722**	**(6,225)**	**6,722**
TOTAL ASSETS	**6,911,645**	**6,424,340**	**487,305**	**6,167,308**

EQUITY AND LIABILITIES	31 December 2014	31 December 2013 (restated)	Increase/ (Decrease)	1 January 2013 (restated)
Equity				
share capital	1,098,899	1,098,899	0	1,098,899
legal reserve	176,119	167,353	8,766	162,190
other reserves	(477,826)	(468,673)	(9,153)	(445,730)
retained earnings/(accumulated losses)	470,915	383,115	87,800	423,518
profit/(loss) for the year	162,459	141,940	20,519	0
Total equity attributable to owners of the Parent	**1,430,566**	**1,322,633**	**107,933**	**1,238,877**
Equity attributable to non-controlling interests	71,825	84,195	(12,370)	78,471
Total equity	**1,502,391**	**1,406,828**	**95,563**	**1,317,349**
Staff termination benefits and other defined-benefit obligations	118,004	106,910	11,094	118,329
Provisions for liabilities and charges	168,644	206,058	(37,414)	216,098
Borrowings and financial liabilities	3,040,712	2,360,907	679,805	2,032,609
Other liabilities	177,990	161,549	16,440	157,131
Deferred tax liabilities	93,284	92,964	319	84,257
NON-CURRENT LIABILITIES	**3,598,633**	**2,928,389**	**670,244**	**2,608,424**
Trade payables	1,249,366	1,207,601	41,765	1,130,381
Other current liabilities	287,259	239,082	48,177	230,160
Borrowings	189,957	599,869	(409,912)	822,741
Tax liabilities	83,941	41,228	42,713	56,908
CURRENT LIABILITIES	**1,810,522**	**2,087,779**	**(277,257)**	**2,240,192**
Liabilities directly associated with assets held for sale	**99**	**1,344**	**(1,245)**	**1,344**
TOTAL EQUITY AND LIABILITIES	**6,911,645**	**6,424,340**	**487,305**	**6,167,308**

STATEMENT OF CHANGES IN EQUITY

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	Share capital	Legal reserve	Other reserves	Net profit/ (loss) for year	Total	Non-controlling interests	Total equity
Balance at 1 January 2013 (restated)	**1,098,899**	**165,088**	**(71,845)**	**46,735**	**1,238,877**	**77,184**	**1,316,060**
IFRS11 restatement		(2,897)	2,897		0	1,288	1,288
Balance at 1 January 2013 (restated)	**1,098,899**	**162,190**	**(68,948)**	**46,735**	**1,238,877**	**78,471**	**1,317,349**
Net profit/(loss) in income statement	0	0	0	141,940	141,940	11,444	153,384
Other comprehensive income/(losses)	0	0	0	13,360	13,360	158	13,518
Total comprehensive income/(loss)	**0**	**0**	**0**	**155,300**	**155,300**	**11,602**	**166,902**
Appropriation of net profit/(loss) for 2012	0	5,607	41,128	(46,735)	0	0	0
Dividends paid	0	0	(72,266)	0	(72,266)	(5,168)	(77,434)
Change in basis of consolidation	0	(444)	1,167	0	722	(711)	11
Balance at 31 December 2013 (restated)	**1,098,899**	**167,353**	**(98,920)**	**155,300**	**1,322,633**	**84,195**	**1,406,828**

€000	Share capital	Legal reserve	Other reserves	Net profit/ (loss) for year	Total	Non-controlling interests	Total equity
Balance at 1 January 2014 (restated)	**1,098,899**	**167,353**	**(98,920)**	**155,300**	**1,322,633**	**84,195**	**1,406,827**
Net profit/(loss) in income statement				162,459	162,459	6,460	168,919
Other comprehensive income/(losses)				(22,292)	(22,292)	(1,200)	(23,492)
Total comprehensive income/(loss)	**0**	**0**	**0**	**140,167**	**140,167**	**5,260**	**145,427**
Appropriation of net profit/(loss) for 2013		4,619	150,681	(155,300)	0	0	0
Dividends paid			(36,204)	0	(36,204)	(7,648)	(43,852)
Change in basis of consolidation		4,147	(177)	0	3,970	(9,982)	(6,012)
Balance at 31 December 2014	**1,098,899**	**176,119**	**15,381**	**140,167**	**1,430,566**	**71,825**	**1,502,391**

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2014

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STATEMENT OF FINANCIAL POSITION	31 December 2014	31 December 2013 (restated)	Increase/ (Decrease)	% increase/ (decrease)
NET WORKING CAPITAL	**(90,106)**	**95,793**	**(185,899)**	**(194.1%)**
Current receivables	**1,259,920**	**1,346,556**	**(86,636)**	**(6.4%)**
- due from end users /customers	*1,162,973*	*1,244,371*	*(81,398)*	(6.5%)
- due from Comune di Roma	*67,231*	*69,650*	*(2,419)*	(3.5%)
Inventories	29,229	33,754	(4,525)	(13.4%)
Other current assets	241,310	203,393	37,917	18.6%
Current payables	**(1,249,366)**	**(1,207,601)**	**(41,765)**	**3.5%**
- due to suppliers	*(1,130,158)*	*(1,114,064)*	(16,093)	1.4%
- due to Comune di Roma	*(116,678)*	*(85,615)*	(31,063)	36.3%
Other current liabilities	(371,199)	(280,310)	(90,889)	32.4%
NON-CURRENT ASSETS AND LIABILITIES	**3,681,597**	**3,559,674**	**121,923**	**3.4%**
Property, plant and equipment and intangible assets	3,669,353	3,551,470	117,884	3.3%
Investments	227,249	215,273	11,977	5.6%
Other non-current assets	340,196	357,738	(17,542)	(4.9%)
Staff termination benefits and other defined-benefit obligations	(118,004)	(106,910)	(11,094)	10.4%
Provisions for liabilities and charges	(165,925)	(203,383)	37,458	(18.4%)
Other non-current liabilities	(271,273)	(254,514)	(16,759)	6.6%
INVESTED CAPITAL	**3,591,492**	**3,655,467**	**(63,976)**	**(1.8%)**
NET DEBT	**(2,089,101)**	**(2,248,640)**	**159,539**	**(7.1%)**
Medium/long-term loans and receivables	34,290	34,788	(498)	(1.4%)
Medium/long-term borrowings	(3,040,712)	(2,360,907)	(679,805)	28.8%
Short-term loans and receivables	89,411	115,626	(26,216)	(22.7%)
Cash and cash equivalents	1,017,967	563,066	454,900	80.8%
Short-term borrowings	(190,056)	(601,213)	411,157	(68.4%)
Total equity	**(1,502,391)**	**(1,406,828)**	**(95,563)**	**6.8%**
BALANCE OF NET DEBT AND EQUITY	**(3,591,492)**	**(3,655,467)**	**63,976**	**(1.8%)**

ANALYSIS OF CONSOLIDATED NET DEBT AT 31 DECEMBER 2014

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	31 December 2014	31 December 2013 (restated)	Increase/ (Decrease)	% increase/ (decrease)
Non-current financial assets/(liabilities)	1,710	2,460	(750)	(30.5%)
Intercompany non-current financial assets/(liabilities)	32,580	32,328	252	0.8%
Non-current borrowings and financial liabilities	(3,040,712)	(2,360,907)	(679,805)	28.8%
Net medium/long-term debt	**(3,006,422)**	**(2,326,119)**	**(680,303)**	**29.2%**
Cash and cash equivalents and securities	1,017,967	563,066	454,900	80.8%
Short-term bank borrowings	(58,161)	(371,344)	313,183	(84.3%)
Current financial assets/(liabilities)	(103,944)	(139,566)	35,622	(25.5%)
Intercompany current financial assets/(liabilities)	61,460	25,323	36,136	142.7%
Net short-term debt	**917,321**	**77,480**	**839,842**	**1,084.0%**
Total net debt	**(2,089,101)**	**(2,248,640)**	**159,539**	**(7.1%)**