



£ million
Income
PBT

CAGR (03 - 08)
13%
7%

£ million
Income
PBT

09
3%
100%



2,841

3,518

4,505

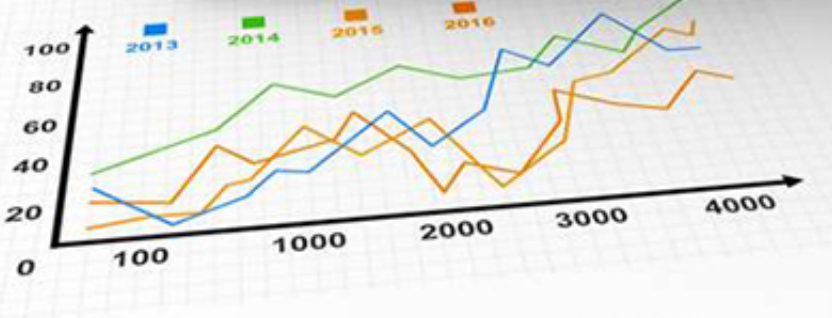
6,267

7,112

5,231

4,111

6,089



2016 Results

Rome, 13 March 2017

ANNUAL REPORT

Acea Group 2016 results



6% of Group EBITDA



ENVIRONMENT

Number 6 Italian operator

- Umbria, Lazio and Tuscany
- Waste treated: 820,000* tons
- Electricity produced (WTE): 283 GWh

14% of Group EBITDA



ENERGY

One of the main Italian energy player

- Electricity sold: ~ 8.3 TWh
- Customers: ~ 1.4m
- Hydroelectric power plants (122 MW)
- Thermo/cogen plants/PV (111 MW).

40% of Group EBITDA



WATER

Leading operator in Italy

- Lazio, Tuscany, Umbria and Campania
- Water sold: 415m cubic metres
- Customers: nearly 9m
- Engineering, procurement, construction and management of integrated water services, laboratory analysis
- Water Management services in Latin American countries

40% of Group EBITDA



GRIDS

One of the leading operators in Italy

- Electricity distributed: ~ 10TWh in the city of Rome
- Public lighting and floodlighting managed: over 217,000 lighting points
- Energy efficiency projects

*Includes ash disposed of

Acea's ownership structure today

City of Rome	Suez	Caltagirone Group	Norges Bank	Other
51.0%	23.3%	5.0%	1.6%	19.1%

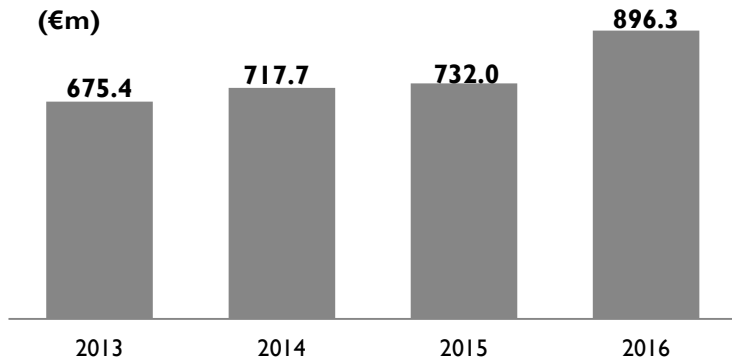
Source: CONSOB (March 2017) and Companies' data

Long-term shareholder value through returns and growth



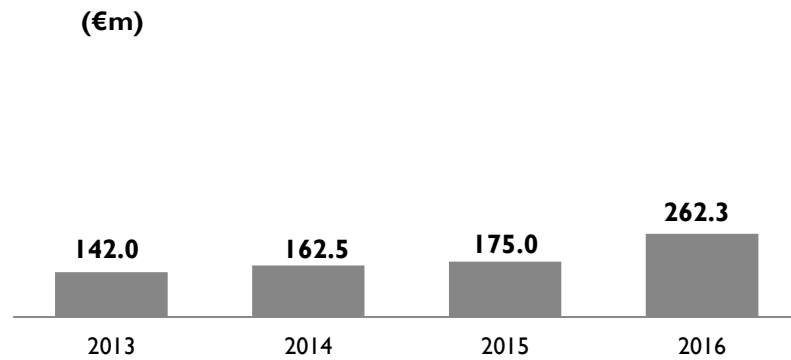
EBITDA CAGR +9.9%

(€m)



Net profit CAGR +22.7%

(€m)

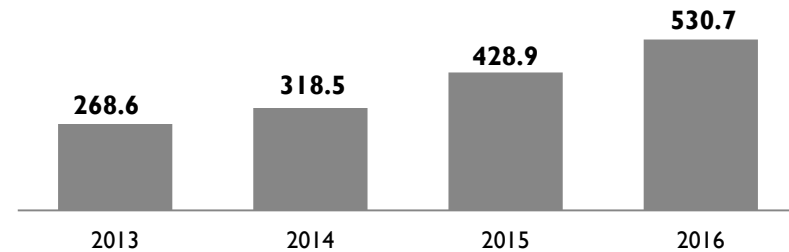


Net Debt/EBITDA

2013	2014	2015	2016
3.3x	2.9x	2.7x	2.4x

CAPEX

(€m)



DPS CAGR +13.9 % (€)

2013	2014	2015	2016
0.42	0.45	0.50	0.62

A solid base for the future

Beating expectations for 2016

2016 financial highlights



(€m)	2015	2016*	Change %
Consolidated revenue	2,917.3	2,832.4	-2.9%
EBITDA	732.0	896.3**	+22.4%
EBIT	386.5	525.9	+36.1%
Net profit/(loss)	181.5	272.5	+50.1%
Non-controlling interests	6.6	10.2	+54.5%
Group net profit/(loss)	175.0	262.3	+49.9%
Dividend per share (€)	0.50	0.62	+24.0%
Capex	428.9	530.7	+23.7%

*Positive impact for accounting for Resolution 654/2015 and negative impact of repurchase of portion of bonds in issue

**€785m adjusted for accounting for Resolution 654/2015

✓ 2016 results: above expectations

✓ Strong operating performance

✓ Cost efficiencies and simplification

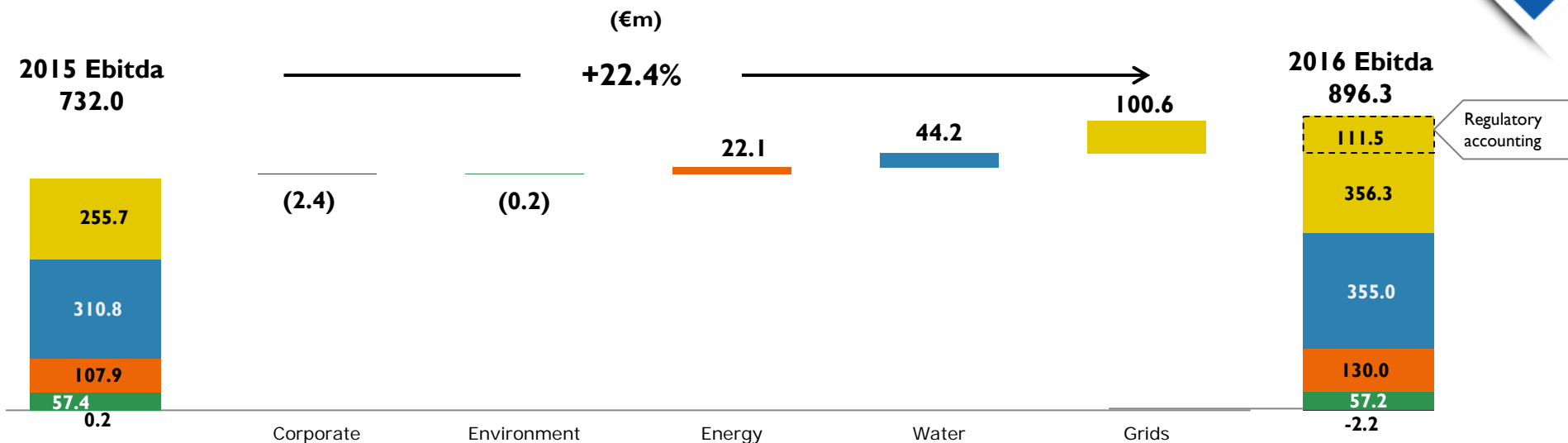
✓ Growth focus on customer-facing businesses

✓ Progressive dividend policy

✓ Strong capex growth

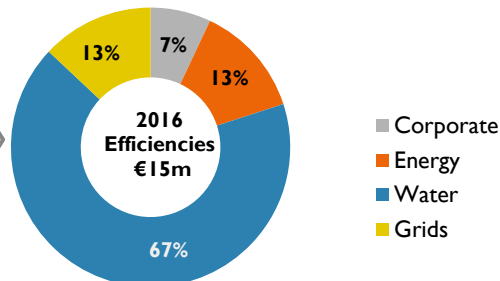
(€m)	31 Dec 2015 (a)	30 Sept 2016 (b)	31 Dec 2016 (c)	Change (c-a)	Change (c-b)
NET DEBT	2,010.1	2,138.7	2,126.9	116.8	(11.8)
Equity	1,596.1	1,682.1	1,757.9	161.8	75.8
Invested Capital	3,606.2	3,820.8	3,884.8	278.6	64.0

EBITDA target exceeded in 2016



ENVIRONMENT	ENERGY	WATER	GRIDS
<p>-0.3% Main drivers:</p> <ul style="list-style-type: none"> ↑ Entry into service of Line 1 of San Vittore plant in Oct 2016 ↑ Contribution of Orvieto waste treatment plant ↓ Recognition in 2015 of insurance proceeds for the fire at the Paliano plant (€3.2m) 	<p>+20.5% Main drivers:</p> <ul style="list-style-type: none"> ↑ Electricity sales: +€24.3m ↓ Electricity production: -€2.2m 	<p>+14.2% Main drivers:</p> <ul style="list-style-type: none"> ↑ Efficiency ↑ Acea Ato2: tariff increase +€43.0m (quality reward €23.1m) ↑ Growth at companies consolidated using equity method: +€0.8m ↑ Overseas water operations: +€1.4m 	<p>+39.3% Main drivers:</p> <ul style="list-style-type: none"> ↑ Impact of accounting for Resolution 654/2015: €111.5m ↑ Operational efficiency and new technologies. ↓ Impact of fifth regulatory cycle

Digital transformation boosts operational efficiency



Acea is ahead in digital transformation to improve competitiveness, customer loyalty and operational efficiency



Project Acea 2.0



➤ Increased **productivity**



➤ Improved **quality of service**



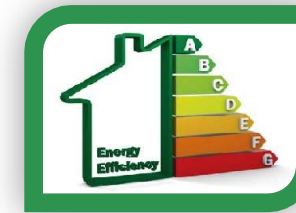
➤ Improved corporate **image**



➤ Greater internal and external **control and transparency**



➤ Increased **safety** for employees



➤ Enhanced focus on **environmental sustainability**

EBITDA and Key quantitative data

2016 financial highlights



Environment

EBITDA main drivers

- Entry into service of Line I of San Vittore plant in Oct 2016
- Contribution of Orvieto waste treatment plant
- Recognition in 2015 of insurance proceeds for the fire at the Paliano plant (€3.2m)

(€m)	2015	2016	%change	Key quantitative data	2015	2016
EBITDA	57.4	57.2	-0.3%	Treatment and disposal* (‘000s of tonnes)	765	820
Capex	25.9	34.0	+31.3%	WTE electricity produced (GWh)	265	283

*Includes ash disposed of

EBITDA and Key quantitative data

2016 financial highlights



Energy

EBITDA main drivers



Electricity sales: +€24.3m margin increase



Electricity production: -€2.2m

(€m)	2015	2016	% change	Key quantitative data	2015	2016
EBITDA	107.9	130.0	+20.5%	Total Electricity production (GWh)	470	410
Production	34.2	32.0	-6.4%	Total Electricity sold (GWh)	9,419	8,316
Sales	73.7	98.0	+33.0%	Enhanced Protection Market	2,951	2,757
				Free Market	6,468	5,559
Capex	30.6	55.3	+80.7%	Total Gas sold (Mmc)	126	107

EBITDA and Key quantitative data

2016 financial highlights



Water

EBITDA main drivers

- ↑ Acea ATO2: tariff increase +€43m (quality reward €23m)
- ↑ Efficiency
- ↑ Growth at companies consolidated using the equity method +€0.8m
- ↑ Overseas water operations: +€1.4m

(€m)	2015	2016	% change	Key quantitative data	2015	2016
EBITDA	310.8	355.0	+14.2%	Total volume of water sold	413	415
<i>of which: Profit/(Loss) on investments consolidated under IFRS 11</i>	28.5	29.3	+2.8%	(Mmc)		
Capex	204.4	230.4	+12.7%			

EBITDA and Key quantitative data

2016 financial highlights



Grids

EBITDA main drivers

- ↑ Operational efficiency and new technologies
- ↑ Impact of accounting for Resolution 654/2015: €111.5m
- ↓ Impact of fifth regulatory cycle

(€m)	2015	2016	% change	Key quantitative data	2015	2016
EBITDA	255.7	356.3	+39.3%	Total Electricity distributed (GWh)	10,557	10,009
Capex	156.2	197.9	+26.7%			



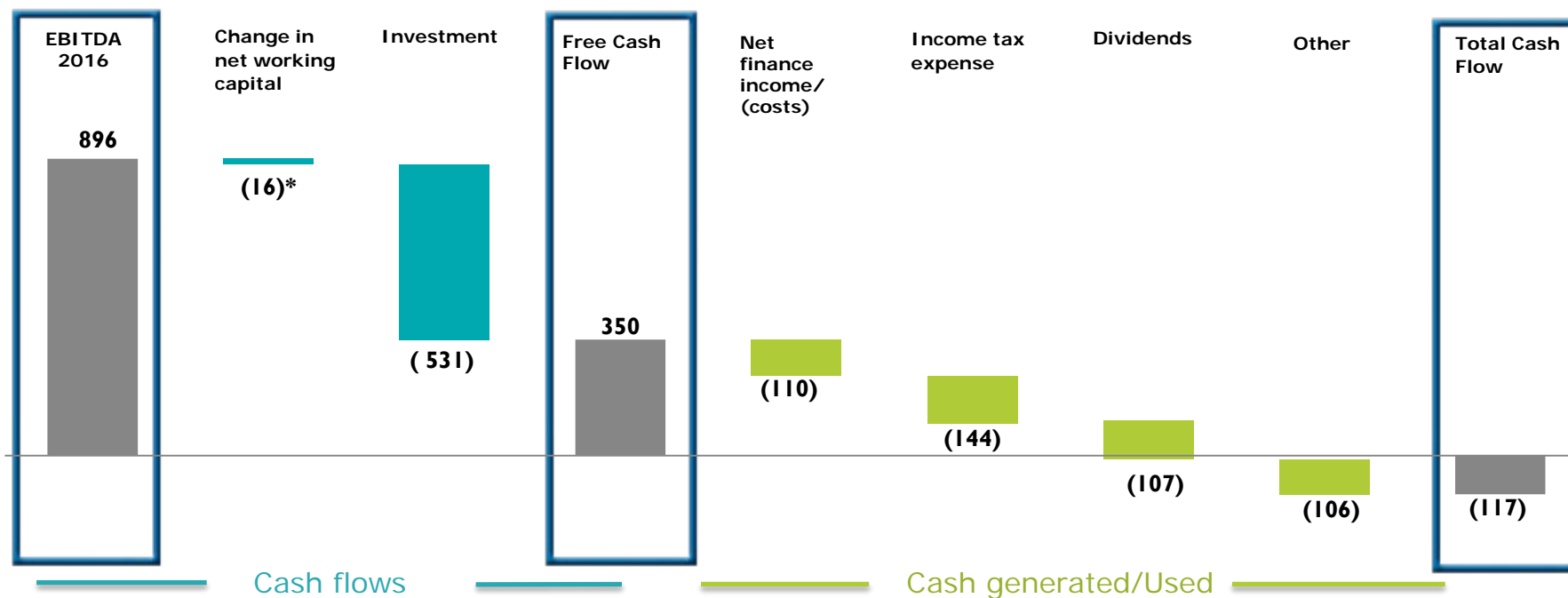
Corporate

(€m)	2015	2016	% change
EBITDA	0.2	(2.2)	n.s.
Capex	11.8	13.1	+11.0%

Cash flow



CASH FLOW ANALYSIS (€m)	2015	2016
EBITDA	732	896
Change in net working capital	98	(16)
Investment	(429)	(531)
Free Cash Flow	401	350
Net finance income/(costs)	(90)	(110)
Income tax expense	(115)	(144)
Dividends	(96)	(107)
Other	(27)	(106)
Total Cash Flow	73	(117)



* Before impairment losses on receivables

Strong financial structure

2016 financial highlights



(€m)	31 Dec 2015 (a)	30 Sept 2016 (b)	31 Dec 2016 (c)	Change (c-a)	Change (c-b)
NET DEBT	2,010.1	2,138.7	2,126.9	116.8	(11.8)
Medium/Long-term	2,657.0	2,626.7	2,769.4	112.4	142.7
Short-term	(646.9)	(488.0)	(642.5)	4.4	(154.5)

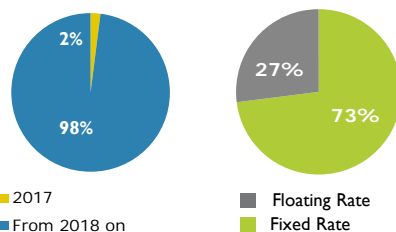
NET DEBT/ EQUITY 31 Dec 2015	NET DEBT/ EQUITY 31 Dec 2016
1.3x	1.2x

NET DEBT /EBITDA 31 Dec 2015	NET DEBT/EBITDA 31 Dec 2016
2.7x	2.4x

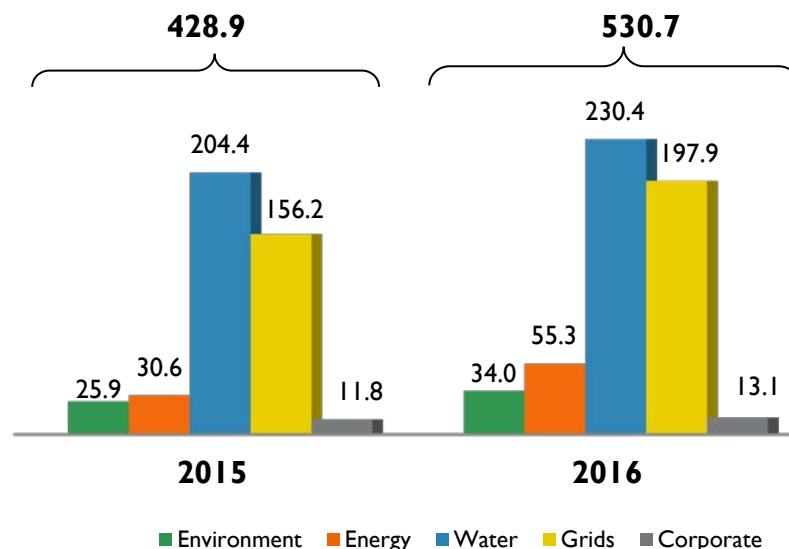
Debt structure

(maturity and interest rates at 31 Dec 2016)

- > 73% Fixed rate
- > Average overall cost 2.94%
- > Average term to maturity ~ 7 years



CAPEX (€m)



Ratings

FitchRatings

BBB+

Stable outlook

MOODY'S

Baa2

Stable outlook

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

THESE FORWARD-LOOKING STATEMENTS ARE BASED ON ACEA S.P.A.'S CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS. BECAUSE THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES, ACTUAL FUTURE RESULTS OR PERFORMANCE MAY DIFFER MATERIALLY FROM THOSE EXPRESSED IN OR IMPLIED BY THESE STATEMENTS DUE TO ANY NUMBER OF DIFFERENT FACTORS, MANY OF WHICH ARE BEYOND THE ABILITY OF ACEA S.P.A. TO CONTROL OR ESTIMATE PRECISELY, INCLUDING CHANGES IN THE REGULATORY ENVIRONMENT, FUTURE MARKET DEVELOPMENTS, FLUCTUATIONS IN THE PRICE AND AVAILABILITY OF FUEL AND OTHER RISKS.

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

PURSUANT TO ART. 154-BIS, PAR. 2, OF THE UNIFIED FINANCIAL ACT OF FEBRUARY 24, 1998, THE EXECUTIVE IN CHARGE OF PREPARING THE CORPORATE ACCOUNTING DOCUMENTS AT ACEA, DEMETRIO MAURO – CFO OF THE COMPANY - DECLARES THAT THE ACCOUNTING INFORMATION CONTAINED HEREIN CORRESPOND TO DOCUMENT RESULTS, BOOKS AND ACCOUNTING RECORDS.