



PRESS RELEASE

ACEA: BOARD APPROVES SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2009

Acea Group results for 2009:

Consolidated revenue: 2,954.3 million euros (3,144.0 million euros in 2008)

EBITDA: 563.9 million euros (623.5 million euros in 2008)

EBIT: 185.9 million euros (385.0 million euros in 2008)

Profit before tax: 100.9 million euros (295.6 million euros in 2008)

Group net loss: 52.5 million euros (profit of 186.3 million euros in 2008), after non-recurring charges for so-called "tax moratorium" and increased provisions for potential liabilities deriving from unforeseeable previous years

Rome, 29 March 2010 – Today's meeting of the Board of Directors of ACEA SpA, chaired by Giancarlo Cremonesi, has approved the separate and consolidated financial statements for the year ended 31 December 2009, and the Report on Corporate Governance and the Ownership Structure.

The Board has also fixed the date of the Annual General Meeting (AGM), to be held in first call on 29 April 2010 and in second call on 30 April 2010, to approve the financial statements.

Ordinary activities

Under extremely demanding market conditions, and despite the difficulties during the year (the change in senior management and the evolution of the relationship with the Group's French partner), the Acea Group achieved a positive performance. The results from ordinary activities confirm the positive contribution of all the Acea Group's areas of business, which registered a significant improvement compared with the already brilliant results of 2008.

The only contrasting note is provided by the negative performance of the unregulated operations of the energy segment, primarily due to declines in energy consumption and prices as a result of the economic crisis.

EBITDA

EBITDA is substantially in line with the previous year. After adjusting for non-recurring items, EBITDA is down 33.5 million euros (5.4%), almost entirely as a result of the performance of the above energy segment (a loss of 24.7 million euros) and payouts to members of the previous management team on leaving the Group (6.7 million euros).

EBIT and net loss for the year

The Group's EBIT and net loss reflect the significant and unexpected economic impact equal to 78.8 million euros, in addition to a series of non-recurring events such as: increased depreciation (up 21.6 million euros) connected to the rise in capital spending (up 100.8 million euros, largely due to investment held over from 2008), increased provisions for bad debts (up 15.9 million euros), and greater provisions (up 102.1 million euros) needed to take account of revised estimates of



liabilities linked to unforeseeable events in previous years. The latter include 36.0 million euros relating to the tax audit of the 2005 and 2006 tax years, 25.0 million euros deriving from cancellation of the resolution regarding the tariff review for the ATO5-Frosinone area in 2007, and 14.9 million euros regarding legal liabilities.

| (€m) | 2008 (A) | 2009 (B) | % inc./(dec.) (B/A) |
|---|-------------|----------------|------------------------|
| Consolidated revenue | 3,144.0 | 2,954.3 | -6.0% |
| EBITDA | 623.5 | 563.9 | -9.6% |
| EBIT | 385.0 | 185.9 | -51.7% |
| Profit/(Loss) before tax | 295.6 | 100.9 | -65.9% |
| Net profit/(loss) from continuing operations | 191.3 | (46.9) | -124.5% |
| Net profit from discontinued operations * | 0.5 | 0 | n/s |
| Group net profit/(loss) (after minority interests) | 186.3 | (52.5) | -128.2% |

* Acea Luce was sold on 1 October 2008.

| (€m) | 2008 | 2009 |
|-------------------|-------|--------------|
| Investment | 417.3 | 518.1 |

| (€m) | 31 Dec 2008 | 30 Sept 2009 | 31 Dec 2009 |
|-----------------------------|-------------|--------------|-------------|
| Net debt | 1,633.3 | 2,107.6 | 2,177.0 |
| Shareholders' equity | 1,444.5 | 1,314.5 | 1,286.9 |
| Invested capital | 3,077.8 | 3,422.1 | 3,463.9 |

ACEA GROUP'S RESULTS FOR 2009

Consolidated revenue totals 2,954.3 million euros (3,144.0 million euros in 2008). The decline is essentially due to the performance of the joint venture with Gas de France Suez, partly reflecting reduced electricity output, due to plant shutdowns, and reductions in electricity consumption and prices.

Staff costs have risen from the 249.5 million euros of 2008 to 286.4 million euros in 2009. The figure for 2008 included the positive impact of the reduction in the estimated liability relating to subsidised tariffs for staff (9.8 million euros).

Consolidated **EBITDA** is 563.9 million euros (623.5 million euros in 2008), marking a decrease of 59.6 million euros (down 9.6%) on 2008.

EBITDA for 2008 benefitted from non-recurring income of 26.1 million euros, including:

- 16.3 million euros regarding adjustment of the carrying amount of the liabilities recognised by Acea ATO2 in respect of income deriving from connection fees;
- 9.8 million euros linked to the reduction in the liability for charges relating to subsidised tariffs for staff;

After stripping out the above 26.1 million euros relating to the above non-recurring items, the **reduction in EBITDA** substantially amounts to **33.5 million euros**.



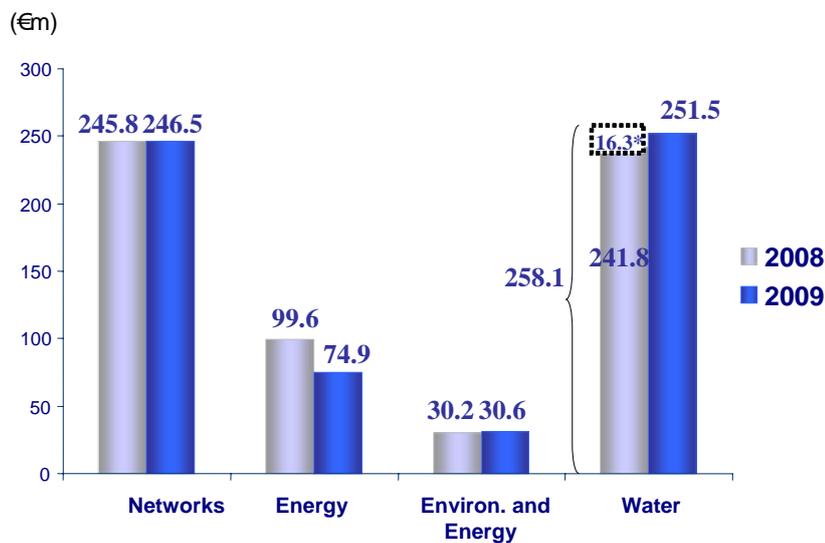
The joint venture's EBITDA is down 24.7 million euros (24.8%) from 99.6 million euros in 2008 to 74.9 million euros in 2009.

The decline in EBITDA, amounting to 8.8 million euros, is essentially due to the above payouts to members of the previous management team on leaving the Group (6.7 million euros).

Acea's other areas of business continued the positive performances of 2008, despite the enormous difficulties encountered in what proved to be a very demanding 2009. These difficulties essentially regarded:

- external factors: a deterioration in the macroeconomic environment (for example, the reduction in GDP), resulting in a downturn in all sectors of the economy and, among other things, a consequent weakening of demand for goods, services and energy;
- internal factors: the departure of the senior management team in March 2009 and in the context of the evolution of the relationship with the partner Gas de France Suez.

The following graph shows the contribution to EBITDA of Acea's various operating segments.



** Adjustment for Acea ATO2 of the carrying amount of the liabilities recognised in respect of income deriving from connection fees*

The EBITDA margin for 2009 is 19.1% (19.8% for 2008).

Contributions to total EBITDA (the overall margins achieved by the different businesses) are as follows:

- Water 42% (40% in 2008);
- Networks 41% (39% in 2008);
- Energy 12% (16% in 2008);
- Environment and Energy 5% (5% in 2008).

The Group's consolidated **EBIT** is 185.9 million euros, compared with 385.0 million euros in 2008. In addition to the decline in EBITDA, this result is influenced by:



- increased depreciation (up 21.6 million euros), as a result of a rise in capital spending (up 100.8 million euros on 2008). This largely reflects investment held over from 2008 and needed to keep pace with the evolution of tariffs;
- increased impairment charges (up 15.9 million euros) in the Energy and Water segments and at the Parent Company;
- greater provisions needed to take account of revised estimates of tax and/or legal liabilities deriving from unforeseeable events in previous years (36.0 million euros relating to the tax audit of the 2005 and 2006 tax years, and 39.9 million euros for sundry liabilities).

As a result, **profit before tax** amounts to 100.9 million euros, compared with 295.6 million euros for 2008.

The **Group net loss**, after minority interests, amounts to 52.5 million euros (a profit of 186.3 million euros in 2008).

The above result for 2009 reflects a charge of 78.9 million euros, after use of the related provisions amounting to 31 million euros, relating to the recovery of aid received in the form of the so-called "tax moratorium".

The normalised tax rate for the year, after adjusting for non-recurring items, is 42.9%, compared with 42.3% for 2008.

The Group's **investment** totalled 518.1 million euros in 2009, marking an increase of 100.8 million euros on 2008 (much of this increase was due to investment held over from 2008), and breaks down as follows:

- Networks: 187.9 million euros (36% of the total);
- Water: 177.4 million euros (34% of the total);
- Environment and Energy: 89.4 million euros (17% of the total);
- Energy: 39.8 million euros (8% of the total);
- Parent Company: 23.6 million euros (5% of the total).

Net debt of 2,177.0 million euros (compares with 2,107.6 million euros at 30 September 2009 and 1,633.3 million euros at 31 December 2008).

The increase with respect to 31 December 2008 reflects, among other things:

- the change in the basis of consolidation (Intesa Aretina and Nuove Acque, accounting for 8.3 million euros);
- the charge relating to the so-called "tax moratorium" (109.9 million euros);
- the increase in investment (up 100.8 million euros);
- the payment of dividends for 2008 (approximately 140 million euros).

Working capital is up 126.3 million euros compared with 2008.

At 31 December 2009 the Group's gearing (the ratio of net debt to invested capital) stands at 62.8% (53.1% at the end of 2008).

The net debt to EBITDA ratio is up from 2.62 times at 31 December 2008 to 3.86 times at 31 December 2009.



In view of the continuing macroeconomic uncertainty and the increase in the Acea Group's net debt, in part due to the significant charges incurred in relation to the so-called "tax moratorium", at the AGM to be held on 29 and 30 April 2010 (in first and second call) the Board of Directors intends to propose that no dividend be paid for 2009.

SEGMENT INFORMATION FOR 2009

Water

EBITDA for the Water segment is down from 258.1 million euros in 2008 to 251.5 million euros in 2009. The figure for 2008 reflected the positive impact of the revised accounting treatment of the connection fees collected by Acea ATO2 (16.3 million euros). After adjusting for this non-recurring item, EBITDA for the Water segment is up 4.0%.

At 31 December 2009, the volumes of water invoiced by ATO2 – Central Lazio had reached 455.6 million cubic metres (455.3 million cubic metres in 2008), whilst the other areas of operation report a figure of 314.0 million cubic metres (311.6 million cubic metres in 2008).

Networks

EBITDA for the Networks segment is substantially in line with the figure for 2008 at 246.5 million euros.

At 31 December 2009, the amount of electricity injected into the network totals 11,982.9 GWh (12,012.5 GWh in 2008), broken down as follows:

- enhanced protection market: 4,917.9 GWh (5,311.3 GWh in 2008);
- free and safeguarded electricity markets: 7,065.0 GWh (6,701.2 GWh in 2008).

Energy

EBITDA for the Energy segment is down 24.8% to 74.9 million euros, largely reflecting the deterioration in the macroeconomic environment. This breaks down as follows:

- Generation: EBITDA of 67.6 million euros (86.4 million euros in 2008).
Electricity output amounts to 15,508.2 GWh (including 717.1 GWh from hydroelectric plants, 14,714.6 GWh from thermoelectric plants and 76.5 GWh from wind farms), marking a reduction of 10.9% on the 17,397.2 GWh of 2008.
- Sales: EBITDA of 7.3 million euros (13.2 million euros in 2008).
Electricity sales amount to 17,056.5 GWh (down 2.0% on the 17,406.1 GWh of 2008), broken down as follows:
 - enhanced protection market: 4,506.1 GWh (down 8.1% on the 4,903.2 GWh of 2008);
 - free and safeguarded electricity markets: 12,550.4 GWh (up 0.4% on the 12,502.9 GWh of 2008).

Environment and Energy

The Environment and Energy segment contributed 30.6 million euros to the Group's EBITDA (in line with the result for 2008, totalling 30.2 million euros).



The San Vittore and Terni plants sold 140,747 MWh of electricity (143,050 MWh in 2008).

EVENTS AFTER 31 DECEMBER 2009 AND OUTLOOK

On 17 February Acea's Board of Directors granted joint powers to the Chairman and Chief Executive Officer to resolve the dispute with the GdF Suez group by arbitration.

On 18 February Acea signed the documentation regarding the issue of bonds with a value of 20 billion Japanese yen and with a term to maturity of 15 years. The bonds, which are linked to hedges with a value of approximately 160 million euros, have been bought by a single investor.

On 9 March Acea successfully completed a 10-year fixed-rate Eurobond issue worth 500 million euros, placed exclusively with institutional investors. The main characteristics are as follows: a minimum denomination of 50 thousand euros, maturity 16 March 2020, a gross annual coupon of 4.5%, an issue price 99.779 and an effective gross yield to maturity 4.528% (equal to a yield 120 basis points above the reference rate). The Acea Group has thus equipped itself with an extremely solid financial structure for the years to come, given that its entire debt is now long-term, covering 100% of fixed assets in 2012

On 22 March the General Meeting of shareholders approved an amendment to art. 15 of the Articles of Association, changing the procedure for electing Directors (with reference to lists other than those put forward by the "Majority").

* * *

The result from the ordinary activities of the Acea Group's various areas of business in 2009 is in line with the previous year, enabling it, despite the economic crisis, to reach all the targets in the Group's Business Plan, with the exception of the activities of the energy segment, which were also affected by the economic downturn.

Acea thus believes it essential to reach a rapid resolution of the dispute with GdF Suez, if necessary by recourse to international arbitration, and put the venture on the best possible footing to develop its business.

Acea confirms its significant investment programme for 2010, totalling approximately 500 million euros, and allocated as follows:

- 40% for the Water business, in order to enable the expected evolution of tariffs to take place;
- 20% for electricity distribution, to guarantee ongoing improvements in service quality and continuity;
- 25% for the Environment and Energy business, to boost waste to energy capacity and increase the capacity to treat sludge from waste water treatment and process biomass and special waste;



- 15% for the development of renewable energies (wind, solar power and cogeneration).

The Group is committed to consolidating its leadership in the Water sector and is ready to take advantage any opportunities that may arise as a result of application of the so-called "Ronchi" Decree.

The investment programme for the Distribution business is in line with the projects set out in the Regulatory Plan. This includes completion of the plan to install smart digital meters by 2011. New technological solutions are also being trialled with a view to boosting the energy efficiency of public lighting systems.

New solar power plants, capable of producing approximately 10 MW of energy for final customers, are expected to enter service in 2010.

The Company confirms its intention to take part in the upcoming auction of the concession to operate the gas distribution network in Rome, which could result in significant operating synergies.

The Company's financial restructuring was completed in March 2010, with the new 500 million euro bond issue referred to above. 80% of debt is fixed rate, thereby protecting the Company from rises in interest rates and any future financial and credit market volatility. Acea has also recently negotiated new three-year committed lines of credit with a number of major banks. This gives us access to 500 million euros in credit from banks, in addition to short-term lines of credit of over 1 billion euros available to the Group, providing Acea with further liquidity of over 1.5 billion euros.

CALL TO THE AGM

Acea SpA's Board of Directors has fixed the date of the AGM, to be held in first call on 29 April 2010 and in second call on 30 April 2010. The Meeting Agenda will include approval of the separate financial statements for the year ended 31 December 2009, acknowledgement of the consolidated financial statements and the attached reports, election of the Board of Directors and Board of Statutory Auditors, and related and resulting resolutions.

As noted above, the Board will propose not to pay a dividend for 2009.

The following schedules are attached:

- CONSOLIDATED ACCOUNTS – BALANCE SHEET AT 31 DEC 2009, INCOME STATEMENT FOR THE YEAR ENDED 31 DEC 2009, STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DEC 2009, CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DEC 2009, THE ANALYSIS OF NET DEBT AT 31 DEC 2009 AND THE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY.
- ACEA SPA - BALANCE SHEET AT 31 DEC 2009, INCOME STATEMENT FOR THE YEAR ENDED 31 DEC 2009, STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DEC 2009, CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DEC 2009 AND THE ANALYSIS OF NET DEBT AT 31 DEC 2009.

A conference call will be held at 10.00am (Italian time) on Tuesday, 30 March 2010 in order to illustrate the results for the year ended 31 December 2009.



To coincide with the start of the conference call, back-up material will be made available at www.aceaspa.it.

The Executive Responsible for Financial Reporting, Giovanni Barberis, 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.

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CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2009

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| ASSETS | 31 December 2009 | 31 December 2008 | Increase/ (Decrease) |
|--|------------------|------------------|-------------------------|
| Property, plant and equipment | 3,192,647 | 2,907,710 | 284,937 |
| Investment property | 3,347 | 3,487 | (139) |
| Goodwill | 84,312 | 77,186 | 7,126 |
| Concessions | 273,410 | 289,957 | (16,548) |
| Other intangible assets | 81,897 | 56,377 | 25,520 |
| Investments in subsidiaries and associates | 28,250 | 25,556 | 2,694 |
| Other investments | 6,149 | 6,155 | (6) |
| Deferred tax assets | 237,086 | 214,835 | 22,252 |
| Financial assets | 20,244 | 30,294 | (10,050) |
| Other assets | 11,993 | 13,808 | (1,815) |
| NON-CURRENT ASSETS | 3,939,336 | 3,625,365 | 313,972 |
| Non-current assets held for sale | 0 | 0 | 0 |
| Inventories | 66,437 | 76,572 | (10,135) |
| Trade receivables | 1,234,173 | 1,261,764 | (27,591) |
| Other current assets | 128,231 | 111,601 | 16,630 |
| Current financial assets | 342,779 | 213,736 | 129,043 |
| Current tax assets | 101,996 | 72,826 | 29,169 |
| Cash and cash equivalents | 102,258 | 212,060 | (109,802) |
| CURRENT ASSETS | 1,975,874 | 1,948,559 | 27,314 |
| TOTAL ASSETS | 5,915,210 | 5,573,924 | 341,286 |
| LIABILITIES AND EQUITY | 31 December 2009 | 31 December 2008 | Increase/ (Decrease) |
| Equity | | | |
| share capital | 1,098,899 | 1,098,899 | 0 |
| legal reserve | 107,096 | 98,762 | 8,334 |
| other reserves | (242,224) | (179,104) | (63,120) |
| retained earnings/(accumulated losses) | 304,043 | 172,342 | 131,701 |
| net profit/(loss) for the year | (52,492) | 186,285 | (238,777) |
| Total equity attributable to shareholders of the Parent | 1,215,323 | 1,377,184 | (161,861) |
| Minority interests | 71,581 | 67,279 | 4,302 |
| Total shareholders' equity | 1,286,903 | 1,444,463 | (157,560) |
| Staff termination benefits and other defined-benefit obligations | 123,297 | 127,588 | (4,291) |
| Provisions for liabilities and charges | 211,232 | 161,503 | 49,729 |
| Borrowings and financial liabilities | 1,839,586 | 1,708,037 | 131,549 |
| Other liabilities | 203,051 | 187,522 | 15,529 |
| Deferred tax liabilities | 89,431 | 86,198 | 3,233 |
| NON-CURRENT LIABILITIES | 2,466,598 | 2,270,848 | 195,749 |
| Non-current liabilities held for sale | 0 | 0 | 0 |
| Trade payables | 1,028,661 | 1,055,798 | (27,137) |
| Other current liabilities | 260,796 | 356,817 | (96,021) |
| Borrowings | 802,696 | 381,344 | 421,352 |
| Tax liabilities | 69,556 | 64,653 | 4,903 |
| CURRENT LIABILITIES | 2,161,709 | 1,858,612 | 303,096 |
| TOTAL LIABILITIES AND EQUITY | 5,915,210 | 5,573,924 | 341,286 |



**CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED
31 DECEMBER 2009**

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| | 2009 | 2008 | Increase/ (Decrease) |
|---|------------------|------------------|-------------------------|
| Sales and service revenues | 2,883,320 | 3,056,181 | (172,862) |
| Other operating income | 70,976 | 87,797 | (16,821) |
| Consolidated net revenue | 2,954,296 | 3,143,978 | (189,683) |
| Staff costs | 286,416 | 249,450 | 36,966 |
| Cost of materials and overheads | 2,106,173 | 2,268,457 | (162,284) |
| Total operating costs | 2,392,589 | 2,517,907 | (125,318) |
| Net profit/(loss) from commodity risk management | 2,238 | (2,617) | 4,855 |
| Gross operating profit | 563,944 | 623,454 | (59,510) |
| Amortisation, depreciation, provisions and impairment charges | 378,088 | 238,415 | 139,673 |
| Operating profit/(loss) | 185,856 | 385,039 | (199,183) |
| Finance (costs)/income | (85,806) | (89,345) | 3,539 |
| Ordinary finance (costs)/income | (85,806) | (93,955) | 8,149 |
| Exceptional finance (costs)/income | 0 | 4,610 | (4,610) |
| Profit/(loss) on investments | 819 | (88) | 907 |
| Profit/(loss) before tax | 100,869 | 295,606 | (194,737) |
| Taxation | 147,802 | 104,356 | 43,446 |
| Net profit/(loss) from continuing operations | (46,932) | 191,250 | (238,182) |
| Net profit/(loss) from discontinued operations | 0 | 598 | (598) |
| Net profit/(loss) for the year | (46,932) | 191,848 | (238,781) |
| <i>Net profit/(loss) attributable to minority interests</i> | <i>5,560</i> | <i>5,564</i> | <i>(4)</i> |
| Net profit/(loss) attributable to shareholders of the Parent | (52,492) | 186,285 | (238,777) |



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMEBR 2009**

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| | 2009 | 2008 | Increase/ (Decrease) |
|---|-----------------|----------------|-------------------------|
| Net profit/(loss) | (46,932) | 191,848 | (238,781) |
| Gains/(Losses) from translation of financial statements of foreign operations | 116 | 945 | (829) |
| Gains/(Losses) from measurement of available-for-sale financial assets | 0 | 0 | 0 |
| Gains/(Losses) from effective portion of hedging instruments | 43,731 | (57,203) | 100,934 |
| Actuarial gains/(losses) on provisions for defined-benefit pension plans | 0 | | 0 |
| Taxation | (14,573) | 15,435 | (30,008) |
| Total after-tax comprehensive income/(loss) | (17,658) | 151,026 | (168,683) |
| Total after-tax comprehensive income/(loss) attributable to: | | | |
| minority interests | 5,279 | 3,226 | 2,053 |
| shareholders of the Parent | (22,936) | 147,800 | (170,736) |



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

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| | 2009 | 2008 | Increase/ (Decrease) |
|--|------------------|------------------|-------------------------|
| Cash and cash equivalents at beginning of year | 212,060 | 93,201 | 118,859 |
| Cash flows from operating activities before movements in working capital | 339,898 | 553,984 | (214,086) |
| Movement in working capital | (120,119) | (33,118) | (87,000) |
| <u>Cash flow from/(for) operating activities</u> | <u>219,780</u> | <u>520,866</u> | <u>(301,086)</u> |
| <u>Cash flow from/(for) investing activities</u> | <u>(625,486)</u> | <u>(283,954)</u> | <u>(341,532)</u> |
| <u>Cash flow from/(for) financing activities</u> | <u>295,904</u> | <u>(118,052)</u> | <u>413,956</u> |
| <u>Net increase/(decrease) in cash and cash equivalents</u> | <u>(109,802)</u> | <u>118,860</u> | <u>(228,662)</u> |
| Cash and cash equivalents at end of year | 102,258 | 212,061 | (109,803) |

ANALYSIS OF CONSOLIDATED NET DEBT AT 31 DECEMBER 2009

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| | 31 December 2009 | 31 December 2008 | Increase/ (Decrease) |
|--|--------------------|--------------------|-------------------------|
| Non-current financial assets/(liabilities) | 15,469 | 26,009 | (10,539) |
| Intercompany non-current financial assets/(liabilities) | 4,775 | 4,286 | 490 |
| Non-current borrowings and financial liabilities | (1,839,586) | (1,708,037) | (131,549) |
| Net medium/long-term debt | (1,819,342) | (1,677,743) | (141,599) |
| Cash and cash equivalents and securities | 102,343 | 212,176 | (109,833) |
| Short-term bank borrowings | (651,202) | (199,675) | (451,528) |
| Current financial assets/(liabilities) | 77,743 | (42,920) | 120,663 |
| Intercompany current financial assets/(liabilities) | 127,544 | 85,793 | 41,751 |
| Financial assets/(liabilities) deriving from valuation of derivative instruments | (14,086) | (10,921) | (3,164) |
| Net short-term debt | (357,658) | 44,453 | (402,111) |
| Total net debt | (2,177,000) | (1,633,290) | (543,710) |



STATEMENT OF CHANGES IN EQUITY

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| | Share capital | Legal reserve | Other reserves | Net profit/(loss) for the year | Total | Minority interests | Total equity |
|---|---------------|---------------|----------------|--------------------------------|-----------|--------------------|--------------|
| Balance at 31 December 2008 | 1,098,899 | 98,762 | (6,762) | 186,285 | 1,377,184 | 67,279 | 1,444,463 |
| Dividends paid | | | (94,130) | (45,513) | (139,644) | (1,645) | (141,289) |
| Other reserves /Retained earnings | | 8,334 | 132,438 | (140,771) | 0 | 668 | 668 |
| Change in basis of consolidation | | | 1,000 | | 1,000 | | 1,000 |
| Net profit/(loss) in income statement | | | | (52,492) | (52,492) | 5,560 | (46,932) |
| Gains/(Losses) on cash flow hedges in statement of comprehensive income | | | | 29,439 | 29,158 | (281) | 28,877 |
| Gains/(Losses) from translation of financial statements of foreign operations in statement of comprehensive income | | | | 116 | 116 | | 116 |
| Total comprehensive income/(loss) | | 8,334 | 39,307 | (22,936) | (161,861) | 4,302 | (157,560) |
| Balance at 31 December 2009 | 1,098,899 | 107,096 | 32,545 | (22,936) | 1,215,323 | 71,581 | 1,286,903 |



BALANCE SHEET OF ACEA SPA AT 31 DECEMBER 2009

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| ASSETS | 31 December 2009 | 31 December 2008 | Increase/ (Decrease) |
|--|-------------------------|-------------------------|---------------------------------|
| Property, plant and equipment | 126,662 | 117,063 | 9,599 |
| Investment property | 3,347 | 3,487 | (139) |
| Goodwill | 0 | 0 | 0 |
| Concessions | 0 | 0 | 0 |
| Other intangible assets | 10,200 | 9,612 | 589 |
| Investments in subsidiaries and associates | 1,650,869 | 1,650,261 | 608 |
| Other investments | 6,054 | 6,054 | 0 |
| Deferred tax assets | 14,091 | 10,999 | 3,092 |
| Financial assets | 114,143 | 58,012 | 56,130 |
| Other non-current assets | 726 | 810 | (84) |
| NON-CURRENT ASSETS | 1,926,092 | 1,856,298 | 69,794 |
| Non-current assets held for sale | 0 | 0 | 0 |
| Inventories | 0 | (0) | 0 |
| Trade receivables | 37,768 | 56,592 | (18,825) |
| Intercompany trade receivables | 110,547 | 150,511 | (39,964) |
| Other current assets | 6,585 | 13,878 | (7,294) |
| Current financial assets | 166,643 | 38,746 | 127,896 |
| Intercompany current financial assets | 970,571 | 751,259 | 219,312 |
| Current tax assets | 79,914 | 16,351 | 63,563 |
| Cash and cash equivalents | 43,818 | 153,424 | (109,606) |
| CURRENT ASSETS | 1,415,844 | 1,180,761 | 235,083 |
| Current assets held for sale | 0 | 0 | 0 |
| TOTAL ASSETS | 3,341,936 | 3,037,059 | 304,877 |

| LIABILITIES AND EQUITY | 31 December 2009 | 31 December 2008 | Increase/ (Decrease) |
|--|-------------------------|-------------------------|---------------------------------|
| Equity | | | |
| share capital | 1,098,899 | 1,098,899 | 0 |
| legal reserve | 67,228 | 64,812 | 2,416 |
| reserve for treasury shares | 0 | 0 | 0 |
| other reserves | 211,369 | 306,111 | (94,743) |
| retained earnings (accumulated losses) | 533 | 259 | 274 |
| net profit/(loss) for the year | (53,622) | 48,321 | (101,943) |
| Total equity | 1,324,407 | 1,518,402 | (193,995) |
| Staff termination benefits and other defined-benefit obligations | 26,217 | 28,835 | (2,618) |
| Provisions for liabilities and charges | 66,571 | 79,962 | (13,390) |
| Borrowings and financial liabilities | 1,125,759 | 991,847 | 133,912 |
| Other liabilities | 8,536 | 10,218 | (1,682) |
| Deferred tax liabilities | 2,499 | 1,476 | 1,024 |
| NON-CURRENT LIABILITIES | 1,229,583 | 1,112,338 | 117,245 |
| Non-current liabilities held for sale | 0 | 0 | 0 |
| Trade payables | 150,330 | 137,834 | 12,496 |
| Other current liabilities | 26,572 | 37,938 | (11,365) |
| Borrowings | 580,875 | 219,647 | 361,228 |
| Tax liabilities | 30,170 | 10,901 | 19,268 |
| CURRENT LIABILITIES | 787,947 | 406,320 | 381,627 |
| Current liabilities held for sale | 0 | 0 | 0 |
| TOTAL LIABILITIES AND EQUITY | 3,341,936 | 3,037,059 | 304,877 |



INCOME STATEMENT OF ACEA SPA FOR THE YEAR ENDED 31 DECEMBER 2009

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| | 2009 | 2008 | Increase/ (Decrease) |
|--|-----------------|-----------------|-------------------------|
| Sales and service revenues | 135,138 | 155,516 | (20,378) |
| Other operating income | 11,569 | 18,545 | (6,976) |
| Net revenue | 146,707 | 174,061 | (27,354) |
| Staff costs | 48,216 | 37,290 | 10,926 |
| Cost of materials and overheads | 125,190 | 133,275 | (8,085) |
| Operating costs | 173,406 | 170,566 | 2,840 |
| Gross operating profit | (26,699) | 3,495 | (30,194) |
| Amortisation, depreciation, provisions and impairment charges | 70,876 | 15,158 | 55,717 |
| Operating profit/(loss) | (97,575) | (11,663) | (85,912) |
| Finance (costs)/income | 115,215 | 128,448 | (13,233) |
| <i>Ordinary finance (costs)/income</i> | 115,215 | 123,838 | (8,623) |
| <i>Exceptional finance (costs)/income</i> | - | 4,610 | (4,610) |
| Profit/(loss) on investments | (14,770) | (4,394) | (10,376) |
| Profit/(loss) before tax | 2,871 | 112,390 | (109,520) |
| Taxation | 56,493 | 64,070 | (7,577) |
| Net profit/(loss) from continuing operations | (53,622) | 48,321 | (101,943) |
| Net profit/(loss) from discontinued operations | 0 | 0 | 0 |
| Net profit/(loss) | (53,622) | 48,321 | (101,943) |



**STATEMENT OF COMPREHENSIVE INCOME OF ACEA SPA FOR THE YEAR ENDED
31 DECEMEBR 2009**

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| | 2009 | 2008 | Increase/ (Decrease) |
|--|-----------------|---------------|-------------------------|
| Net profit/(loss) | (53,622) | 48,321 | (101,943) |
| Gains/(Losses) from measurement of available-for-sale financial assets | 0 | 0 | 0 |
| Gains/(Losses) from effective portion of hedging instruments | (1,006) | (6,780) | 5,774 |
| Actuarial gains/(losses) on provisions for defined-benefit pension plans | 0 | 0 | 0 |
| Taxation | 277 | 1,865 | (1,588) |
| Total after-tax comprehensive income/(loss) | (54,351) | 43,405 | (97,756) |



CASH FLOW STATEMENT OF ACEA SPA FOR THE YEAR ENDED 31 DECEMBER 2009

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| | 2009 | 2008 | Increase/ (Decrease) |
|--|-----------|-----------|-------------------------|
| Cash and cash equivalents at beginning of year | 153,424 | 59,763 | 93,661 |
| Cash flows from operating activities before movements in working capital | (225,260) | (94,335) | (130,925) |
| Movement in working capital | 80,777 | (16,965) | 97,742 |
| <u>Cash flow from/(for) operating activities</u> | (144,483) | (111,300) | (33,183) |
| <u>Cash flow from/(for) investing activities</u> | (273,428) | 158,887 | (432,315) |
| <u>Cash flow from/(for) financing activities</u> | 308,304 | 46,073 | 262,231 |
| <u>Net increase/(decrease) in cash and cash equivalents</u> | (109,606) | 93,660 | (203,267) |
| Cash and cash equivalents at end of year | 43,818 | 153,424 | (109,606) |

ANALYSIS OF ACEA SPA'S NET DEBT AT 31 DECEMBER 2009

€000

| | 31 December 2009 | 31 December 2008 | Increase/ (Decrease) |
|--|--------------------|------------------|-------------------------|
| Non-current financial assets/(liabilities) | 256 | 256 | 0 |
| Intercompany non-current financial assets/(liabilities) | 113,887 | 57,757 | 56,130 |
| Non-current borrowings and financial liabilities | (1,125,759) | (991,847) | (133,912) |
| Net medium/long-term debt | (1,011,616) | (933,834) | (77,782) |
| Cash and cash equivalents and securities | 43,818 | 153,424 | (109,606) |
| Short-term bank borrowings | (542,201) | (112,825) | (429,376) |
| Current financial assets/(liabilities) | 166,027 | 37,636 | 128,391 |
| Intercompany current financial assets/(liabilities) | 940,299 | 652,327 | 287,972 |
| Financial assets/(liabilities) deriving from valuation of derivative instruments | (7,786) | (6,780) | (1,006) |
| Net short-term debt | 600,156 | 723,782 | (123,626) |
| Total net debt | (411,460) | (210,052) | (201,408) |