PRESS RELEASE

ACEA: BOARD APPROVES RESULTS FOR H1 2010

Acea Group results:

- **Consolidated revenue: 1,581.4 million euros (up 7.4%)**
- **EBITDA: 321.1 million euros (up 19.2%)**
- **EBIT: 167.8 million euros (up 24.1%)**
- **Net profit: 82.9 million euros (up 52.1%)**

Rome, 27 July 2010 – The Board of Directors of ACEA SpA, chaired by Giancarlo Cremonesi, has approved the interim report for the six months ended 30 June 2010 (H1 2010).

The Acea Group saw a significant improvement in its operating results and financial position in the first six months of the current year, thanks in part to the steps to boost operating efficiency and protect margins. These results, which confirm the growth registered in the first quarter, reflect the performances of all areas of business and, in particular, the growth recorded by the Energy and Water segments.

(€m)	**H1 2009** *(restated)** (A)	**H1 2010** (B)	**% inc./(dec.)** (B/A)
Consolidated revenue	1,472.7	**1,581.4**	**+7.4%**
EBITDA	269.3	**321.1**	**+19.2%**
EBIT	135.2	**167.8**	**+24.1%**
Profit/(Loss) before tax	96.6	**117.9**	**+22.0%**
Group net profit/(loss) (after minority interests)	54.5	**82.9**	**+52.1%**

(€m)	**H1 2009**	**H1 2010**
Investment	186.3	**197.3**

(€m)	**30 June 2009** *(restated)**	**31 Dec 2009** *(restated)**	**31 Mar 2010**	**30 June 2010**
Net debt	1,978.0	2,145.9	2,294.4	2,212.3
Shareholders' equity	1,374.4	1,285.6	1,315.1	1,354.3
Invested capital	3,352.4	3,431.5	3,609.5	3,566.6

** Retrospective application of IFRIC 12, governing the accounting treatment of service concession arrangements, from 1 January 2010.*

RESULTS FOR H1 2010

Consolidated revenue of 1,581.4 million euros is up 7.4% on the 1,472.7 million euros of the first six months of 2009.

Staff costs of 139.4 million euros are down 10.5 million euros (the figure for H1 2009 included 6.8 million euros in non-recurring items).

Consolidated **EBITDA** of 321.1 million euros is up 51.8 million euros (19.2%) on the figure for H1 2009. The positive performance primarily reflects:

- improved margins on electricity sales and trading;
- the tariff increase applied by Acea ATO2 and first-time consolidation of Nuove Acque;
- reduced operating costs at Acea ATO2 and Acea Distribuzione;
- an improvement in earnings from solar power.

Consolidated **EBIT** of 167.8 million euros compares with 135.2 million euros in H1 2009, marking an improvement of 24.1%.

Consolidated net profit, after minority interests, is up from the 54.5 million euros of H1 2009 to 82.9 million euros in H1 2010 (up 52.1%). The increase was partly influenced by reduced tax expense for the period: tax breaks for new investments eligible pursuant to "Tremonti *ter*" legislation and the deduction of interest payments on the so-called "tax moratorium". After adjusting for these elements, the tax rate for the period is 42.0%, compared with 43.5% for H1 2009 (after also adjusting for extraordinary items).

The Group's **investment** in H1 2010 amounts to 197.3 million euros, compared with 186.3 million euros in H1 2009. A breakdown is as follows:
- Water: 84.4 million euros (43% of the total);
- Networks: 73.0 million euros (37%);
- Environment and Energy: 21.1 million euros (11%);
- Energy: 12.6 million euros (6%);
- Parent Company: 6.2 million euros (3%).

Net debt at 30 June 2010 stands at 2,212.3 million euros (2,294.4 million euros at 31 March 2010 and 2,145.9 million euros at the end of 2009). The improvement in the second quarter with respect to 31 March 2010 is due to a reduction in working capital, whilst the increase with respect to 31 December 2009 essentially reflects the need to finance investment.

SEGMENT INFORMATION FOR H1 2010

Water
The Water segment reports EBITDA up 11.6% to 142.0 million euros.
The volumes of water billed by ATO2 – Central Lazio amount to 207 million cubic metres (208 million in H1 2009), whilst the other areas of operation report a figure of 171 million cubic metres (162 million in H1 2009).

Networks
EBITDA for the Networks segment is up 4.3% to 117.1 million euros.
The amount of electricity injected into the network totals 5,817 GWh (5,826 GWh in H1 2009).

Energy
The Energy segment reports EBITDA of 66.0 million euros, marking an increase of 103.7%. The figure breaks down as follows:
- Generation: EBITDA of 35.1 million euros (38.6 million euros in H1 2009). Electricity output amounts to 8,292 GWh (including 423 GWh from hydroelectric plants, 7,825 GWh from thermoelectric plants and 44 GWh from wind farms), compared with 7,036 GWh in H1 2009.
- Sales and Trading: EBITDA of 30.9 million euros (negative EBITDA 6.2 million euros in H1 2009). Electricity sales amount to 9,396 GWh (up 12.7% on the 8,334 GWh of H1 2009), broken down as follows:
  - enhanced protection market: 2,012 GWh (2,309 GWh in H1 2009);
  - free market: 7,384 GWh (6,025 GWh in H1 2009

Environment and Energy
The Environment and Energy segment contributed 15.4 million euros to the Group's EBITDA (slightly down on the result for H1 2009, totalling 16.7 million euros). The San Vittore and Terni plants sold 70,663 MWh of electricity (71,940 MWh in H1 2009).

OUTLOOK

The results for H1 2010 are in line with expectations and the Business Plan presented to the market last October.

New solar power plants are scheduled to enter service in 2010, producing approximately 10 MW for sale to final customers.

In an effort to contain net working capital, the Group is taking action to improve the recovery of trade receivables. This has already had an initial impact and should result in significant benefits in the second half.

The Group's financial structure is extremely solid, given that all its debt is long-term in nature, covering 100% of fixed assets to 2012. As a result, the ratings agencies, Standard & Poor's and Fitch, have confirmed Acea's "A" rating, one of the highest in its sector.

The Company confirms its intention to take part in the approaching auction of the concession for the gas distribution network in Rome, which could lead to significant operating synergies and a resulting improvement in overall margins.

Acea confirms that talks with its partner, GdF Suez, are continuing, with the aim of resolving the dispute.

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At the same meeting, the Board of Directors approved the amendment to the regulations governing the Remuneration Committee, raising the number of members from 3 to 4. At the same time, the Board elected the Director, Andrea Peruzy as the additional member of the Committee. The other members are Paolo di Benedetto, Jean-Louis Chaussade and Luigi Pelaggi.

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In confirming that it has verified compliance with the independence requirements based on all the principles set out in the Corporate Governance Code and on the application criteria adopted by Acea, the Board of Directors has today decided to recall and amend the previous resolution passed by the Board of Directors on 27 March 2009 and, in order to ensure greater clarity of disclosure compared with the information contained in Section 4.6 of the Report on Corporate Governance and the Ownership Structure for 2009 and on the Company's website under "Independence criteria for Directors and Statutory Auditors", has voted to make simple reference to art. 3 of the Corporate Governance Code relating to independence requirements.

The Board of Directors will, in any event, monitor Directors' compliance with the independence requirements pursuant to the provisions of the Corporate Governance Code

The following schedules are attached:
CONSOLIDATED ACCOUNTS – STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2010, INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010, CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010, ANALYSIS OF NET DEBT AT 30 JUNE 2010 AND STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY.

A conference call will be held at 11.00am (Italian time) on Wednesday, 28 July 2010 in order to illustrate the results for the six months ended 30 June 2010.
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 STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2010

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ASSETS	30 June 2010	31 Dec 2009 (restated)	Increase/ (Decrease)
Property, plant and equipment	2,203,150	2,173,238	29,912
Investment property	3,169	3,347	(178)
Goodwill	84,312	84,312	(0)
Concessions	1,312,273	1,273,055	39,218
Other intangible assets	75,566	73,024	2,541
Investments in subsidiaries and associates	28,700	28,250	449
Other investments	6,141	6,149	(8)
Deferred tax assets	269,848	240,026	29,822
Financial assets	20,886	20,244	642
Other assets	30,461	34,377	(3,916)
NON-CURRENT ASSETS	**4,034,506**	**3,936,023**	**98,483**
Non-current assets held for sale			**0**
Inventories	71,930	66,437	5,493
Trade receivables	1,261,699	1,207,881	53,817
Other current assets	117,498	128,231	(10,732)
Cash and cash equivalents	461,764	102,258	359,506
Current financial assets	263,268	373,888	(110,620)
Current tax assets	125,160	101,996	23,164
CURRENT ASSETS	**2,301,319**	**1,980,692**	**320,628**
TOTAL ASSETS	**6,335,826**	**5,916,715**	**419,111**

LIABILITIES AND EQUITY	30 June 2010	31 Dec 2009 (restated)	Increase/ (Decrease)
Equity			
share capital	1,098,899	1,098,899	(0)
legal reserve	111,725	107,096	4,629
other reserves	(228,497)	(242,224)	13,727
retained earnings/(accumulated losses)	218,301	303,972	(85,671)
net profit/(loss) for the period	82,948	(53,983)	136,931
Total equity attributable to owners of the Parent	**1,283,376**	**1,213,761**	**69,615**
Non-controlling interests	70,882	71,845	(963)
Total equity	**1,354,258**	**1,285,606**	**68,652**
Staff termination benefits and other defined-benefit obligations	118,583	123,297	(4,714)
Provisions for liabilities and charges	**160,126**	**211,232**	**(51,106)**
Borrowings and financial liabilities	2,507,945	1,853,672	654,273
Other liabilities	208,300	203,051	5,248
Deferred tax liabilities	98,638	92,665	5,973
NON-CURRENT LIABILITIES	**3,093,592**	**2,483,917**	**609,675**
Non-current liabilities held for sale			**0**
Trade payables	985,236	1,028,661	(43,425)
Other current liabilities	272,508	260,796	11,712
Borrowings	450,258	788,610	(338,353)
Tax liabilities	179,974	69,125	110,849
CURRENT LIABILITIES	**1,887,976**	**2,147,192**	**(259,216)**
TOTAL LIABILITIES AND EQUITY	**6,335,826**	**5,916,715**	**419,111**

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010

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	H1 2010	H1 2009 (restated)	Increase/ (Decrease)
Sales and service revenues	1,554,891	1,446,614	108,278
Other operating income	26,497	26,104	392
Consolidated net revenue	**1,581,388**	**1,472,718**	**108,670**
Staff costs	139,429	149,889	(10,460)
Cost of materials and overheads	1,130,740	1,052,194	78,547
Total operating costs	**1,270,169**	**1,202,082**	**68,087**
Net profit/(loss) from commodity risk management	**9,844**	**(1,340)**	**11,184**
Gross operating profit	**321,064**	**269,296**	**51,767**
Amortisation, depreciation, provisions and impairment charges	153,302	134,139	19,163
Operating profit/(loss)	**167,762**	**135,157**	**32,605**
Finance (costs)/income	(49,656)	(39,469)	(10,187)
Ordinary finance (costs)/income	(49,656)	(39,469)	(10,187)
Exceptional finance (costs)/income	0	0	0
Profit/(loss) on investments	(203)	946	(1,149)
Profit/(loss) before tax	**117,903**	**96,634**	**21,268**
Taxation	31,527	38,553	(7,025)
Net profit/(loss) from continuing operations	**86,375**	**58,082**	**28,294**
Net profit/(loss) from discontinued operations	0	0	0
Net profit/(loss) for the period	**86,375**	**58,082**	**28,294**
Net profit/(loss) attributable to non-controlling interests	*3,428*	*3,604*	*(176)*
Net profit/(loss) attributable to owners of the Parent	**82,948**	**54,478**	**28,470**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2010

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	H1 2010	H1 2009	Increase/ (Decrease)
Net profit/(loss)	**86,375**	**58,082**	**28,294**
Gains/(Losses) from translation of financial statements of foreign operations	(1,305)	161	(1,466)
Gains/(Losses) from measurement of available-for-sale financial assets	0	0	0
Gains/(Losses) from effective portion of hedging instruments	(16,620)	15,680	(32,301)
Actuarial gains/(losses) on provisions for defined-benefit pension plans	0		0
Taxation	4,987	(5,414)	10,401
Total after-tax comprehensive income/(loss)	**73,437**	**68,509**	**4,928**
Total after-tax comprehensive income/(loss) attributable to:			
non-controlling interests	**3,124**	**3,468**	**(344)**
owners of the Parent	**70,313**	**65,041**	**5,272**

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010

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	H1 2010	H1 2009 (restated)	Increase/ (Decrease)
Cash and cash equivalents at beginning of period	**102,258**	**212,060**	**(109,802)**
Cash flows from operating activities before movements in working capital	253,591	214,408	39,183
Movement in current assets/liabilities	(76,533)	(180,270)	103,737
Cash flow from/(for) operating activities	177,058	34,139	142,919
Cash flow from/(for) investing activities	(72,753)	(224,360)	151,607
Cash flow from/(for) financing activities	255,201	188,481	66,720
Net increase/(decrease) in cash and cash equivalents	359,506	(1,740)	361,247
Cash and cash equivalents at end of period	**461,765**	**210,320**	**251,445**

ANALYSIS OF NET DEBT AT 30 JUNE 2010

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€000	30 June 2010	31 Dec 2009 (restated)	Increase/ (Decrease)
Non-current financial assets/(liabilities)	16,059	15,469	590
Intercompany non-current financial assets/(liabilities)	4,828	4,775	53
Non-current borrowings and financial liabilities	(2,507,945)	(1,853,672)	(654,273)
Net medium/long-term debt	**(2,487,058)**	**(1,833,428)**	**(653,630)**
Cash and cash equivalents and securities	461,899	102,343	359,556
Short-term bank borrowings	(239,842)	(651,202)	411,360
Current financial assets/(liabilities)	(66,030)	108,852	(174,882)
Intercompany current financial assets/(liabilities)	118,748	127,544	(8,796)
Net short-term debt	**274,774**	**(312,463)**	**587,237**
Total net debt	**(2,212,284)**	**(2,145,891)**	**(66,393)**

STATEMENT OF CHANGES IN EQUITY

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€000	Share capital	Legal reserve	Other reserves	Net profit for the period	Total	Non-controlling interests	Total equity
Balance at 31 December 2009 (restated)	**1,098,899**	**107,096**	**32,474**	**(24,427)**	**1,213,761**	**71,845**	**1,285,606**
Other reserves /Retained earnings			(24,427)	24,427	0	402	402
					0		0
Net profit/(loss) in income statement				38,381	38,381	1,841	40,222
Gains/(Losses) on cash flow hedges in statement of comprehensive income				(14,003)	(14,003)	(290)	(14,293)
Gains/(Losses) from translation of financial statements of foreign operations in statement of comprehensive income				(651)	(651)		(651)
Balance at 31 March 2010	**1,098,899**	**107,096**	**8,047**	**23,727**	**1,237,487**	**73,798**	**1,311,286**
Dividends paid				0	0	(1,399)	(1,399)
Other reserves /Retained earnings		4,629	(4,629)	0	0		0
Change in basis of consolidation			(698)		(698)	(3,091)	(3,789)
Net profit/(loss) in income statement				44,567	44,567	1,586	46,153
Gains/(Losses) on cash flow hedges in statement of comprehensive income				2,674	2,674	(13)	2,660
Gains/(Losses) from translation of financial statements of foreign operations in statement of comprehensive income				(654)	(654)		(654)
Balance at 30 June 2010	**1,098,899**	**111,725**	**2,720**	**70,313**	**1,283,376**	**70,882**	**1,354,258**