PRESS RELEASE
ACEA: BOARD APPROVES RESULTS FOR H1 2011

Acea Group results:
- **Consolidated revenue: 1,607.3 million euros (1,483.0** million euros in H1 2010)**
- **EBITDA: 288.9 million euros (298.1** million euros in H1 2010)**
- **EBIT: 30.4 million euros (144.8** million euros in H1 2010)**
- **Net profit: 13.2 million euros (73.7** million euros for H1 2010)**

Rome, 29 July 2011 –The Board of Directors of ACEA SpA, chaired by Giancarlo Cremonesi, has approved the interim report for the six months ended 30 June 2011 (H1 2011).

Against a difficult macroeconomic backdrop that has led to a significant slowdown in the market, during the first half of 2011 Acea continued to deliver on the growth strategy set out in its Business Plan.
Among other things, the results reflect the impact of the unwinding of the joint venture with GdF Suez Energia Italia, completed on 31 March 2011, and the different method of consolidating Acquedotto del Fiora (the company that manages integrated water services in the ATO 6 Siena-Grosseto concession area).
In line with expectations, earnings for the first six months of the year were also influenced by provisions made necessary by the uncertainty surrounding recovery of amounts due under the tariff equalisation mechanism applicable to ATO5-Frosinone and Gori, in part following the outcome of the recent Referendum.
EBIT is down 82% as a result of the above provisions, amounting to 70 million euros.
After adjusting for the above changes, the Acea Group's EBITDA is down 3.1%.

(€m)	H1 2010 *(restated)** (A)	H1 2010 *pro forma*** *(B)*	H1 2011 (C)	Var. % (C/B)
Consolidated revenue	1,673.3	1,483.0	**1,607.3**	**+8.4%**
EBITDA	321.1	298.1	**288.9**	**-3.1%**
EBIT	167.8	144.8	**30.4**	**-79.0%**
Profit/(Loss) before tax	117.9	96.5	**29.3**	**-69.6%**
Group net profit/(loss) (after non-controlling interests)	82.9	73.7	**13.2**	**-82.1%**

(€m)	H1 2010	H1 2011
Investment	197.4	**183.7**

(€m)	30 June 2010	31 Dec 2010	31 Mar 2011	30 June 2011
Net debt	2,212.3	2,203.7	2,125.6	2,222.6
Equity	1,354.3	1,381.3	1,479.4	1,309.1
Invested capital	3,566.6	3,585.0	3,605.0	3,531.7

**   The figures reflect the method of applying IFRIC 12.*
*** Pro forma JV effect.*

ACEA GROUP'S RESULTS FOR H1 2011

Consolidated revenue of 1,607.3 million euros compares with the 1,673.3 million euros of the first six months of 2010.

Consolidated EBITDA, totalling 288.9 million euros, is down 32.2 million euros on the figure for the first half of 2010. The decline in earnings is essentially due to the reduced contribution from the Energy segment (down 39.2 million euros, with 23.0 million euros deriving from unwinding of the joint venture with GdF Suez Energia Italia); the application, from 1 January 2011, of the new terms of the Public Lighting Service Contract (down 9.7 million euros); the reduced contribution from the Environment segment due to the shutdown of the Terni plant for revamping (down 5.8 million euros); and the loss of the feed-in tariff introduced by CIP6 for the San Vittore plant. A number of water concessions made a positive contribution, above all following consolidation of Acquedotto del Fiora using the proportionate method from 1 January 2011 (up 5.9 million euros).
Contributions to total EBITDA are as follows:
- Water 51% (41% in H1 2010);
- Networks 37% (34% in H1 2010);

- Energy 10% (20% in H1 2010);
- Environment 2% (5% in H1 2010).

Consolidated **EBIT** is down from the 167.8 million euros of H1 2010 to 30.4 million euros in H1 2011. In addition to the reduction in EBITDA, this reflects provisions relating to the investments in ATO5-Frosinone and Gori, following new estimates of the likelihood of collecting amounts due under the related tariff equalisation mechanism, and the recognition of charges deriving from the voluntary redundancy scheme launched during the first half.

Group net profit, after non-controlling interests, is 13.2 million euros, compared with 82.9 million euros for the same period of the previous year. The reduction reflects the decrease in operating profit, partly offset by gains on the unwinding of the joint venture with GdF Suez Energia Italia.

Tax expense for the period has benefitted from the tax breaks for new investment in plant and equipment in 2009 and 2010, pursuant to the so-called "Tremonti *ter*" legislation (the breaks also benefitted the first half of 2010), and the recognition of gains resulting from the unwinding of the joint venture with GdF Suez Energia Italia, which meet the requirements established in art. 87 of Presidential Decree 917/1986 for application of the participation exemption and, therefore, have been taxed at a rate of 5%. In contrast, tax expense has been negatively impacted by the provisions relating to the investments in ATO5-Frosinone and Gori.
As a result, the **tax rate** for the period is 43.8%, compared with 26.7% for H1 2010. On a pro forma basis, after adjusting for non-recurring events in the two six-month periods, the tax rate is substantially in line with the rate for the first half of 2010 (42%).

The **Group's investment** in H1 2011 amounts to 183.7 million euros (197.4 million euros in H1 2010). A breakdown is as follows:
- Water: 100.6 million euros (55% of the total);
- Networks: 61.9 million euros (34%);
- Environment: 10.7 million euros (6%);
- Energy: 6.7 million euros (3%);
- Parent Company: 3.8 million euros (2%).

Net debt at 30 June 2011 amounts to 2,222.6 million euros (substantially in line with the figure for the end of 2010), resulting in a debt to equity ratio of 1.7 times. The movement in net debt reflects the change in the basis of consolidation (unwinding of the energy joint venture and Acquedotto del Fiora), the payment of dividends and the need to finance investment in the development solar power and the Environment segment.

SEGMENT INFORMATION FOR H1 2011

Water
The Water segment reports EBITDA up 8.9% to 154.7 million euros.
The volumes of water billed by ATO2 – Central Lazio amount to 205 million cubic metres (205 million in H1 2010), whilst the other areas of operation report a figure of 188 million cubic metres (172 million in H1 2010).

Networks
EBITDA for the Networks segment is down 4.5% to 112.1 million euros, substantially due to application of the new terms of the Public Lighting Service Contract.
The amount of electricity injected into the network totals 5,799 GWh (5,817 GWh in H1 2010).
In terms of solar power, 11 MWp was connected to the grid in the first half, making an overall total of over 39 MWp.

Energy
Comparative analysis of the Energy segment's results reflects the impact of the unwinding of the joint venture, completed on 31 March 2011. As a result, EBITDA from this segment is down 57.8% to 28.6 million euros, including:
- Generation: EBITDA of 7.8 million euros (35.1 million euros in H1 2010). Electricity output amounts to 4,002 GWh (including 278 GWh from hydroelectric plants, 3,700 GWh from thermoelectric plants and 24 GWh from wind farms), compared with 8,292 GWh in H1 2010. Work on repowering the Orte and Salisano hydroelectric plants began in mid-April.
- Sales: EBITDA of 14.5 million euros (9.5 million euros in H1 2010).

Electricity sales amount to 8,203 GWh (9,396 GWh of H1 2010), broken down as follows:
- enhanced protection market: 1,870 GWh (2,012 GWh in H1 2010);
- free market: 6,333 GWh (7,384 GWh in H1 2010).

• The Trading business reports EBITDA of 6.8 million euros (21.7 million euros in H1 2010).

Environment

The Environment segment contributed 6.1 million euros to the Group's EBITDA, marking a reduction with respect to H1 2010 (15.4 million euros) due to the shutdown of the Terni plant for revamping (from August 2010) and the lower price obtained for the electricity produced by the San Vittore plant (from November 2010 the feed-in tariff introduced by CIP6 is no longer applicable for the first line).
The first line of the San Vittore plant, which was shut down for revamping on 20 March 2011, and the second line, which came on stream on 14 April, sold 32 GWh of electricity during the period.

OUTLOOK

The outcome of the Referendum of 12-13 June has resulted in:
- repeal of art. 23-*bis* of Law Decree 112/2008 relating to Local Public Services of economic importance;
- repeal of the part of art. 154, paragraph 1 of Legislative Decree 152/2006 in which, among the criteria for setting water tariffs, there is a reference to an "adequate return on invested capital".

The Referendum propositions approved will thus result in the abolition of Presidential Decree 168 of 7 December 2010, governing implementation of the provisions of the above art. 23-bis, whilst the transitional provisions of art. 170 of Legislative Decree 152/2006, which envisages application of the Standardised Method defined by the Ministerial Decree of 1 August 1996 until a new tariff method is adopted, are unchanged.

Partly due to the outcome of the Referendum and the ensuing regulatory uncertainty, the Group has had to make provisions that have had a significant impact on the results for the first six months 2011 and that will also influence the full-year results for 2011.

The following schedules are attached:
• CONSOLIDATED ACCOUNTS – STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011, INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2011 (both before and after IFRS 5 reclassifications), ANALYSIS OF NET DEBT AT 30 JUNE 2011 AND STATEMENT OF CHANGES IN EQUITY.

A conference call will be held at 2.00pm (Italian time) on Friday, 29 July 2011 in order to present the results for the six months ended 30 June 2011.
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, 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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RECLASSIFIED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2011

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ACEA GROUP BALANCE SHEET	30 June 2011 (a)	31 December 2010 (b)	Increase/ (Decrease) (a) - (b)
NET WORKING CAPITAL	**114,905**	**72,985**	**41,921**
Current receivables	1,370,176	1,324,498	45,677
- due from end users and customers	*1,198,922*	*1,170,902*	*28,020*
- due from the Comune di Roma	*141,990*	*113,623*	*28,366*
Inventories	52,092	86,010	(33,918)
Other current assets	144,324	166,171	(21,847)
Current payables	(981,815)	(1,103,138)	121,323
- trade	*(857,130)*	*(986,487)*	*129,357*
- due to the Comune di Roma	*(101,187)*	*(96,211)*	*(4,976)*
Other current liabilities	(469,872)	(400,557)	(69,315)
NON-CURRENT ASSETS/(LIABILITIES)	**3,416,865**	**3,512,064**	**(95,199)**
Property, plant and equipment and intangible assets	3,757,093	3,821,247	(64,154)
Investments	17,729	35,803	(18,074)
Other non-current assets	396,909	299,936	96,973
Staff termination benefits and other defined-benefit obligations	(113,803)	(110,757)	(3,046)
Provisions for liabilities and charges	(298,350)	(200,817)	(97,533)
Other non-current liabilities	(342,713)	(333,348)	(9,365)
INVESTED CAPITAL	**3,531,770**	**3,585,048**	**(53,278)**
NET DEBT	**(2,222,649)**	**(2,203,722)**	**(18,927)**
Medium/long-term loans and receivables	2,102	15,210	(13,108)
Medium/long-term borrowings	(2,289,030)	(2,490,696)	201,667
Short-term loans and receivables	148,402	334,216	(185,815)
Cash and cash equivalents	267,463	296,522	(29,059)
Short-term borrowings	(351,585)	(358,974)	7,389
Total equity	**(1,309,121)**	**(1,381,326)**	**72,205**
BALANCE OF NET DEBT AND EQUITY	**(3,531,770)**	**(3,585,048)**	**53,278**

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2011
(BEFORE IFRS 5 RECLASSIFICATIONS RELATING TO DISCONTINUED OPERATIONS)

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	Reclassified income statement H1 2011	H1 2010 (*restated*)	Increase/ (Decrease)
Sales and service revenues	1,574,950	1,646,838	(71,888)
Other operating income	32,304	26,497	5,807
Consolidated net revenue	**1,607,254**	**1,673,335**	**(66,081)**
Staff costs	148,414	139,429	8,985
Cost of materials and overheads	1,168,260	1,222,687	(54,427)
Total operating costs	**1,316,674**	**1,362,116**	**(45,442)**
Net profit/(loss) from commodity risk management	**(1,712)**	**9,844**	**(11,557)**
Gross operating profit	**288,868**	**321,064**	**(32,196)**
Amortisation, depreciation, provisions and impairment charges	258,424	153,302	105,123
Operating profit/(loss)	**30,443**	**167,762**	**(137,318)**
Finance (costs)/income	(56,937)	(49,656)	(7,281)
Ordinary finance (costs)/income	(56,937)	(49,656)	(7,281)
Exceptional finance (costs)/income	0	0	0
Profit/(loss) on investments	55,752	(203)	55,955
Profit/(loss) before tax	**29,258**	**117,903**	**(88,644)**
Income tax expense	12,802	31,527	(18,725)
Net profit/(loss) from continuing operations	**16,456**	**86,375**	**(69,919)**
Net profit/(loss) from discontinued operations	0	0	0
Net profit/(loss)	**16,456**	**86,375**	**(69,919)**
Net profit/(loss) attributable to non-controlling interests	*3,279*	*3,428*	*(149)*
Net profit/(loss) attributable to owners of the Parent	**13,177**	**82,948**	**(69,771)**

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2011
(IN COMPLIANCE WITH IFRS 5 RELATING TO DISCONTINUED OPERATIONS)

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IFRS 5	H1 2011	H1 2010 (*restated*)	Increase/ (Decrease)
Sales and service revenues	1,327,347	1,174,373	152,974
Other operating income	30,056	23,800	6,255
Consolidated net revenue	**1,357,402**	**1,198,173**	**159,229**
Staff costs	145,773	134,184	11,588
Cost of materials and overheads	834,460	545,382	289,078
Total operating costs	**980,233**	**679,566**	**300,666**
Net profit/(loss) from commodity risk management	**246**	**(2,797)**	**3,043**
Gross operating profit	**377,415**	**515,810**	**(138,394)**
Amortisation, depreciation, provisions and impairment charges	251,131	140,308	110,822
Operating profit/(loss)	**126,285**	**375,501**	**(249,217)**
Finance (costs)/income	(54,784)	(45,183)	(9,601)
Ordinary finance (costs)/income	(54,784)	(45,183)	(9,601)
Exceptional finance (costs)/income	0	0	0
Profit/(loss) on investments	7,932	(203)	8,136
Profit/(loss) before tax	**79,433**	**330,115**	**(250,682)**
Income tax expense	7,968	18,163	(10,195)
Net profit/(loss) from continuing operations	**71,465**	**311,951**	**(240,487)**
Net profit/(loss) from discontinued operations	(55,009)	(225,576)	170,567
Net profit/(loss)	**16,456**	**86,375**	**(69,919)**
Net profit/(loss) attributable to non-controlling interests	*3,279*	*3,428*	*(149)*
Net profit/(loss) attributable to owners of the Parent	**13,177**	**82,948**	**(69,771)**

ANALYSIS OF CONSOLIDATED NET DEBT AT 30 JUNE 2011

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	(a) 30 June 2011	(b) 31 December 2010	Increase/ (Decrease) (a)-(b)
Non-current financial assets/(liabilities)	2,102	10,182	(8,081)
Intercompany non-current financial assets/(liabilities)	0	5,028	(5,028)
Non-current borrowings and financial liabilities	(2,289,030)	(2,490,696)	201,667
Net medium/long-term debt	**(2,286,928)**	**(2,475,486)**	**188,558**
Cash and cash equivalents and securities	267,546	297,788	(30,242)
Short-term bank borrowings	(260,326)	(208,812)	(51,513)
Current financial assets/(liabilities)	(37,776)	(87,823)	50,047
Intercompany current financial assets/(liabilities)	94,835	270,612	(175,777)
Net short-term debt	**64,279**	**271,764**	**(207,485)**
Total net debt	**(2,222,649)**	**(2,203,722)**	**(18,927)**

STATEMENT OF CHANGES IN EQUITY

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	Share capital	Legal reserve	Other reserves	Net profit/(loss) for the period	Total	Non-controlling interests	Total equity
Balance at 1 January 2011	**1,098,899**	**111,785**	**3,830**	**92,189**	**1,306,704**	**74,623**	**1,381,326**
Net profit/(loss) in income statement				70,336	70,336	2,097	72,433
Other comprehensive income/(losses)				(128)	(128)	157	29
Total comprehensive income/(loss)	*0*	*0*	*0*	*70,208*	*70,208*	*2,254*	*72,462*
Appropriation of net profit/(loss) for 2010			92,189	(92,189)	0		0
Dividends paid					0		0
Change in basis of consolidation		(3,607)	30,936		27,329	(1,716)	25,613
Balance at 31 March 2011	**1,098,899**	**108,178**	**126,956**	**70,208**	**1,404,240**	**75,161**	**1,479,402**
Net profit/(loss) in income statement				(57,159)	(57,159)	1,182	(55,977)
Other comprehensive income/(losses)				1,001	1,001	(89)	912
Total comprehensive income/(loss)	*0*	*0*	*0*	*(56,158)*	*(56,158)*	*1,093*	*(55,065)*
Appropriation of net profit/(loss) for 2010		6,906	(6,906)		0		0
Dividends paid			(95,834)		(95,834)	(5,835)	(101,669)
Change in basis of consolidation			(13,931)		(13,931)	384	(13,547)
Balance at 30 June 2011	**1,098,899**	**115,084**	**10,284**	**14,050**	**1,238,317**	**70,803**	**1,309,121**