PRESS RELEASE
ACEA: BOARD APPROVES RESULTS FOR 9M 2011

Acea Group results:
- **Consolidated revenue: 2,483.3 million euros (2,161.3* million euros in 9M 2010)**
- **EBITDA: 470.1 million euros (457.3* million euros for 9M 2010)**
- **EBIT: 136.5 million euros (230.8* million euros for 9M 2010)**
- **Net profit: 63.4 million euros (102.9* million euros for 9M 2010)**
- **Interim dividend 2011: 0.28 euros per share**

Rome, 8 November 2011 – A meeting of the Board of Directors of Acea SpA, chaired by Giancarlo Cremonesi, has approved the report for the nine months ended 30 September 2011 (9M 2011). The Board has also begun the process of paying an ordinary interim dividend of 0.28 euros per share for 2011.

The results achieved in the first nine months of the year show that the Group is on course to meet its growth targets, thanks to improved margins across all its businesses, continuing efforts designed to boost operating efficiency and the implementation of measures aimed at creating shareholder value.

"Despite a particularly demanding market environment," emphasised Giancarlo Cremonesi, Acea's Chairman, *"we have again produced a positive operating performance across all businesses, maintaining the levels of profitability seen in the previous year."*

"Our KPIs for the nine months ended 30 September 2011," commented Acea's CEO, Marco Staderini, *"reflect effective operational and financial management of the Group. After taking account of the impact of the unwinding of the joint venture in the Energy segment, revenue and EBITDA are up despite the extremely difficult market environment. We confirm our previously announced investment programme and dividend policy and, alongside intensive efforts to improve operating efficiency, we will continue to keep a tight rein on finances and maintain our balance sheet strength".*

The results for the period primarily reflect the following:
- changes in the basis of consolidation due to unwinding of the joint venture with GdF Suez Energia Italia (completed on 31 March 2011);
- the different method of consolidating Acquedotto del Fiora (the company that manages integrated water services in the ATO 6 Siena-Grosseto concession area);
- provisions made in response to the uncertainty surrounding recovery of amounts due under the tariff equalisation mechanism applicable to ATO5-Frosinone and Gori.

It should be noted that the increase in pro forma EBITDA, after adjusting solely for unwinding of the joint venture in the Energy segment, is 2.8%.

(€m)	**9M 2010** (A)	**9M 2010** *pro forma** (B)	**9M 2011** (C)	**% inc./(dec.)** (C/B)	**% inc./(dec.)** (C/A)
Consolidated revenue	2,597.1	2,161.3	2,483.3	+14.9%	-4.4%
EBITDA	486.7	457.3	470.1	+2.8%	-3.4%
EBIT	256.4	230.8	136.5	-40.9%	-46.8%
Profit/(Loss) before tax	181.9	160.9	109.4	-32.0%	-39.9%
Group net profit/(loss) (after non-controlling interests)	111.9	102.9	63.4	-38.4%	-43.3%

(€m)	**9M 2010**	**9M 2011**
Investment	304.7	**275.2**

(€m)	**30 Sept 2010**	**31 Dec 2010**	**30 June 2011**	**30 Sept 2011**
Net debt	(2,207.1)	(2,203.7)	(2,222.6)	(2,399.5)
Equity	1,379.6	1,381.3	1,309.1	1,348.6
Invested capital	3,586.7	3,585.0	3,531.7	3,748.1

** Pro forma, after adjusting for impact of the JV.*

ACEA GROUP'S RESULTS FOR 9M 2011

Consolidated revenue of 2,483.3 million euros compares with the 2,597.1 million euros of 9M 2010.

Consolidated EBITDA, totalling 470.1 million euros, is up 2.8% after the changes in the basis of consolidation resulting from unwinding of the joint venture with GdF Suez Energia Italia. The 3.4% reduction compared with 9M 2010 essentially reflects the decrease in EBITDA reported by the Energy segment (down 45 million euros, deriving from unwinding of the joint venture) and the application, from 1 January 2011, of the new terms of the Public Lighting Service Contract.
The above reductions were partially offset by positive contributions from a number of water concessions, above all following consolidation of Acquedotto del Fiora using the proportionate method from 1 January 2011 (up 8 million euros), the installation of photovoltaic plants and an improvement in the Parent Company's EBITDA (up 11 million euros).
Contributions to total EBITDA are as follows:
- Water 49% (42% in 9M 2010);
- Networks 38% (36% in 9M 2010);
- Energy 9% (18% in 9M 2010);
- Environment 4% (4% in 9M 2010).

Consolidated **EBIT** is down from the 256.4 million euros of 9M 2010 to 136.5 million euros in 9M 2011. This reflects the prudential provisions made last June 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 schemes being implemented.

Consolidated net profit, after non-controlling interests, is 63.4 million euros, compared with 111.9 million euros for the same period of the previous year. The reduction reflects the decrease in EBIT, partly offset by gains on the unwinding of the joint venture with GdF Suez Energia Italia.

Tax expense for the period reflects the tax breaks for new investment in plant and equipment in 2009 and 2010 introduced by the so-called "Tremonti *ter*" legislation, the provisions relating to the investments in ATO5-Frosinone and Gori and to staff and application of the so-called "Robin Hood Tax".
As a result, the **tax rate** is 37.1%, compared with 35.9% for 9M 2010.

The **Group's investment** in 9M 2011 amounts to 275.2 million euros (304.7 million euros in 9M 2010). A breakdown is as follows:
- Water: 153.7 million euros (56% of the total);
- Networks: 87.7 million euros (32%);
- Environment: 16.1 million euros (6%);
- Energy: 12.2 million euros (4%);
- Parent Company: 5.5 million euros (2%).

Net debt at 30 September 2011 amounts to 2,399.5 million euros, having risen 195.8 million euros since 31 December 2010. The change primarily reflects movements in working capital, changes in the basis of consolidation, the payment of dividends and the need to finance investment in the development of solar power and the Environment segment. There was a deterioration in working capital due essentially to the migration of data to a new system, which resulted in the delayed issue of bills in August and September 2011. The resulting impact will be cancelled out during the current year.
The Acea Group has an extremely strong and competitive financial structure, as its entire debt is long-term in nature, with an average term to maturity of 10 years and with 60% being fixed rate at an average overall cost of 3.55%.

SEGMENT INFORMATION FOR 9M 2011

Water

The Water segment reports EBITDA up 7.8% to 236.5 million euros.

The volumes of water billed by ATO2 – Central Lazio amount to 310 million cubic metres (in line with the figure for 9M 2010), whilst the other areas of operation report a figure of 281 million cubic metres (258 million in 9M 2010).

Networks

EBITDA for the Networks segment is up 1.5% to 186.3 million euros, substantially despite application of the new terms of the Public Lighting Service Contract and thanks to the positive contribution from solar power.
The amount of electricity injected into the network totals 8,896 GWh (8,924 GWh in 9M 2010).
In terms of solar power, at 30 September 2011 installed capacity has reached 41.8 MWp.

Energy

The Energy segment reports a 49.3% reduction in EBITDA to 46.3 million euros. Comparative analysis of the Energy segment's results reflects essentially the impact of unwinding of the joint venture completed on 31 March 2011. The figure breaks down as follows:
• Generation: EBITDA of 13.8 million euros (56.7 million euros in 9M 2010). A total of 4,065 GWh of the electricity generated was sold, compared with 12,713 GWh in 9M 2010. Work on repowering the Orte and Salisano hydroelectric plants, which are eligible for green certificates, began in mid-April.
• Sales: EBITDA of 25.7 million euros (18.1 million euros in 9M 2010).
Electricity sales amount to 12,289 GWh (14,368 GWh in 9M 2010), with 2,711 GWh sold on the enhanced protection market (3,113 GWh in 9M 2010) and 9,578 GWh sold on the free market (11,255 GWh in 9M 2010).
• The Trading business reports EBITDA of 6.8 million euros (16.5 million euros in 9M 2010).

Environment

The Environment segment contributed 17.2 million euros to the Group's EBITDA, marking a slight reduction with respect to 9M 2010 (19.7 million euros), due to the shutdown of the Terni plant for revamping (from August 2010) and the reduced volumes (above all special waste) transferred to the Orvieto dump.
The first line of the San Vittore plant, which was shut down for revamping on 20 March, and the second and third lines, which came on stream in April and July 2011, sold approximately 79 GWh of electricity during the period.

BEGUN THE PROCESS OF PAYING AN ORDINARY INTERIM DIVIDEND FOR 2011

Based on the financial statements for the nine months ended 30 September 2011 and in view of the outlook for the year in progress, Acea SpA's Board of Directors has begun the process of paying an ordinary interim dividend of 0.28 euros per share for 2011.
The Company's dividend policy for 2011 is based on a payout ratio of 70% of consolidated profit from ordinary activities.
Payment of the ordinary interim dividend for 2011 is subject to the issue, by the independent auditors, Reconta Ernst & Young SpA, of an opinion pursuant to article 2433-bis of the Italian Civil Code.
The dividend, after the withholding tax required by law, is payable from 22 December 2011. The ex dividend date is 19 December 2011 (coupon number 11).

**EVENTS AFTER 30 SEPTEMBER 2011
AND OUTLOOK**

4 October 2011 – Acea SpA announced its decision to purchase the Company's historic headquarters building, located at Piazzale Ostiense 2 in Rome, from the real estate fund manager, Beni Stabili Gestioni SpA SGR, for a price of approximately 110 million euros.

5 October 2011 – Acea SpA has decided to take all the legal steps open to it in order to obtain compensation from EDF for damages incurred in the electricity market as a result of EDF's actions. This relates to the French company's purchase via its subsidiary Edison, acting in partnership with AEM Milano (now A2A), and without taking account of the relevant legal restrictions, of a majority interest in Edipower in 2005, thus exceeding the threshold of 30% established by the Prime Ministerial Decree of 8 November 2000. The situation has again been reported to the Antitrust Authority, which in 2006 had already brought the violation to the attention of Parliament and the Government, with the Government and Parliament also being formally served with a specific notice to comply. A complaint has also been filed with the Electricity and Gas Authority, requesting urgent intervention in order to counter the impact of the previously reported illegitimate and illegal situation, which has resulted in the restriction and distortion of competition.

7 October 2011 – Moody's announced that it had lowered its rating of Acea SpA's long-term debt from "A3" to "Baa1", with a negative outlook. The change follows on from the agency's recent downgrades of Italian Government debt and of a number of local authorities.

18 and 21 October 2011 – The Mayors' Conference for the ATO5-Frosinone concession area was called for 18 and 21 October: as both meetings failed to reach a quorum, no decisions were taken regarding water tariffs. Given that the deadline set by Lazio Regional Administrative Court sentence 529/2011 had expired and that the Concession Authority had not fixed any tariffs, the chairman of Co.N.Vi.Ri., Prof. Roberto Passino, as the court-appointed acting Commissioner, thus accepted and took up his post.

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As can be seen from the results achieved, during the third quarter of 2011 the Acea Group focused particularly on reaching the efficiency targets set out in the Business Plan approved last year. This commitment will continue in the last part of the current year.

With regard to the situation in the ATO3-Sarnese Vesuviano concession area, on 2 August the Assembly of Mayors of the municipalities represented by the Area Agency voted in favour of the proposed changes to tariffs approved by the Agency's Board of Directors. As a result, there is now no need to make provisions for amounts due under the tariff equalisation mechanism for 2011. Such provisions were instead made in the first half of 2011.

The following schedules are attached:

- CONSOLIDATED ACCOUNTS – STATEMENT OF FINANCIAL POSITION AT 30 SEPTEMBER 2011, INCOME STATEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2011 (both before and after IFRS 5 reclassifications), ANALYSIS OF NET DEBT AT 30 SEPTEMBER 2011 AND STATEMENT OF CHANGES IN EQUITY.

A conference call will be held at 10.00am (Italian time) on Wednesday, 9 November 2011 in order to present the results for the nine months ended 30 September 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 SEPTEMBER 2011

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ACEA GROUP BALANCE SHEET	30 September 2011 (a)	31 December 2010 (b)	Increase/ (Decrease) (a) - (b)
NET WORKING CAPITAL	**303,220**	**72,985**	**230,236**
Current receivables	1,467,305	1,324,498	142,807
- due from end users and customers	1,270,964	1,170,902	100,062
- due from the Comune di Roma	147,119	113,623	33,496
Inventories	84,310	86,010	(1,699)
Other current assets	180,392	166,171	14,221
Current payables	(980,132)	(1,103,138)	123,006
- trade	(846,537)	(986,487)	139,951
- due to the Comune di Roma	(113,035)	(96,211)	(16,824)
Other current liabilities	(448,655)	(400,557)	(48,098)
NON-CURRENT ASSETS/(LIABILITIES)	**3,444,845**	**3,512,064**	**(67,219)**
Property, plant and equipment and intangible assets	3,788,037	3,821,247	(33,210)
Investments	17,672	35,803	(18,131)
Other non-current assets	411,633	299,936	111,697
Staff termination benefits and other defined-benefit obligations	(112,985)	(110,757)	(2,228)
Provisions for liabilities and charges	(287,745)	(200,817)	(86,928)
Other non-current liabilities	(371,767)	(333,348)	(38,419)
INVESTED CAPITAL	**3,748,065**	**3,585,048**	**163,017**
NET DEBT	**(2,399,506)**	**(2,203,722)**	**(195,784)**
Medium/long-term loans and receivables	2,523	15,210	(12,687)
Medium/long-term borrowings	(2,309,953)	(2,490,696)	180,743
Short-term loans and receivables	161,849	334,216	(172,367)
Cash and cash equivalents	212,052	296,522	(84,470)
Short-term borrowings	(465,977)	(358,974)	(107,003)
Total equity	**(1,348,560)**	**(1,381,326)**	**32,767**

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

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	Reclassified income statement 9M 2011	9M 2010	Increase/ (Decrease)
Sales and service revenues	2,407,786	2,549,988	(142,203)
Other operating income	75,507	47,155	28,352
Consolidated net revenue	**2,483,293**	**2,597,143**	**(113,851)**
Staff costs	217,779	201,174	16,605
Cost of materials and overheads	1,793,711	1,911,470	(117,759)
Total operating costs	**2,011,490**	**2,112,644**	**(101,154)**
Net profit/(loss) from commodity risk management	**(1,712)**	**2,209**	**(3,922)**
Gross operating profit	**470,090**	**486,709**	**(16,619)**
Amortisation, depreciation, provisions and impairment charges	333,601	230,359	103,242
Operating profit/(loss)	**136,490**	**256,350**	**(119,860)**
Finance (costs)/income	(82,478)	(75,520)	(6,958)
Ordinary finance (costs)/income	(82,478)	(75,520)	(6,958)
Exceptional finance (costs)/income	0	0	0
Profit/(loss) on investments	55,417	1,068	54,350
Profit/(loss) before tax	**109,429**	**181,898**	**(72,469)**
Income tax expense	40,578	65,319	(24,741)
Net profit/(loss) from continuing operations	**68,851**	**116,579**	**(47,728)**
Net profit/(loss) from discontinued operations	0	0	0
Net profit/(loss)	**68,851**	**116,579**	**(47,728)**
Net profit/(loss) attributable to non-controlling interests	*5,470*	*4,639*	*831*
Net profit/(loss) attributable to owners of the Parent	**63,381**	**111,940**	**(48,559)**

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

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IFRS5	9M 2011	9M 2010	Increase/ (Decrease)
Sales and service revenues	2,160,182	1,797,699	362,483
Other operating income	73,258	41,554	31,704
Consolidated net revenue	**2,233,441**	**1,839,253**	**394,188**
Staff costs	215,137	193,521	21,617
Cost of materials and overheads	1,459,911	844,546	615,365
Total operating costs	**1,675,048**	**1,038,067**	**636,981**
Net profit/(loss) from commodity risk management	**246**	**(1,053)**	**1,298**
Gross operating profit	**558,638**	**800,133**	**(241,495)**
Amortisation, depreciation, provisions and impairment charges	326,307	210,669	115,637
Operating profit/(loss)	**232,331**	**589,464**	**(357,132)**
Finance (costs)/income	(80,325)	(69,171)	(11,154)
Ordinary finance (costs)/income	(80,325)	(69,171)	(11,154)
Exceptional finance (costs)/income	0	0	0
Profit/(loss) on investments	7,597	1,068	6,530
Profit/(loss) before tax	**159,604**	**521,360**	**(361,757)**
Income tax expense	35,744	49,234	(13,491)
Net profit/(loss) from continuing operations	**123,860**	**472,126**	**(348,266)**
Net profit/(loss) from discontinued operations	(55,009)	(355,546)	300,538
Net profit/(loss)	**68,851**	**116,579**	**(47,728)**
Net profit/(loss) attributable to non-controlling interests	*5,470*	*4,639*	*831*
Net profit/(loss) attributable to owners of the Parent	**63,381**	**111,940**	**(48,559)**

ANALYSIS OF CONSOLIDATED NET DEBT AT 30 SEPTEMBER 2011

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CONSOLIDATED NET DEBT	(a) 30 September 2011	(b) 31 December 2010	Increase/ (Decrease) (a)-(b)
Non-current financial assets/(liabilities)	2,502,7	10,182,3	(7,679,6)
Intercompany non-current financial assets/(liabilities)	20,5	5,027,8	(5,007,3)
Non-current borrowings and financial liabilities	(2,309,952,9)	(2,490,696,4)	180,743,5
Net medium/long-term debt	**(2,307,429,7)**	**(2,475,486,3)**	**168,056,6**
Cash and cash equivalents and securities	212,135,1	297,788,4	(85,653,3)
Short-term bank borrowings	(408,307,2)	(208,812,5)	(199,494,7)
Current financial assets/(liabilities)	(5,304,9)	(87,823,2)	82,518,3
Intercompany current financial assets/(liabilities)	109,401,1	270,611,5	(161,210,4)
Net short-term debt	**(92,075,9)**	**271,764,2**	**(363,840,1)**
Total net debt	**(2,399,505,6)**	**(2,203,722,1)**	**(195,783,6)**

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**	**1,309,120**
Net profit/(loss) in income statement				50,204	50,204	2,192	52,395
Other comprehensive income/(losses)				(13,611)	(13,611)	72	(13,539)
Total comprehensive income/(loss)	*0*	*0*	*0*	*36,592*	*36,592*	*2,264*	*38,856*
Appropriation of net profit/(loss) for 2010					0		0
Dividends paid					0		0
Other changes in equity		(1,401)	1,401		0	583	583
Change in basis of consolidation							
Balance at 30 September 2011	**1,098,899**	**113,683**	**11,686**	**50,642**	**1,274,910**	**73,650**	**1,348,560**