PRESS RELEASE
ACEA: BOARD APPROVES SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR 2011

Consolidated revenue: 3,538 million euros (3,430 million euros in 2010[1])

EBITDA: 656 million euros (608 million euros for 2010[1])

EBIT: 223 million euros (254 million euros for 2010[1])

Net profit: 86 million euros (92 million euros in 2010[1]), after provisions of 44 million euros previously made in the first half of 2011

Net debt: 2,326 million euros (up 122 million euros compared with end of 2010)

Rome, 21 March 2012 – 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 2011.

The Board also approved the Report on Corporate Governance and the Ownership Structure, prepared pursuant to art. 123-*bis* of the Consolidated Finance Act ("CFA") and the Remuneration Report, prepared pursuant to art. 123-*ter* of the CFA.

The Board has also fixed the date of the Annual General Meeting (AGM), to be held in first call on 4 May 2012 and in second call on 7 May 2011, to approve the financial statements and the appropriation of net profit for the year, as set out below. The Meeting will also hold a non-binding vote on the first section of the Remuneration Report, pursuant to art. 123-*ter*, paragraph 6 of Legislative Decree 58 of 24 February 1998 and elect a Director pursuant to article 15.4 of the Articles of Association.

The legally required documentation relating to approval of the financial statements for 2011 and the above reports will be made available for inspection within the deadline required by law.

"*The results for 2011,"* stated Giancarlo Cremonesi, Chairman of Acea SpA, "*confirm the Group's financial and operational strength, the effectiveness of our portfolio strategy, based essentially on a balanced mix of regulated businesses, and the validity of our investment programme*. *This has enabled us to create value for our shareholders in spite of the difficult global situation".*

"*The Company continued to be highly profitable in 2011, in line with the previous year,"* commented Marco Staderini, Acea SpA's CEO, "*thanks to the contribution from all areas of business and careful cash flow management. We have achieved, and in some cases exceeded, the targets set for 2011 and have laid the foundations for strong future growth. The coming year will see us engaged in implementing the new Business Plan, focusing in particular on the large-scale investment programme of over 2 billion euros that we have already started work on".*

The results for 2011 primarily reflect:
- changes in the basis of consolidation due to unwinding of the joint venture with GdF Suez Energia Italia (completed on 31 March 2011);

[1] *Energy segment figures for 2010 are presented pro forma, based on the current size of the business.*

- 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 tariff adjustments due to ATO5-Frosinone and Gori. Positive developments in relations with the concession grantor and the Regional Authority mean that the approval process should be completed by April, resulting in a reduction in the risks and the related provisions.

The increase in EBITDA for 2011 compared with 2010, based on the current size of the Energy segment, is 7.9%.

(€m)	**2010** (A)	***2010*** *pro forma** *(B)*	**2011** (C)	**% inc./(dec.)** (C/B)	**% inc./(dec.)** (C/A)
Consolidated revenue	3,605.7	*3,430*	3,538.0	*+3.1%*	-1.9%
EBITDA	666.5	*608*	655.8	*+7.9%*	-1.6%
EBIT	317.9	*254*	222.6	*-12.4%*	-30.0%
Profit/(Loss) before tax	221.6	*163*	159.1	*-2.4%*	-28.2%
Net profit (before non-controlling interests and fair value loss on discontinued operations)	136.2	*100*	93.5	*-6.5%*	-31.4%
Fair value loss on discontinued operations **	(36.2)		-		n/s
Group net profit (after non-controlling interests and fair value loss on discontinued operations)	92.1	*92*	86.0	*-6.5%*	-6.6%

** The figures for the Energy segment are based on the current size of the business.*
*** This refers to the AceaElectrabel Produzione group and represents the difference between the agreed equity value of the assets to be sold to GdF Suez and the corresponding net fixed assets consolidated by the Acea Group.*

(€m)	**2010**	**2011**
Investment	473	**413**

(€m)	**31/12/10**	**30/9/11**	**31/12/11**
Net debt	(2,203.7)	(2,399.5)	(2,325.8)
Equity	1,381.3	1,348.6	1,311.5
Invested capital	3,585.0	3,748.1	3,637.3

ACEA GROUP'S RESULTS FOR 2011

Consolidated revenue of 3,538.0 million euros is down 1.9% on 2010.

Consolidated **EBITDA** of 655.8 million euros is down 1.6% on the figure for 2010.
The reduction primarily reflects:
- the reduced contribution from the Energy segment following unwinding of the joint venture;
- the new terms of the Public Lighting Service Contract (down 14 million euros);
- the shutdown of the Terni plant for revamping (down 7 million euros)
- consolidation of Acquedotto del Fiora using the proportionate method from 1 January 2011 (up 12 million euros);
- the entry into service of the second and third lines at the San Vittore plant (up 15 million euros);
- recovery of amounts due under the tariff equalisation mechanism for electricity distribution in previous years.

Contributions to total EBITDA are as follows: Water 47%; Networks 39%; Energy 9%; Environment 5%.

The Group's **EBIT** is 222.6 million euros, down from the 317.9 million euros of the previous year. This reflects the recognition of charges deriving from the voluntary redundancy schemes being implemented and prudential provisions made in the first half of 2011 in relation to the investments in ATO5-Frosinone and Gori. After 30 June, the Company reached favourable agreements with the competent Authorities, leading to partial use of the provisions. Positive progress in 2012 with regard to the agreements reached may, once the agreements have been ratified (expected by April), result in a significant reduction in the risks that gave rise to the provisions, with a potential impact on the results for the first half of 2012.

Group net profit, after non-controlling interests, is down from 92.1 million euros for 2010 (after the fair value loss on discontinued operations, totalling 36.2 million euros) to 86.0 million euros for 2011, after provisions of 44 million euros previously made in the first half of 2011.
The **tax rate** of 41.2% compares with the 38.5% of 2010. The change in **taxation** reflects: recognition of the gain resulting from unwinding of the joint venture with GdF Suez Energia Italia; the impact of the so-called "Tremonti *ter*" legislation on tax expense for 2009 and 2010; provisions for charges relating to staff; and application of the so-called "Robin Hood Tax".

The Group's **investment** in 2011 amounted to 413 million euros (473 million euros in 2010) and breaks down as follows:
- Water: 230 million euros (56% of the total);
- Networks: 129 million euros (31%);
- Environment: 22 million euros (5%);
- Energy: 21 million euros (5%);
- Parent Company: 11 million euros (3%).

Net debt at 31 December 2011 amounts to 2,325.8 million euros, having risen 122.1 million euros since 31 December 2010. The change primarily reflects changes in the basis of consolidation (unwinding of the joint venture in the Energy segment and Acquedotto del Fiora), the payment of dividends and the need to finance investment in the development of solar power and the Environment segment.
The **net debt to EBITDA ratio** is up from 3.3 times at the end of 2010 to **3.5 times** at 31 December 2011.

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 3.71%.

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In spite of the positive operating performance, efficient cash flow management and the Group's solid financial position, given that the process of ratifying the agreements reached with the competent Authorities, we are not yet in a position to fully release the provisions made to cover the related risks. The payout ratio thus remains 70%, with the interim dividend paid in December 2011 accounting for the entire 70% of consolidated profit.

SEGMENT INFORMATION FOR 2011

Environment
The Environment segment contributed 31.5 million euros to the Group's EBITDA, up 36.4% on the figure for 2010 thanks to the entry into service of the second and third lines at the San Vittore plant (in April and July 2011, respectively), and despite the shutdown of the Terni plant for revamping (from August 2010) and of the first line at the San Vittore plant (from March 2011).

ENVIRONMENT – operational highlights	**2010**	**2011**
Treatment and disposal ('000 tonnes)	**588**	**579**
WTE electricity sold (GWh)	**111**	**128**

Energy

The Energy segment's EBITDA is down from 122.0 million euros for 2010 to 61.4 million euros in 2011. The comparison of the two years reflects the impact of the unwinding of the joint venture. On a like-for-like basis, the reduction in EBITDA primarily reflects the lower amount of electricity generated due to the shutdown of hydroelectric plants for repowering.

In detail:

- Generation recorded EBITDA of 15.6 million euros (70 million euros for 2010).
- Sales recorded EBITDA of 39.0 million euros (24 million euros for 2010).
- Trading recorded EBITDA of 6.8 million euros (28 million euros for 2010).

ENERGY – operational highlights	**2010**	**2011**
Electricity production (GWh)	**15,651**	**4,103**
Hydroelectric	*689*	*367*
Thermoelectric	*14,876*	*3,712*
Wind	*86*	*24*
Electricity sold (GWh)	**19,619**	**16,539**
Enhanced protection market	*4,215*	*3,661*
Free market	*15,404*	*12,878*
Gas sold (million m^3)	**122**	**96**

Water

The Water segment's EBITDA is up 9.2% to 323.7 million euros.

WATER – operational highlights	**2010**	**2011**
ATO2-Central Lazio – water sold (million m^3)	**413**	**413**
Other concessions – water sold (million m^3)	**331**	**361**
Total (million m^3)	**744**	**774**

Networks

The Networks segment reports EBITDA up 7.7% to 269.6 million euros, thanks to the positive contribution from solar power, recovery of amounts due under the tariff equalisation mechanism for previous years, and despite the new terms of the Public Lighting Service Contract.

NETWORKS – operational highlights	**2010**	**2011**
Electricity distributed (GWh)	**11,153**	**11,132**

In terms of solar power, at 31 December 2011 installed capacity has reached 46 MWp.

EVENTS AFTER 31 DECEMBER 2011 AND OUTLOOK

23 January 2012 – The purchase of the Company's headquarters building was completed.

22 February 2012 – Acea SpA's Board of Directors approved the Group's Business Plan for the period 2012-2016.

7 March 2012 – Fitch announced that it has downgraded Acea SpA's long-term rating from "A" to "A-", with a negative outlook. According to the agency, the downgrade essentially reflects current regulatory uncertainty in the water sector; the Energy segment's new "business profile", less balanced between the production and sale of energy; uncertainty linked to future dividend policy; and the downgrade of Italy.

8 March 2012 – The acting Commissioner appointed by Latina Regional Administrative Court, Prof. Roberto Passino, signed a Decree whose purpose is to "set the integrated water service tariff applicable for the year 2012 in ATO5 Southern Lazio - Frosinone", amounting to 1.359 euros per cubic metre. The Decree also establishes the ART (Average Real Tariff) for each year from 2003 to 2011, thus including the years affected by cancellation of the tariff revision of 2007.

16 March 2012 – Standard & Poor's announced that it has downgraded Acea SpA's long-term rating from "A-" to "BBB+". The downgrade, according to the agency, primarily reflects adverse market conditions and a resulting increase in future difficulties in collecting receivables, above all from public sector entities.

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On 22 February 2012, the Board of Directors approved the new Business Plan for the period 2012-2016. During 2012 Acea will continue to work towards achieving the targets set in the new Plan, confirming its commitment to implementing the 2.3 billion euro investment programme, with 46% to be invested in the Water segment, 32% in electricity distribution and renewable energy and 12% in the Environment segment, where the Group intends to focus its efforts on increasing and developing WTE capacity, boosting its ability to dispose of treatment sludge, to process biomass and handle special waste. A further 7% is earmarked for the Energy segment, where the money will be invested in revamping the Group's thermoelectric and hydroelectric plants, whilst the remaining 3% will be spent on the Group's IT systems.

CALL TO THE AGM

Acea SpA's Board of Directors has fixed the date of the AGM, to be held in first call on 4 May 2012 and in second call on 7 May 2012, to, among other things, approve the financial statements for 2011 and appropriation of profit for the year.

The following schedules are attached:

- CONSOLIDATED ACCOUNTS – STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2011, INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011 (both before and after IFRS 5 reclassifications), ANALYSIS OF NET DEBT AT 31 DECEMBER 2011 AND STATEMENT OF CHANGES IN EQUITY.

A conference call will be held at 10.00am (Italian time) on Thursday, 22 March 2012 in order to illustrate the results for the year ended 31 December 2011. 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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RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2011

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ACEA GROUP			
STATEMENT OF FINANCIAL POSITION	**31 December 2011**	**31 December 2010**	**Increase/ (Decrease)**
	(a)	**(b)**	**(a) - (b)**
NET WORKING CAPITAL	**89,266**	**72,985**	**16,282**
Current receivables	1,510,012	1,324,498	185,513
- due from end users and customers	1,304,691	*1,170,902*	*133,789*
- due from the Comune di Roma	160,060	*113,623*	*46,437*
Inventories	66,106	86,010	(19,904)
Other current assets	246,607	166,171	80,436
Current payables	(1,344,785)	(1,103,138)	(241,647)
- trade	*(1,184,975)*	*(986,487)*	*(198,488)*
- due to the Comune di Roma	*(132,796)*	*(96,211)*	*(36,585)*
Other current liabilities	(388,673)	(400,557)	11,884
NON-CURRENT ASSETS/(LIABILITIES)	**3,548,021**	**3,512,064**	**35,958**
Property, plant and equipment and intangible assets	3,844,613	3,821,247	23,366
Investments	19,480	35,803	(16,323)
Other non-current assets	416,837	299,936	116,901
Staff termination benefits and other defined-benefit obligations	(104,776)	(110,757)	5,981
Provisions for liabilities and charges	(250,892)	(200,817)	(50,075)
Other non-current liabilities	(377,241)	(333,348)	(43,892)
INVESTED CAPITAL	**3,637,288**	**3,585,048**	**52,239**
NET DEBT	**(2,325,831)**	**(2,203,722)**	**(122,109)**
Medium/long-term loans and receivables	19,940	15,210	4,730
Medium/long-term borrowings	(2,298,916)	(2,490,696)	191,781
Short-term loans and receivables	172,768	334,216	(161,449)
Cash and cash equivalents	321,022	296,522	24,500
Short-term borrowings	(540,645)	(358,974)	(181,671)
Total equity	**(1,311,457)**	**(1,381,326)**	**69,870**
BALANCE OF NET DEBT AND EQUITY	**(3,637,288)**	**(3,585,048)**	**(52,239)**

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011
(BEFORE IFRS 5 RECLASSIFICATIONS RELATING TO DISCONTINUED OPERATIONS)

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	Reclassified income statement 2011	2010	Increase/ (Decrease)
Sales and service revenues	3,464,726	3,517,453	(52,726)
Other operating income	73,283	88,210	(14,927)
Consolidated net revenue	**3,538,010**	**3,605,663**	**(67,653)**
Staff costs	280,574	274,887	5,687
Cost of materials and overheads	2,599,945	2,672,936	(72,991)
Total operating costs	**2,880,519**	**2,947,823**	**(67,304)**
Net profit/(loss) from commodity risk management	**(1,661)**	**8,688**	**(10,348)**
Gross operating profit	**655,830**	**666,527**	**(10,697)**
Amortisation, depreciation, provisions and impairment charges	433,278	348,614	84,664
Operating profit/(loss)	**222,552**	**317,913**	**(95,361)**
Finance (costs)/income	(120,574)	(98,895)	(21,679)
Ordinary finance (costs)/income	(120,574)	(98,895)	(21,679)
Exceptional finance (costs)/income	0	0	0
Profit/(loss) on investments	57,114	2,572	54,542
Profit/(loss) before tax	**159,092**	**221,590**	**(62,498)**
Income tax expense	65,572	85,399	(19,827)
Net profit/(loss)	**93,521**	**136,192**	**(42,671)**
Net profit/(loss) attributable to non-controlling interests	*7,563*	*7,872*	*(310)*
Net profit/(loss) attributable to owners of the Parent	**85,958**	**128,319**	**(42,361)**
Fair value loss on discontinued operations		(36,171)	36,171
Net profit/(loss) attributable to owners of the Parent after fair value loss on discontinued operations	**85,958**	**92,148**	**(6,190)**

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2011
(IN COMPLIANCE WITH IFRS 5 RELATING TO DISCONTINUED OPERATIONS)

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IFRS5	2011	2010	Increase/ (Decrease)
Sales and service revenues	3,217,123	2,460,690	756,433
Other operating income	71,035	79,845	(8,810)
Consolidated net revenue	**3,288,158**	**2,540,535**	**747,623**
Staff costs	277,933	264,968	12,965
Cost of materials and overheads	2,266,145	1,177,277	1,088,868
Total operating costs	**2,544,078**	**1,442,245**	**1,101,833**
Net profit/(loss) from commodity risk management	**297**	**3,152**	**(2,855)**
Gross operating profit	**744,377**	**1,101,442**	**(357,065)**
Amortisation, depreciation, provisions and impairment charges	425,984	320,593	105,391
Operating profit/(loss)	**318,393**	**780,850**	**(462,456)**
Finance (costs)/income	(118,422)	(88,932)	(29,490)
Ordinary finance (costs)/income	(118,422)	(88,932)	(29,490)
Exceptional finance (costs)/income	0	0	0
Profit/(loss) on investments	9,295	2,572	6,722
Profit/(loss) before tax	**209,266**	**694,490**	**(485,224)**
Income tax expense	60,737	69,844	(9,107)
Net profit/(loss) from continuing operations	**148,529**	**624,646**	**(476,117)**
Net profit/(loss) from discontinued operations	(55,009)	(524,626)	469,617
Net profit/(loss)	**93,521**	**100,020**	**(6,500)**
Net profit/(loss) attributable to non-controlling interests	*7,563*	*7,872*	*(310)*
Net profit/(loss) attributable to owners of the Parent	85,958	92,148	(6,190)

ANALYSIS OF CONSOLIDATED NET DEBT AT 31 DECEMBER 2011

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	(a)	(b)	Increase/ (Decrease)
	31 December 2011	31 December 2010	(a)-(b)
Non-current financial assets/(liabilities)	1,907	10,182	(8,275)
Intercompany non-current financial assets/(liabilities)	18,033	5,028	13,005
Non-current borrowings and financial liabilities	(2,298,916)	(2,490,696)	191,781
Net medium/long-term debt	**(2,278,976)**	**(2,475,486)**	**196,510**
Cash and cash equivalents and securities	321,093	297,788	23,305
Short-term bank borrowings	(448,889)	(208,812)	(240,076)
Current financial assets/(liabilities)	(26,787)	(87,823)	61,036
Intercompany current financial assets/(liabilities)	107,727	270,612	(162,884)
Net short-term debt	**(46,855)**	**271,764**	**(318,619)**
Total net debt	**(2,325,831)**	**(2,203,722)**	**(122,109)**

STATEMENT OF CHANGES IN EQUITY

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€000	Share capital	Legal reserve	Other reserves	Net profit/ (loss) for year	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				85,958	85,958	7,563	93,521
Other comprehensive income/(losses)				(14,193)	(14,193)	(653)	(14,846)
Total comprehensive income/(loss)	*0*	*0*	*0*	*71,764*	*71,764*	*6,910*	*78,674*
Appropriation of net profit/(loss) for 2010		6,906	85,283	(92,189)	0	0	0
Dividends paid		0	(155,348)	0	(155,348)	(5,835)	(161,183)
Change in basis of consolidation		(4,960)	18,635	0	13,675	(1,036)	12,639
Balance at 31 December 2011	**1,098,899**	**113,731**	**(47,599)**	**71,764**	**1,236,795**	**74,662**	**1,311,457**