

9M 2015 financial results

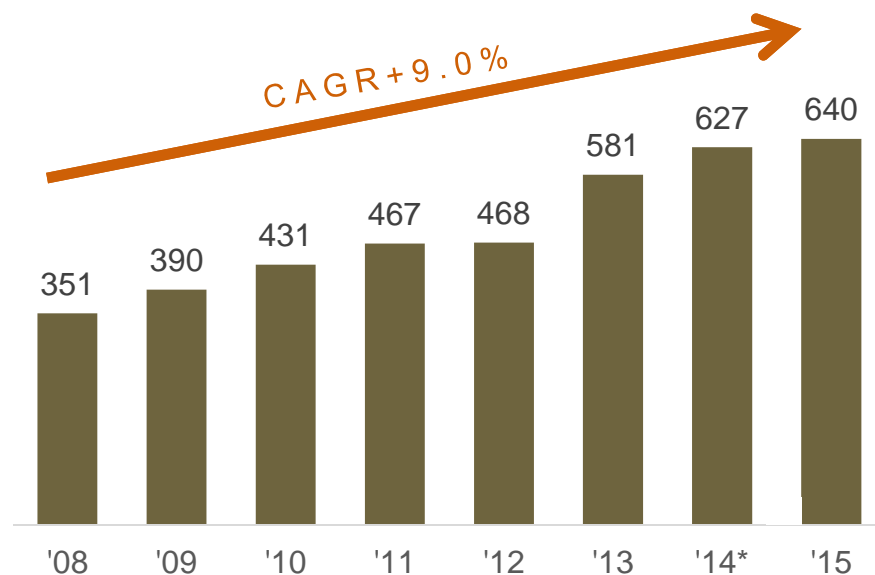
Analyst presentation

11 November 2015

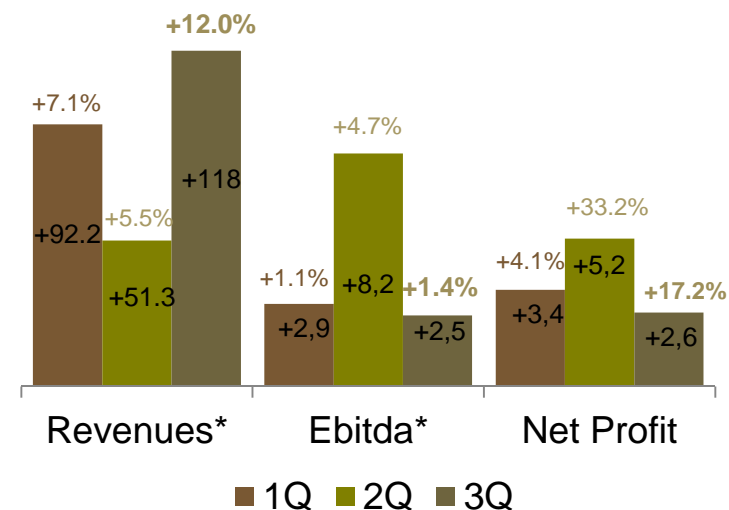
Seeing things differently

Positive 9 months results confirms growth's track record

9M Ebitda growth track record
(M€)



Main figures up by quarters
(M€ and % Q/Q)



More favourable weather underpinned growth

*Restated 2014 figures applying IFRS 12. See annex

Bottom line double digit growth rate

9M RESULT HIGHLIGHTS

(M €)

	9M '14*	9M '15	
REVENUES	3,210.8	3,472.4	+8.1%
EBITDA	626.7	640.2	+2.2%
Depreciation and provisions	(313.8)	(323.0)	
EBIT	312.9	317.3	+1.4%
Financial inc./(Exp.)	(107.5)	(104.9)	(2.4%)
Income from Associates & J.V.	4.9	6.1	
PRETAX PROFIT	210.2	218.4	+3.9%
Tax	(85.4)	(83.5)	
Minorities	(11.0)	(9.9)	(10.5%)
NET PROFIT POST MINORITIES ADJ.	113.8	125.0	+9.8%
Other non-operating exp. ("One off")	(2.5)	-	
NET PROFIT POST MINORITIES REPORTED	111.4	125.0	+12.3%

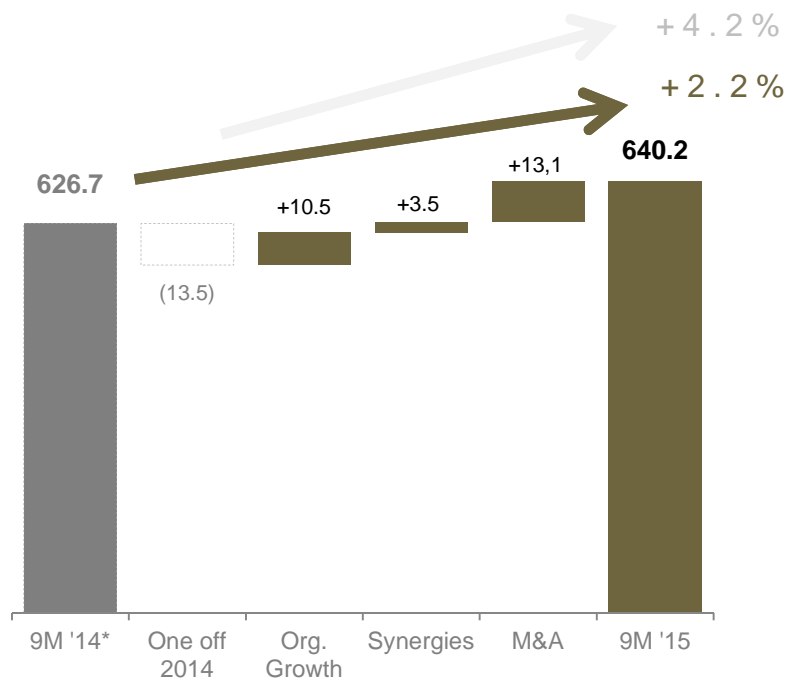
- **Revenues** underpinned by more **favourable climate** conditions and increased gas **trading**.
- **D&A increase** mainly relates to **Amga** merger.
- **Financial expenses** reduction reflects **lower avg cost** and **debt** amount.
- **Taxes** benefit from lower Robin Tax and IRAP.
- **Minorities** reduced mainly due to the full consolidation of Akron.

Reported +12.3% earnings

*Restated 2014 figures applying IFRS 12. See annex

Internal and external drivers for a still growing Ebitda

9M EBITDA growth drivers
(M€)



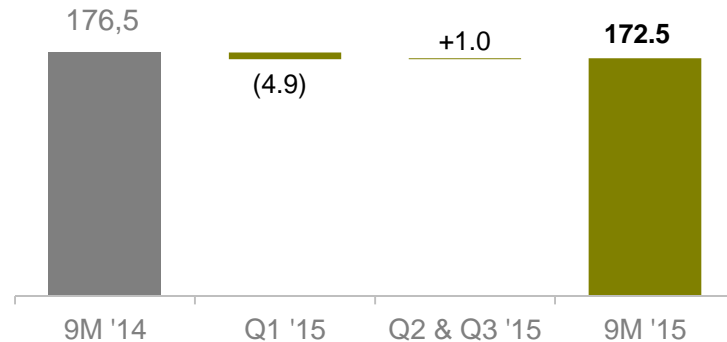
- **Balanced contribution from “internal” and “external” growth drivers.**
- **Growth driven by:**
 - enhanced profitability of **Networks**
 - higher **gas volumes**
 - better **Energy supply margins**
- **Synergies with AcegasApsAmga on track.**
- **M&A from Amga Udine** (merger contributed only in H1 2015) and **Alento gas**.
- **Akron** integration executed and **Geonova acquisition** has recently been **defined**.


Effective “two-gear” growth model

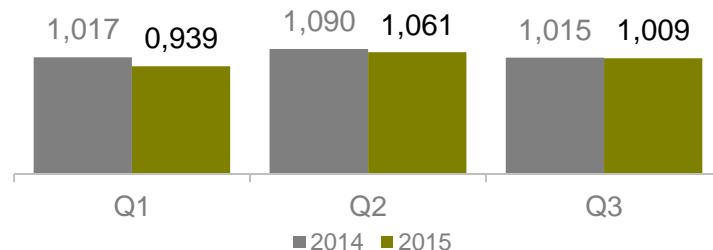
**Restated 2014 figures applying IFRS 12. See annex*

WASTE: managing treatments with lower landfill utilization

 **9M '15 Waste Ebitda by quarters**
(M €)



 **Market volumes by Quarters**
(M ton)



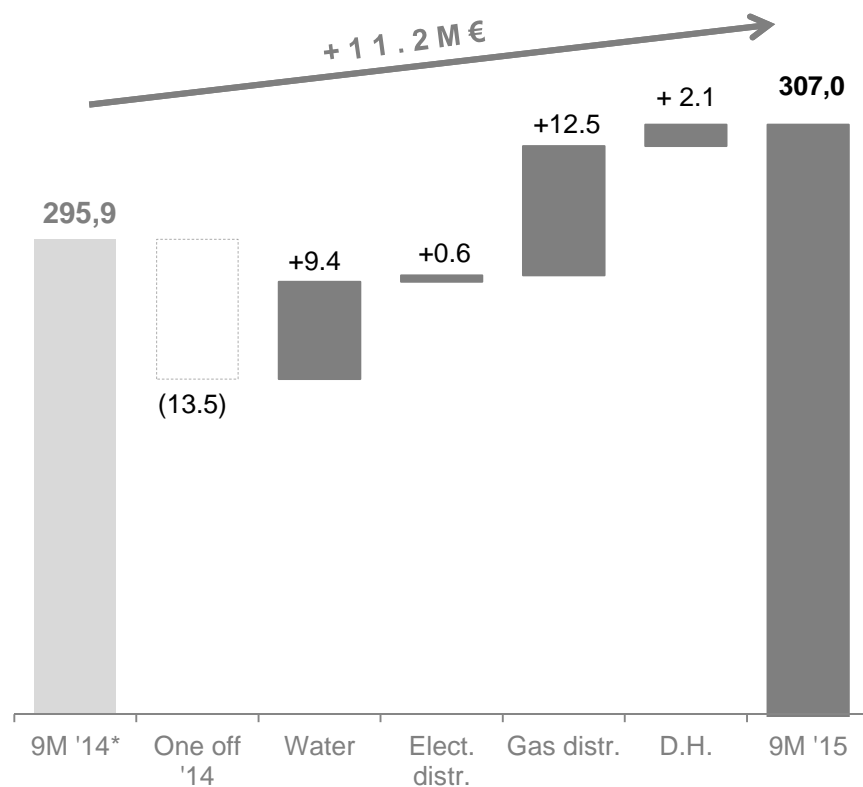
- **9M Ebitda shows a slight recovery** vs Q1 performance with last 2 quarters in line with those of last year.
- **Volumes from third parties** progressively “normalised” since Q1 despite persistent lower landfill availability in Emilia Romagna region.
- **Waste treatment prices “up”** on the back of the increased market demand.
- **Full integration of Akron** and next execution of **Geonova acquisition** (1.5 m ton landfill capacity) will strengthen Group’s capacity.
- **Sorted collection up to 55%.**

Investing on positive market trends

NETWORKS good performer



NETWORKS Ebitda (M€)

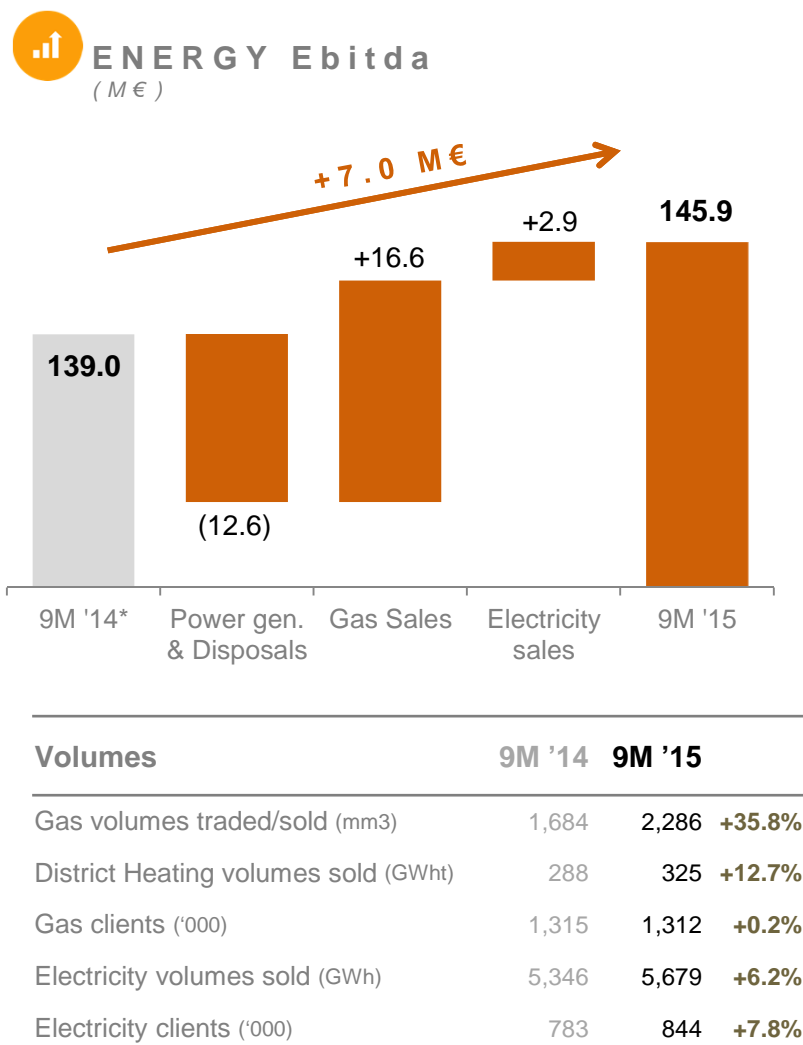


- **9M Ebitda in line with 9M '14** offsetting (8 m€) *specific equalization* (“perequazione specifica”) and white certificates revaluation (6 m€).
- **Gas distribution** and **D.H.** benefitting from better winter **temperature** and from **M&A**.
- **Enhanced efficiency contributed to growth.**
- **Water** tariff still highlights progression, underpinning **enhanced margins.**
- **M&A contributed by 8.3 m€.**

Best results “captured in Nets”

*Restated 2014 figures applying IFRS 12. See annex

Market expansion, climate conditions and AMGA merger underpin growth



- **Colder winter and trading activities** underpin gas volumes increase +35.8%.
- **HERACOMM expansion** in electricity markets continues (+49K customers in 9M to 844K) highlighting solid competitive advantages.
- **Gas customer** base above 1.3 million clients, after Amga and Alento Gas mergers.
- **Power Gen.** affected by lower MSD.

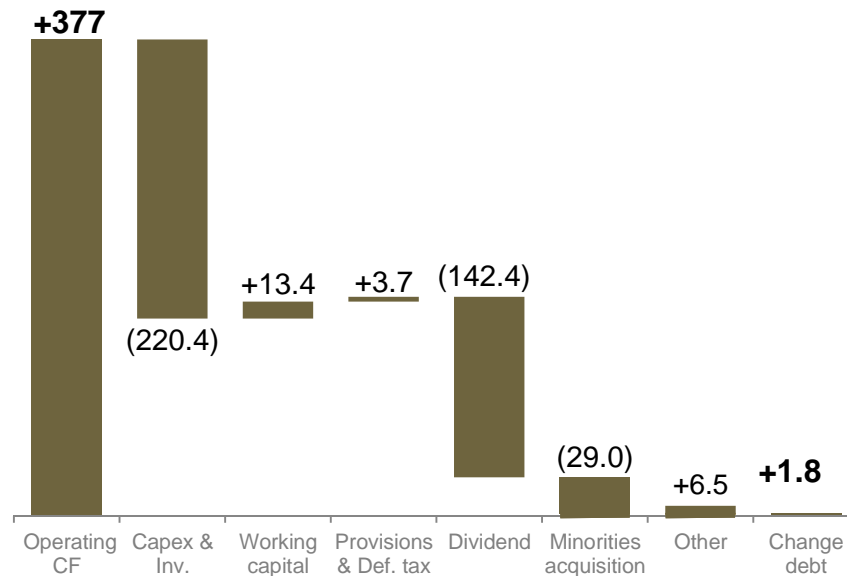
Expanding profitably in tough markets

**Restated 2014 figures applying IFRS 12. See annex*

9 months FCF funded M&A, Capex and Dividend payments



9 Month cash flows (M €)

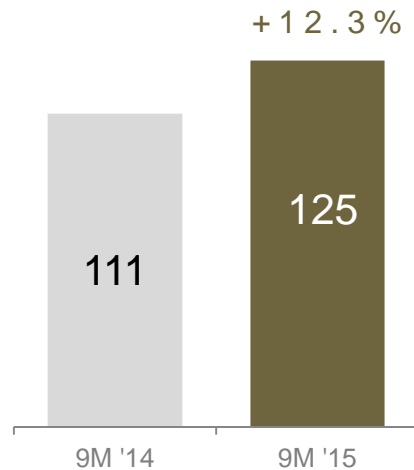


- Free Cash flows exceed capex and dividends
- Working capital management contributed to positive FCF.
- Excess cash invested in minorities acquisition confirming Financial Debt at 2.64 b€ as at the beginning of the year.
- Financial soundness:
 - 8 years duration;
 - 85% fixed rate.

Stable debt, visible soundness

Closing remarks

9 M Earnings
(M €)



- Long growth track record confirmed
- “Two gear” consistent growth model
- Investing in attractive waste market
- Positive cash generation enhances financial soundness
- Earnings up by 12.3%

Accretive

Sticking to track records

Expanding markets

Confirming soundness

Q & A SESSION

Investor Relations
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ANNEX
with further information

9M 2014 restatement on “like for like” basis accounting IFRIC 12

(m€)	9M '14 Reported	Restatement	9M '14 Restated	9M '15
Revenues	3,216.8	(6.0)	3,210.8	3,472.4
Operat. Costs	(2,226.1)	(0.0)	(2,226.1)	(2,469.5)
Personnel	(369.9)	+0.0	(369.9)	(380.5)
Capitaliz.	11.9	+0.0	11.9	17.9
Ebitda	632.7	(6.0)	626.7	640.2
D&A	(319.8)	+6.0	(313.8)	(323.0)
Ebit	312.9	(0.0)	312.9	317.3
Financials	(96.5)	+0.0	(96.5)	(97.4)
Figurative interests (IAS)	(10.1)	+0.0	(10.1)	(6.6)
Leasings	(0.9)	+0.0	(0.9)	(0.9)
Financial Inc./(Exp.)	(107.5)	+0.0	(107.5)	(104.9)
Associates	4.9	+0.0	4.9	6.1
Pre tax Profit	210.2	(0.0)	210.2	218.4
Tax	(85.4)	+0.0	(85.4)	(83.5)
Group Net Profit	124.9	(0.0)	124.9	134.9
Minorities	(11.0)	+0.0	(11.0)	(9.9)
Net Profit post min. ADJ	113.8	(0.0)	113.8	125.0
Other non oper. Inc./(Exp.)	(2.5)	+0.0	(2.5)	0.0
Net profit post min. Reported	111.4	(0.0)	111.4	125.0

- IFRIC 12 reclassifies a category of revenues (“fondo fughe” mainly) as provisions and is neutral on EBIT.
- Restatement by Strategic areas:

(m€)	9M '14 Reported	Restatement	9M '14 Restated	9M '15
Networks	299.8	(3.9)	295.9	307.0
Waste	176.7	(0.1)	176.5	172.5
Energy	140.8	(1.8)	139.0	145.9
Other	15.5	(0.1)	15.3	14.8
Total Group	632.7	(6.0)	626.7	640.2

*Restated 2014 figures applying IFRIC 12 reclassifying a category of revenues (“fondo fughe” mainly) as provisions. IFRIC 12 impacts on 2014 Ebitda by -6m€ and is neutral on EBIT

Financial highlights breakdown by business



Recovering Q1 performance

(m€)	9M '14 Reported	Restatement	9M '14 Restated	9M '15	Ch. %
Revenues	651.1	(0.1)	651.0	679.3	+4.3%
Ebitda	176.7	(0.1)	176.5	172.5	(2.3%)
<i>Ebitda margin</i>	27.1%		27.1%	25.4%	

Volumes

Data	9M 2014	9M 2015	Ch. %
Urban W. Volumes (Kton)	1.516,6	1.533,0	+1,1%
Special W. Volumes (Kton)	1.605,8	1.476,2	(8,1%)
Waste from third parties	3.122,4	3.009,2	(3,6%)
Internal W. Volumes (Kton)	1.767,0	1.717,2	(2,8%)
Total Volumes Treated	4.889,3	4.726,4	(3,3%)



Tariffs underpinned a solid growth

(m€)	9M '14 Reported	Restatement	9M '14 Restated	9M '15	Ch. %
Revenues	587.6	(3.8)	583.8	599.1	+2.6%
Ebitda	169.0	(3.8)	165.2	174.7	+5.7%
<i>Ebitda margin</i>	28.8%		28.3%	29.2%	

Volumes

Data	9M 2014	9M 2015	Ch. %
Aqueduct (mm3)	224,4	230,9	+2,9%
Sewerage (mm3)	184,9	190,2	+2,9%
Purification (mm3)	183,4	188,5	+2,8%

Financial highlights breakdown by business



Volumes and margins up

(m€)	9M '14 Reported	Restatement	9M '14 Restated	9M '15	Ch. %
Revenues	1,003.3	(1.9)	1,001.4	1,117.3	+11.6%
Ebitda	184.1	(1.9)	182.2	203.6	+11.8%
<i>Ebitda margin</i>	18.4%		18.2%	18.2%	

Volumes

Data	9M 2014	9M 2015	Ch. %
Volumes distrib. (mm3)	1.633,8	1.972,4	+20,7%
Volumes sold (mm3)	1.683,7	2.286,3	+35,8%
<i>of which trading (mm3)</i>	491,2	862,0	+75,5%
District Heating (GWht)	288,2	324,7	+12,7%
Clients ('000 unit)	1.312,2	1.314,7	+0,2%



Conquering market share

(m€)	9M '14 Reported	Restatement	9M '14 Restated	9M '15	Ch. %
Revenues	1,043.8	(0.1)	1,043.8	1,157.8	+10.9%
Ebitda	87.4	(0.1)	87.3	74.7	(14.5%)
<i>Ebitda margin</i>	8.4%		8.4%	6.4%	

Volumes

Data	9M 2014	9M 2015	Ch. %
Volumes sold (GWh)	5.345,9	5.678,5	+6,2%
Volumes distrib. (GWh)	2.193,1	2.297,7	+4,8%
Clients ('000 unit)	783,4	844,4	+7,8%