

COMMITMENTS AND CONTINGENCIES

ENDORSEMENT, SURETIES AND GUARANTEES

At 31 December 2014 these items totalled 713,555 thousand euros, compared to 687,408 thousand euros at 31 December 2013, marking an increase of 26,147 thousand euros.

The balance comprises the following:

- the issue of a bank guarantee for 120,000 thousand euros issued in January 2012 by Cassa Depositi e Prestiti in the interests of the European Investment Bank for the loan agreement signed between ACEA and the EIB on 14 September 2009;
- 100,000 thousand euros for the guarantee agreement entered into by the European Investment Bank and Cassa Depositi e Prestiti on 9 July 2013, with reference to the loan agreement of 100,000 thousand euros entered into on 25 October 2012 by ACEA and the European Investment Bank;
- 84,689 thousand euros for bank guarantees issued by Acea Energia mainly in favour of Terna and Eni Trading regarding the contract for the electricity dispatch service;
- 68,277 thousand euros of the Acquirente Unico and in the interests of Acea Energia as a back-to-back guarantee relating to the electricity sale agreement signed between the parties;
- 66,000 thousand euros in favour of Acea Energia and in the interests of Enel Distribuzione S.p.A. as a back-to-back guarantee for the transport of electricity;
- 53,666 thousand euros in the form of a bank guarantee issued by ACEA to Cassa Depositi e Prestiti in relation to refinancing of the loan issued to ACEA Distribuzione. This is a sole guarantee giving the lender first claim and covering all obligations linked to the original loan (493 million euros). The sum of 53,666 thousand euros refers to the guaranteed portion exceeding the loan originally disbursed (439 million euros);
- 46,185 thousand euros issued in favour of the Tax Authority to guarantee agreement on payment by instalments of the amounts due following demands accepted by Acea Energia (9,158 thousand euros) and ACEA (37,027 thousand euros);
- 10,000 thousand euros for the Global Guarantee issued in favour of Xpo Italia in the interest of Acea Energia as a back-to-back guarantee of the electrical trading transaction agreed or to be agreed between the parties;
- Global Guarantees for 10,000 thousand euros and 10,000 thousand euros issued in favour respectively of Barclays Bank (renewed in April 2014 for an amount lower than 5,000 thousand euros with respect to 31 December 2013) and BNP Paribas in the interest of Acea Energia as back-to-back guarantees of the transaction agreed or to be agreed between the parties under the terms of the ISDA Master Agreements reached;
- 21,424 thousand euros issued by insurance institutions on behalf of SAO: (i) in favour of the Province of Terni for the management of landfill operations and post-closure operations (15,492 thousand euros) and waste disposal (3,157 thousand euros) and (ii) in favour of suppliers to back contracts (2,775 thousand euros);
- 16,900 thousand euros in favour of EDF Trading in the interest of Acea Energia as back-to-back guarantee of the electrical trading transactions;
- 15,000 thousand euros in favour of Enel Trade in the interests of Acea Energia Holding as a back-to-back guarantee on electrical energy trading transactions;
- 10,000 thousand euros as guarantees in favour of Deutsche Bank AG and issued on behalf of Acea Energia as back-to-back guarantees of the transaction agreed or to be agreed between the parties under the terms of the ISDA Master Agreements reached;
- 8,000 thousand euros as a guarantee in favour of Iren Mercato S.p.A. for the precise fulfilment of the EFET agreement entered into in July 2012 between the beneficiary company and Acea Energia Holding;
- 4,202 thousand euros for the bank guarantee issued in favour of Roma Capitale in relation to the "Progetto Tecnologico" contract for the construction of the new multi-service pipe network of Via Tiburtina and adjacent streets, in the interest of Acea Distribuzione for 2,701 thousand euros and Acea Ato2 for 1,501 thousand euros;
- 2,137 thousand euros as bank guarantees issued by BBVA on behalf of ARSE to guarantee the contracts for the design, supply and installation of photovoltaic plants;
- 3,712 thousand euros as a guarantee in favour of Italgas S.p.A. in the interest of Acea Energia renewed in October 2014;
- 1,295 thousand euros relating to the bank guarantee issued by bank Bilbao Vizcaya Argentaria to GSE for the exact fulfilment of the reimbursement obligation undertaken by the company ARIA S.r.l. to GSE.

This item also comprises sureties issued by ACEA for Sidra S.p.A. totalling 6,830 thousand euros with reference to the works contract for the project "Campaign for the recovery of water leakage in the Catania distribution system" and for Sarnese Vesuviano Area Authority for an amount of 5,165 thousand euros to participate in the tender for the selection of a partner in the GORI company.