RATING COMUNICATION

Milan, 24th December 2015

Cerved Rating Agency S.p.A. confirms the following Public Rating:

A3.1

Assigned to

E.s.tr.a. Energia Servizi Territorio Ambiente S.p.A.

Headquartered in Prato (PO) – Via Ugo Panziera, 16 - 59100 – Italy

On 24th December 2015, Cerved Rating Agency has confirmed E.s.tr.a. Energia Servizi Territorio Ambiente S.p.A.'s rating at A3.1.

E.s.tr.a.(the Group) is a Multi-utility Leader of Central Italy in the Energy, Telecommunications, Environment and Services industry and one of the major players in the domestic natural gas market. The company has achieved the critical mass and is capable of competing with other large national multi-utilities. E.s.tr.a. covers Upstream and Midstream business and operates in the LPG market through its subsidiary Estra Energie and its sub-subsidiary Exo Energy Trading; sells electricity through Estra Electricity; plans and manages energy services through Estra Climate; and operates in the telecommunications industry through Estracom. The gas transportation, storage and balance activities are carried out by Estra Logistics Srl. Estra SpA and nowadays the Group possess technical and production capabilities making it competitive in the tender markets. On the consolidated basis, E.s.tr.a. reported EUR 10.2 million of net profit in FY2014, doubling the result of FY2013 (EUR 5 million), its revenues amounted to EUR 745.6 million, up 5% yoy (EUR 708.3 million in FY2013). In FY2014, EBIT increased to EUR 34.7 million (EUR 26 million in FY2013), M.O.L remained fairly stable (EUR 58.2 million in FY2014, EUR 59.4 million in FY2013). By 30th September 2015, revenues increased to EUR 583.72 million boosted by Asa's higher volumes and sales, especially in the wholesale business. The revenues of gas distribution segment decreased due to the transfer of about 30,000 pdr to Edma Reti Gas. The revenues and volumes of electricity sold and the revenues generated by the telecommunication segment are growing. In FY2014, E.s.tr.a. S.p.A. benefits from the capital gain of the transfer to Centria which affected positively on equity and net debt of the latter. Growth continues in the structure of the E.s.tr.a. Group, in which the Company has assumed the role of holding company.

Key rating factors

- ***Business model and market positioning***

The Company is the flagship of the Group E.S.TR.A., who was born in the period of strong consolidation of the Public Utilities Market. The common shareholders approved the creation of E.S.TR.A., a large public services operator, who's able to innovate and face the new challenges of the market. The fully public ownership guarantees a secure and competent provision service to the customers and, with the generated profits, impacting positively on the citizen and their territories. E.S.TR.A. is able to catch the opportunities offered by the market and the industry, at the same time, it's able to create and maintain competitive advantages consisting in technological innovation, know-how, production capacity, assets (networks), customer portfolio, partnership, companies' network and human capital. The Group has completed the operational development according to the drivers of the business plan. The new one also would drive the E.S.TR.A. towards further strengthening in order to position the Company among the national players.

Key financial results

In FY2015, despite the deconsolidation of gas segment and consolidated results up sharply boosted by the extraordinary disposals, we expected MOL to increase to approx. EUR 60 million due to the revenue growth at 10%. Cash&Cash

Cerved Rating Agency

Equivalent has been increased and Net Debt has been improved, we expect the latter to decreased by EUR 30 million by end of FY2015 compare to EUR 211 million at the end of FY2014. Please note that, by 30th September 2015, Net Debt decreased to EUR 148 million. On 13th July 2015, E.S.TR.A. issued an unsecured non-convertible bond (EUR 100 million) on the Irish Stock Exchange in Dublin, guaranteed by its subsidiary Centria S.r.l. and fully subscribed by institutional investors. The duration of the bond is 7 years and the coupon rate is 3,75%; the related covenants to be respected are: Net Debt/Equity ≤ 1,2x, Net Debt/Ebitda ≤ 4,5x and Net Debt/Rab ≥ 0,85x. E.S.TR.A.'s debut on the international bond market is aimed at financing the Group-s actitivis, optimizing the Group's flexibility and financial strength. In additional, apart from achieving the business plan, the aim is lengthening the debts' maturity, reducing and differentiation the financing sources.

- ***Liquidity***

The Company is financed by cash generated from operating cash flow, through diversification of financing sources and availability of credit lines in the technical forms necessary for carrying out the activity. The parent company exercises centralized management of liquidity through the Cash Pooling system and the centralization of bank accounts allocating available funds according to the individual subsidiary's needs. The bond issued improved the Company's liquidity affecting positively both the maturity (average debt duration of E.S.TR.A. is 3.77yr) and the average debt rate (3.09%).

Rating assumptions

- In FY15, we expert revenues to increase 10% and MOL amount to EUR 60 million
- Improvement of Net Debt (EUR 180 million in FY15) and Net Debt/Ebitda ≤ 3.5x in FY16

Key risk factors

- ***Market risks***

The Group operates in a highly regulated Industry. Therefore, it has adopted the monitoring policy and regulatory risk management through various levels, which involves an ongoing dialogue with Institutions, Government and Regulators of the Industry.

- ***Operational risks***

E.S.TR.A. faces steadily risks related to concessions/entrusting of gas distribution owned by the Group and other subsidiaries and results of bidding for public contracts in target regions.

- ***Financial risks***

E.S.TR.A. enjoys high degree of trust from the banking system. The Group also has derivative contract to hedge the risk of changes in M/L-term interest rates and the risk of gas price fluctuations (Swap and IRS).

Rating sensitivities

- We would confirm the assigned rating if the Group achieves the objectives of the development plan;
- We would consider a downgrade if the Group fails to achieves its objectives, or there is a deterioration of results and/or a weakening of debt position

The methodology applied is available on Cerved Rating Agency web-site at the following link www.ratingagency.cerved.com

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