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A2A DEVELOPS COMPREHENSIVE RISK MANAGEMENT SOLUTION FOR ENERGY MARKETS USING MATLAB

Multiutility Energy Firm Accelerates Pricing Model Development and Cuts Risk Calculation Times from One Hour to 30 Seconds

NATICK, Mass. – September 21, 2011 – MathWorks today announced that A2A, one of the largest energy companies in Italy, used MATLAB and companion toolboxes to develop its risk management platform. With MATLAB as the foundation for its production architecture, A2A reduced risk calculations from one hour to 30 seconds, halved system development time, and accelerated pricing model development.

A2A sought a tool that would help its analysts accelerate calculations, develop more sophisticated models, and minimize errors. Previously, the company used spreadsheet-based solutions, which were complex to maintain and slow to operate, taking analysts an hour or more to calculate value at risk (VaR) with about 60 risk factors. After conducting an evaluation of off-the-shelf risk management solutions and various technical computing environments, A2A employed MATLAB to create a new development platform for risk management. MATLAB enabled A2A analysts to develop data-driven and model-driven applications, such as a VaR application working with 400 risk factors, which are integrated into the firm's system architectures.

“MATLAB is built for the kind of complex computations that we need to make,” said Simone Visonà, risk manager at A2A. “Using MATLAB has opened more trading opportunities for A2A because it enables us to rapidly compute a fair price and market risk for new contracts.”

A2A's risk management platform helps the firm gather historical and current market data, apply sophisticated nonlinear models, perform Monte Carlo simulations, quantify VaR, and present results graphically. Now the firm's risk managers are able to account for 10 times the number of risk factors and complete those calculations in about 30 seconds.

"A2A is one of many organizations now choosing to build their own risk platforms rather than buy off-the-shelf solutions," said Steve Wilcockson, manager of finance industry marketing at MathWorks. "Although customizing and evolving risk systems require time and resources, A2A will have the agility when markets change to make adjustments to their systems, such as incorporating different risk factors in trading, testing, and risk frameworks. Also A2A's quant code base, in terms of lines of code, is an order of magnitude less than it would be in C++ or Java, and is significantly more manageable."

About A2A

A2A is the energy multiutility created on January 1, 2008, from the merger between Aem Milano and Asm Brescia and with the incorporation of Amsa. The Group perimeter also includes Ecodeco, another relevant player in the waste sector.

A2A is the second national electricity operator as for installed capacity and sales volumes, in particular as regards renewable energy thanks to a considerable share, about 30%, deriving from hydroelectric generation, the third national operator as regards the gas sector with sales of 5.8 billion cubic metres and the national leader in the environmental sector thanks to 2.7 million tons of waste treated. The Group is also the first in Italy in the district heating sector .

A2A ranks first among the former Italian municipal companies with a turnover of about 6 billion Euros and over 2 million customers.

About MathWorks

MathWorks is the leading developer of mathematical computing software. MATLAB, the language of technical computing, is a programming environment for algorithm development, data analysis, visualization, and numeric computation. Simulink is a graphical environment for simulation and Model-Based Design of multidomain dynamic and embedded systems. Engineers and scientists worldwide rely on these product families to accelerate the pace of discovery, innovation, and development in automotive, aerospace, electronics, financial services, biotech-pharmaceutical, and other industries. MathWorks products are also fundamental teaching and research tools in the world's universities and learning institutions. Founded in 1984, MathWorks employs more than 2200 people in 15 countries, with headquarters in Natick, Massachusetts, USA.

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