



Interim Report First half of 2009

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Attachments:

-Declaration by the Manager -Declaration of the consolidated half year financial Report according to article 81-ter of the Consob statute n. 11971;

-Independent Auditors' Report on the limited auditing of the financial statements as of 30 June 2009.

GENERAL INFORMATION

Directors, Officers and Company information

Board of Directors and Board of Statutory Auditors

Individual	Office	Duration of office	From
Salton Gildo	Chairman of the Board of Directors	2008-2010	28/04/2008
Beninatto Alfonso	Adviser	2008-2010	28/04/2008
Bortolin Gianantonio	Adviser	2008-2010	28/04/2008
Trinca Flavio	Independent Adviser	2008-2010	28/04/2008
Fassina Alessandro	Independent Adviser	2008-2010	28/04/2008

Individual	Office	Duration of office	From
Nicolai Paolo	Chairman of the Board of Auditors	2008-2010	13/11/2008
Sforza Fabio	Statutory auditor	2008-2010	28/04/2008
Visentin Giuliano	Statutory auditor	2008-2010	28/04/2008

(*) Powers and attributions of ordinary and extraordinary administration, within the limits of the law and of the Corporate memorandum of association and in observance of the reserves within the competence of the Shareholders' Meeting and the Board of Directors, according to the resolutions of the Board of Directors

Control Comitee	Remuneration Comitee
Flavio Trinca	Alfonso Beninatto
Alfonso Beninatto	Flavio Trinca
Alessandro Fassina	Alessandro Fassina

Independent Auditors

Reconta Ernst & Young S.p.A.

Legal headquarters and Company data

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 I-31053 Pieve di Soligo, TREVISO, Italy
 Tel.: +39 0438 980098
 Fax: +39 0438 82096
 Share Capital: Euro 234,411,575 fully paid-in
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 e-mail: info@ascopiave.it

Investor - relations
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 fax +39 0438 964779
 e-mail : investor.relations@ascopiave.it

Main economic and financial data of the Ascopiave Group

Economic figures

(In thousands of Euro)	First half 2009	% net sales	First half 2008	% net sales
Revenues	462.202	100%	420.457	100%
Gross operating spread (*)	28.178	6,1%	29.018	6,9%
Operating result	18.514	4,0%	20.501	4,9%
Net income of the Group	11.229	2,4%	11.627	2,8%

*The gross operating margin (EBITDA) is the result before amortisation/depreciation, financial management and taxes

Assets figures

(In thousands of Euro)	30/06/2009	31/12/2008
ALLOCATION		
Net working capital *	16.834	21.932
Fixed assets and other non current activities	434.046	425.915
Non-current liabilities (excluding loans)	(38.732)	(41.165)
Net invested capital **	412.148	406.682
Net financial position	(56.421)	(45.249)
Net Shareholders' equity	(355.728)	(361.433)
Total financing sources	(412.148)	(406.682)

* Please note that 'Net working capital' is intended as the sum of the inventories, trade receivables, tax receivables, other current assets, accounts payable, tax payables (within 12 months), and other current liabilities.

** Please note that 'Net capital invested' is intended as the algebraic sum of the Net working capital (as defined above), assets, other non-current assets and non-current liabilities.

Monetary flow figures

(In thousands of Euro)	First half 2009	First half 2008
Net income of the Group	11.229	11.627
Cash flow provided (used) by operating activities	26.437	42.161
Cash flow used in investing activities	(13.631)	(20.798)
Cash flow provided (used) by changes in the net assets	10.281	(34.017)
Cash flow of the period	23.087	(12.654)
Cash flows at the opening of the period	27.565	31.290
Cash flows at the end of the period	50.651	18.636

INTERMEDIATE REPORT ON OPERATIONS

PREMISE

The Ascopiave Group closed the first half 2009 with a net profit of Euro 11,2 millions.

The consolidated net assets amount to Euro 355,7 millions and the net invested capital to Euro 412,1 millions.

In the first half 2009 the Group accomplished net investments for Euro 13,8 millions, of which Euro 4,7 millions deriving from the acquisition of companies and Euro 9 millions mainly from the development, maintenance and modernization of the network and of the plants of gas distribution.

Activities

Ascopiave mainly operates in the sectors of distribution and sale of natural gas to final users, as well as in other sectors related to the core business, such as the sale of electrical energy and heat management.

For the extent of its customer's basin and for the quantity of gas sold, Ascopiave is at present one of the main operator of the sector at national level.

The Group owns concessions and direct entrusting for the management of the activity of gas distribution in 182 municipalities, supplying the service to more than one million users. The group is owner of the distribution network managed that is extended for more than 7.350 kilometres.

The activity of natural gas sale is carried out through different companies, some of which are controlled with majority shares, others are shared at 49%-51% and on which the Group exercise a joint control with other shareholders.

Considered as a whole, the controlled and participated companies supply gas to more than 680.000 final users.

Since 2007 the Group, exploiting its leadership position on the market, also operates as gas wholesaler and trader.

Strategic objectives

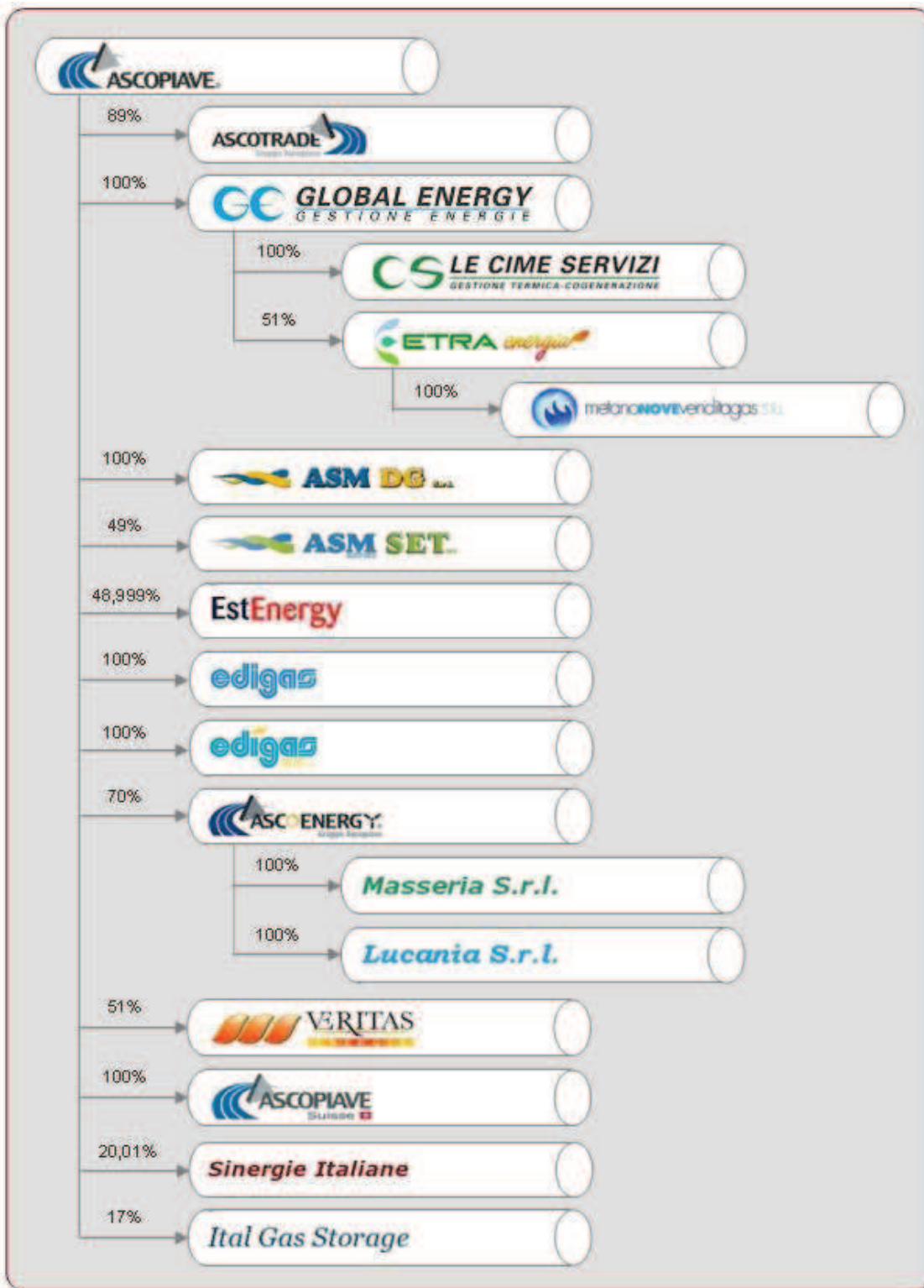
Ascopiave S.p.A. proposes itself to pursue a strategy focused on the creation of value for its stakeholders, by maintaining the level of excellence in the quality of services offered, respecting the environment and social groups, to increase the value of the field in which it operates.

The Group intends to consolidate its leadership position in the gas sector on a regional level and is looking to reach a prominent position also at the national level, taking advantage of the liberalisation process currently underway.

In that sense, Ascopiave S.p.A. follows a development strategy whose main guiding principles are dimensional growth, upstream integration in the sector, diversification in other divisions of the energy sector synergic with the core business, such as cogeneration and sales of electrical energy, and improving operative processes.

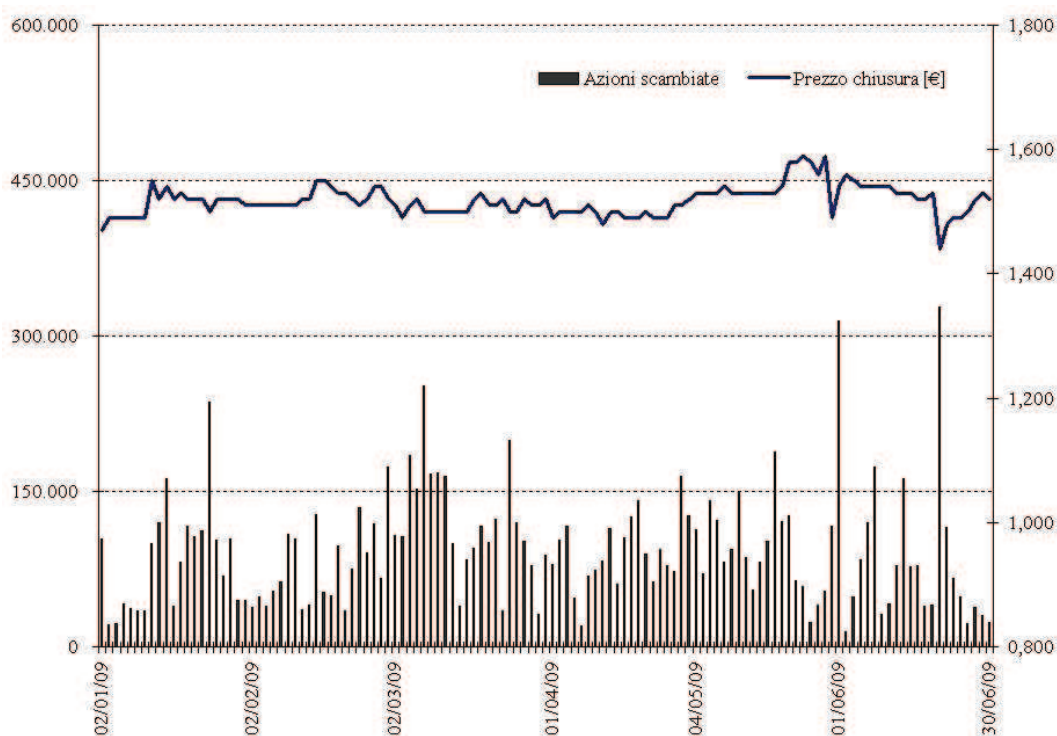
The structure of the Ascopiave Group

The following image shows the company structure of the Ascopiave Group, updated as of 30 June 2009; the Group works through 18 companies.



Ascopiave S.p.A. share trend on the Stock Exchange

As of 30 June 2008, the Ascopiave shares reported a listing equal to Euro 1,517 per share, with an increase by approximately 3,2 percentage points from the listing at the beginning of 2009 (Euro 1,470 per share, with reference to the listing of 2 January 2009). Capitalisation of the Stock Exchange as of 30.06.09, is equal to Euro 355,08 millions¹.



The growth of the shares listing (+3,2%) is contrasted by the diminution of the listing of the index FTSE Italia All-Share (that recently has substituted the Mibtel index) that, during the first half of 2009, showed a decrease equal to 2,9%.

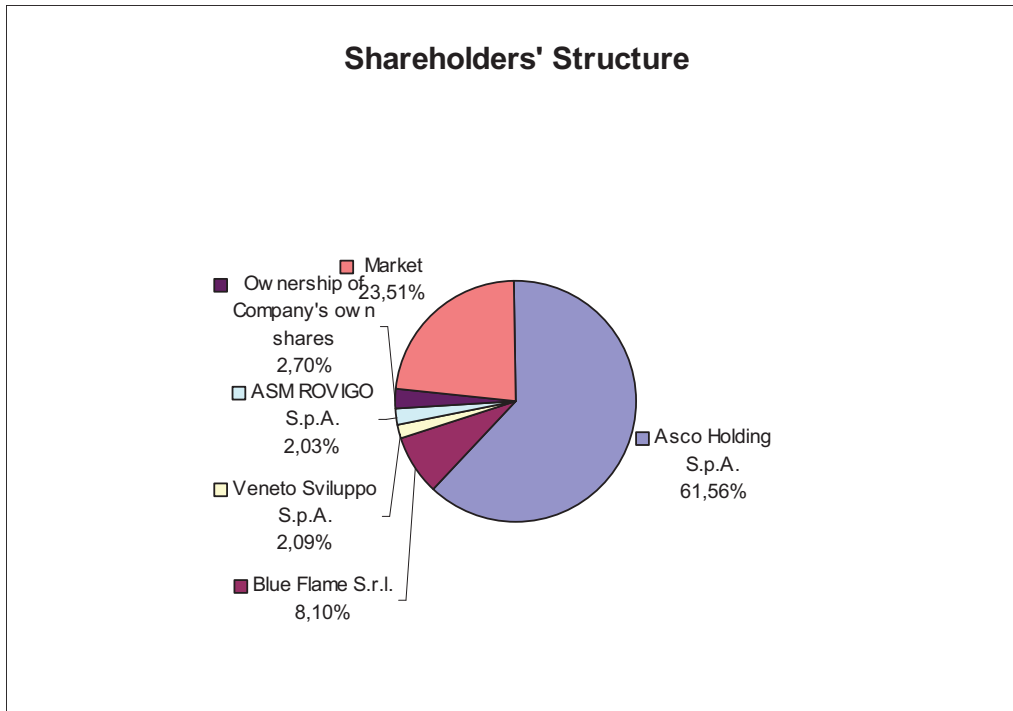
The following table summarises the main data relating to the shares and stock market as of 30 June 2009:

Data relating to the shares and stock market	30 June 2009
Earnings per share	0,05
Net equity per share	1,51
Placing price	1,80
Closing price	1,52
Top price of the year	1,60
Bottom price of the year	1,41
Capitalization on the stock exchange	355,08
Medial outstanding shares	226.753.211
Shares numbers of capital share	234.411.575
Ownership of Company's own shares	7.658.364

¹ As of 30 June 2009, capitalisation of the Stock Exchange of the main listed companies operating in the sector of local public services (A2A, Acea, Acegas-Aps, Acsm-Agam, Enia, Hera and Iride) exceeded Euro 9,5 billion. Data taken from the Italian Stock Exchange website (www.borsaitaliana.it)

Control of the Company

As of 30 June 2009 Asco Holding S.p.A. directly controls the Ascopiave S.p.A. capital with 61,56%. The Ascopiave S.p.A. share composition according to the number of shares held appears as follow:



*Data concerning the 120/A model as of 24 August 2009 by Consob.

Shares held by Directors and Auditors

Individual	Controlled company	Type of shares	Number of shares held as of 1 ^o January 2009	Number of shares bought during the first half 2009	Number of shares sold during the first half 2009	Number of shares held as of 30 June 2009	Type of ownership
Salton Gildo[1]	Ascopiave S.p.A.	Ordinary	3.840	0	0	3.840	Ownership
Beninatto Alfonso	Ascopiave S.p.A.	Ordinary	0	0	0	0	Ownership
Bortolin Gianantonio	Ascopiave S.p.A.	Ordinary	3.840	0	3.840	0	Ownership
Trinca Flavio	Ascopiave S.p.A.	Ordinary	0	0	0	0	Ownership
Fassina Alessandro	Ascopiave S.p.A.	Ordinary	0	0	0	0	Ownership
Sforza Fabio	Ascopiave S.p.A.	Ordinary	10.000	0	0	10.000	Ownership
Saccardi Giuliano	Ascopiave S.p.A.	Ordinary	0	0	0	0	Ownership
Nicolai Paolo	Ascopiave S.p.A.	Ordinary	0	0	0	0	Ownership
Executives with strategic liabilities	Ascopiave S.p.A.	Ordinary	34.560	0	0	34.560	Ownership
			52.240	0	3.840	48.400	

[1] Shares owned by the partner

[2] During the period 01.01.2009 / 30.06.2009 the executives with strategic liabilities were: CFO, General Manager Ascotrade S.p.A., Managing Director, CTO, Investor relator.

The company Blue Flame S.r.l., whose CEO is the adviser Fassina Alessandro, as of 24 August 2009 owned n.18.987 thousands shares of the Ascopiave S.p.A..

Corporate Governance and Ethics Code

During the first half of 2009, Ascopiave S.p.A. continued the operational implementation of the *corporate governance* set during previous years, further improving the tools aimed at protecting investors' interests.

In-company control

The in-company control activities took place in the form of the implementation of an auditing plan that will involve all major decision-making processes, with aspecific regards to the business areas held to be the most strategic.

The Control Body is also implementing its own plan aimed at reporting the existence of any risks ex Legislative Decree 231/2001, and at optimising company control systems.

Manager

The Manager, together with the help of the internal audit department and a specific consultant, reviewed, under the scope of auditing activities, the suitability of the procedures, also on the basis of the findings during activities on the 2008 Consolidated financial statements, also continuing to monitor the procedures held to be relevant with reference to intermediate situations.

Ethics Code

The Company has continued to promote the spread of awareness and comprehension of the Ethics Code by all interlocutors, and particularly with regards to commercial and institutional relations.

We would remind you that the corporate governance documents can be consulted under the investor relations section of the website www.ascopiave.it.

Transactions with related parties

The company has the following transactions with related parties with the following types of costs of ownership:

- ✓ Purchase of screen-based services from subsidiary ASCO TLC S.p.A.;
- ✓ Purchase of materials for the production process and maintenance services from SEVEN CENTER S.r.l.;
- ✓ Purchase of gas from the joint company Sinergie Italiane S.r.l..

The company has the following transactions with related parties with the following types of revenues of ownership:

- ✓ Leasing of owned real properties to the subsidiary ASCO TLC S.p.A.;
- ✓ Relations of active current accounts correspondence to Estenergy S.r.l. and to Veritas Energia S.r.l.;

We would like to point out that these relations are marked by the higher transparency and by market conditions.

Remuneration of directors, auditors and top management

According to Consob deliberation n.15520 dated 27 July 2006 we report here the remunerations and fees matured by the Ascopiave S.p.A. Directors and Auditors for the charges performed in the parent company and in other companies included in the consolidation (amounts in Euro).

Board of Directors:

Individual	Office	Duration of office	From	To	Fees	Fees from controlled companies	Total
Salton Gildo	Chairman of the Board of Directors	2008-2010	28/04/2008				
Beninato Alfonso	Adviser	2008-2010	28/04/2008				
Bortolin Gianantonio	Adviser	2008-2010	28/04/2008				
Trinca Flavio	Independent Adviser	2008-2010	28/04/2008				
Fassina Alessandro	Independent Adviser	2008-2010	28/04/2008				
Total					231.010	-	231.010

Board of Auditors:

Individual	Office	Duration of office	From	To	Fees	Fees from controlled companies	Total
Nicolai Paolo	Chairman of the Board of Auditors	2008-2010	13/11/2008				
Sforza Fabio	Statutory auditor	2008-2010	28/04/2008				
Visentin Giuliano	Statutory auditor	2008-2010	28/04/2008				
Total					48.880	-	48.880

Top management:

We point out that the remuneration of the area managers with strategic responsibilities gross of taxes and national insurance is equal to Euro 289 thousands.

Office	Individual
Chief Financial Officer	Roberto Gumirato
Chief Technical Officer	Giovanni Favaro
Management Control	Giacomo Bignucolo
Managing Director	Cristiano Belliato
General Manager Ascotrade S.p.A.	Claudio Fabbi

Significant events during the first half 2009

Company operations that took place during the first half of 2009

Establishment of Asco Suisse

On 27 February 2009, Ascopiave S.p.A. established Asco Suisse S.A., a company of Swiss Law with legal headquarters in Lugano. The aim of the company is to carry out the activity of distribution and sale of gas within the Swiss area. Ascopiave owns 100% of Asco Suisse as only shareholder.

Acquisition of Veritas Energia

On 29 January 2009, Ascopiave S.p.A. perfected the agreement for the acquisition of 51% of Veritas Energia S.r.l., a company operating in the sale of gas and electric energy in the province of Venice. The operation allows the Group to reinforce its leadership in the natural gas sector in the Veneto region, making another relevant step in the process of aggregation going on in the North-east of Italy. The agreement was announced on 2 December 2008.

Other relevant events

Relations with Control Authorities

On 26 February 2009 CONSOB notified to Ascopiave S.p.A a sanction measure equal to Euro 10 thousands that the company has already paid.

Concessions

As a consequence of the definitive award of contract to Ascopiave S.p.A. of natural gas distribution service of 12 year duration in the area of the municipality of Trebaseleghe, in the province of Padua, on 23 April 2009 the municipality of Trebaseleghe and the company Ascopiave S.p.A. entered into a contract for the service. On 11 May 2009 the leaving service manager wasn't present by the municipality headquarter for the delivery of plants.

In the judgement directory n. 44 of 2009 the Veneto Tar (the Regional administrative court), I^a Section, definitively decided on the appeals of Ascopiave S.p.A. against the municipality of Isola Vicentina and admitted the appeals within the limits of the statements of reasons and annulled the proceedings, within which the definitive award of contract of the tender to another company.

Dividends distributions

On 28 April 2009 the ordinary shareholder's meeting approved the Financial statement as of 31 December 2008 and deliberated the distribution of a dividend equal to Euro 0,085 per share net of the advanced payment paid-in on November 2008 equal to Euro 0,025 that has been paid on 14 May 2009.

Own shares

According to article 40 of the legislative decree 127 2 d), we formally acknowledge that as of 30 June 2009 the company owns own shares for an amount equal to Euro 10.983 thousands, which result to be accounted as a reduction of other reserves, as it is visible in the paragraph of net equity variation.

Comments on the economic and financial results of the first half of 2009

General operational performance - The economic Group results

(In thousands of Euro)	First half 2009	% net sales	First half 2008	% net sales
Revenues	462.202	100%	420.457	100%
Operating costs	434.024	93,9%	391.439	93,1%
Gross operating margin	28.178	6,1%	29.018	6,9%
Amortisation	7.636	1,7%	6.896	1,6%
Depreciation	2.028	0,4%	1.621	0,4%
Operating result	18.514	4,0%	20.501	4,9%
Financial income	502	0,1%	326	0,1%
Financial expenses	1.538	0,3%	3.125	0,7%
Evaluation of the subsidiary companies with the net assets' method	522	0,1%	0	0,0%
Income before taxes	18.000	3,9%	17.701	4,2%
Taxation of the period	6.726	1,5%	6.049	1,4%
Net result	11.274	2,4%	11.652	2,8%
Net result deriving from disposal activities	0	0,0%	0	0,0%
Net result of the period	11.274	2,4%	11.652	2,8%
Net result of the Group	11.229	2,4%	11.627	2,8%
Net result of others	45	0,0%	25	0,0%

According to the Consob communication n. DEM/6064293 dated 28 July 2006 we specify that the Performance alternative indicators are defined at page 21 of the this report.

During the first half of 2009 income amounts to Euro 462.202 thousands as compared with Euro 420.457 thousands of the same period previous year, reporting an increase of 41.745 thousands, equal to 9,9%. The following table reports details of income.

(In thousands of Euro)	30 June 2009	Value of new companies acquisitions'	Value at net of new companies acquisitions'	30 June 2008
Revenues from gas sales	423.095	24.545	398.550	389.041
Revenues from transport services	2.468	92	2.376	1.814
Revenues from connection services	3.642	180	3.462	3.972
Revenues from electric energy sales	23.021	4.521	18.500	18.037
Revenues from heat supply services	2.328	0	2.328	2.963
Revenues from distribution services	3.365	90	3.274	1.750
Revenues from billing and tributes services	110	0	110	221
Revenues from foreign gas sales	309	0	309	0
Other revenues	3.865	163	3.702	2.659
Total	462.202	29.591	432.611	420.457

The increase of **revenues** is mainly due to **gas sales activity** which has provided a significant increase of revenues equal to Euro 34.054 thousands due to:

- the first consolidation of the economic results of the companies acquired during the second half of 2008 and the first half of 2009 (Edigas Due S.p.A., Edigas S.p.A., Metano Nove S.r.l. and Veritas Energia S.p.A.) which contributed with Euro 24.545 thousands to the increase of gas sale revenues.

- the slight increase of the Group sales as trader and wholesaler that go from Euro 139.009 thousands to Euro 142.752 thousands (+ Euro 3.743 thousands, percentage change of +2,7%);
- the growth of the turnover, net of the contribution of new acquired companies, towards the final market (+ Euro 5.766 thousands, even though the diminution of volumes sold that go from 781,2 millions of mc to 716,4 millions of mc) deriving from the increase of average tariff of sale.

Also **revenues from electric energy sale** presents an increase (+27,6%), mainly for the effect of consolidation of Veritas Energia S.p.A.; compared with the same period of 2008, we do not record considerable changes.

Gross operating margin goes from Euro 29.018 thousands to Euro 28.178 thousands, down by Euro 840 thousands equal to 2,9%.

The decrease of the gross operating margin compared with previous year is due to a plurality of factors, as:

- the consolidation of the results of new acquired companies;
- the decrease of the volumes of gas sold;
- the decrease of specific marginality on sale activity to final market;

The contribution of new acquired companies is equal to Euro 1.970 thousands and so, compared to the same period of 2008, the decrease of gross operative margin is equal to Euro 2.810 thousands; this last datum mainly concerns the first marginality on gas sale to the final market that felt the effect of the diminution of volumes sold (716,4 millions of mc compared to 781,2 millions of mc of the same period of previous year; we specify that the datum of volumes includes the volumes of the proportionally consolidated companies, not pondered for the quote of consolidation) and on the other hand for the reduction of the unitary average marginality.

The unitary marginality of the period has been negatively influenced by the differential between the update of sale price and the update of gas purchase cost, that characterized a minority quote of the market for which the sale contracts preview indexation formula in the sale tariff not aligned to those of purchase.

The **operative result** decreases by Euro 1.986 thousands, going from Euro 20.501 thousands to Euro 18.514 thousands. The operative income of the period as compared to previous year is negatively influenced by the increase both of amortizations, for Euro 809 thousands (mainly for the effect of the consolidation of new companies acquisitions, for Euro 539 thousands), and for the allocation on a receivables depreciation fund, for Euro 280 thousands.

Financial management negatively impacts with the year result for Euro 515 thousands, and so the **pre-tax result** amounts to Euro 18.000 thousands, down from the first half of 2008 by Euro 298 thousands.

The year's taxes amount to Euro 6.726 thousands, bringing **net result of the period** to Euro 11.274 thousands.

General operational performance – Net financial position

The table below shows the composition of the net financial position as requested by Consob communication no. DEM/6064293 of 28 July 2006:

(In thousands of Euro)	30/06/09	Value from company acquisitions	Net value of company acquisitions	31/12/08
A Cash	84		84	32
B Other liquid assets	50.567	5	50.562	27.533
C Shares for negotiation	0			0
D Liquid assets (A) + (B) + (C)	50.651	5	50.646	27.565
E Current financial assets	-	0	-	0
F Current financial debts	(94.818)	(2.393)	(92.424)	(59.569)
G Current part of non-current debt	(1.000)		(1.000)	(1.135)
H Other current financial debts	(6.937)	0	(6.937)	(7.348)
I Current financial debt (F) + (G) + (H)	(102.754)	(2.393)	(100.361)	(68.051)
J Net current financial debt (I) - (E) - (D)	(52.103)	(2.388)	(49.715)	(40.486)
K Non-current bank debts	(3.547)		(3.547)	(3.969)
L Floated bonds	0		0	0
M Other non-current debts	(770)		(770)	(794)
N Non-current financial debt (K) + (L) + (M)	(4.318)	0	(4.318)	(4.763)
O Net financial debt (J) + (N)	(56.421)	(2.388)	(54.032)	(45.249)

The financial position goes from Euro 45.249 thousands to Euro 56.421 thousands, reporting an increase equal to Euro 11.171 thousands. If we consider the contribution to the financial debt during the first consolidation of the acquired companies (Veritas Energia S.r.l., acquired during 2009 financial year), negative for Euro 2.388 thousands, the variation of the net financial debt in the first half of 2009 amounts to Euro 8.783 thousands.

Following some figures relative to the financial flows of the Group:

(In thousands of Euro)	First half 2009	First half 2008
Net income of the Group	11.229	11.627
Amortisation	7.826	6.896
Depreciation	2.028	1.621
Self-financing	21.083	20.143
Variation to set the net income to the variation of the financial position generated by the operative management	411	18.418
Variation in the financial standing generated by operating activities	21.494	38.561
Investments in shareholdings	(3.535)	(127)
Variation of the financial standing generated by investment activities	(12.631)	(8.958)
Net variation on controlled companies' financing	(361)	0
Medium-long term loans refund	0	0
Dividends paid out to Ascopiave S.p.A. shareholders	(13.662)	(14.057)
Dividends paid out to other shareholders	(326)	(525)
Payment in advance on dividends	0	0
Other changes in the financial standing	(20.034)	(14.393)
Variation of net financial standing	(11.171)	15.210

The cash flow generated by the operative management equals Euro 21.494 thousands, and is mainly due to self-financing (Euro 21.083), as no relevant variation of the net invested circulating capital have been registered.

The investment activity has generated a cash requirement of Euro 12.631 thousands, mainly linked to the acquisition of shares in Veritas Energia S.r.l. that, net of the financial position acquired, caused an outlay for a total amount of Euro 1.386 thousands, and to the investments in intangible and tangible assets that have committed financial resources for a total amount equal to Euro 9.478 thousands; for what concerns the detail of the tangible and intangible investments, we send to next paragraph.

Other changes in the net financial position (equal to Euro 20.034 thousands) are mainly connected to net assets variations due to the distribution of 2008 dividends (Euro 13.989 thousands) and to the purchase of own shares (Euro 5.684 thousands).

General operational performance - Investments

The investments in the first half of 2009, net of values deriving from the first consolidation of the companies acquired during the first half of 2009 (Veritas Energia S.r.l., Ascopiave Suisse S.A. and Lucania S.r.l.), are equal to Euro 11.024 thousands.

(In thousands of Euro)	First half 2009
<i>Goodwill</i>	
Goodwill	1.544
<i>Intangible fixed assets</i>	
Starting capital expenditures	-
Industrial patents and intellectual property right	226
Concessions, licenses, trademarks and similar rights	-
Other intangible fixed assets	42
Construction in progress and advanced payments	157
<i>Total intangible fixed assets</i>	<i>424</i>
<i>Tangible fixed assets</i>	
Lands and buildings	957
Plant and machinery	4.215
Industrial and commercial equipment	48
Other assets	432
Construction in progress and advanced payments	3.405
<i>Total tangible fixed assets</i>	<i>9.056</i>
<i>Totale investments</i>	<i>11.024</i>

The new intangible investments, net of values deriving from new companies acquisitions, equal to Euro 604 thousands and mainly concern the new Geutweb and SAP-BPC software.

New tangible investments in lands and buildings, equal to Euro 957 thousands are mainly related to the purchase of a new building to be used as office in the Municipality of Milan.

The increase of the voice plants and machineries, equal to Euro 4.215 thousands, is mainly due to constructions and modernisation of plants and the distribution network, as well as the increase of current assets equal to Euro 3.405 thousands.

Management outlooks

2009 seems to be a very difficult year for the international economy and for sure there will be repercussions on the activities and results of the group.

Even though the enlargement of the perimeter of consolidation, due to company acquisitions concluded in the middle of 2008 and during 2009, the gas sales to the final market could register a reduction as compared with previous year, also considering the mild climatic conditions already registered in the first half and the repercussions of the slow down of the economy on consumptions of the industrial sector and micro-business.

The Group is placed in a circumscribed context of offer concentration that could allow some growth opportunities through external lines through the conclusions of company acquisitions and/or aggregations. In his case 2009 results both in terms of activity and profitability, could change in a significant way.

Objectives and policies of the Group and description of risks

We would like to point out that the main financial instruments in use by our group are represented by commercial debt and credits, liquidity, bank debt and other forms of financing. It is held that the Group is not exposed to credit risks greater than the product sector average, considering the numerous customers and the low physical risk in the service of gas delivery. In order to control the residual risks that are possible with credit, there is in any case a fund for the devaluation of credit equal to approximately 7% of the total gross credit of third parties. The significant commercial operations take place in Italy. We specify that as a consequence of the seasonability of the business cycle, during the summer period the significant contraction of credits to customers determine the slight increase of the fund for the devaluation of credits that usually results to be lower than 3%. With reference to the company financial management, the administrators consider as appropriate the generating of cash suitable at covering its needs. The main payment obligations opened as of 30 June 2009 are associated to contracts for natural gas supply.

Research and development

In the first half of 2009 no relevant activity of research and development have been carried out.

Other information

Performance indicators

According to Consob communication DEM 6064293 dated 28 July 2006 and by recommendation CESR/05-178b on alternative performance indicators, we specify that besides normal performance indicators fixed by International Accounting Principles IAS/IFRS, the Group considers useful for the business monitoring also others performance indicators, that, even if they do not appear yet in the afore-stated principles, they have a considerable importance. In particular we introduced the following indicators:

- **Gross operative margin (Ebitda):** defined by the company as the result of amortizations, credit depreciation, financial managing and taxes;
- **Operative income:** this indicator is reckoned by the accounting principles we refer to, and it is defined as operative margin (Ebit) minus the balance of costs and non recurrent revenues. We would like to underline that this last voice includes extraordinary incomes and losses, appreciations and capital losses for alienation of assets, insurance reimbursements, taxes and others positive and negative components with less relevance.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet

(In thousands of Euro)		30/06/2009	31/12/2008
Non-current assets			
Goodwill	(1)	75.947	74.603
Other intangible assets	(2)	18.465	18.172
Tangible fixed assets	(3)	321.243	319.279
Holdings	(4)	442	374
Other non-current assets	(5)	7.567	3.579
Deffered tax assets	(6)	10.383	9.907
Total non-current assets		434.046	425.915
Current assets			
Inventories	(7)	3.057	3.186
Trade receivables	(8)	136.549	266.231
Other current assets	(9)	13.317	12.140
Tax receivables	(10)	205	17
Cash and cash equivalents	(11)	50.651	27.565
Total current assets		203.778	309.138
Total assets		637.824	735.053
Shareholders' equity			
Share capital		234.412	234.412
Reserves		108.066	106.245
Net result of the Group		11.229	18.452
Total shareholders' equity	(12)	353.706	359.108
Share capital of others		1.976	1.987
Net result of others		45	337
Total shareholders' equity of others	(13)	2.021	2.325
Total shareholders' equity		355.728	361.433
Non-current liabilities			
Provisions for risks and changes	(14)	304	3.778
Severance indemnities	(15)	3.094	3.099
Medium-long term debts	(16)	3.547	3.969
Other non-current liabilities	(17)	9.732	8.744
Other non-current financial liabilities	(18)	770	794
Deferred tax liabilities	(19)	25.602	25.544
Total non-current liabilities		43.050	45.928
Current liabilities			
Short-term borrowings	(20)	95.817	60.704
Trade payables	(21)	67.912	219.922
Tax liabilities	(22)	1.394	715
Other current liabilities	(23)	66.988	39.004
Current financial liabilities	(24)	6.937	7.348
Total current liabilities		239.047	327.692
Total liabilities		282.097	373.620
Total shareholders' equity and liabilities		637.824	735.053

Consolidated comprehensive income statement

(In thousands of Euro)		First half 2009	First half 2008
Revenues	(25)	462.202	420.457
Operating costs		436.052	393.060
Costs of gas purchases	(26)	371.338	341.334
Costs of other material and consumables	(27)	19.822	14.875
Costs for services	(28)	28.594	22.418
Personnel costs	(29)	9.346	7.627
Other operating expenses	(30)	7.042	6.842
Other operating income	(31)	(90)	(36)
Depreciation and amortization	(32)	7.636	6.896
Operating income		18.514	20.501
Financial income	(33)	502	326
Financial expenses	(33)	1.538	3.125
Evaluation of subsidiary companies with the net assets method		522	0
Income before taxes		18.000	17.701
Income taxes	(34)	6.726	6.049
Net result of the period		11.274	11.652
Income (losses) of the Group		11.229	11.627
Income (losses) of others		45	25
Other components of the consolidated income statement			
Net variation of the Cash Flow Hedge reserves' of controlled companies		(581)	
Tax effect on the variation in the Cash Flow Hedge reserves'		220	
Net variation on the reserves of subsidiary companies evaluated with net assets method		2.998	
Net result of the period		13.912	11.652
Total net result of the Group		13.867	11.627
Total net result of others		45	25
Net result per share		0,06	0,05
Diluted earnings per share		0,06	0,05

Consolidated cash flow statement

(In thousands of Euro)	First half 2009	First half 2008
CASH FLOW GENERATED BY OPERATING ACTIVITIES		
Net income of the Group	11.229	11.627
Adjustments to reconcile net income to net cash provided by operating activities		
Net income of others	45	25
Amortizations	7.636	6.896
Depreciations	2.028	1.621
Variation in deferred tax	(718)	375
Variation of severance indemnities	(10)	(61)
Variation of other funds	45	67
Evaluation of subsidiary companies with the net assets method	(521)	
Changes in operating assets and liabilities		
Inventories	129	(158)
Trade receivable	138.620	16.079
Other current assets	5.150	32.738
Tax receivables and payables	497	409
Trade payables	(162.247)	(77.124)
Other current liabilities	27.478	49.743
Other non-current assets	(3.912)	211
Other non-current liabilities	988	(288)
Total adjustments	15.208	30.534
Cash flows provided/(used) from operating activities	26.437	42.161
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments in intangible fixed assets	(424)	(1.525)
Disposal of intangible fixed assets	16	687
Investments in tangible fixed assets	(9.055)	(8.153)
Disposal of tangible fixed assets	542	160
Equities payment and advance payment on equities	(4.766)	(12.004)
Net introduction of share capital of others	(22)	37
Other companies' acquisitions	78	0
Cash flow provided/(used) from investing activities	(13.631)	(20.798)
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Net variation debts toward other backers	(501)	3.997
Net variation in short-term bank borrowings	33.323	(23.059)
Net variation toward controlled companies financing	(2.429)	(0)
Share buyback	(5.684)	190
Medium-long term financial refund	(439)	(562)
Dividends paid out to Ascopiave S.p.A. shareholders	(13.662)	(14.057)
Dividends paid out to other shareholders	(326)	(525)
Cash flow provided/(used) from financial activities	10.281	(34.017)
Variation in the cash and cash equivalents	23.087	(12.654)
Cash and cash flows at the beginning of the period	27.565	31.290
Cash and cash flows at the end of the period	50.651	18.636
Additional information		
Interest paid	1.380	2.675
Taxes paid	1.983	1.235

Statement of changes in consolidate equity

(In thousands of Euro)	Share capital	Legal reserve	Company's own shares	Other reserves	Net result of the period	Shareholders' equity of the Group	Minority interests	Total Shareholders' equity
Balance as 1° January 2009	234.412	46.882	(5.299)	64.661	18.452	359.109	2.324	361.433
Allocation of 2008 result				18.452	(18.452)	-	-	-
Dividends paid to Ascopiave S.p.A. shareholders				(13.662)		(13.662)	-	(13.662)
Dividends paid to other shareholders						-	(326)	(326)
Company's own shares adjustments			(5.684)			(5.684)	-	(5.684)
Other changes				78		78	(22)	56
Reserves variation on Hedge Accounting				(361)		(361)	-	(361)
Reserves net assets evaluation of subsidiary companies				2.998		2.998	-	2.998
Net result of the period					11.229	11.229	45	11.274
Balance as 30 June 2009	234.412	46.882	(10.983)	72.166	11.229	353.707	2.021	355.728

(In thousands of Euro)	Share capital	Legal reserve	Company's own shares	Other reserves	Net result of the period	Shareholders' equity of the Group	Minority interests	Total Shareholders' equity
Balance as 1° January 2008	233.334	46.667	(637)	67.653	21.764	368.781	2.287	371.068
Allocation of 2007 result		216		21.549	(21.764)	-	-	-
29 January 2008 Bonus Share	1.078			(1.078)		-	-	-
Dividends paid to Ascopiave S.p.A. shareholders				(14.057)		(14.057)	-	(14.057)
Dividends paid to other shareholders						-	(525)	(525)
Share buyback			197	(8)		189	-	189
Other changes				(40)		(40)	76	37
Net result of the period					11.627	11.627	25	11.652
Balance as 30 June 2008	234.412	46.882	(440)	74.019	11.627	366.500	1.864	368.364

EXPLANATORY NOTES

Company information

The publication of the Ascopiave S.p.A. consolidated half year intermediate report as of 30 June 2009 has been authorised by resolution of the Board of Directors dated 28 August 2009. The parent company is a joint-stock company established and domiciled in Italy. .

Content and form of the abridged consolidated financial statement

This half year financial report has been prepared by the Board of Directors on the basis of the accounts as of 30 June 2009, and is provided with the Management Report on the trend of the Ascopiave Group.

The abridged half year consolidated financial statements have been drawn up in accordance with IAS no. 34 'Intermediate financial statements'.

For comparative purposes, the consolidated schedules show a comparison with the assets reported on the financial statements as of 31 December 2008, whilst the economic data is compared with the six-month period ended 30 June 2008. The unit of currency used is the Euro, and all values are rounded off to thousands of euros.

The abridged half year consolidated financial statements as of 30 June 2009 is subject to limited accounting auditing by Reconta Ernst & Young S.p.A..

Consolidation criteria and accounting standards

As mentioned previously, the abridged half-year consolidated financial statements as of 30 June 2009 have been prepared in abridged form, as permitted by IAS 34 'Intermediate financial statements'. As such, these statements do not include all information required of the annual financial statements, and must be read together with the consolidated financial statements prepared for the financial year ended on 31 December 2008. In drawing up the abridged half-year consolidated financial statements as of 30 June 2009, the same consolidation criteria and accounting standards have been applied as those used to prepare the consolidated financial statements as of 31 December 2008, to which we ask you to refer, with exception for the news about accounting standards described in the next paragraph "Accounting standards, amendments and interpretation applied from January 1st 2009".

Accounting standards, amendments and interpretation applied from January 1st 2009

The IASB published the IAS 1 reviewed Presentation of the Financial statement on September 2007; this change is effective for the financial years from January 1st 2009 and successively. The principle separates the variations in the net assets that occur in the own capital and in third's capital. Consequently, the Statement of changes in the consolidated shareholders' equity items includes only the details of the transactions carried out on own capital, showing the variations of third's capital in only one line. Furthermore the principle introduces the comprehensive consolidated income statement that has to present all the recognized voices about cost and revenue in a single statement of costs or in two joint statements of costs.

The amendment to IFRS 2 – Conditions of maturation and deletion establishes that in order to realize the evaluation of the instruments of remuneration based on shares, only the conditions of service and performance can be considered conditions for the maturation of plans. Other eventual clauses for the maturation of the plan shouldn't be included in the evaluation of the fair value to the grant date and shouldn't be considered for the determination of the number of rights that, on this date and in the successive evaluations, the company expects to mature. The case in point didn't have effects for the Group during the semester.

The improvement to IAS 19 – Benefits for employees clarifies the definition of cost/income concerning the professional service and establishes that in case of reduction of the plan, the effect has to be immediately attributed to the consolidated income statement and should comprehend only the reduction of benefits concerning future periods, while the effect deriving from eventual reductions linked to past services period should be considered a negative cost concerning past professional services. The case in point didn't have effects for the Group during the semester.

The improvement to IAS 38 – Intangible assets establishes the recognition to consolidated income statement of the promotional and advertisement costs. Besides, in the case that the company sustains charges having future economic benefits without the inscription of intangible assets, these should be attributed to consolidated income statement in the moment in which the company itself has the right to accede to the good, if it is about the purchase of goods, or in which the service is given, if it is about services. The case in point didn't have effects for the Group during the semester.

The IFRS 8 has been emitted in November 2006 and is effective for the financial years from January 1st 2009. The Ascopiave Group explains the adoption of this standard in 2009. The new information is explained in the paragraph Business segment reporting.

The IAS 23 has been reviewed and published in April 2007 and is effective for the financial years from January 1st 2009. The reviewed principle demands that all the financial expenses directly attributable to purchase, construction or production of qualified activity have to be capitalized. The case in point didn't have effects for the Group during the semester.

Accounting standards, amendments and non relevant interpretation, not yet applied and adopted in advance by the Group

- Amendment to IAS 39- Financial Instruments: Recording and Evaluation- Financial Instruments and to IFRS 7- Financial Instruments: integrative information.
- Interpretation of IFRIC 12- Concession agreements (that has to be applied from January 1st 2009, but not yet homologated by EU).
- Updated version of IFRS 3- Company mergers.
- Amendment to IAS 27.
- Amendment to IFRS 2 - Conditions for maturing and cancellation.
- Interpretation of IFRIC 16- Coverage of participation in a foreign company.

Furthermore, the IASB emitted a collection of changes to IFRS (“improvements”). Here follow those changes that according IASB will involve a modification in the presentation, recognition and evaluation of balance sheet items, omitting only terminology changes and those that refer to a set of problems not present in the Group.

- IAS 16- Land, industrial equipment and machinery
- IAS 19- Benefits for employees
- IAS 20- Accountancy and public taxes informative report
- IAS 23- Financial costs
- IAS 28- Shareholding in subsidiary companies
- IAS 36- Losses of value of activities
- IAS 38- Intangible activities
- IAS 39- Financial Instruments: Recording and Evaluation

Consolidation area as of 30 June 2009

The companies included in the consolidation area as of 30 June 2009 and consolidated through the line-by-line or proportional method are the following:

<i>(In thousands of Euro, if not differently specified)</i>						
Company name	Registered Offices	Subscribed capital	Paid-up capital	Group interest	Direct controlling interest	Indirect controlling interest
Parent company						
Ascopiave S.p.A.	Pieve di Soligo (TV)	234.411.575	234.411.575			
Companies consolidated line-by-line						
Ascotrade S.p.A.	Pieve di Soligo (TV)	1.000.000	1.000.000	89%	89%	
Global Energy S.r.l.	Mirano (VE)	529.000	230.000	100%	100%	
Le Cime Servizi S.r.l. (a)	Mirano (VE)	20.000	20.000	100%		100%
Etra Energia S.r.l. (a)	Cittadella (PD)	100.000	100.000	51%		51%
ASM DG S.r.l.	Rovigo	7.000.000	7.000.000	100%	100%	
Edigas Due S.r.l.	Cernusco sul Naviglio (MI)	100.000	100.000	100%	100%	
Edigas Servizio di Distribuzione Gas S.r.l.	Cernusco sul Naviglio (MI)	1.000.000	1.000.000	100%	100%	
AscoEnergy S.r.l.	Pieve di Soligo (TV)	300.000	240.000	70%	70%	
Masseria S.r.l. (b)	Pieve di Soligo (TV)	10.000	10.000	100%		70%
Metanonove S.r.l. (c)	Nove (VI)	30.000	30.000	100%		51%
Lucania S.r.l. (b)	Pieve di Soligo (TV)	10.000	10.000	100%		70%
AscoSuisse S.A.	Lugano	CHF 100.000	CHF 100.000	100%	100%	
Under common control companies proportional consolidated						
ASM SET S.r.l. (d)	Rovigo	200.000	200.000	49%	49%	
ESTENERGY S.p.A. (e)	Trieste	1.718.096	1.718.096	48,999%	48,999%	
Veritas Energia S.r.l.	Venezia	1.000.000	1.000.000	51%	51%	
Subsidiary companies evaluated with net assets method						
Sinergie Italiane S.r.l.	Reggio Emilia	2.000.000	2.000.000	20,01%	20,01%	
Company name	Registered Offices	Subscribed capital	Paid-up capital	Group interest	Direct controlling interest	Indirect controlling interest
Participation in non-consolidated companies						
ITAL GAS Storage S.r.l.	Roma	2.000.000	1.612.000	17%	17%	

- (a) Controlled by Global Energy S.r.l.
- (b) Controlled by AscoEnergy S.r.l.
- (c) Controlled by Etra Energia S.r.l.
- (d) Joint control with ASM Rovigo S.p.A.
- (e) Joint control with Acegas-APS S.p.A.

The changes that took place in the consolidation area as compared with 31 December 2008, are given below:

- Acquisition of 51% of the quotes of Veritas Energia S.r.l.;
- Acquisition of 100% of Lucania S.r.l., carried out by the subsidiary AscoEnergy S.r.l..

During the first half of 2009 the Group acquired the control of the companies Veritas Energia S.r.l. (proportionally consolidated) and Lucania S.r.l. (fully consolidated). Considering that these acquisitions were defined in the first days of 2009, the consolidated financial statement of the Ascopiave Group contains the economic values concerning the afore-stated holdings since January 1st 2009.

The effect of the first consolidation of the asset values of the new companies acquired during the year makes it more difficult to compare with the comparative data included for the previous year. In order to better read the changes during the year, the explanatory notes to the items of the balance sheet show, as a further detail as compared with the balance

as of 31 December 2008 and with consolidated income statement as of 30 June 2008, the effect of the values relating to the new acquisitions and, for difference, the value that the year end balance shows net of such acquisitions (with equal Group perimeter).

Here follows the chronology of the effects of the companies mergers in the period July 1st 2008- 30 June 2009:

-15 July 2008: acquisition of 100% of Edigas Due S.r.l. and of 100% of Edigas Esercizio Distribuzione Gas S.r.l., equity and economic values consolidated from July 1st 2009;

-10 December 2008: acquisition of 100% of Metano Nove Vendita Gas S.r.l., equity values consolidated from 31 December 2008 and economic from January 1st 2009;

-22 December 2008: acquisition of 100% of Masseria S.r.l., equity values consolidated from 31 December 2008 and economic from January 1st 2009;

-28 January 2009: acquisition of 51% of Veritas Energia S.r.l., equity and economic values consolidated from January 1st 2009;

-27 February 2009: establishment of Ascopiave (Suisse) S.A., equity and economic values consolidated from 27 February 2009;

-18 March 2009: acquisition of 100% of Lucania S.r.l., equity and economic values consolidated from January 1st 2009;

The explanatory notes therefore include, in addition to the year end data and the comparative data of the previous year, a column entitled 'values of new acquisitions' and 'values net of new acquisitions', whilst the notes illustrate the changes between the latter data and that of the previous year.

Use of estimates

The preparation of the financial statements and related explanatory notes in application of the IFRS requires that the management provides estimates and assumptions that affect the values of the assets and liabilities reported on the consolidated financial statements and information relating to potential assets and liabilities as of that date.

Estimates are used to report:

- Reductions in value of non-financial assets (including goodwill),
- Valuation of revenues for consumption of gas supplied for which an effective reading is not yet available,
- Provisions for risks on credits,
- The effects of disputes on the application of distribution and/or sales tariffs and those with the municipalities for the acknowledgement of the redemption value of assets as under the concession, returned upon expiry of such,
- Obsolete inventories,
- The useful lives of intangible and tangible fixed assets and related amortisation,
- Employee benefits and payment plans based on stock options (so-called phantom stock option),
- Taxes,
- Allocations for risks and charges.

The estimates and assumptions are reviewed periodically, and the variations are immediately reflected in the income statement. In applying the accounting principles of the Group, the directors have taken decisions based on the stated discretionary evaluations, with a significant effect on the values reported on the statements. However, the uncertainty surrounding these assumptions and estimates may determine results that in the future will need to be significantly adjusted at the book value of such assets and/or liabilities.

Seasonability of the business

Gas consumption varies considerably based on the season, with a higher demand for the winter period (January – March) related to the average winter temperature levels and consequent need for heating. Seasonability affects the criteria for calculating prices for the supply of gas and consequently the Group revenues. On the other hand, fixed costs are sustained by the Group on a uniform fashion throughout the entire fiscal year. Seasonability of the business practised also affects the trend of the Group net financial position, because the revenue cycles are not aligned with that of the costs based on the fact that actual consumptions by the household customers are subject to invoice adjustments subsequent to the payment of cost for gas provisioning.

Therefore, the figures and information contained in the accounting schedules do not allow drawing immediate representative information of the overall annual trend.

With the deliberation ARG/gas 159/08, the Authority adopted the regulation for the determination of tariffs for the distribution and measure services of the so-called third regulatory period, that is composed by four thermic years from January 1st 2009. Within the most relevant news we signal the introduction of a mechanism of tariff equalization, that will allow the companies to free their incomes from the climatic variable, and the modification of the calendar of the thermic year concerning tariffs, that makes reference to the solar year. On current date the Authority is engaged in a verification of the data given by the distribution companies for the definition of new Revenues Restrictions and therefore the tariff situation is not yet perfectly defined. With the deliberation ARG/gas 79/09 the Authority specified that to the consumptions concerning the first half of 2009 will be definitively applied the tariff options approved for the thermic year 2007-2008.

In this context, the Group evaluated the opportunity to adapt its accounting estimate on distribution revenues to the sector practice, in particular with reference to the adaptation that in the previous years was accounted for the effect of the degradation of the tariff structure. As the possible impact of the modifications that the Authority has imported to the distribution tariff is not easily determinable, it is not reasonable to indicate an exclusively theoretical effect for the semester as a consequence of the afore-stated adaptation of the accounting estimate, that won't have any impact on the financial statement as of 31 December 2009 because of the described alignment of the thermic year to the calendar of the company financial year.

COMMENT ON THE MAIN CONSOLIDATED BALANCE SHEET ITEMS

Non-current assets

1. Goodwill

Goodwill, equal to Euro 75.947 thousands as of 30 June 2009, refers in part to the surplus value created by the contribution of the gas distribution networks by members of local authorities in the period between 1996 and 1999, and in part to the surplus value paid during the acquisition of some branches of the company related to the distribution and sale of natural gas, as well as the acquisition of certain holdings.

Specifically, during the course of the first half of 2009, the following changes were recorded:

Veritas Energia S.r.l.

After the acquisition of 51% of the holdings of Veritas Energia S.r.l. we proceeded with the inscription of a goodwill value equal to Euro 1.528 thousands, as better described in the paragraph "Company mergers". The inscription of the goodwill is due to the value of the synergies deriving from the integration of the business of the natural gas sale.

Edigas Due S.r.l.

During the first half of 2009 the perfecting of the purchase clauses of the company Edigas Due S.r.l. determined a regulation of the price in favour of Ascopiave S.p.A. for Euro 200 thousands, that decreased the value of the inscribed holding with a consequent diminution of the goodwill. The afore-stated clauses concerned the definition of the contract relations of natural gas supply to Enova S.r.l. for the years before the acquisition.

Metano Nove Vendita Gas S.r.l.

During the first half of 2009 we provided to the accounting of the accessory charges for the acquisition of the company Metano Nove Vendita Gas S.r.l. and therefore we proceeded to increase the value of goodwill originally inscribed for Euro 16 thousands.

Goodwill has been allocated to the following financial cash flow-generating units:

(In thousands of Euro)	31 December 2008	Increase	Decrease	30 June 2009
Distribution of natural gas	24.908	0	0	24.908
Selling of natural gas	49.695	1.544	200	51.039
Total revenues	74.603	1.544	200	75.947

As of the date of the presentation of the present abridged half year consolidated financial statement we did not record the presence of impairment indicators so, in accordance with IAS 36 we did not carry out the verification for value reduction; the impairment test has been carried out on 31 December 2008.

2. Other intangible assets

The changes in the historical cost and accumulated amortization of intangible assets at the end of the period under examination are shown in the following table:

(In thousands of Euro)	30 June 2009			31 December 2008		
	Historic cost	Accumulated depreciation	Net balance	Historic cost	Accumulated depreciation	Net balance
Industrial patents and intellectual property rights	3.733	(2.411)	1.323	2.517	(2.314)	204
Concessions, licences, trademarks and similar rights	3.660	(1.088)	2.572	3.660	(983)	2.678
Other intangible fixed assets	16.999	(2.810)	14.189	16.092	(2.031)	14.060
Construction in progress and advance payments	381	0	381	1.230	0	1.230
Total intangible fixed assets	24.773	(6.308)	18.465	23.499	(5.328)	18.172

The following table shows the changes in the intangible asset of the period:

(In thousands of Euro)	31 December 2008		Changes of the period					30 June 2009	
	Net balance	Value from company acquisitions ¹	Investments	Disposals	Reclassification	Amortization	(Depreciation)/ Restoration	Fund decrease	Net balance
Industrial patents and intellectual property rights	204	0	226	0	993	100	0	0	1.323
Concessions, licences, trademarks and similar rights	2.678	0	0	0	(5)	102	0	0	2.572
Other intangible fixed assets	14.060	905	42	0	0	818	0	0	14.189
Construction in progress and advance payments	1.230	0	157	16	(990)	0	0	0	381
Total intangible fixed assets	18.172	905	424	16	0	1.020	0	0	18.465

The investments accounted as of 30 June 2009, net of the values concerning new acquisitions, result equal to Euro 424 thousands, and mainly relate to the costs held for the purchase of the Geutweb e SAP-Business Planning Consolidation software.

The voice “Industrial patents and intellectual property rights ” during the first half of the financial year shows an increase equal to Euro 226 thousands. The recorded increase is mainly due to the capitalization of the Geutweb software, used by the companies of the Group in the management of the users through all the typical procedures of the sector (contractual management, counter, billing, receivable management, allocation, technical practices management etc.). The costs held for the purchase and the assessment of the system are subjected to the amortization on the base of a useful life prudentially considered equal to 10 years.

During the first half of the financial year the voice “Constructions in progress and advanced payments” has valorised investments for Euro 157 thousands, that concern the costs held for the realization of the accounting and managerial software called SAP-Business Planning Consolidation software.

3. Tangible fixed assets

The changes in the historical cost and accumulated amortization of tangible assets at the end of each period under examination are shown in the following table:

(In thousands of Euro)	30 June 2009			31 December 2008		
	Historic cost	Accumulated depreciation	Net balance	Historic cost	Accumulated depreciation	Net balance
Lands and buildings	17.078	(3.348)	13.729	16.121	(3.037)	13.084
Plant and machinery	456.579	(159.751)	296.828	451.917	(153.992)	297.925
Industrial and commercial equipment	2.594	(1.226)	1.368	2.546	(1.109)	1.437
Other assets	10.391	(7.506)	2.884	9.902	(7.130)	2.772
Construction in progress and advance payments	6.432	0	6.432	4.062	(0)	4.062
Total tangible fixed assets	493.074	(171.831)	321.243	484.548	(165.268)	319.279

The changes in the tangible fixed assets in the year under examination are shown in the following table:

(In thousands of Euro)	31 December 2008		Changes of the period					30 June 2009	
	Net balance	Value from company acquisitions'	Investments	Disposals	Reclassification	Amortization	Depreciation /Restoration	Fund decrease	Net balance
Lands and buildings	13.084	0	957	0	0	311	0	0	13.729
Plant and machinery	297.925	0	4.215	88	534	5.806	0	47	296.828
Industrial and commercial equipment	1.437	0	48	0	0	116	0	0	1.368
Other assets	2.772	65	432	24	0	382	0	22	2.884
Construction in progress and advance payments	4.062	0	3.405	500	(534)	0	0	0	6.432
Total tangible fixed assets	319.279	65	9.056	612	0	6.615	0	70	321.243

During the first half of 2009, considering the same period of consolidation, the Ascopiave Group has made investments for Euro 9.056 thousands. The increase registered in this period is mainly due to the capitalization of the costs supported for the realization and maintenance of the plants of distribution, of the natural gas distribution network, of the connection to the network, and the purchase of a building in via Turati in the municipality of Milan.

Lands and buildings

This item is mainly made up of the buildings owned in relation to company offices, peripheral offices and warehouses, as well as the building works related to the transformer rooms. The increases recorded during the first half of the year mainly concern the purchase of a building in Milan, via Turati, for an amount of Euro 941 thousands

Plants and machinery

The voice plants and machinery at the end of the first half of the financial year shows an accounting net value equal to Euro 296.828 thousands. This voice evaluates the costs held for the realization of the distribution plants, of the natural gas distribution network, of the connection to the network, and to the laying of reduction groups and of measurement instruments. The investments carried out during the semester considered, inclusive of the re-classifications for the constructions in progress are equal to Euro 4.749 thousands, and mainly concern the realization of connections for Euro 2.792 thousands, to the realization of the natural gas distribution network for Euro 1.511 thousands, to the laying of measurement instruments for Euro 210 thousands, and to the construction or modernization of the distribution plants for Euro 209 thousands. We underline that the activity of realization of the natural gas distribution network interested the laying of 19.616 meters of pipes.

Industrial and commercial equipment

This voice registered investments equal to Euro 48 thousands, and concern the purchase of equipment for the maintenance service of the distribution plants and for measurement activity.

Other assets

The increase posted under this heading is mainly due to the purchase of hardware and software for Euro 206 thousands; the residual results to be costs concerning the purchase of new motorised vehicles and furnishing by the companies of the Group.

Assets under construction and advances

This heading primarily covers costs concerning the works to extend the network and the construction of distribution plants, partially carried out with savings.

The increase is mainly represented by construction processes of new networks and co-generation plant not completed at the end of the first half of 2009.

4. Holdings

The following table shows the changes in the holdings in joint companies and in other companies in the periods considered:

(In thousands of Euro)	31 December 2008				30 June 2009
	Historic cost	Investments	Disposal	Evaluation with net assets method	Net balance
Other companies	374	68	0	0	442
Total equity investments in other companies	374	68	0	0	442

Holdings in joint companies

We specify that in the first half of 2009 any variation on the value of the joint company Sinergie Italiane S.r.l. has been carried out, as the holding, equal to Euro 402 thousands, was completely devaluated as of 31 December 2008. The company participated by Ascopiave S.p.A. for a quote equal to 20,01% will close the first financial year on 30 September 2009. The equity and economic situation arranged for the consolidation as of 30 June 2009 according to the international accounting standards evidences an equity budget deficit for Euro 123 thousands, and a profit of the period equal to Euro 2.607 thousands. The economic balance of the joint company influenced the voice "Evaluation of joint companies with net equity method" for an amount of Euro 522 thousands of the result of the financial year.

Considering that the net active of the joint company as of 30 June 2009 presents a negative value, to affect the pertinence quote of the Group it was decided to proceed with use of the fund for the risks of loss coverage of joint companies for Euro 3.520 thousands, originally allocated on 31 December 2008 for Euro 3.547 thousands. The results of the joint company are influenced by seasonal trends that allow to believe that in the three successive trimesters the equity loss and deficit will be fully recovered.

Here follow the essential data of the holdings in joint companies for the first half of 2009:

First half 2009 (In thousands of Euro)	Revenues	Net result	Shareholders equity	Net financial position	Accounting principles
Sinergie Italiane S.r.l.	624.419	2.607	(123)	(166.795)	IFRS

* Intermediate periodic situation as of 30 June 2009

Holdings in other companies

The increase of the voice for Euro 68 thousands, as compared to 31 December 2008 concerns the payment on the increase of the share capital of Ital Gas Storage S.r.l. whose holdings is currently equal to 17%;

5. Other non-current assets

The captions comprising 'Other non-current assets' are analysed in the following table:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2009
Deposits and guarantees	777	0	777	440
Deposits on company acquisitions	3.900	0	3.900	0
Other receivables	2.890	64	2.825	3.140
Other non-current assets	7.567	64	7.503	3.579

The "Other non-current assets" considering the same period, go from Euro 3.579 thousands to Euro 7.503 thousands; the variation is mainly explained by the subscription of an acquisition contract of the company "Pasubio Servizi S.r.l.", that demanded the payment of an advanced payment equal to Euro 3.900 thousands, in the phase of perfecting of the transfer of shares.

In the voice "Other receivables" we point out in particular a receivable from the municipality of Santorso for Euro 748 thousands, corresponding to the net book value of the distribution plants consigned in 2007 to the same municipality following the natural expiry of the distribution concession on 31 December 2006 and a receivable from the local authority of Creazzo, to the value of Euro 2.141 thousands, corresponding to the net book value of the distribution plants awarded in June 2005 to the above-mentioned local authority following the natural expiry, on 31 December 2004, of the concession awarded by the above-mentioned local authority.

The value of the receivable from the municipality corresponds to the 'Letta' law, article 15, paragraph 5, as indemnification of the industrial value of the network, in line with the estimations outlined in a suitable appraisal.

As of 30 June 2009 a contentious procedure is going on with both municipalities, in order to define the value of the compensation of the distribution plants consigned. The Group, also following the opinion of the legal advisor, believes that the result of the contentious procedure will be favourable.

6. Prepaid taxes

The following table details the prepaid taxes as of 30 June 2009 and 31 December 2008:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2009
Advanced taxes credits	10.383	-	10.383	9.907
Total advanced taxes credits	10.383	-	10.383	9.907

The following table shows the detail of the prepaid taxes for each period considered:

Type	30 June 2009			31 December 2008		
	Temporary differences	Tax rate	Total effect	Temporary differences	Tax rate	Total effect
Allocation for writedown of receivables	6.412	34,0%	2.180	6.123	33,0%	2.021
Allocation for risk fund	0	31,4%	0	204	31,4%	64
Allocation for inventories writedown	462	31,4%	145	462	31,4%	145
Amortization surpluses	19.089	31,4%	5.994	18.078	31,4%	5.677
Listing expenses	2.853	31,4%	896	3.804	31,4%	1.194
Other	381	31,4%	120	361	31,4%	113
Other gas sales	583	37,9%	221	216	36,9%	80
Phatom stock option	69	34,0%	23	112	33,0%	37
Customer list - goodwill	393	37,9%	149	411	36,9%	152
Other gas sales	182	34,0%	62	249	33,0%	82
Other	2.160	27,5%	594	1.246	27,5%	343
Amounts due for advance taxes paid	32.583		10.383	31.266		9.907

The Group has been performing a full accounting of prepaid taxes concerning temporary differences between tax-imposition and balance sheet value, as the Group suppose that future tax-imposition could take up all differences that generated them. Determining the prepaid taxes we referred to IRES (taxes on the companies income) and, where suitable, to the current IRAP at the moment in which the temporary differences are supposed to be deposited again. In particular we used the tax rate of 27,5% for the IRES and of 3,9% for the IRAP (taxes for the productive activities) and for some sale societies the IRES additional tax previewed by the law bill approved by the Senato of the Italian Republic called "DDL Sviluppo" equal to 6,5% that has modified the tax rate previously in force of 5,5%.

The prepaid taxes equal to Euro 10.383 thousands increase, of equal perimeter, by Euro 476 thousands as compared with 31 December 2008.

Current assets

7. Inventories

The following table shows the make-up of the inventories for each period considered:

(In thousands of Euro)	30 June 2009			31 December 2008		
	Gross balance	Allowance for doubtful receivables	Net balance	Gross balance	Allowance for doubtful receivables	Net balance
Fuels and warehouse materials	3.519	(462)	3.057	3.648	(462)	3.186
Total inventories			3.057			3.186

As of 30 June 2009, the inventories are equal to Euro 3.057 thousands and record an overall increase equal to Euro 129 thousands as compared to 31 December 2008.

8. Trade receivables

The following table indicates the amount of trade receivables and the relevant adjustment funds as of 30 June 2009 and 31 December 2008:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
Trade receivables	111.953	10.074	101.879	86.710
Receivables for invoices to be issued	34.855	1.718	33.137	188.288
Allowance for doubtful receivables	(10.259)	(271)	(9.988)	(8.767)
Total trade receivables	136.549	11.521	125.028	266.231

Trade receivables in the first half of 2009 have gone from Euro 266.231 thousands to Euro 125.028 thousands with a decrease equal to Euro 141.203 thousands.

The decrease of trade receivables is mainly due to the seasonality of the gas sector, which concentrates consumptions in the winter months and receipts during the spring.

Trade receivables are all due from Italian debtors and are reported net of advance payments of invoicing and are all due within the next 12 months.

We specify that the balance of client receivables equal to Euro 125.028 thousands includes for Euro 33.137 thousands the receivables concerning the invoices to be issued for consumptions not yet measured, by the end of the period.

The nominal value has been adjusted to the presumed realisable value by means of an allowance for doubtful accounts. The changes in the provision for doubtful accounts are shown in the following table:

(In thousands of Euro)	30 June 2009	31 December 2008
Opening allowance for doubtful receivables	8.767	5.795
Allowance for doubtful receivables from equities acquisition	271	395
Provisions	2.028	3880
Utilizations	(807)	(1.303)
Closing allowance for doubtful receivables	10.259	8.767

9. Other current assets

The following table shows the composition of the other current activities as of 30 June 2009 and 31 December 2008:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
Receivables due from parent company	2.247		2.247	2.093
Tax receivables	3.852		3.852	3.830
Receivables due from <i>Cassa Conguaglio Settore Elettrico</i>	3.293		3.293	3.293
Annual prepaid expenses	884	112	772	338
Advance to suppliers	432		432	498
Annual accrued income	26		26	77
Time deposit for Edigas acquisition	0		0	700
Other receivables	2.582	305	2.277	1.311
Other current assets	13.317	417	12.900	12.140

For the same consolidation perimeter, the voice increases, compared to 31 December 2008, for Euro 760 thousands, mainly for the increase of the receivables concerning the recognition of the Ascopiave S.p.A. white certificates for Euro 1.610 thousands, and for the increase of the active annual prepaid expenses on the Ascopiave S.p.A. state and concession canons for Euro 495 thousands, partly counterbalanced by the regulation of the purchase price that took place between the companies Edigas Due S.r.l. and Edigas Distribuzione Gas S.r.l. for Euro 700 thousands and for the collection of the receivables to the GSE for Euro 550 thousands by Estenergy S.p.A..

10. Tax receivables

The value of tax receivables at the end of each related period is analysed below:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
Receivables on IRAP advances	154	0	154	0
Other receivables	51	9	42	17
Total tax receivables	205	9	196	17

The item includes residual receivables from accounts IRAP paid, less taxes attributable to fiscal year 2008.

11. Cash and cash equivalents

The value of cash as of 30 June 2009 and 31 December 2008, are analysed below:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
Bank and post office deposits	50.567	0	50.567	27.533
Cash and cash equivalents	84	5	79	32
Total liquid funds	50.651	5	50.646	27.565

This refers primarily to the available liquid assets in mutual funds and banks.

The bank deposits are at sight and accrue interest on the base of the conditions agreed with banks, supposing that the availabilities generate from the changes caused by the financial flows but the financial position of the Group is negative.

Net financial position

At the end of the periods in question, the net financial position of the Group is the following:

(In thousands of Euro)	30/06/09	Value from company acquisitions	Net value of company acquisitions	31/12/08
A Cash	84		84	32
B Other liquid assets	50.567	5	50.562	27.533
C Shares for negotiation	0			0
D Liquid assets (A) + (B) + (C)	50.651	5	50.646	27.565
E Current financial assets	-	0	-	0
F Current financial debts	(94.818)	(2.393)	(92.424)	(59.569)
G Current part of non-current debt	(1.000)		(1.000)	(1.135)
H Other current financial debts	(6.937)	0	(6.937)	(7.348)
I Current financial debt (F) + (G) + (H)	(102.754)	(2.393)	(100.361)	(68.051)
J Net current financial debt (I) - (E) - (D)	(52.103)	(2.388)	(49.715)	(40.486)
K Non-current bank debts	(3.547)		(3.547)	(3.969)
L Floated bonds	0		0	0
M Other non-current debts	(770)		(770)	(794)
N Non-current financial debt (K) + (L) + (M)	(4.318)	0	(4.318)	(4.763)
O Net financial debt (J) + (N)	(56.421)	(2.388)	(54.032)	(45.249)

For comments regarding the main dynamics that caused relevant changes in the net financial position, we refer to the analysis of the Group financial data recorded in the first part of this document.

Consolidated shareholders' equity

12. Net shareholders' equity

Ascopiave S.p.a.'s share capital as of 30 June 2009 is made up of 234.411.575 common shares, fully subscribed and paid, with a par value of Euro 1 each.

The shareholders' equity at the end of the periods considered is analysed in the following table:

(In thousands of Euro)	30/06/2009	31/12/2008
Share capital	234.412	234.412
Legal reserve	46.882	46.882
Retained earnings	61.185	59.025
Net income/(losses) of the period	11.229	18.789
Net assets of the Group	353.708	359.108
Share capital of others	1.976	1.987
Part of the result of others	45	337
Total net assets of others	2.021	2.325
Total net assets	355.728	361.433

In the first half of 2009, with the approval of the 2008 Financial statement by the Shareholders' Assembly, we provided to the increase of the other reserves for Euro 864 thousands, using the operating income of the financial year closed on 31 December 2008 not distributed to the shareholders.

During the first half of 2009 the purchase of own shares concerned a number of ordinary shares equal to a 3.751.173 for a value of Euro 5.684 thousands.

13. Net equity of minority interests

This voice comprises the net assets and the result not attributable to the Group, and refers to third party shares of the subsidiaries Ascotrade S.p.A., AscoEnergy S.r.l., Etra Energia S.r.l. and the companies controlled by the latter.

Non-current liabilities

14. Reserves for risks and charges

The provisions for risk and charges as of 30 June 2009 and 31 December 2008 are shown in the following table:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
Other reserves for risks and charges	304	5	299	3.778
Total other reserves for risks and charges	304	5	299	3.778

Reserves for risks and charges have gone from Euro 3.778 thousands to Euro 299 thousands with a variation equal to Euro 3.479 thousands.

The change is mainly due to the evaluation of the shareholders' equity of the joint company Sinergie Italiane S.r.l. that produced an allocation of a fund for the coverage of losses performed on shareholders' equity of the joint company as of 30 June 2009, equal to Euro 3.520 thousands, as explained in the paragraph Reserves for future expenses of ASM DG S.r.l. for Euro 154 thousands, as a consequence of the 2005-2007 tariff settlement happened in the first half of 2009.

The changes in the first semester of 2009 are analysed in the following table:

(In thousands of Euro)	
Other reserves for risks and charges as 31 December 2008	3.778
Value of company acquisition	5
Allowance/(utilization) reserves for losses coverage of subsidiary companies consolidated with the net assets method	(3.520)
Allowance of other reserves for risks and charges	39
Utilization of other reserves for risks and charges	2
Other reserves for risks and charges as 30 June 2009	304

15. Severance indemnity

The changes in severance indemnity for the IFRS (International Financial Reporting Standards) purposes of the Group in the first half of 2009 are analysed in the following table:

(In thousands of Euro)		
Severance indemnities as of	31 December 2008	3.099
Value of company acquisition		27
Payments		(229)
Cost of current services and work		506
Previous actuarial losses/(profits) recorded		(299)
Actuarial loss/(profits) recorded		(11)
Severance indemnities	30 June 2009	3.094

The use of actuarial techniques to establish severance indemnities to IFRS standards at the end of the period in question led to the recording of charges worth Euro 11 thousands.

16. Medium/Long-term loans

The following table shows the make-up of medium/long term loans as of 30 June 2009 and 31 December 2008:

(In thousands of Euro)	30 June 2009	31 December 2008
Loans from Cassa Depositi e Prestiti repayable between 2008 and 2016 at a fixed interest rate periodically renegotiated	4.430	4.957
Loans from Cassa Depositi e Prestiti repayable within 2009, at a fixed interest rate of 6% (ASM DG S.r.l.)	87	96
Loans from Banca Regionale Europea repayable within 2011, at a euribor interest of 3/6 month + 2 percentage point (Le Cime e Servizi S.r.l.)	30	52
Total medium-long term debt	4.547	5.105
Less: current portion of medium/long term loans	(1.000)	(1.135)
Non current portion of medium/long term loans	3.547	3.969

Medium/Long-term loans refer to:

- residual liabilities to the Cassa Depositi e Prestiti S.p.a. equalling Euro 4.430 thousands, of which Euro 3.465 thousands non-current share, against investments in extension works to the gas distribution networks. This overall payable is made up of various payables positions towards the above mentioned institution, with due dates falling between 2009 and 2016 and with fixed rates between 6% and 7.5%;
- the mortgages agreed by ASM DG S.r.l. with Cassa Depositi e Prestiti S.p.A. for Euro 87 thousands of which Euro 82 thousands a non-current share, for the construction of the methane gas distribution network of Rovigo;
- Funding from the European Regional Bank equalling Euro 30 thousands, of which Euro 30 thousands is a non-current share, charged to the subsidiary Le Cime Servizi S.r.l..

The reductions in funding result in the regular payment of instalments due in the first half 2009.

17. Other non-current liabilities

The value of this heading at the end of each period considered is analysed below:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
Deferred income	975	0	975	994
Guarantee deposit	8.758	363	8.395	7.750
Total other non current liabilities	9.732	363	9.369	8.744

Other non-current liabilities primarily include caution money paid by users according to their gas supply contracts.

18. Non-current financial liabilities

The value of this heading at the end of each period considered is analysed below:

(In thousands of Euro)	30 June 2009	31 December 2008
Leasing financing	770	794
Total non current financial liabilities	770	794

Non-current financial liabilities equal to Euro 770 thousands are represented by liabilities contracted by the company Le Cime Servizi S.r.l. in relation to the subscription of a financial leasing contract for the co-generation plant located in Mirano (Veneto).

19. Deferred tax liabilities

The following table shows the value of this voice as of 30 June 2009 and as of 31 December 2008:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
Liabilities for deferred taxes	25.602	288	25.314	25.544
Total deferred taxes	25.602	288	25.314	25.544

The provision for deferred taxation at the end of each related period is analysed below:

Type	30 June 2009			31 December 2008		
	Temporary differences	Tax rate	Total effect	Temporary differences	Tax rate	Total effect
Amortization surpluses	54.584	31,4%	17.139	56.345	31,4%	17.692
Severance indemnities	362	27,5%	100	217	27,5%	60
Goodwill deducibility for tax purposes	10.268	31,4%	3.224	11.867	31,4%	3.726
Goodwill deducibility for gas sales	891	37,9%	338	721	36,9%	266
Customer list	11.031	31,4%	3.464	10.452	31,4%	3.282
Other	71	31,4%	22	71	31,4%	22
Gas sales	169	34,0%	57	400	33,0%	132
Amortization surpluses	4.572	27,5%	1.257	1.321	27,5%	363
Total deferred taxes			25.602			25.544

The heading 'deferred tax liabilities' contains primarily the deferred tax liabilities allocated to temporary differences in the tax base between tax laws and balance sheet values, relative to the amortisation surpluses of tangible fixed assets and of the goodwill for tax purposes. The calculation of deferred taxation made reference to the IRES (company

earnings tax) rate and, where applicable, to the IRAP (regional business tax) rate applicable at the time when the temporary differences are expected to be reversed. Specifically, the rate of 27,5% was used for IRES and 3,9% for IRAP, and for some selling companies the additional tax, in consideration of law bill approved on 9 July 2009 by the Senato of the Italian Republic called “DDL Sviluppo” equal to 6,5%, that modified the former tax-rate equal to 5,5%.

Current liabilities

20. Amounts due to banks and current portion of medium / long-term loans

Amounts due to banks and current portion of medium/long-term loans as of 30 June 2009 and as of 31 December 2008 are analysed in the following table:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
Amounts due to banks	94.818	2.393	92.424	59.568
Current portion of medium/long term loans	1.000			1.135
Total amount due to banks and current portion of medium/long term loans	95.817	2.393	92.424	60.704

The short-term bank payables is made up by payable accounting balances to credit institutions and short-term loan portions.

21. Accounts payable

The value of accounts payable as of 30 June 2009 and as of 31 December 2008 is analysed below:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
Supplier of goods and services	41.116	5.000	36.116	94.791
Trading debts for invoices to receive	26.796	1.606	25.190	125.131
Total trade payables	67.912	6.606	61.305	219.922

Trade payables due to national creditors, at the end of the first half 2009 amount to Euro 61.305 thousands, as compared with the Euro 219.922 thousands of the previous year, showing a decrease of Euro 158.617 thousands.

The reduction in trade payables is mainly due to the seasonality of the business cycle, which sees a concentration of consumption of natural gas in the winter months, and payment of such during the spring.

22. Payables to tax authorities

The value of this heading at the end of each period considered is analysed below:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
IRES payables	1.016	11	1.005	493
IRAP payables	378	0	378	222
Total payables to tax authorities	1.394	11	1.383	715

Tax payables include the debt for IRAP and IRES for the first half of 2009 concerning those companies that did not agree to the fiscal consolidation on the charge of Asco Holding S.p.A..

23. Other current liabilities

The value of other current liabilities as of 30 June 2009 and as of 31 December 2008 is analysed below:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
Customer advances	4.032	0	4.032	3.721
VAT payables	10.509	0	10.509	0
Amounts due for gas and electric energy taxation	37.851	2.092	35.759	24.998
Amounts due to parent company for tax consolidation system	5.224	0	5.224	1.033
Amounts due to social security institutions	1.116	25	1.092	1.044
Amounts due to employees	3.063	0	3.063	2.361
Annual deferred income	1.900	61	1.839	2.269
Amounts due to Edigas Due S.r.l.	0	0	0	700
Other tax payables	815	15	800	612
Annual accrued expenses	1.659	5	1.654	1.666
Other payables	818	27	792	600
Total other current liabilities	66.988	2.224	64.764	39.004

Customer advances

Customer advances represent the amounts paid by the clients as a contribution to the works of allotments and connection current on 30 June 2009.

Payables due to the Fiscal Authority for V.A.T.

Payables due to the Fiscal Authority for V.A.T increase for Euro 10.509 thousands as compared to 31 December 2008 going from a credit position due to the payment of the advanced payment deposited at the end of 2008, to a debt position for the normal invoicing cycle. The increase of VAT payables is due to the method of quarterly payment of the tax granted to the subsidiary companies Ascotrade S.p.A. and Estenergy S.p.A. in that they fall under the category of subjects issuing invoices to a high number of final customers.

Payables to UTF and Regional/Provincial additional tax

The significant increase in the payables due to the technical finance offices is due to the typical method of liquidation and payment of excise duty and additional taxation on natural gas, explained by the different timing for the invoicing of the users' consumption of gas, to which the monthly payment carried out by the sale company with reference to previous year's values are opposed.

During the first half of 2009 the Group matured debts Euro 10.761 thousands with equal consolidation perimeter.

Amounts due to parent company for tax consolidation system

This item includes the payables due to the parent company Asco Holding S.p.A. and the company Acegas APS S.p.A. which jointly controls the company Estenergy S.p.A., proportionally consolidated by Ascopiave S.p.A. under the scope of the Italian tax consolidated contract signed by the Group companies with Asco Holding S.p.A. and with Acegas APS S.p.A.. The balance corresponds to the IRES debt matured for taxes relating to the first half of 2009 for Euro 5.224 thousands.

Amounts due to social security bodies

The amount due to social security institutions mainly relates to charges for the year that were paid at the beginning of the following year.

Amounts due to employees

The amounts due to employees for untaken vacation, deferred remuneration and bonuses earned relate to the vacation accumulated by 30 June 2009 but not yet taken at the reference date.

Accrued expenses and deferred income

Accrued liabilities are mainly referred to fees matured on state owned property concessions as of 30 June 2009.

Other payables

Other payables primarily include payables to social security institutions for contributions on staff accruals, as estimated on 30 June 2009 and payables for family allowance contributions.

Benefits based on financial instruments

The group acknowledges additional benefits to the President of Ascopiave S.p.A., to the President and vice president of Ascotrade S.p.A. and to some employees holding important positions within the Group, through payment plans based on financial instruments. Specifically, the plans adopted by the Group include the attribution of rights involving the recognition in favour of the beneficiaries of an extraordinary payment linked to the reaching of preset objectives, and the financial regulation of which is based on the trend of the share (the so-called 'phantom stock option'). The fair value of these instruments is measured using a Black and Scholes model and taking into account the terms and conditions on the basis of which these rights are assigned. The cost of these instruments, reported on the income statement under labour costs, and the related payables, are reported throughout the period of maturation. Until such time as the payable is not extinguished, the fair value is recalculated at each year end and on the date of effective outlay, reporting all change to the fair value on the income statement, which, for the first half 2009, is positive for Euro 31 thousands.

24. Current financial liabilities

The current liabilities at the end of each period considered is analysed in the following table:

(In thousands of Euro)	30 June 2009	Value of company acquisitions	Value at net of company acquisitions	31 December 2008
Financial liabilities on derivate contracts	1.364		1.364	0
Current portion of leasing financing	81		81	81
Amounts due to Acegas-APS S.p.A.	4.622		4.622	7.267
Amounts due to Vesta SPA S.p.A.	869	869	0	0
Total current financial liabilities	6.937	869	6.067	7.348

Current financial liabilities at 30 June 2009 amount to Euro 6.067 thousands, with a decrease equal to Euro 1.281 thousands as compared to previous financial year.

The change is due to the decrease of the payables to Acegas APS S.p.A. for Euro 2.645 thousands, partially offset by the increase of the payables on derivative contracts linked to the price of raw material to Barclays Capital Ltd. and BNP-Paribas, for Euro 1.364 thousands, subscribed by the company Ascotrade S.p.A. in the name of and on behalf of Estenergy S.p.A. within the activity of coverage of the risk of fluctuation of the provisioning price of electric energy, sold at fixed tariff.

COMMENTS ON THE MAIN CONSOLIDATED INCOME STATEMENT ITEMS

Revenues

25. Revenues

The following table shows the breakdown of revenues by activity sector over the relevant period:

(In thousands of Euro)	30 June 2009	Value of new companies acquisitions ¹	Value at net of new companies acquisitions ¹	30 June 2008
Revenues from gas sales	423.095	24.545	398.550	389.041
Revenues from transport services	2.468	92	2.376	1.814
Revenues from connection services	3.642	180	3.462	3.972
Revenues from electric energy sales	23.021	4.521	18.500	18.037
Revenues from heat supply services	2.328	0	2.328	2.963
Revenues from distribution services	3.365	90	3.274	1.750
Revenues from billing and tributes services	110	0	110	221
Revenues from foreign gas sales	309	0	309	0
Other revenues	3.865	163	3.702	2.659
Total	462.202	29.591	432.611	420.457

At the end of the first half of 2009, the Ascopiave Group revenues equal Euro 462.202 recording an increase as compared to the first half of 2008 equal to Euro 41.745 thousands. With equal consolidation perimeter, the increase is equal to Euro 12.154 thousands.

The increase of revenues is mainly due to the increase in natural gas sale revenues for Euro 9.509 thousands, by the increase in revenues for the distribution activity for Euro 2.658 thousands and by the increase of electric energy sale for Euro 463 thousands. The increases here listed are partly counterbalanced by smaller revenues for connection to the distribution network equal to Euro 510 thousands and by smaller revenues for the service of heat supply.

At the end of the first half of 2009, revenues for natural gas sale result equal to Euro 423.095 thousands, recording an increase as compared to the first half of the previous year, equal to Euro 34.054 thousands. This increase is explained by the enlargement of the consolidation perimeter for Euro 24.545 thousands, and by the updates of the indexes that concur to the determination of natural gas sale tariff for carried out through the period Euro 9.509 thousands.

We signal that under this voice we include the revenues for trading activity for Euro 134.622 thousands, compared to Euro 90.130 of the first half of previous financial year.

The activity of natural gas sale during the semester interested the transfer of 783,1 millions of mc (we specify that the datum about volumes include also the volumes of the companies proportionally consolidated, not weighted for the consolidation quote), recording an increase, as compared to the first half of the previous year, equal to 1,9 millions of mc. With equal consolidation perimeter, the volume of transfers of natural gas recorded a decrease equal to 64,8 million of mc, that results totally counterbalanced by the sales carried out by the new acquired companies, that originated transfers for 66,7 millions of mc.

Revenues from gas transport with equal consolidation perimeter go from Euro 1.814 thousands of the first half of 2008

to Euro 2.376 thousands of the first half of the current year, as a consequence of the increase of the volumes of gas transported for the sale companies external to the Group, and by the increase of the tariff applied to the sale companies for the same service.

Revenues for electrical energy, net of the contribution of new companies, increase going from Euro 18.037 thousands of the first half of 2008, to Euro 18.500 thousands in the first half of 2009, with a variation equal to Euro 463 thousands explained by the increase of 8,9% of the volumes of energy sold in relation with the increase of the number of final customers supplied.

Revenues for heat supply services go from Euro 2.963 thousands for the first half of 2008 to Euro 2.328 thousands for the first half of 2009, determining an increase equal to Euro 635 thousands.

Revenues from connections services go from Euro 3.972 thousands for the first half of 2008 to Euro 3.462 thousands for the first half of 2009. The decrease is due to the diminution of the number of new connections to the natural gas distribution network.

Revenues for the services carried out during the semester as distributors, with equal consolidation perimeter, recorded an increase equal to Euro 1.525 thousands, going from Euro 1.750 thousands of the first half of 2008 to Euro 3.274 thousands of the first half of the current year. This increase is mainly explained by the increase of the contributions received for the realization of the distribution network for Euro 426 thousands, and to the higher number of services delivered to final users.

The other revenues go from Euro 2.659 thousands in the first half of 2008 to Euro 3.702 thousands of the first half of 2009, recording an increase equal to Euro 1.043 thousands. The significant increase in the other revenues mainly concerns the increase in the company Estenergy S.p.A. of the revenues for service contracts for Euro 293 thousands and to the acquisition of higher revenues for Euro 497 thousands due to the debit to final users of the charges concerning the solution of the controversy originated by the deliberation 248/04 of the AEEG.

Costs

26. Cost of gas purchase

(In thousands of Euro)	30 June 2009	Value of new companies acquisitions ¹	Value at net of new companies acquisitions ¹	30 June 2008
Cost of gas purchase	371.338	11.568	359.769	341.334
Total cost of gas purchase	371.338	11.568	359.769	341.334

The costs for natural gas purchase have gone from Euro 341.334 thousands of the first half of 2008 to Euro 359.769 thousands for the first half of the current year, with an increase of Euro 18.435 thousands or 5%. The increase in the cost of natural gas is mainly due to the increased cost of raw materials during the semester in accordance with the trend of oil prices.

We would point out that the increased cost of raw materials is mainly due to the increase of the basket of prices of

hydrocarbons to which the cost of natural gas is indexed.

Cubic metres of gas purchased go from 781 million cubic metres of the first half of 2008 to 716 million cubic metres of the first half of 2009, with an decrease of 65 million cubic metres or 8,3%.

We point out that the more significant quantities of natural gas are supplied by the joint company Sinergie Italiane S.r.l..

27. Cost of other raw materials

The following table reports on costs relating to the purchase of other raw materials over the periods considered:

(In thousands of Euro)	30 June 2009	Value of new companies acquisitions ¹	Value at net of new companies acquisitions ¹	30 June 2008
Purchases of electric energy	17.668	2.807	14.860	13.851
Purchases of other material	2.155	5	2.149	1.024
Total costs of raw material	19.822	2.812	17.010	14.875

Costs for purchase of electrical energy during the semester amount to Euro 14.860 thousands with an increase of Euro 1.009 thousands as compared to the same period of previous year. The increase is caused by the increase of 8,9% of the acquired volumes, justified by the number of new customers in 694 unities.

Costs for materials amount to Euro 2.149 thousands in the first half of 2009, with an increase of 1.125 thousands as compared with the same period of previous year. They mainly contain costs for fuel used by gas distribution boxes and by heat supply service besides tangible costs used for the upkeep in the distribution network.

28. Costs for services

Cost of services for the relevant periods is analysed in the following table:

(In thousands of Euro)	30 June 2009	Value of new companies acquisitions ¹	Value at net of new companies acquisitions ¹	30 June 2008
Costs of conveyance on secondary networks	17.273	2.742	14.531	14.369
Costs for meters reading	548	5	543	678
Costs for mailing bills	232	28	203	606
Postage and telephone costs	827	46	781	585
Maintenance and repairing	1.436	223	1.213	776
Consulting services	1.822	183	1.639	1.298
Commercial services and advertisements	178	71	107	151
Sundry consumers	937	24	913	199
Directors and Statutory Auditors' fees	497	68	429	429
Insurances	384	14	371	162
Payroll and related costs	299	34	266	340
Other managing expenses	2.688	225	2.463	1.620
Costs for use of third parties assets	1.474	172	1.302	1.205
Total services costs	28.594	3.833	24.760	22.418

Cost of services total Euro 24.760 thousands compared to Euro 22.418 thousands for the first half of 2008, with an increase of Euro 2.343 thousands. The change is mainly due to the increase of the expenses for the maintenance of the distribution network for Euro 437 thousands, for the expenses for professional advice for Euro 341 thousands and by the increase of the costs for users for Euro 714 thousands. These increases are partly counterbalanced by the diminution of the costs held for the meter reading for Euro 135 thousands, and by the decrease of the expenses for the printing and shipping of the bills for Euro 403 thousands.

The main costs for services are represented by cost for maintenance and repairs, consulting services which include technical, administrative and legal services, cost for mailing bills to customers and cost for leased assets which included mainly fees for renting warehouses and offices and crossing fees for works of connections and network laying.

Cost for business services and advertisement include charges for activities of market surveys and advertisement campaigns.

Labour costs include costs for automobiles assigned to employees, cost for cafeteria service and costs for personnel training and development.

Costs for use of third party assets are up by Euro 97 thousands or 8%, going from Euro 1.205 thousands for the first half of 2008 to Euro 1.302 thousands for the first half of 2009. The change is mainly due to concession charges paid to local bodies and to the increase of the costs for the leasing held for the use of the peripheral headquarters of the company.

Other managing expenses include various day-to-day operating expenses (costs for business trips, cleaning, security, etc.).

29. Personnel costs

Personnel costs for the relevant periods are analysed in the following table:

(In thousands of Euro)	30 June 2009	Value of new companies acquisitions'	Value at net of new companies acquisitions'	30 June 2008
Wages and salaries	7.096	769	6.327	5.725
Security social contributions	2.490	271	2.218	2.253
Severance indemnities	496	58	437	496
Current actualization of severance indemnities	(11)	(1)	(10)	-
Other costs	245	68	177	22
Payroll and related costs	10.316	1.165	9.150	8.495
Capitalized payroll and related costs	(970)	(88)	(881)	(868)
Net payroll and related costs	9.346	1.077	8.269	7.627

Personnel costs are expressed net of capitalized costs because of the increase of tangible assets for internal projects.

Personnel costs are up by Euro 642 thousands or 8,4%, going from Euro 7.627 thousands to Euro 8.269 thousands. The increase as compared to the first half of 2008 is mainly due to the increase accorded with the renewal of labour contract and by the growth of the average personnel equal for 73 units.

Capitalised personnel costs refer to the share of costs directly charged to the realisation of new extensions of network by the parent company and by the natural gas distribution companies consolidated.

The table below shows the average number of employees of the Group by category over the relevant financial periods:

Tupe	First half 2009	First half 2008	Variations
Executives	18	13	5
Office workers	300	244	56
Blue collar workers	114	102	12
Total employees	432	359	73

We would point out that some Group employees own phantom stock option plans, as explained in the paragraph 24 of these explanatory notes.

30. Other operating costs

Other operating expenses for the related periods are analysed in the following table:

(In thousands of Euro)	30 June 2009	Value of new companies acquisitions¹	Value at net of new companies acquisitions¹	30 June 2008
Provisions for risks on credits	2.028	113	1.915	1.621
Other provisions	39	0	39	29
Membership fees and AEEG	655	24	630	772
Capital losses	74	0	74	1.665
Out-of-period expenses	657	309	348	36
Other taxations	808	30	778	819
Costs of contracts	1.012	0	1.012	801
Electric energy efficiency securities	1.124	0	1.124	0
Other costs	646	60	586	1.099
Total other operating costs	7.042	536	6.506	6.842

Other costs amount to Euro 6.506 thousands, down by Euro 336 thousands compared to the first half of the previous financial year.

The decrease is mainly due to the diminution of the capital losses of the semester equal to Euro 1.591 thousands and by the decrease of the membership contributions paid to the AEEG for Euro 142 thousands, partly counterbalanced by the increase of the costs held for the purchase of energy efficiency shares equal to Euro 1.124 thousands, by the increase of the costs for tenders for Euro 211 thousands and by the increase of the contingent liabilities collected during the course of the semester.

Other costs mainly include fuel, miscellaneous materials, consumables and stationery.

31. Other operating incomes

Other operating income for the related periods are analysed in the following table:

(In thousands of Euro)	30 June 2009	Value of new companies acquisitions¹	Value at net of new companies acquisitions¹	30 June 2008
Out-of-period income	75	74	1	2
Other income	15	8	6	34
Total other operating income	90	83	7	36

Other "Operating incomes" at the end of the first half of 2009 are equal to Euro 7 thousands recording a decrease as

compared to the same period of the first semester of the previous financial year equal to Euro 29 thousands, mainly explained by the diminution of revenues for compensation for damages and damaging.

32. Amortization and depreciation

Amortisation and depreciation for the related periods are analysed in the following table:

(In thousands of Euro)	30 June 2009	Value of new companies acquisitions'	Value at net of new companies acquisitions'	30 June 2008
Intangible fixed assets	1.020	169	851	722
Tangible fixed assets	6.615	370	6.246	6.174
Total amortization	7.636	539	7.097	6.896

Amortizations of intangible assets, with equal consolidation perimeter, record an increase equal to Euro 129 thousands as compared to the first half of the previous financial year and mainly concern the amortisation of the sales branch customer list relating to the mergers carried out during 2008 financial year and during the first half of 2009.

Amortizations of tangible assets, with equal consolidation perimeter, record an increase as compared to the same period of 2008 equal to Euro 72 thousands and are mainly made up of amortizations on natural gas distribution plants.

Financial income and expenses

33. Financial incomes and expenses

Financial income and expense for the related period is analysed in the following table:

(In thousands of Euro)	30 June 2009	Value of new companies acquisitions'	Value at net of new companies acquisitions'	30 June 2008
Interest income on bank and post office accounts	82	24	58	144
Other financial income	420	136	285	182
Financial income	502	160	342	326
Interest expense on banks	1.132	55	1.076	2.361
Interest expense on mortgage loans	180	0	180	258
Financial expenses on derivatives	0	0	0	0
Other financial expenses	226	226	0	506
Financial charges	1.538	281	1.257	3.125
Incomes/(expenses) on shares evaluated with net assets method	522		522	

At the end of the semester the difference between financial incomes and expenses shows a negative result equal to Euro 515 thousands, showing a decrease of the expenses paid to the credit institutions, as compared to the first semester of the previous financial year, equal to Euro 1.587 thousands. The diminution is mainly explained by the smaller bank exposition in the first half of the year, and by the significant diminution of the rate of interest applied to the credit lines conceded by the credit institutions.

Taxes

34. Income taxes

The income tax charge for the related period is analysed in the following table, distinguishing the current element from the provisions for deferred tax assets and liabilities:

(In thousands of Euro)	30 June 2009	Value of new companies acquisitions ¹	Value at net of new companies acquisitions ¹	30 June 2008
IRES current taxation	6.019	513	5.505	5.547
IRAP current taxation	1.301	128	1.174	1.445
(Advanced)/Deferred taxes	(595)	(82)	(513)	(943)
Total income taxes	6.726	560	6.166	6.049

The incidence of income taxes on income before taxes for the related years is shown in the following table:

(In thousands of Euro)	First half 2009	First half 2008
Pre-tax result	18.000	17.701
Income taxes	6.726	6.049
Total effective tax charges	37,4%	34,2%

The *effective tax rate* goes from 34,2% in the first half of 2008 to 37,4% in the first half of the financial year 2009.

The increase of the effective tax rate of the year is mainly due to the increase of the percentage to be used for the application of the additional tax IRES called "Robin Hood tax" (Law bill approved on 9 July 2009 by the Senato of the Italian Republic, called "DDL Sviluppo") that goes from 5,5% of the previous year to 6,5% in the current period, to the losses matured in the first half of 2009 by the company Veritas Energia S.r.l., company non subjected to the fiscal consolidation in charge of the parent company Asco Holding S.p.A. and to the accountancy in the first half of 2008 of a component of the non recurrent income equal to Euro 1.324 thousands due to the recognition of the fiscal deducibility of the goodwill derived from company mergers.

Non-recurring components

In accordance with CONSOB communication 15519/2005, we report the absence of non-recurring economic components reported in the consolidated financial statements as of 30 June 2009.

Transactions deriving from atypical and/or unusual operations

In accordance with CONSOB communication N. DEM/6064296 of 28 July 2006, we would report that during the first half of 2009 any unusual and/or atypical operations occurred.

OTHER COMMENTS ON THE ABRIDGED HALF YEAR CONSOLIDATED FINANCIAL STATEMENT AS OF 30 JUNE 2009

Company mergers

Acquisition of the holding in Veritas Energia S.r.l.

On 29 January 2009, Ascopiave S.p.A. acquired 51% of the holdings of Veritas Energia S.r.l. (headquarters in Venice, active in the natural gas and electric energy sale in the province of Venice) at the agreed price of Euro 1.386 thousands, comprehensive of the charges and expenses for a value of Euro 36 thousands.

The acquired holding has been subjected to external evaluation by an independent expert for the determination of the allocation of the higher value paid as compared to the accounting values as of 31 December 2008. The evaluation of the expert has shown the existence of an intangible asset with a useful life defined as representative of the value of the contracts acquired with customers and of the relation with the client established by these contracts equal to Euro 905 thousands (from here “sale branch customers list”) on which it has also been inscribed the corresponding effect of deferred taxation system. The directors prudentially believed to consider for this type of intangible asset a useful life equal to 10 year.

The company merger has temporarily recorded as of 30 June 2009 according to the disposition of the international accounting principle IFRS 3.62.. In particular, the fair value temporarily attributed to the identifiable assets and liabilities of Veritas Energia S.r.l. as of 30 June 2009 is the following:

Assets/liabilities transferred with 51% of Veritas Energia S.r.l. shareholdings	Book value	Fair value recorded on acquisition
Non-current assets		
Goodwill	0	1.723
Other intangible fixed assets	2	905
Tangible fixed assets	66	66
Other non-current assets	74	74
Deferred tax assets	2	2
Total non-current assets	978	1.935
Current assets		
Trade receivables	10.271	10.271
Other current assets	1.726	1.726
Tax receivables	6	6
Cash and cash equivalents	1.105	1.105
Total current assets	13.107	13.107
Non current assets allotted to sales		
Total assets	14.086	15.043
Non-current liabilities		
Provisions for risks and charges	5	5
Severance indemnities	18	17
Other non-current liabilities	365	477
Deferred tax liabilities	0	301
Total non-current liabilities	388	801
Current liabilities		
Amounts due to banks	1.791	1.791
Trade payables	10.236	10.236
Other current liabilities	506	506
Financial current liabilities	962	962
Total current liabilities	13.495	13.495
Total liabilities	13.883	14.296
Total assets/liabilities gas sales branch	203	747
Net assets recognized to third parties		
Goodwill deriving from acquisition		639
Total cost of the acquisition		1.386
Net liquidity of the company		1.105
Payments		1.386
Net liquidity used		281

The residual surplus value has been reported under goodwill in relation to the acquisition of the gas sales activity of the company Veritas Energia S.r.l. for an amount equal to Euro 639 thousands.

Commitments and risks

Sureties given

The Group has provided the following potential sureties as of 30 June 2009:

(In thousands of Euro)	30/06/2009
Guarantees on credit lines	268.421
Guarantees on the executions of works	9.294
Guarantees due to UTF offices and regions for taxes on gas	19.091
Guarantees to participate in calls for tenders to supply methane	50
Guarantees on commercial lease contracts	17
Guarantees for distribution contracts	37
Guarantees on purchase of gas	52.939
Guarantees on gas supply contracts	1.195
Guarantees on finance leasing	1.430
Guarantees on shareholdings purchase	2.500

The guarantees on credit lines and on gas purchase contracts released in favour of the subsidiary company Sinergie Italiane S.r.l. as of 30 June 2009 amount to Euro 134.000 thousands.

Management of financial risk: objectives and criteria

The investments in the operative activities of the Group mainly consist of bank loans, financial leasing, lease contracts with the possibility of purchase and bank deposits at sight and short-term. The recourse to such forms of investment exposes the Group to the risk connected with the fluctuation of interest tax rate, that successively determine possible variation on financial costs.

The operative activity, on the contrary, put the Group on the position of possible receivable risks with the counterparts.

The Group, furthermore, is subject to liquidity risks because the available financial resources may not be sufficient to meet its financial obligations, in the terms and dead-lines forecasted.

The risk for the fluctuation of the change Euro/Dollar and of treated commodities prices (in the specific case natural gas and oil products) is managed through operation on derivatives, mainly options on exchanges and raw materials.

The Board of Directors re-examines and agrees the policies for risk management, described hereafter.

Interest rate risk

Group exposure to the risk of changes in market rates is mainly linked to the loans taken out with credit institutes, generally characterized by variable interest rates.

Group policy, depending on the seasonability of the business cycle, aims to manage the need for cash by means of temporary loans at variable rates, that given their constant change, do not make it possible to suitably cover the interest rate risk.

The Group also manages fixed rate loans for insignificant amounts that depend on the conferral for the gas distribution networks of the local bodies, now shareholders of Asco Holding S.p.A..

Sensitivity analysis of the interest rate risk

The following table shows the impacts on the Group's pre-tax result of the possible variations in interest rates.

	january	february	march	april	may	june	
Net Financial position as of first half 2009	115.834	78.337	82.521	82.023	124.739	56.421	
Lending/borrowing average rate	4,09%	3,28%	2,50%	2,30%	2,10%	2,30%	
Average rate increased of 0,5	4,59%	3,78%	3,00%	2,80%	2,60%	2,80%	
Average rate decreased of 0,5	3,59%	2,78%	2,00%	1,80%	1,60%	1,80%	
Net Financial position recalculated with increased of 0,5	115.882	78.370	82.556	82.058	124.791	56.444	
Net Financial position recalculated with decreased of 0,5	115.786	78.304	82.487	81.989	124.687	56.397	tot
Negative effect to income before taxes	(48)	(33)	(34)	(34)	(52)	(24)	(225)
Positive effect to income before taxes	48	33	34	34	52	24	225

The sensitivity analysis, obtained simulating a variation on interest tax rates applied on the credit lines of the Group equal to 50 basis points in increase and decrease, maintaining unchanged all the other variables, leads to an estimation of an effect on the result before taxes respectively negative or positive for Euro 225 thousands.

Receivable risk

The operative activity put the Group in a position of possible receivable risk caused by the market for the missed respect of trading obligations with counterparts.

The Group constantly monitors this type of risk through an appropriate credit management procedure, helped in that sense also by the division of a significant component of accounts receivable. The Group policy is fully writing down the receivables that show an older expiry date than the year, and to apply write-down percentages determined by historical series on the remaining part of the credit.

Liquidity risk

The liquidity risk concerns the risk of the Group not to dispose of available and sufficient financial resources in order to meet with own financial obligations, in the forecasted terms and dead-lines.

The Group constantly pursues a maintenance of the balance and flexibility of financing sources and uses.

The two main factors influencing Group liquidity are on the one hand the resources generated or absorbed by the operative or investment assets, on the other hand the expiry characteristics and debt renewal.

The liquidity of the companies of the Group is managed in a centralised way. Liquidity requirements are monitored by the treasury function of the parent company with a view to guaranteeing an efficient recovery of financial resources, or a suitable investment of any available funds.

The directors believe that the funds and loans currently available, apart from those generated by operative or financing assets will allow the Group to meet requirements deriving from investment, management of circulating capital and reimbursement of debts at natural expiry.

Risk of prices of raw materials and of Euro/Dollar change

The Ascopiave Group manages the risk generated by the fluctuation of treated commodities prices, in this specific case natural gas price and oil products, through the recourse to operations on derivatives.

Because of the fact that raw material prices are indicated in Dollars, the Group is also subject to the consequent Euro/Dollar change risk.

The parent company apply the employment of the most used derivative instruments on the market in order to contain the exposition to risks within fixed limits.

At the moment the Group is not exposed to any change risk not connected to derivative operations.

Management of Capital

The primary objective of the management of Group capital is to guarantee that a solid credit rating is maintained, and suitable levels of capital indicator. The Group can adapt the dividends paid to shareholders, reimburse capital or issue new shares.

The Group checks its capital by means of a debt/capital ratio, i.e. comparing the net debt to the total of the capital plus the net debt. The Group policy aims at keeping this ratio between 20% and 35%.

The Group includes financial charges, accounts payable and other liabilities in the net liabilities, net of liquid funds and equivalent.

(In thousands of Euro)	30/06/2009	31/12/2008
Medium/long term debts	3.547	3.969
Loans from bank at net of equivalent on hand	45.166	33.139
Financial gross debt	48.714	37.108
Share capital	234.412	234.412
Legal reserves	110.087	108.569
Retained earnings	11.229	18.452
Total net assets	355.728	361.433
Total capital and gross debt	404.441	398.541
Relation between debts/net assets	0,14	0,10

Business segment reporting

The sector information is provided in reference to the business sectors in which the Group operates. Business sectors are identified as primary segments of activities. The criteria used for identifying the activity segments were, among other things, inspired by the methods whereby management runs the Group and assigns managerial responsibilities.

Based on the information required by the IAS 8 'Business Segment Reporting, Operative segments', the company has identified as segments subjects of the reporting the activities of gas sales and distribution.

Information for geographic sectors is not provided, since the Group does not have any business activity outside of the national territory.

The following tables show the information on revenues, financial results and balance sheet items concerning the business segments of the Group for the first half of 2009 and for the first half of 2008.

(In thousands of Euro)	Distribution	Gas sales	Trading	Electric energy sales	Other	Elusions	Total
First half 2009							
Net revenues from third parties	13.339	280.652	142.752	23.021	2.438		462.202
Infra-group revenues among business sectors	27.321	2.965	8.130	3.598	148	(42.162)	0
Revenues from business sector	40.660	283.617	150.882	26.619	2.586	(42.162)	462.202
Income before taxes	13.687	3.539	475	(55)	354		18.000

(In thousands of Euro)	Distribution	Gas sales	Trading	Electric energy sales	Other	Elusions	Total
First half 2008							
Net revenues from third parties	10.067	247.575	139.009	18.037	5.769		420.457
Infra-group revenues among business sectors	24.750	4.513		2.629	195	(32.087)	0
Revenues from business sector	34.817	252.089	139.009	20.666	5.964	(32.087)	420.457
Income before taxes	14.076	2.415	639		571		17.701

Dividends

On 29 April 2009 Ascopiave S.p.A. shareholders' ordinary meeting deliberated the distribution of dividends for an amount equal to Euro 0,06 per share having right with release of the warrant on 11 May 2009 and payment on 14 May 2009, net of the advanced payment of Euro 5.780.034,60 to Euro 0,025 per share paid by the shareholders on 14 November 2008. The total amount paid in the first half of 2009 equals to Euro 13.662 thousands.

Transactions with related parties

The details on transactions with related parties over period in question is summarised in the following tables.

Company	Trade	Other	Accounts	Other	Expense			Revenues		
					Assets	Services	other	Assets	Services	other
<i>Parent companies</i>										
Asco Holding S.p.A.	17	2.094	-	3.220	-	-	-	-	17	-
Total parent companies	17	2.094	-	3.220	-	-	-	-	17	-
<i>Subsidiary companies</i>										
Asco TLC S.p.A.	52	-	-	-	-	164	-	-	58	-
Seven Center S.r.l.	5	-	45	-	38	76	-	-	-	-
Mirant Italia S.r.l.	-	-	-	-	-	-	-	-	-	-
Total subsidiary companies	57	-	45	-	38	240	-	-	58	-
Total	73	2.094	45	3.220	38	240	-	-	75	-

For the 2009 financial year, Ascopiave S.p.A and Ascotrade S.p.A., Asm Dg S.r.l., Edigas Due S.r.l., Edigas Distribuzione Gas S.r.l., Global Energy S.r.l., and Le Cime Servizi S.r.l. agreed to the consolidation of tax relations in the head of the parent company Asco Holding S.p.A, entered among the other current liabilities and other activities.

In order to better manage the liquidity of the Group, the afore-stated companies have current account relations of correspondence with the parent company Ascopiave S.p.A..

Cost for services to the subsidiary Asco TLC S.p.A. refers to a rental fee for the server. Revenues for the aforementioned subsidiary derive from the contract to supply gas and electrical energy and from service contracts drawn up between the parties.

The costs for services for the subsidiary Seven Centre S.r.l mainly refer to maintenance services for the natural gas distribution network.

Furthermore:

- the economic relations between the companies of the Group and the subsidiary companies occur at market prices and are eliminated in the process of consolidation;
- the operations set up by the companies of the Group with correlated parties are part of normal management activity and are regulated at market prices;
- referring to the provisions of art. 150, paragraph 1 of Legislative Decree no. 58 of 24 February 1998, no operations have been carried out that could potentially be conflicts of interest with companies of the Group, by members of the Board of Directors.

Significant events after the end of the first half of 2009

The company Ascopiave S.p.A. on 23 July 2009 perfected with Pasubio Group S.r.l. the acquisition of 100% of the subsidiary Pasubio Servizi S.r.l., company active in the gas sale.

The agreement was announced on 22 May 2009. The total price agreed between the two companies for the acquisition of Pasubio Servizi is equal to Euro 19,5 million and also provide the transfer to Pasubio Group of no. 1.850.000 Ascopiave's shares.

The total price agreed has been based on the positive effective conventional net financial position for Euro 2,5 millions of Pasubio Servizi as of 31 December 2008.

Pasubio Servizi is the gas sale company of Pasubio Group, which is entirely participated by 9 municipalities members of the Alto Vicentino: Schio, Torrelvicino, Thiene, Valdagno, Malo, Montecchio Maggiore, Brendola, Lonigo e Monteviale.

The acquired company, that supplies 140.000.000 of mc of methane gas to more that 63.000 customers in 15 municipalities of the Alto Vicentino, closed the 2008 financial statement with a production value equal to Euro 59,7 millions, Ebitda equal to Euro 3,6 millions and a profit equal to Euro 2,0 millions.

Contentious procedure

On 7 July 2009 an extraordinary appeal (presented by R.T.I., with parent company the company Setten Genesio S.p.A., that reached the second place in the tender for the works for the construction of the new company headquarters) to the President of the Italian Republic has been notified to Ascopiave.

Concessions

As of 30 June 2009 five appeals presented by Ascopiave S.p.A. against some deliberations taken by concessionary municipalities concerning the duration of the concessions (it is about the municipalities of Galliera Veneta, Tezze sul Brenta, Tombolo, San Vito di Leguzzano, Arosio) and five appeals against tenders or deliberations for the calling of tenders for the choice of the new manager of the public service of gas distribution (municipalities of Costabissara, Santorso, Marano Vicentino, Isola Vicentina, Castello di Godego) are pending by the Administrative Regional Court (TAR) for the Veneto.

On 12 May 2009 the Veneto TAR, with sentence disposition no. 44 of 2009, definitively deciding on the appeals originated by Ascopiave against the Municipality of Isola Vicentina, has accepted within the limits of the grounds for the judgement and annulled the contested proceedings.

With regards to the contentious procedure with the Municipality of Costabissara the Veneto TAR with sentence disposition no. 57 of 2009, accepted the Ascopiave's appeal in the part in which it has contested the *lex specialis* of the tender for the noticed lack of balance of the ponderal weight attributed to the economic offer as compared to the technical offer.

With regards to the contentious procedure with the Municipality of Marano Vicentino we point out that the hearing for the merits has been postponed to 17 December 2009.

As a consequence of the sentence of the Veneto TAR no. 2196 of 2009 (with which the TAR rejected the appeal promoted by Eon Rete Mediterranea S.r.l. against the injunction of coercive release of the distribution plants of the Municipality of Trebaseleghe) the company Ascopiave started, as from August 1st 2009 and for the duration of 12 years, the management of the gas distribution service in the Municipality of Trebaseleghe.

Relations with Control Authorities

With recorded delivery letter on 20 July 2009 Borsa Italiana S.p.A., during the activity of verification of the requisitions for the permanence in the STAR segment has requested to the issuing some information as arranged by the article 2.6.10, comma 1, letter a) of the Regulation of the markets organized and managed by Borsa Italiana S.p.A. (the "Regulation"). The company immediately provided to supply to the explanations requested. At present any disciplinary

measure, previewed by the article 2.6.11 of the Regulation, has been communicated to the issuing.

Relations with the Agenzia delle Entrate

During 2008 the company has been subjected to fiscal examination by the Agenzia delle Entrate (Public Revenues Bureau). As the result of this examination, a Trial minutes of Ascertainment has been emitted with relief about direct and indirect taxes. During the month of July, the local Agenzia delle Entrate emitted an ascertainment notice concerning the contents of the afore-stated Trial minutes of Ascertainment. The higher ascertainable taxes and due tax burden for the foundation of the contentious procedure are prudentially estimated in Euro 92 thousands that were allocated as appropriate risk reserve, also according to the opinion of the tax consultant.

Pieve di Soligo, 28 August 2009

The Chairman of the Board of Directors
Gildo Salton

ATTESTATION

of the Half year Consolidated Financial Report in accordance with article 154-bis, paras. 5 and 5-bis, part IV, title III, Item II, section V-bis section, of the Legislative Decree 58 dated 24 February 1998: “The financial Intermediation Code, according to articles 8 and 21, Law 52 dated 6 february 1996”.

1. The undersigned Gildo Salton, President of the Board of Directors of Ascopiave S.p.A., and Cristiano Belliato, Accounting Manager of Ascopiave S.p.A., hereby certify, bearing in mind the provisions of article 154-bis, parags 2, 3 and 4 of Legislative Decree 58 dated 24 February 1998:
 - the adequacy in relation to the characteristics of the enterprise, and
 - the effective application of the administrative and accounting procedures for the preparation of the Half year Consolidated Financial Report for the period from 01 January 2009 to 30 June 2009.

2. They also certify that the Half Year Financial Report:
 - a) agree with the books of account and accounting entries;
 - b) are drawn up in accordance with International Financial Accounting Standards (IFRS) adopted by the European Union, as well as to the provisions issued to implement article 9 of Legislative Decree 38/2005.
 - c) are able to provide for a true and fair view of the assets and liabilities, results and financial position of the Issuer and of all the companies included in the consolidation.
 - d) contain a reliable analysis of the trend and of the result of the management and also of the situation of the Issuer and the situation of the Group, as well as the information about relevant operations with related or linked parts, unitedly to the description of the main risks and uncertainty to which the Group is exposed.

Pieve di Soligo, August 28, 2009

The President of the Board of Directors

Gildo Salton

The Accounting Manager

Cristiano Belliato