



Quarterly Consolidated Report as of 31 March 2011

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Attachments:

In-company control

- Declaration by the Manager - Certification of the Consolidated Financial Statements in accordance with art. 81-*ter* of Consob regulation no. 11971

GENERAL INFORMATION

Directors, Officers and Company information

Board of Directors and Board of Statutory Auditors

Name	Office	Duration	Start date	End date
Salton Gildo	Chairman of Board of Directors*	2008-2010	28/04/2008	28/04/2011
Beninatto Alfonso	Board member	2008-2010	28/04/2008	28/04/2011
Bortolin Gianantonio	Board member	2008-2010	28/04/2008	28/04/2011
Trinca Flavio	Independent member	2008-2010	28/04/2008	28/04/2011
Fassina Alessandro	Independent member	2008-2010	28/04/2008	28/04/2011
Zugno Fulvio	Chairman of Board of Directors*	2011-2013	28/04/2011	30/04/2013
Coin Dimitri	Board member	2011-2013	28/04/2011	30/04/2013
Salton Gildo	Board member	2011-2013	28/04/2011	30/04/2013
Bernardelli Giovanni	Independent member	2011-2013	28/04/2011	30/04/2013
Colomban Massimino	Independent member	2011-2013	28/04/2011	30/04/2013

(*) 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.

Internal control panel	from	to	Remuneration panel	from	to
Flavio Trinca	28/04/2008	28/04/2011	Alfonso Beninatto	28/04/2008	28/04/2011
Alfonso Beninatto	28/04/2008	28/04/2011	Flavio Trinca	28/04/2008	28/04/2011
Alessandro Fassina	28/04/2008	28/04/2011	Saccardi Giuliano	28/04/2008	28/04/2011
Coin Dimitri	28/04/2011	30/04/2013	Coin Dimitri	28/04/2011	30/04/2013
Bernardelli Giovanni	28/04/2011	30/04/2013	Bernardelli Giovanni	28/04/2011	30/04/2013
Colomban Massimino	28/04/2011	30/04/2013	Colomban Massimino	28/04/2011	30/04/2013

Independent Auditors

Reconta Ernst & Young S.p.A.

Legal headquarters and Company data

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Main economic and financial data of the Ascopiave Group

Economic figures

(Thousands of Euro)	First quarter 2011	% of income	First quarter 2010	% of income
Income	329,032	100,0%	293.668	100,0%
Gross operating margin (*)	41,647	12,7%	31.544	10,7%
Operating result	34,912	10,6%	26.104	8,9%
Income/losses of the period	17,369	5,3%	14.757	5,0%

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

Assets figures

(thousands of Euro)	31.03.2011	31.12.2010
Net working capital (*)	49,047	52,209
Capital assets and other non-current activities	507,660	470,712
Non current liabilities (excluding loans)	(57,947)	(47,526)
Net invested capital (**)	498,760	475,395
Net financial position	(105,741)	(95,995)
Net Shareholders' equity	(393,019)	(379,400)
Financing sources	(498,760)	(475,395)

*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

(thousands of Euro)	Primo trimestre 2011	Primo trimestre 2010
Net result of the Group	16,227	13,969
Cash flow generated(used) by the operating activities	27,054	(19,623)
Cash flow used in investment activities	(25,549)	(6,808)
Cash flow generated(used) in financing activities	27,217	11,095
Financial flow of the period	28,722	(15,336)
Cash and cash equivalents at the beginning of the period	23,313	20,842
Cash and cash equivalents at the end of the period	(52,035)	(5,506)

REPORT ON THE MANAGEMENT

FOREWORD

The Ascopiave Group closes the first quarter of 2011 with an operating result of € 34.9 million, and a net consolidated profit of € 17.4 million.

The net invested capital amounts to € 498.8 million and the consolidated shareholders' equity to € 3930 million.

In the first three months of 2011, the Group has carried out investments for more than € 5.1 million, mainly in development, maintenance and updating of the networks and of the distribution plants for natural gas, as well as in the construction of company buildings.

Activities

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

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

The Group owns concessions and direct entrusting for the management of the activity of gas distribution in 200 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 8,000 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 them the Group exercise a joint control with other shareholders. Considered as a whole, the controlled and participated companies supply gas to more than 820,000 final users.

Strategic objectives

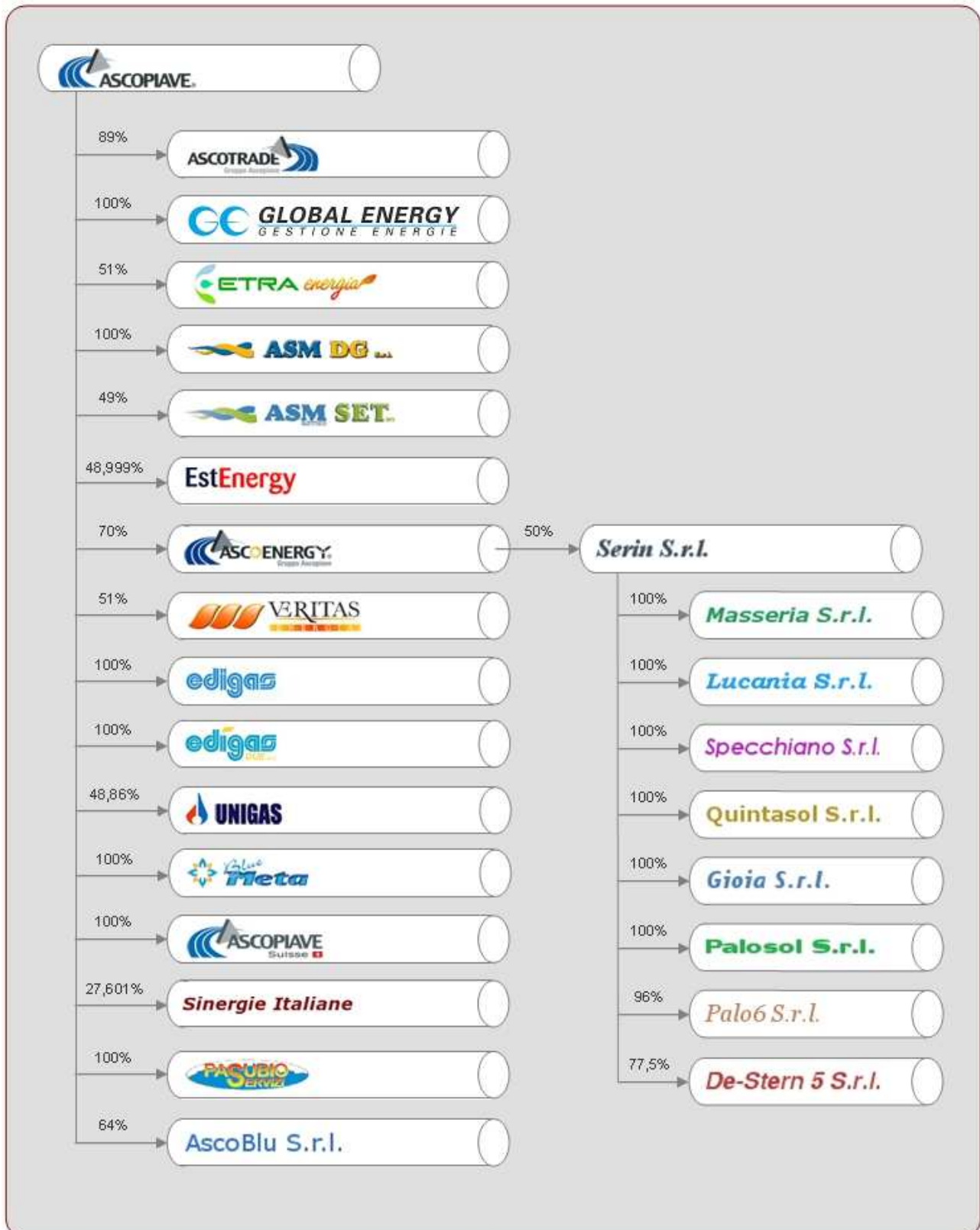
Ascopiave is proposing to pursue a strategy focused on the creation of value for its stakeholders, by maintaining the level of excellence in the quality of services offered, respecting the environment and social groups, to increase the value of the field in which it operates.

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 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

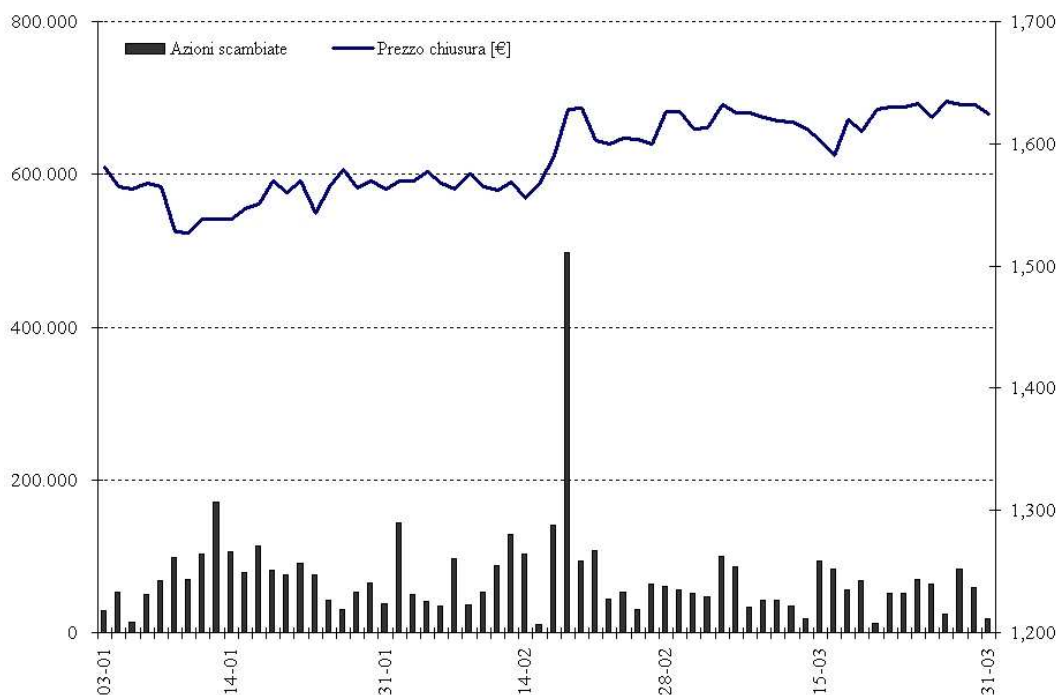
The table below shows the company structure of the Ascopiave group as on 31 March 2011; the group operates through 26 companies.



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

As of 31 March 2011 the Ascopiave securities were listed at a price of € 1.624 per share, with an increase of 2.7% from the price of the beginning of 2011 (€ 1.581 per share as of 3 January 2011).

The market capital as of 31 March 2011 amounted to € 382,38 million¹.



The quotation of the security during the first quarter of 2011 has shown an increase (+2.7%), which reflects, albeit in a limited way, the general trend of the reference indexes. As a matter of fact, in the same period of time the FTSE Italia All-Share index and the sector index FTSE Italia Servizi di Pubblica Utilità registered a positive trend, and increased in the three month period of 5.9% and 14.0% respectively.

The following tables reports the main stock market data as of 31 March 2011.

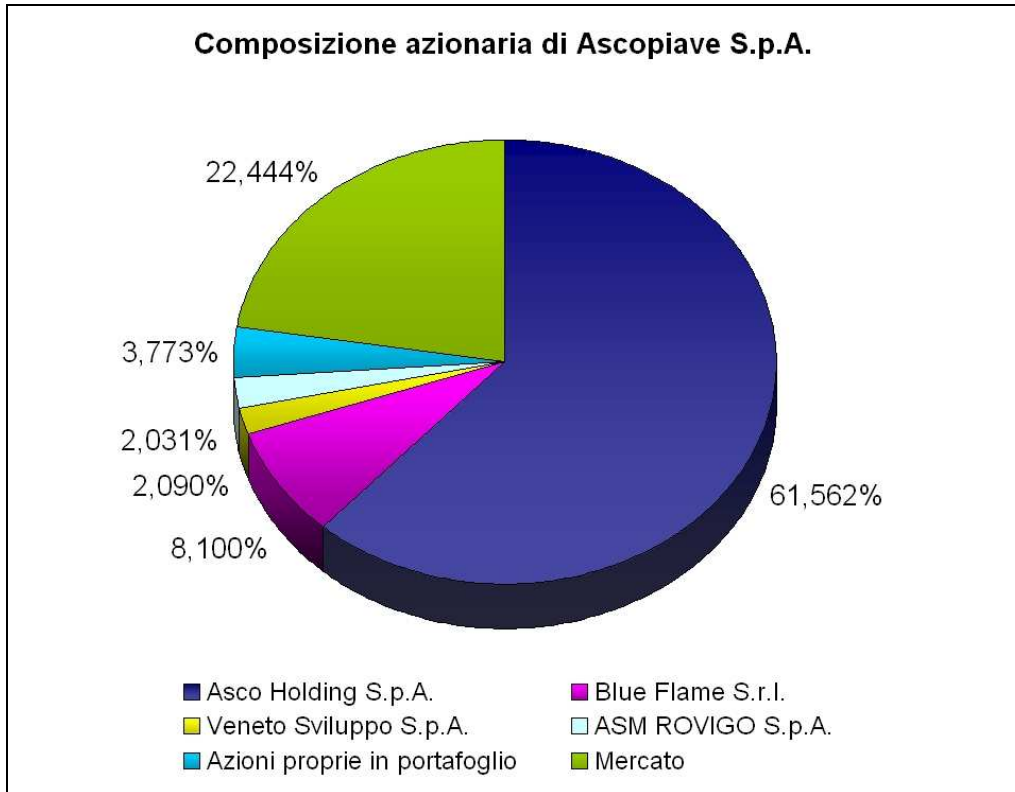
Shares and Consob data	31 March 2011
Earnings per share (Euro)	0.07
Interim dividend per share (Euro)	1.65
Placing price (Euro)	1.80
Closing price (Euro)	1.624
Top price of the year (Euro)	1.635
Minimum price of the year (Euro)	1.527
Capitalization on the stock exchange (millions of Euro)	382.38
No. of circulating shares	225,567,264
No. shares numbers of capital share	234,411,575
Ownership of Company's own shares	8,844,311

¹ Al 31 marzo 2011 la capitalizzazione di Borsa delle principali società quotate attive nel comparto dei servizi pubblici locali (A2A, Acea, Acegas-Aps, Acsm-Agam, Iren ed Hera) risultava pari a 9,1 miliardi di Euro. Elaborazione interna su dati tratti dal sito di Borsa Italiana (www.borsaitaliana.it).

Control of the company

On 31 March 2011 Asco Holding S.p.A. directly controls 61,562% share capital of the Ascopiave S.p.A..

The share composition of Ascopiave S.p.A., according to the number of shares held, is as follows *:



* Company's elaboration based on data available on the Consob website (www.consob.it). Data is based on the updated situation deposited at Consob by Ascopiave, pursuant to regulations, up to 3rd November 2010.

Corporate Governance and Code of Conduct

During the first quarter of 2011 Ascopiave S.p.A. continued to operate the improvement process of the corporate governance planned during past years, introducing further improvements to the tools in order to defend investors' benefits.

Internal audit

Internal audit activities became effective through the fulfilment of an audit plan that will involve all decisional processes, with a particular regard to more strategic business areas.

The committee of inspection is enforcing its own plan aimed at identifying the existence of possible risks ex Law Decree. 231/2001, but also improving company's audit system.

Arranged manager

The arranged manager, with the help of internal audit function during internal audit activities reviewed the conformity of procedures and continued with the monitoring activity of relevant procedures with reference to intermediate situations.

Ethical code

The Company continued the promotion activity for the diffusion of the knowledge and awareness of the Ethical Code towards all its interlocutors, in particular in trading and institutional relations.

We would like to remember that corporate governance documents are available in the site www.ascopiave.it in the section "Investor relations".

Transactions with related and affiliated parties

The company has the following transactions with related parties which produce the following types of ownership's costs:

- ✓ 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 which produce the following types of ownership's revenues:

- ✓ 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.;
- ✓ Services of the personnel of Ascopiave S.p.A to the affiliated Sinergie Italiane S.r.l.;
- ✓ Administrative and personnel services of Ascopiave S.p.A to the affiliated Asm. Set. S.r.l.. and Veritas Energia S.r.l.

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

Remarkable events during the first quarter of 2011

Acquisition Blue Meta S.p.A.

On 13th January 2011, Ascopiave S.p.A. has purchased at the price of 23.8 million € the entire share capital of Blue Meta S.p.A. through the controlled company Ascotrade S.p.A., which had previously purchased the company. The agreement specified, among other things, the allocation to Anita S.r.l. of a purchase option of 10% of Blue Meta S.p.A., to be carried out within January 2012.

Acquisition Unigas Distribuzione S.r.l.

On 13th January 2011, Ascopiave S.p.A. has purchased for an amount of 18.2 million € -of which approximately 1.7 million € for the share capital and approximately 16.4 € as premium- the share investment of 48.86% of Unigas Distribuzione S.r.l..

On the same date, the Shareholders' Meeting of Unigas Distribuzione S.r.l. appointed the new Board of Directors and the new Board of Auditors.

Signature with 74 Municipalities of a convention proposition for the adoption of a new shared procedure for the agreed quantification of the “Residual Industrial Value” of the network.

On 28th January 2011, the Board of Directors of Ascopiave S.p.A. communicated that Ascopiave S.p.A. had reached an agreement with 74 out of 93 Municipalities in the Provinces of Treviso, Venice, Pordenone, Belluno, with which the company had drafted a convention proposal on the adoption of a shared procedure for the agreed quantification of the “Residual Industrial Value” or “RIV” of the networks that are used for the gas distribution service in each Municipality. As of today, the necessary procedure requirements for the subscription of the conventions have been met in the respective Municipality meetings. Pursuant to the current regulations, the RIV is the amount that Ascopiave S.p.A. will be entitled to receive should another company win the assignment tender for the gas distribution at the end of the concession period.

These 74 Municipalities account for roughly 80% of the distribution network currently managed by Ascopiave S.p.A. in 93 Municipalities.

The definition of the RIV will allow Ascopiave S.p.A. to minimize the risk of litigations during the tenders for the assignment of the new concessions for the gas distribution services, with the purpose of preventing uncertainty and possibly conflict during these tenders.

During the assignment tender and until the new concessions have been granted, the management of the gas distribution service will remain a prerogative of Ascopiave S.p.A.

With some of these Municipalities, Ascopiave S.p.A. has agreed to pay a once-only fixed payment to be paid at the date of signature of the convention. The fixed sum amounts to € 3,869,000 in case all 93 Municipalities agree to this procedure (€ 3,344,000 for the Municipalities that have agreed so far).

Additionally, Ascopiave S.p.A. has agreed with all the Municipalities the payment of a variable sum that will be paid annually, according to the RIV evaluation criteria, from 2011, amounting to the difference, if positive, between 30% of the “distribution income constraint” assigned to Ascopiave S.p.A. for the gas distribution management in the Municipalities, and the sum received by the Municipality as dividend for year 2009, as part of their indirect

participation to the share capital of Ascopiave S.p.A. (for 2011, in case all 93 Municipalities should join, the difference is estimated to be roughly € 4.5 million, of which € 3.8 million for the 74 Municipalities that have agreed as of today). Ascopiave S.p.A. is continuing the negotiations to reach the signature of the aforementioned convention with the remaining 19 Municipalities of the Provinces stated above.

Updating of the organization model, pursuant to Law Decree 231/2001

On 28th January 2011, the Board of Directors has approved the updating of the organization, management and control model, pursuant to Law Decree 231/2001, integrating the original model, adopted on March 27th 2008, with the criminal law provisions subsequently added with Law Decree 231/2001.

Governance Structure Modification

On 28th January 2011, as part of the modification process of the governance structure, the Board of Directors assigned to Chairman Gildo Salton the role of CEO of the company, granting him the power to implement the Board decisions and the ordinary management of the company, instead of his previously granted powers as Managing Director.

Approval of a guarantee plan for Sinergie Italiane S.r.l. and activity development

On 28th January 2011, the Board of Directors has approved a plan of financial guarantees for the subsidiary company Sinergie Italiane S.r.l.

The excellent results of the Group as far as sale is concerned are mainly due to the gas raw material supply modalities. In 2010 as well, the Group availed itself, for the almost entirety of its needs, of Sinergie Italiane S.r.l. The firm relationship with a main Shipper, at the national and European level resulted in a competitive purchase price, as well as in an increased operating flexibility that supported the growth in the personnel of the trade companies of the Group, which in turn enabled the Group to acquire additional clients and increase its business volume outside the historical boundaries.

Ascopiave S.p.A is satisfied with the result obtained so far and even more of the future prospective of the market for an integrated operator. Therefore it agreed to increase even more its share equity in the share capital of Sinergie Italiane S.r.l., as of today amounting to 27.61%.

In particular, at the year end of the current financial year, the current partner Iren Mercato S.p.A. might leave the company, as it is currently in a position of conflict of interests, since it deals with other projects in the gas line sector that have positional requirements (of the funding members of the company) that are now no longer compatible.

Other significant events

Litigations

As of 31 March 2011, four appeals of Ascopiave S.p.A. at the Administrative Regional Court of Veneto are pending approval. These appeals relate to decisions taken by concessionary municipalities regarding the length of the concessions. It is noted that in two out of four litigations, agreement was reached on the issues of the controversy. In reference to one of the remaining litigations, on 18 March 2011 the Administrative Regional Court of Veneto has rejected and declared partially overruled the claim filed by Ascopiave S.p.A. against the conceding municipality. The municipality is no longer managed by Ascopiave as of 1 November 2010. Finally, regarding the fourth litigation, it is noted that on 5 March 2011 the conceding municipality managed by Ascopiave S.p.A. has published on the Official

Gazette a call for tender on the distribution of gas for a period of 12 years, starting from 1 January 2012. This municipality has suspended this procedure up to 30 September 2011 by a council decision.

Regarding litigations on tenders, call for tenders for the selection of a new manager of the public service of gas distribution and the assignment thereof to another operator, as of 31 March 2011 three appeals are pending at the Administrative Regional Court of Veneto. Two out of three appeals as of 31 December 2010 pending at the Italian Consiglio di Stato have been concluded on 17 and 18 January 2011 with sentences rejecting the appeals. The remaining appeal's hearing has been scheduled for 28 June 2011. The related municipality is still currently managed by Ascopiave S.p.A..

Regarding litigations concerning the transfer orders of gas distribution networks, it is noted that the Administrative Regional Court of Veneto with a sentence dated 13 December 2010 has suspended a municipal council decision of immediate transfer of plants, on the basis that the conclusions following the verification of the Authority for Electrical Power and Gas undermined the reasons of the transfer decision. The Administrative Regional Court of Veneto has scheduled another hearing on 12 May 2011 to discuss the counter-appeal

Ministry decree on the determination of territorial areas in the natural gas distribution sector (“Area Decree”) and inter-Ministry decree on the protection of employment caused by the change in the manager of distribution services.

On date 31 March 2011, a decree dated 19 January 2011 was published on n. 74 of the Official Gazette called “Determination of the territorial area of the natural gas distribution sector”. This Decree defines the minimum territorial areas (M.T.A.) for the setting up of call for tenders for the concession of the gas distribution service.

The municipalities that are part of each of the 177 M.T.A. may assign the gas distribution service only by setting up a Common Area Bid. This bid may be extended to two or more adjoining areas if agreed with the local authorities of the areas. Furthermore the decree establishes that, upon its implementation, the bids for which the call for tender have not yet been published or that are still under concession may only be assigned in reference to the M.T.A..

With a subsequent decree, the Ministry of Economic Development, in agreement with the Ministry for liaison with the Regions and territorial cohesion, shall communicate in a joint conference which municipalities will be part of which Territorial Area.

On 4 May 2011 on nr. 102 of the Official Gazette, the decree dated 21 April 2011 was published, called “Provisions for the management of the social effects related to the new assignments of the gas distribution concessions, pursuant to paragraph 6, art. 28 of the Law Decree dated 23 May 2000, number 164 on common provisions for the domestic gas market”. This decree states, in particular, that the personnel in charge of the management of the natural gas distribution plans under bid and part of the personnel that is in charge of the central supporting operations on distributions are immediately and directly transferred to the new operator, maintaining their previous economic individual conditions.

In order to complete this reform of the distribution sector, the following norms shall be issued:

- * Decree stating the list of municipalities of each M.T.A.
- * Regulation of the criteria of territorial area bids
- * Template of service contract

Dividends distribution

On 28 April 2011 Ascopiave S.p.A. shareholders' ordinary meeting deliberated the distribution of dividends for an amount equal to Euro 0.10 per share having right with release of the warrant on 9 May 2011 and payment on 12 May 2011.

Own shares

According to article 40 of the Legislative Decree 127 2 d), we formally acknowledge that as of 31 March 2011 the company owns own shares for an amount equal to Euro 13,073 thousands, which result to be accounted as a reduction of other reserves, as it is visible in the paragraph of net equity variation.

Foreseeable evolution of the economic situation

As far as the distribution segment is concerned, in 2011 the Group will focus on enhancing its portfolio of concessions and on the determination, with the conceding bodies, of the industrial value of the distribution networks and plants. The Group will also focus on tenders for the acquisition of new concessions. The stability of the economic profitability is determined by the regulations and, under this aspect, there is no reason that may hinder the Group in reaching at least the same results as 2010, thanks among other factors to the enlargement of the consolidation perimeter to the newly acquired company Unigas Distribuzione.

As far as the sale segment is concerned, the foreseeable evolution is that the first 9 months of 2011, with the current competition and regulations, will be positively influenced by favourable conditions that were negotiated for the current thermic year. This should enable a closure in 2011 (considering similar climate condition and therefore similar consumption) in line with the 2010 results, thanks among other factors enlargement of the consolidation perimeter to the newly acquired company Blue Meta.

The final results of 2011 may differ from the announced results, in relation to several factors, such as the evolution of demand and offer, the gas prices, the effective operating performances, the macroeconomic conditions, the effect of regulations on the energy sector and environmental protection, the successes in development and implementation of new technologies, the changes in the expectations of stakeholders and other changes in business conditions.

Group objectives and policies 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 7.07% of the total gross credit of third parties. Significant commercial operations take place in Italy. With reference to the company financial management, the administrators consider as appropriate the generation of cash suitable to cover its needs. The main payment obligations opened as of 31 March 2011 are associated to contracts for natural gas supply.

Other information

Seasonability of the business

Gas consumption considerably varies and depends on the seasons, 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 the calculation of 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 way throughout the entire fiscal year.

The practised seasonability of the business also affects the trend of the Group net financial position, because the positive and negative revenue cycles are not aligned between them and depend on the trends of volumes of gas sold and acquired during the year.

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

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 spread (Ebitda):** defined by the company as the result of amortizations, credit depreciation, financial managing and taxes;
- **Operating result:** this indicator is reckoned by the accounting principles we refer to, and it is defined as operative spread (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.
- **Tariff-related income on the gas distribution activities:** This income is defined by the Company as the amount of revenue from the distribution companies of the Group resulting from the application of distribution and measurement tariffs of natural gas to its final customers, net of the equalisation instalments to the Equalization Fund of the Electric Sector.
- **First margin on the gas sale:** this income is defined by the company as the amount obtained by the difference between the sale revenue (made by the sale companies of the Group to clients of the final market or as part of trading and wholesale activities) and the sum of the following costs: costs of conveyance service (net of the elision amounts and represented by the distribution tariffs as applied to the distribution companies) and the cost of purchased gas destined for sale.
- **First margin on the sale of electrical energy:** it is defined by the Company as the amount obtained by the difference between the revenue of sale of electrical energy and the sum of the following costs: the cost of the conveyance, dispatching and unbalancing services and the cost of purchase of the electrical energy to be sold.

Comments on the economic and financial results of the first quarter of 2011

General operational performance - The economic Group results

NATURAL GAS DISTRIBUTION	I quart 2011	I quart 2010
Fully consolidated companies		
No. of concessions	182	183
Length of the network (KM)	7,584	7,542
Amount of distributed gas (millions of cubic meters)	393.3	413.1
Proportionally consolidated companies		
No. of concessions	30	0
Length of the network (KM)	964	0
Volumi di gas distribuiti (smc/mln)	73.8	0.0
Group Ascopiave*		
No. of concessions	197	183
Length of the network (KM)	8,055	7,542
Amount of distributed gas (millions of cubic meters)	429.4	413.1

* Group data is obtained by sum of the data of the consolidated companies, weighted against their consolidation quota

SALE OF GAS TO THE FINAL MARKET	I quar 2011	I quar 2010
Fully consolidated companies		
Clients	519,145	455,136
Amount of sold gas (millions of cubic meters)	491.9	452.5
Proportionally consolidated companies		
Clients	296,899	296,036
Amount of sold gas (millions of cubic meters)	282.7	282.2
Group Ascopiave *		
Clients	665,236	600,696
Amount of sold gas (millions of cubic meters)	631.4	591.5

* Group data is obtained by sum of the data of the consolidated companies, weighted against their consolidation quota

SALE OF ELECTRICAL POWER	I quar 2011	I quar 2010
Fully consolidated companies		
Amount of sold electrical power (GWh)	32.3	28.1
Proportionally consolidated companies		
Amount of sold electrical power (GWh)	319.3	195.2
Group Ascopiave *		
Amount of sold electrical power (GWh)	190.5	124.8

* Group data is obtained by sum of the data of the consolidated companies, weighted against their consolidation quota

SALE OF NATURAL GAS – WHOLESALE AND TRADING	I quar 2011	I quar 2010
Amount of sold gas (millions of cubic meters)	175.6	230.4

Herein the trend of the main operating indicators of the activities of the Group are commented.

It is noted that the value of each indicator is obtained by summing the indicators of each consolidated company, weighted against their related consolidation quota.

The gas volumes sold to the final market on the first quarter of 2011 amount to 631.4 million cubic meters, an increase of 6.7% from the first quarter of 2010.

The enlargement of the consolidation perimeter to the company Blue Meta S.r.l., consolidated on 1 January 2011, has caused an increase in the sold volume of approximately 58.9 million cubic meters, while at equal consolidation perimeter the Group has sold 19.1 million cubic meters less than the previous first quarter i.e. a reduction of 3.2%.

The decrease in sold gas relates to the sale of gas to private clients, and it is mainly related to the climatic trend.

The activities of sale at the Virtual Exchange Point, at the Entry Point and as wholesale operator has involved 175.6 million cubic meters of gas, a decrease of 23.8% from the same period of 2010.

As of 31 March 2011 the Group manages the sale of natural gas to over 665,000 final customers. Compared to the same date of the previous year, the number of clients has increased of over 64,500 units, thanks to the acquisition of the company Blue Meta S.r.l., partially balanced by the decrease of clients at equal consolidation perimeter.

The client dynamics are affected both by the passive switch rates and by the modest increase of new gas utilities in the reference territorial areas (e.g. new connections, conversion of thermic plants to methane, etc.).

As far as the gas distribution activities are concerned, the volumes conveyed through the networks managed by the Group amount to 429.4 million cubic meters, marking an increase of 3.9% from the previous three months of 2010.

The enlargement of the consolidation perimeter to the company Unigas Distribuzione S.r.l., consolidated on 1 January 2011, has caused an increase in the distributed volumes of 36.0 million cubic meters (per consolidation quota). while at equal consolidation perimeter the Group has conveyed 19.7 million cubic meters than the previous year, marking a reduction of 4.8%.

The distribution network, as a result of the new enlargement, as of 31 March 2011 has a length of 8,055 kilometres. di 8.055 kilometres.

Comments on the economic and financial results of the Group

(Thousands of Euro)	First quarter 2011	% of income	First quarter 2010	% of income
Revenues	329,032	100.0%	293,668	100.0%
Operating costs	287,385	87.3%	262,124	89.3%
Gross operating margin	41,647	12.7%	31,544	10.7%
Depreciations	4,621	1.4%	4,134	1.4%
Receivables depreciation	2,114	0.6%	1,306	0.4%
Operating results	34,912	10.6%	26,104	8.9%
Financial income	353	0.1%	181	0.1%
Financial charges	983	0.3%	480	0.2%
Evaluation of subsidiary companies with net assets method	(3,396)	1.0%	(1,516)	0.5%
Income before taxes	30,887	9.4%	24,289	8.3%
Taxes of the period	13,518	4.1%	9,532	3.2%
Net result	17,369	5.3%	14,757	5.0%
Net income (losses) of the year for the Group	16,227	4.9%	13,969	4.8%
Net income (losses) of the year for others	1,142	0.3%	789	0.3%

In accordance with the Consob Communication n. DEM/6064293 of 28 July 2006 we indicate here that the alternative Performance indicators are defined on page 16 of this report.

For the first quarter of 2011 incomes amount to € 392,032 thousands, marking an increase of 12.0% from the previous period of the last year. The following table reports details of income.

(thousands of Euro)	First quarter 2011	Value of new acquired companies	Values net of newly acquired companies	First quarter 2010
Revenues from conveyance services	4,939	263	4,677	3,191
Revenues from gas sale	293,065	25,751	267,315	268,663
Revenues from electric energy sales	23,591	2,468	21,123	15,633
Revenues for connection services	1,452		1,452	1,681
Revenues from heat supply services	920	356	563	1,156
Revenues from distribution services	1,144	3	1,141	1,781
Revenues from billing and taxes	76		76	36
Revenues from general services to the companies of the group	898		898	502
Revenues from Energy Authority contributions	1,395	128	1,267	
Other revenues	1,550	185	1,365	1,024
Revenues	329,032	29,154	299,878	293,668

The **revenues from gas sale** increase from € 268,663 thousand to € 293,065 thousand, marking an increase of € 24,402 thousand (+9.1%); this variation can be attributed to:

- A decrease in revenues in the trading and wholesale sectors of € 9,330 thousand.
- An increase in the revenues from gas sale to the final market –at the same size of consolidation- for € 7,981 thousand;
- An increase in the revenues from gas sale to the final market by enlarging the consolidation area to the company Blue Meta S.r.l. amounting to € 25,751 thousand.

Revenues from sale of electrical energy increase from € 15,633 thousand to 23,591 thousand with an increase of € 7,958 thousand (+50.9%), mainly by virtue of the increased quantity of sold electricity and by enlarging the consolidation perimeter.

Other revenues, mainly relating to the activities of gas distribution, increase from € 9,372 thousand to € 12,376 thousand, with an augmentation of € 3,004 thousand(+32.1%).

The **operating result** of the first quarter of 2011 amounts to € 34,912 thousand, with an increase of € 8,808 thousand over the same accounting period of the previous year.

The enlargement of the consolidation area determined an increase of the operating result of € 3,694 thousand to (+14.2%), while the increase compared with the same consolidation perimeter amounts to € 5,113 thousand (+19.6%).

The increase is due to several factors:

- Increase in the revenue on the tariffs on the gas distribution activities for € 1,573 thousand (of which € 1,410 due to enlargement of the consolidation area).

- Increase of the first margin on the gas sale activities for € 14,316 thousand (of which € 4,275 due to enlargement of the consolidation area).
- Increase of the first margin on the sale of electrical energy for € 79 thousand.
- Negative variation of some items of profit and loss for € 7,160 thousand (of which € 1,951 due to enlargement of the consolidation area).

The increase in the **revenue on tariffs deriving from distribution** (increasing from 14,388 thousand to € 15,961 thousand) has been determined mainly by the consolidation of Unigas Distribuzione S.r.l..

The **increase of the first margin on gas sale activities** (going from € 23,816 thousand to € 38,132 thousand) is due to the improvement of the specific marginality (Eurocent/mc), caused mainly by the improvement of the economic conditions of supply as well as by an increase in sold gas quantities, thanks to the enlargement of the consolidation perimeter, the effect of which has counterbalanced the decrease in consumption due to the warmer climate of the year.

The **first margin on the sale of electrical energy**, amounting to € 644 thousand is mainly unvaried from the same accounting period of the previous year.

The negative variation of **other items of cost and revenue**, amounting to € 7,160 thousand is mainly due to:

- Increase of the consolidation perimeter: negative variation of € 1,951 thousand.
- Increased revenues (at the same consolidation perimeter) for € 387 thousand.
- Increased costs of materials, service and other costs (at the same consolidation perimeter) for € 4,158 thousand
- Increased costs of personnel (at the same consolidation perimeter) for € 566 thousand.
- Increased amortisations and provisions (at the same consolidation perimeter) for € 873 thousand.

The **net consolidated profit** of the first quarter 2011 amounts to € 17,369, registering an increase of € 2,611 thousand (+17.7%), from the same accounting period of the previous year.

The variation of the profit is mainly due to the following factors:

- An increase in the operating result, as previously stated, amounting to € 8,808 thousand.
- A decrease in the result per-share of company Sinergie Italiane, consolidated with the net equity method, for € 1,879 thousand.
- An increase in other net financial costs for € 331 thousand.
- An increase in taxation for € 3,986 thousand, as a consequence of the improvement of profit.

Tax rate increased from 39.2% to 43.8%, due to the increased ratio of profit of the gas selling companies of the Group, that are subjected to a higher tax rate pursuant to art. 56 of Law number 99/2009 (so-called Robin Hood Tax) and to the increase of non-deductible financial costs.

General operational Performance – Financial situation

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

(thousands of Euro)	31.03.2011	31.12.2010
A Cash	55	40
B Other liquid assets	51,980	23,273
C Shares for negotiation		
D Liquid assets (A) + (B) + (C)	52,035	23,313
E Current financial assets	10,373	4,088
F Current bank debts	(139,045)	(112,039)
G Current part of non-current debts	(1,162)	(848)
H Other current financial debts	(16,471)	(4,283)
I Current financial debt (F) + (G) + (H)	(156,677)	(117,170)
J Net current financial debt (I) - (E) - (D)	(94,269)	(89,769)
K Non current bank debts	(10,788)	(5,529)
L Floated bonds		
M Other non current debts	(684)	(697)
N Non current financial debt (K) + (L) + (M)	(11,471)	(6,225)
O Net financial debt (J) + (N)	(105,741)	(95,995)

The net financial debt goes from € 95,995 thousand as of 31st December 2010 to € 105,741 thousand, marking an increase of € 9,746 thousand.

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

(Thousands of Euro)	I quar 2011	I quar 2010
Net result of the group	16,227	13,969
Amortisations	4,621	4,134
Receivables depreciation	2,114	1,306
(a) Self-financing	22,962	19,409
(b) Rectifications to set the net income to the variation of the financial position generated by the operating management	4,114	(39,032)
(c) Variation of the financial position generated by the operating activity = (a) + (b)	27,076	(19,623)
(d) Variation of the financial position generated by the investment activity	(25,549)	(6,808)
(e) Other variations of the financial position	(11,273)	(527)
Variation of the net financial position = (c) + (d) + (e)	(9,746)	(26,958)

The cash flow generated by during the operating management, amounting to € 27,076 thousand, was due to the significant variation of invested net circulating capital, which generated financial resources for € 4114 thousand, and

auto-financing for € 22,962 thousand. The reduction of invested net circulating capital is mainly due to the increase in the debt with the tax authorities for the management of consumer related taxes.

The activity of investment in fixed assets and in share investments has generated a cash requirement of € 25,549 thousand net of sales. For additional details on investments, please refer to the following paragraph.

Performance trends – the investments

At the same size of consolidation perimeter, the Group investments during the first quarter of the year amount to € 5,938 thousand, net of new acquisitions.

(thousands of Euro)	31.03.2011	From new acquisitions	Net of new acquisitions
Property rights and engineering work	97	44	53
Concessions, licences, trademarks and rights	2,020	2,004	16
Other intangible assets	6,287	6,109	178
Plants and machinery under concession	12,422	10,962	1,460
Construction in progress and advance payments	2,070	106	1,964
Other intangible assets	22,896	19,225	3,667
Lands and buildings	1,202	1,202	0
Plants and machinery	1,291	157	1,134
Industrial and commercial equipment	384	52	332
Other assets	393	195	198
Construction in progress and advance payments	616	9	606
Tangible assets	3,886	1,616	2,270
Total Investments	26,782	20,841	5,938

At equal consolidation perimeter, the investments during the first quarter of the year in intangible fixed assets amount to € 3,667 thousand and are mainly related to the constitution of infrastructures for natural gas distribution for € 3,416 thousand, of which 1,955 thousand in execution at the end of the accounting period. The investments in intangible fixed assets under construction mainly relate to the costs covered for the construction of the distribution network not yet completed as of 31st March 2011.

At equal consolidation perimeter the investments in the first quarter of the year on tangible fixed assets amount to € 2,270 thousand and are mainly related to the costs of creation of photovoltaic plants for € 1,134 thousand and to the construction of a multi-purpose building in Via Verizzo in the municipality of Pieve di Soligo, for €606 thousand. It is noted that the latter building is not yet completed as of the closure date of the accounted period.

Group Ascopiave

Statement of the intermediate management report as of 31 March 2011

Thousands of Euro		31.03.2011	31.12.2010
ASSETS			
Non-current assets			
Goodwill	(1)	106,395	91,896
Other intangible fixed assets	(2)	337,516	318,870
Tangible fixed assets	(3)	46,628	43,814
Investments	(4)	1	1
Other non-current assets	(5)	4,503	4,472
Deferred tax assets	(6)	12,617	11,660
Total non-current assets		507,660	470,712
Current assets			
Inventories	(7)	5,405	4,249
Trade receivables	(8)	339,605	229,806
Other current assets	(9)	39,547	26,471
Other financial instruments	(10)	10,373	4,088
Tax receivables	(11)	755	610
Cash and cash equivalents	(12)	52,035	23,313
Total current assets		447,719	288,538
Total assets		955,380	759,250
LIABILITIES AND SHAREHOLDERS' EQUITY			
Total net equity			
Share capital		234,412	234,412
Reserves		136,970	109,949
Profit for the period		16,227	31,174
Shareholders' Equity of the Group		387,608	375,535
Net equity of others		5,412	3,866
Total net equity	(13)	393,019	379,400
Non-current liabilities			
Provisions for liabilities and changes	(14)	11,248	3,622
Employee severance indemnity	(15)	3,219	2,870
Medium-long term financings	(16)	10,335	5,529
Other non-current liabilities	(17)	15,861	15,044
Non-current financial instruments	(18)	684	697
Deferred tax liabilities	(19)	27,618	25,989
Non-current liabilities		68,966	53,751
Current liabilities			
Payables to banks ad loans	(20)	140,659	112,887
Trade payables	(21)	208,277	166,079
Tax liabilities	(22)	11,456	3,722
Other current liabilities	(23)	116,533	39,127
Current financial instruments	(24)	16,471	4,283
Total current liabilities		493,395	326,098
Total liabilities		562,360	379,849
Total liabilities and net equity		955,380	759,250

Consolidated Income Statement

(thousands of Euro)		First quarter 2011	First quarter 2010
Value of production	(25)	329,032	293,668
Total operating costs		289,499	263,429
Costs of purchases of raw materials - Gas	(26)	224,436	210,481
Costs of purchases of raw materials- other	(27)	17,795	11,713
Costs of services	(28)	36,376	33,531
Costs of personnel	(29)	6,054	5,057
Other operating costs	(30)	4,847	2,683
Other income	(31)	10	37
Amortisations and depreciations	(32)	4,621	4,134
Operating Result		34,912	26,104
Financial income	(33)	353	181
Financial charges	(33)	983	480
Affiliated compnaie carried at equity	(33)	(3,396)	(1,516)
Pre-tax result		30,887	24,289
Income taxes of the period	(34)	13,518	9,532
Operating result		17,369	14,757
Profit /loss for the period for the group		16,227	13,969
Minority interest profit		1,142	789
Total income statement			
Change in the cash Flow Hedge reserves of subsidiaries		154	
Tax impact of the change in Cash Flow Hedge reserves		(58)	
Net change in reserves for affiliates carried at equity		(4,157)	45
Net income statement result of the period		13,307	14,802
Group overall net result		12,165	14,014
Overall minority net result		1,142	789
Basic earnings per shar		0.05	0.06
Diluted earnings per share		0.05	0.06

Consolidated financial Cash flow**FINANCIAL STATEMENT**

	First quarter 2011	First quarter 2010
Net income for the Group	16,227	13,969
Cash flows generated from the operating activities		
Adjustments to reconcile net income to net cash provided by operating activities		
Net income of minority interests	1,142	789
Depreciation and amortisation	4,621	4,134
Credit depreciation	2,114	1,306
Variation of deferred&advanced taxes	(841)	(268)
Variation of severance pay	112	(19)
Net variation of other provisions	(24)	11
Evaluation of joint companies with net assets method	3,396	1,516
Changes in operating assets and liabilities		
Inventories	(952)	(462)
Trade receivables	(89,215)	(142,735)
Other current assets	(10,642)	(3,264)
Tax receivables and payables	7,124	3,973
Trade payables	23,686	21,209
Other current liabilities	70,537	79,928
Other non current assets	(21)	150
Other non current liabilities	(209)	141
Total adjustments	10,827	(33,592)
Net cash provided/(used) by operating activities	27,054	(19,623)
Cash flow from investing activities		
Investments in intangible assets	(3,668)	(4,559)
Investment in intangible assets	(2,269)	(2,045)
Construction of tangible goods	849	0
Payment of shares and advance payments on shares	(20,772)	(204)
Other net equity movements	312	0
Cash flows used from investment activities	(25,549)	(6,808)
Cash flows provided (used) by operating activities		
Net variation payables to other financiers	(13)	(4,801)
Net variations in short term bank loans	21,322	5,325
Net variations financing to subsidiaries	5,652	11,099
Purchase of own shares	0	(527)
Net variation medium/long term	256	0
Cash flows provided/(used) by operating activities	27,217	11,095
Variation in cash and cash equivalent	28,722	(15,336)

Additional information	first quarter 2011	first quarter 2011
Paid interests	905	392
Paid taxes		

Outlook of variations in the items of the net consolidated equity

(thousands of Euro)	Share capital	Legal reserve	Own shares	Other reserves	Net result for the period	Group Shareholders Equity	Net result and net equity of others	Total Shareholders Equity
Balance as of 01/01/2011	234,412	46,882	(13,073)	76,140	31,173	375,534	3,866	379,401
Net income for the period					16,227	16,227	1,142	17,369
Evaluation of reserves in Hedge Accountign				95		95		95
Reserve for affiliates carried at equity				(4,157)		(4,157)		(4,157)
Net result of the period				(4,062)	16,227	12,164	1,142	13,307
Allocation of the 2010 result				31,173	(31,173)	(0)		(0)
Other allocations					(92)	(92)	403	311
Balance 31/03/2011	234,412	46,882	(13,073)	103,251	16,135	387,606	5,411	393,019

Description	Share capital	Legal reserve	Own shares	Other reserves	Net result for the period	Group Shareholders Equity	Net result and net equity of others	Total Shareholders Equity
Balance as of 01/01/2010	234,412	46,882	(11,747)	72,410	25,288	367,245	2,851	370,096
Income for the period					13,969	13,969	789	14,758
Reserve for affiliates carried at equity				46		46		46
Total income statement result				46	13,969	14,015	789	14,804
Allocation of 2009 results				25,288	(25,288)	(0)		(0)
Purchase and modification of own shares			(527)			(527)		(527)
Balance as of 31/03/2010	234,412	46,882	(12,274)	97,744	13,969	380,733	3,640	384,373

EXPLANATORY NOTES

Company information

The publication of the Ascopiave S.p.A. consolidated balance sheet as of 31 March 2011 has been authorized by resolution of the Board of Directors on 12 May 2011. Ascopiave S.p.A. is a joint-stock company established and domiciled in Italy.

General drafting criteria

Financial and economic results of the Group as of 31 March 2011 and its compared periods are all drafted according to the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), adopted by the European Union and currently enforced at the drafting date of this quarterly Financial Report.

The accounting principles adopted for didn't change as compared to those adopted for the drafting of the Financial Report as of 31 December 2010, and have been consistently applied to all accounting periods.

The results of the quarterly Financial Report do not undergo financial accounting auditing.

Consolidated area as of 31 March 2011

The companies included in the consolidation area as of 31 March 2011 and consolidated through the line-by-line, the proportional method or through net assets method are the following:

Denominazione	Sede legale	Capitale sociale versato	Quota di pertinenza del gruppo	Quota di controllo diretto	Quota di controllo indiretto
Società capogruppo					
Ascopiave S.p.a.	Pieve di Soligo (TV)				
Società controllate consolidate integralmente					
Ascotrade S.p.a.	Pieve di Soligo (TV)	1.000.000	89,00%	89%	0%
Global Energy s.r.l.	Pieve di Soligo (TV)	20.000	100,00%	100%	0%
Etraenergia S.r.l.	Cittadella (PD)	100.000	51,00%	51%	0%
ASM DG S.R.L.	Rovigo (RO)	7.000.000	100,00%	100%	0%
Edigas Due S.r.l.	Cernusco sul Naviglio (MI)	120.000	100,00%	100%	0%
Edigas Esercizio Distribuzione Gas S.p.A.	Cernusco sul Naviglio (MI)	1.000.000	100,00%	100%	0%
AscoEnergy S.r.l.	Pieve di Soligo (TV)	300.000	70,00%	70%	0%
Blue Meta S.p.A.	Orio Al Serio (BG)		100,00%	100%	0%
Pasubio Servizi S.r.l.	Schio (VI)	250.000	100,00%	100%	0%
Ascoblu S.r.l.	Pieve di Soligo (TV)	10.000	64,00%	64%	0%
Società a controllo congiunto consolidate con il metodo proporzionale					
ASM SET S.R.L.	(1) Rovigo (RO)	200.000	49,00%	49%	0%
Estenergy S.p.A.	(2) Trieste (TS)	1.718.096	49,00%	49%	0%
Veritas Energia S.r.l.	(3) Venezia	1.000.000	51,00%	51%	0%
Unigas Distribuzione S.r.l.	(4) Nembro (BG)		48,86%	49%	0%
Serin S.r.l.	(5) Carugo (BA)	100.000	35,00%	0%	50%
Specchiano S.r.l.	(6) Pieve di Soligo (TV)	10.000	35,00%	0%	100%
Lucania S.r.l.	(6) Pieve di Soligo (TV)	10.000	35,00%	0%	100%
Palosol S.r.l.	(6) Corato (BA)	100.000	35,00%	0%	100%
Palo6 S.r.l.	(6) Pieve di Soligo (TV)	2.500	33,60%	0%	96%
Gioia S.r.l.	(6) Pieve di Soligo (TV)	10.000	35,00%	0%	100%
Masseria S.r.l.	(6) Pieve di Soligo (TV)	10.000	35,00%	0%	100%
De Stern 5 S.r.l.	(6) Parma (PR)	55.000	27,13%	0%	78%
Quintasol S.r.l.	(6) Pieve di Soligo (TV)	30.000	35,00%	0%	100%
Società collegate valutate con il metodo del patrimonio netto					
Sinergie Italiane S.r.l.	Milano (MI)	3.000.000	27,60%	27,60%	0%

(1) Joint control with ASM Rovigo S.p.A. ;

(2) Joint control with Acegas-APS S.p.A. ;

(3) Joint control with Veritas S.p.A. ;

- (4) Joint control with Anita S.p.A. ;
 (5) Joint control of Asco Energy S.r.l. with Agroenergetica S.r.l.;
 (6) Controlled by Serin S.r.l.;

The main variations in the consolidation area, compared to 31 December 2010 are hereby presented:

- ✓ Acquisition of 100% of share capital of Blue Meta S.p.A. as Sole Shareholder.
- ✓ Acquisition of 48.86% of share capital of Unigas Distribuzione S.r.l..
- ✓ Acquisition of 27.13% of the share capital of De Stern 5 S.r.l..

Summary of the proportionally consolidated companies and of the fully consolidated companies

Descrizione	Ricavi delle vendite e delle prestazioni	Risultato netto	Patrimonio netto	Posizione finanziaria netta (disponibilità)	Principi contabili di riferimento
Ascopiave S.p.a.	18.875	2.556	357.628	124.970	IFRS
AscoEnergy S.r.l.	(0)	(28)	180	2.438	Ita Gaap
Ascotrade S.p.a.	188.215	9.522	38.359	(29.119)	IFRS
Global Energy s.r.l.	295	(115)	2.274	74	Ita Gaap
Edigas Esercizio Distribuzione Gas S.p.A.	1.301	213	9.054	(2.995)	Ita Gaap
Estenergy S.p.A.	112.998	5.334	18.224	47.276	IFRS
Etraenergia S.r.l.	1.360	83	522	2	Ita Gaap
Edigas Due S.r.l.	14.360	678	3.526	(962)	Ita Gaap
Gioia S.r.l.	115	59	71	2.171	Ita Gaap
Lucania S.r.l.	142	66	731	1.754	Ita Gaap
Masseria S.r.l.	112	54	702	1.855	Ita Gaap
Pasubio Servizi S.r.l.	23.756	2.172	6.675	(4.353)	Ita Gaap
Quintasol S.r.l.	117	44	603	1.907	Ita Gaap
De Stern 5 S.r.l.	(0)	0	3.106	(346)	Ita Gaap
ASM DG S.R.L.	949	284	11.545	(670)	Ita Gaap
ASM SET S.R.L.	14.508	1.384	3.930	(4.592)	Ita Gaap
Veritas Energia S.r.l.	30.194	1.707	5.709	7.563	Ita Gaap
Serin S.r.l.	100	53	4.165	1.235	Ita Gaap
Specchiano S.r.l.	117	22	736	2.709	Ita Gaap
Ascoblu S.r.l.	(0)	(2)	6	492	Ita Gaap
Unigas Distribuzione S.r.l.	3.339	6.131	45.449	(19.150)	Ita Gaap
Blue Meta S.p.A.	28.714	1.995	5.824	(9.196)	Ita Gaap
Palo6 S.r.l.	115	72	74	1.977	Ita Gaap
Palosol S.r.l.	(0)	(0)	1.356	978	Ita Gaap

COMMENTS ON THE MAIN CONSOLIDATED BALANCE SHEET ITEM**Non-current assets***1. Goodwill*

Goodwill, equal to € 106,070 thousand as of 31 March 2011, has increased by € 14,499 thousand from the previous year. The increase is due to the acquisition of the company Blue Meta S.p.A. for € 13,472 thousand, of company Unigas Distribuzione Gas S.r.l. for € 707 thousand and of De Stern 5 S.r.l. for € 320 thousand.

For additional details on these operations please refer to “Company aggregations” in this report.

The remaining amount as of 31 March 2011 refers partially to the surplus value resulting from the allocation of the gas distribution networks by partner municipalities in the years 1996 to 1999, and partially 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 to the acquisition of shares in the photovoltaic area.

Hereby the table reports the cash-generating units to which the goodwill was allocated::

(thousands of Euro)	31.12.2010	Increases	Decreases	31.03.2011
Distribution of natural gas	24,909	707		25,616
Sale of natural gas	66,986	13,472		80,459
Sundry		320		320
Total goodwill	91,896	14,499	0	106,395

As of the date of presentation of this interim management report the presence of impairment indicators hasn't been recorded so, according to IAS 36 the verification for the reduction of the value wasn't carry out; the impairment test has been carried out as of 31 December 2010.

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:

(thousands of Euro)	31.03.2011			31.12.2010		
	Historic cost	Accumulated depreciation	Net value	historic cost	Accumulated depreciation	Net value
Industrial patents and intellectual property rights	5,031	(3,208)	1,822	4,554	(2,747)	1,808
Concession, licenses, trademarks and similar rights	5,594	(1,297)	4,296	3,589	(1,255)	2,335
Other intangible assets	28,168	(6,800)	21,368	21,912	(6,108)	15,804
Tangible assets under concession IFRIC 12	487,908	(182,152)	305,756	473,231	(176,788)	296,443
Construction in progress and advance payments	4,273	0	4,273	2,480	0	2,480
Total intangible assets	531,074	(193,558)	337,516	505,866	(186,997)	318,870

The following table shows the variations in the intangible fixed assets for the accounted period:

(thousands of Euro)	31.12.2010		Value from company acquisitions					31.03.2011	
	Net Value	Increase	Decrease	Amortisations	Reclassification of assets	Depreciation	Net value		
Industrial patents and intellectual property rights	1,808	53	44	0	(82)	0	1,822		
Concession, licenses, trademarks and similar rights	2,335	16	2,004	0	(58)	0	4,296		
Other intangible assets	15,804	178	6,109	0	(723)	0	21,368		
Tangible assets under concession IFRIC 12	296,443	1,460	10,962	0	(3,386)	277	305,756		
Construction in progress and advance payments	2,480	1,964	106	0	0	(277)	4,273		
Total intangible assets	318,870	3,667	19,225	0	(4,246)	0	337,516		

At equal consolidation perimeter, the investments in the first quarter of the year amount to € 3,667 thousand, and are mainly related to the costs covered for the constitution of infrastructures for natural gas distribution.

Industrial patents and intellectual property rights

At the end of the first quarter, the item “industrial patents and property rights” shows an increase, at equal consolidation perimeter, of € 53 thousand, which include the reclassification from current assets. The investment mainly concern the costs held for the implementation of the software.

Concessions, licences, trademarks and similar rights

They represent the costs for the acquisition of use licences and servitude rights connected to the gas distribution network, as well as the creation and putting into service of photovoltaic plants. At the end of the first three months of the year, the item amounts to € 16 thousand.

Other intangible assets

The voice other intangible assets goes from Euro 15,804 thousand of the previous year to Euro 21,368 thousand of the first quarter of the current financial year. The investments carried out at equal consolidation perimeter amount to € 178 thousand.

Plants and machineries under concession

. This item includes the costs for the construction of the plants and networks for natural gas distribution, their connection, and the laying down of reduction groups and meters. These costs, at the end of the first quarter, amount to € 305,756 thousand. The investments during the first quarter of 2011 for the construction of the infrastructures for natural gas distribution, comprehending the re-classification from current assets, result equal to € 1,460 thousand and mainly concern the realization of connection for € 808 thousand, the realization of the natural gas network for € 87 thousand. We point out that the activities of realization of the natural gas distribution network interested the laying down of 992 meters of pipelines.

Current intangible fixed assets and account payments

During the period the voice “Current assets and advanced payments” valorised investments for € 1,964 thousand, which mainly concern the works for the extension of the network and the construction of distribution plants partially done on the cheap, but not yet completed and/or put into operation in the first quarter of the year.

3. Tangible fixed assets

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

	31.03.2011			31.12.2010		
(thousands of Euro)	Historic cost	Accumulated depreciation	Net value	historic cost	Accumulated depreciation	Net value
Land and buildings	20,519	(3,696)	16,824	19,450	(3,667)	15,783
Plants and machinery	12,399	(1,001)	11,398	8,843	(1,035)	7,808
Industrial and commercial equipment	2,839	(1,697)	1,142	2,684	(1,546)	1,138
Other assets	12,204	(8,823)	3,382	11,361	(8,126)	3,235
Construction in progress and advance payment	13,883	0	13,883	15,849	0	15,849
Tangible assets	61,844	(15,217)	46,628	58,188	(14,374)	43,814

	31.12.2010				31.03.2011			
(thousands of Euro)	Net value	Increase	Values from compan Acquisitions	Decrease	Amortisations	Reclassifications	Depreciation	Net value
Land and buildings	15,783	0	1,202	153	(9)	0	0	16,824
Plants and machinery	7,808	1,134	157	0	(64)	2,363	0	11,398
Industrial and commercial equipment	1,138	332	52	477	(55)	0	0	1,142
Other assets	3,235	198	195	0	(246)	0	0	3,382
Constructions in progress and advance payments	15,849	606	9	219	0	(2,363)	0	13,883
Tangible assets	43,814	2,270	1,616	849	(375)	0	0	46,628

Lands and buildings

This item is mainly made up of the buildings owned in relation to company offices, peripheral offices and warehouses.

Plants and machinery

Investments carried out during the first quarter of the year, at equal consolidation perimeter, amount to € 3,497 thousand, gross of the reclassifications for current assets and are mainly related to the capitalization of the photovoltaic plants realised by the controlled companies Gioia S.r.l. and Palo 6 S.r.l..

Industrial and commercial equipment

This item "Industrial and commercial equipment" in the period considered registered investments equal to € 332 thousand, and concern the purchase of equipment for the maintenance service of the distribution plants and for measurement activity.

Other assets

The investment achieved during the first quarter of the financial year that, with equal consolidation perimeter, have increased the voice "Other assets", equal to € 198 thousand, mainly concern the costs sustained for the purchase of hardware and to the purchase of new company-owned vehicles.

Assets under construction and advances

This heading primarily covers costs concerning the works for the construction of headquarters, the construction of co-generation and photovoltaic plants partially carried out with savings. The investments achieved during the first quarter of the current financial year, equal to € 606 thousand, mainly concern the realization of the multipurpose building placed in via Verizzo in the municipality of Pieve di Soligo.

4. Holdings

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

	31.12.2010		31.03.2011	
(thousands of Euro)	Historic costs	Increase	Net equity Evaluation	Net value
Holdings in joint companies	0			0
Holdings in other companies	1			1
Holdings	1		0	1

Holdings in joint companies

The accounting situation as of 31 March 2011 of Sinergie Italiane S.r.l. presents an equity deficit for € 39,511 thousand. The equity deficit is explained by the negative result of the first half of the financial year 2010-2011 that surpluses the net equity for an amount equal to € 23,205 thousand

We point out that at the balance of the net equity of the company Sinergie Italiane as of 31 December 2010 equal to € 12,143 thousand, a variation occurred in the reserves of the Hedge Accounting for € 15,062 thousand.

Compared to 31 December 2010, the evaluation with net equity carried out as of 31 March 2011 presents a net worsening that causes the increase of the fund allocated of € 7,553 thousand.

The results of the period of the joint company influenced the voice “Evaluation of the joint companies with the net equity method” for a quote equal to € 3,396 thousand.

Here follow the essential data of the holdings in joint companies as of 31 March 2010 and 31 March 2011:

(In Euro)	First quarter 2011	First quarter 2010
Income of sale and supplied services	1,285,022,000	851,054,000
Net result	(23,205,000)	(8,632,000)
Shareholders' Equity	(39,511,000)	5,840,000
Net financial position	(318,994,000)	(194,262,000)
Reference accounting principles	ita gaap	ita gaap

*. Intermediate position as of 31 March 2011, approved by the Board of Directors 6 May 2011.

* Intermediate position as of 31 March 2010

The results of the associated company are influenced by seasonal trends, which allow to foresee that in the subsequent two quarters the loss and capital deficit will be entirely recuperated, consistently with the industrial plan approved on 4 October 2010 by the Board of Directors and with the company performance augmentation plan approved by the Board of Directors during their meeting on 06 May 2011.

5. Other non-current assets

(thousands of Euro)	31.03.2011	Value of acquired companies	Values net of new acquired companies	31.12.2010
Deposits and guarantees	624	13	611	593
Other receivables	3,879		3,879	3,879
Other non-current assets	4,503	13	4,490	4,472

The “other non-current assets”, at equal consolidation perimeter, increase from € 4,472 thousand to €4,490 thousand, marking a € 18 thousand increase.

The item “Other receivables” is composed as follows:

- A receivable from the local authority of Creazzo, to the value of € 2,141 thousands unchanged since 31 December 2006, 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 amount requested of the local authority of Creazzo, in accordance with the ‘Letta’

legislative decree, article 15, paragraph 5, as indemnity of the industrial value of the network, is greater than that amount and has been determined on the basis of the valuations specified in an appropriate expert opinion. It is to be noted that legal procedures are in progress with the above-mentioned local authority, with the aim of establishing the value of the indemnity of the awarded distribution plants.

- A receivable from the municipality of Santorso, amounting to € 748 thousand. This amount corresponds to the net accounting value of the distribution plants that were handed in on August 2007 to the municipality. This transfer of infrastructures took place upon reaching of the natural expiry date of the concession, on 31 December 2006. The amount requested of the local authority of Santorso, in accordance with the 'Letta' legislative decree, article 15, paragraph 5, as indemnity of the industrial value of the network, is greater than that amount and has been determined on the basis of the valuations specified in an appropriate expert opinion.

- A receivable from the local authority of San Vito Leguzzano for € 990 thousand. This amount corresponds to the net accounting value of the distribution plants transferred on November 1st 2010, to the Municipality. The transfer of the infrastructures was the result of the natural expiry of the concession on December 31 2009. The value of the receivable corresponds to the net value of the transferred good, which is esteemed to be inferior to the value of carried forward reconstruction as requested by the local authority.

As of 31 March 2011 there is an on-going litigation with the aforementioned municipalities, which aims at defining the indemnification value of the transferred plants, while for the San Vito Leguzzano Municipality an arbitration procedure will determine the value of the network. The company, also considering the suggestions of its lawyers, deems uncertain the results of the litigation and of the arbitration procedure.

6. Receivables on pre-paid taxes

The captions comprising prepaid taxes at the end of each period under consideration, are analysed in the following table:

<i>(thousands of Euro)</i>	31.03.2011	Value new acquired companies	Values net of newly acquired companies	31.12.2010
Receivables for prepaid taxes	12,617	442	12,175	11,660
Receivables for prepaid taxes	12,617	442	12,175	11,660

Pre-paid taxes, at equal consolidation area, increase from € 11,660 thousand to € 12,175 thousand, making a € 515 thousand increase mainly due to the dynamics of the provision for doubtful accounts, partially balanced by the fiscal deduction of the public trading expenses.

Current assets

7. Inventories

The value of inventories at the end of each period is analysed in the following table:

(thousands of Euro)	31.03.2011			31.12.2010		
	Gross value	Depreciation fund	Net value	Gross value	Depreciation fund	Net value
Fuels and warehouse materials	4.116	(413)	3.703	3.595	(413)	3.181
Contract work in progress	1.702		1.702	1.068		1.068
Total inventories	5.818	(413)	5.405	4.663	(413)	4.249

As of 31 March 2011, the inventories are equal to €5,405 thousand and show an overall increase equal to € 1,156 thousand as compared to 31 December 2010, of which € 208 thousand due to the new consolidation area.

The warehouse materials are used for maintenance works or to realise distribution plants. In the latter case the material is reclassified as Tangible Fixed Assets once the gas setting is completed.

Ordered Works in Progress refers to photovoltaic plants for the production of electricity destined for sale.

Inventories are entered on the balance sheet under the Net Devaluation of Inventory fund, amounting to € 413 thousand, in order to adapt their value to the opportunities for their clearance or use.

8. Trade receivables

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

(thousands of Euro)	31.03.2011	Value of new acquired companies	Values net of newly acquired companies	31.12.2010
Receivables from clients	228,583	20,093	208,489	133,455
Receivables for invoices to be issued	127,178	55	127,122	109,664
Provision for doubtful receivables	(16,156)	(1,230)	(14,926)	(13,313)
Crediti commerciali	339,605	18,919	320,685	229,806

Trade receivables, at equal consolidation perimeter, increase from € 229,806 thousand to € 320,685 thousand, marking an increase of € 90,879 thousand.

This increase is mainly due to the timing of the invoicing and cashing of sale of natural gas, which by virtue of the seasonality of business, influence heavily the receivable amounts to final clients.

Receivables from clients are receivables from all national debtors, and are hereby reported net of advance invoices and are all due within 12 months.

We specify that the balance of client receivables equal to € 339,914 thousand includes for € 127,487 thousand the receivables concerning the invoices to be issued for consumptions not yet measured, by the end of the first quarter 2011.

The nominal value has been adjusted to the presumed realisable value by means of an allowance for doubtful accounts. The increase of the provision in the first quarter of 2011 is mainly due to the changes in the calculation methods of the effective receivable risks made by the company in 2008 and 2009, to comply with the Group accounting regulations, as well as to the increase of the risk profile of the private clients by reason of the increased doubtful accounts in the winter period as far as the consumption of natural gas is concerned.

The changes in the provision for doubtful accounts are shown in the following table:

	31.03.2011	31.12.2010
<i>(thousands of Euro)</i>		
Allowance for doubtful receivables as of 01/01	13.313	10.963
Allowance for doubtful receivables from acquisitions	1.230	
Provision	2.114	4.841
Utilisation	(500)	(2.491)
Allowance for doubtful receivables	16.156	13.313

9. Other current assets

The following table shows the composition of the other current assets at the end of the period considered:

	31.03.2011	Value of new acquired companies	Values net of newly acquired companies	31.12.2010
<i>(thousands of Euro)</i>				
Receivables from fiscal consolidation	2.364		2.364	2.223
Annual prepaid expenses	1.697	751	946	694
Advances to suppliers	6.561	30	6.531	4.015
Annual accrued income	25	17	8	8
Receivables due from Equalization Fund of the Electric Sector	7.945	749	7.196	5.973
VAT receivables	2.770	9	2.762	3.361
Tax credits UTF- Regional/Provincial additional amounts	16.275	5.493	10.782	8.269
Sundry receivables	1.910	107	1.803	1.929
Other current assets	39.547	7.156	32.392	26.471

Other current assets, at equal consolidation area, increase from € 26,471 thousand to € 32,392 thousand, marking an increase of € 5,921 thousand.

This variation mainly relates to the increase in the advance payments to suppliers, for € 2,516 thousand, to the increase in the Technical Finance Office payables for € 2,513, to the increase of the payables to the Receivables to Equalization Fund of the Electric Sector for € 1,223 thousand, caused by the change in the components of the distribution tariff. These are partially balanced by the decrease in VAT receivables amounting to € 599 thousand.

It is noted that the increase in the advance payment to suppliers is mainly due to the payment of the photovoltaic materials and by the renewal of the concessions for the management of the distribution of natural gas.

10. Current financial assets

The value of other current financial assets at the end of each related period are analysed below:

	31.03.2011	Value of newly acquired companies	Value net of newly acquired companies	31.12.2010
<i>(migliaia di Euro)</i>				
Controlled companies	375		375	
Financial receivables from subsidiary companies	9.998	216	9.781	4.088
Current financial activities	10.373	216	10.156	4.088

Receivables for current financial assets amount, at equal consolidation perimeter, to € 10,156 thousand, against € 4,088 of the previous year, with an increase of € 6,068 thousand. The variation is mainly due to the issuing of funds to the company Estenergy S.p.A. for € 5,110 thousand, to the company Ascoenergy S.r.l. for € 1,887 thousand, to Ascoblu S.r.l. for € 320 thousand and to receivables to companies of the photovoltaic area.

11. Tax receivables

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

(thousands of Euro)	31.03.2011	Value of newly acquired companies	Values net of newly acquired companies	31.12.2010
IRAP receivables	349		349	349
IRES receivables	22	14	8	7
Other tax receivables	384	136	248	255
Tax receivables	755	150	604	610

Tax receivables go from € 610 thousand to € 604 thousand with a decrease of € 6 thousand at equal consolidation perimeter. The item includes residual receivables from accounts IRAP paid, less taxes attributable to the first quarter of 2011.

12. Cash and cash equivalents

The following table shows the composition of cash and cash equivalent for each period considered :

(thousands of Euro)	31.03.2011	Value of newly acquired companies	Values net of newly acquired companies	31.12.2010
Bank and post office deposits	51,980	23,222	28,758	23,273
Cash and equivalents on hand	55	3	52	40
Cash and cash equivalents	52,035	23,225	28,810	23,313

The cash and cash equivalents go from € 23,313 thousand to € 28,810 thousand with an increase equal to € 5,497 thousand. They mainly refer to the bank accounting balance and to the social cash.

The bank deposits are at sight and mature interests based on the conditions agreed with banks, knowing that cash allowances are created on transactions deriving from financial flows but the financial position of the group is currently negative in balance.

Net financial position

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

(thousands of Euro)	31.03.2011	Value of newly acquired companies	Value net of newly acquired companies	31.12.2010
Cash or equivalent	52,035	23,225	42,953	23,313
Current financial assets	10,373	(216)	9,480	4,088
Current financial liabilities	(16,390)	(84)	(16,305)	(4,201)
Payables to banks and financings	(140,659)	(453)	(140,206)	(112,887)
Payables to leasing companies due within 12 months	(81)		(81)	(81)
Short term net financial position	(94,722)	22,472	(104,160)	(89,769)
Medium and long term financings	(10,335)	(4,003)	(4,673)	(5,529)
Non current financial liabilities	(684)		(684)	(697)
Medium-long term net financial position	(11,019)	(4,003)	(5,357)	(6,225)
Net financial position	(105,741)	18,469	(109,517)	(95,995)

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 paragraph “Comments on the economic and financial results of the first quarter of 2011”.

Consolidated Shareholders' Equity

13. Net Shareholders' Equity

Ascopiave S.p.A.'s share capital as of 31 March 2011 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:

<i>(thousands of Euro)</i>	31.03.2011	31.12.2010
Share capital	234,412	234,412
Legal reserve	46,882	46,882
Retained earnings	90,087	63,067
Group result of the period	16,227	31,174
Group's shareholders equity	387,608	375,535
Capital and reserves of third parties	4,269	2,195
Third parties' period result	1,142	1,671
Total net equity of third parties	5,412	3,866
Total net equity	393,019	379,400

Compared to 31 December 2010, no movements of share capital have been registered in the first quarter of 2011.

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., Serin 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 for each period considered are shown in the following table:

<i>(thousands of Euro)</i>	31.03.2011	Newly acquired companies	Value net of newly acquired companies	31.12.2010
Other reserves for risks and charges	(11,248)	(97)	(11,151)	(3,622)
Reserve for risks and charges	(11,248)	(97)	(11,151)	(3,622)

Reserves for risks and charges go from € 3,622 thousand to € 11,151 thousand, with an increase equal to € 7,529

thousand. The change is mainly due to the evaluation of net equity of the joint company Sinergie Italiane S.r.l. as explained in the paragraph Holdings of this note, which required the allocation of € 7,553 thousand.

The variations in the first quarter of 2011 are analysed in the following table:

(thousands of Euro)	
Risks and charges reserve as of January 1st 2011	3,622
Value from newly acquired companies	97
Utilization of hedge fund for joint companies consolidated with net assets method	7,553
Allocation risks and charges reserve	44
utilization of risks and charges reserve	(68)
Risks and charges reserves as of 31 March 2011	11,248

15. Severance indemnity

The severance indemnity goes from € 2,970 thousand as of 1 January 2011 to € 3,219 thousand as of 31 March 2011, marking an increase of € 349 thousand.

(thousands of Euro)	
Severance indemnity as of January 1st 2011	2,870
Severance payments	(172)
Cost of current services and work	268
Actuarial profit/loss reorded	1
Yealy actuarial profit/loss	(0)
Severance indemnity as of 31/03/2011	3,219

16. Medium-long term loans

The following table shows the make-up of medium/long term loans for each period considered:

(thousands of Euro)	31.03.2011	Value of newly acquired companies	Value net of newly acquired companies	31.12.2010
Loans with other banks	4,983	4,003	980	
Passive loans with Cassa DD. PP. With direct guarantee	871		871	911
Passive loans with Cassa DD. PP. With municipalities guarantee	1,438		1,438	1,541
Mediocredito Italiano loans	1,384		1,384	1,412
BCC Prealpi loans	700		700	700
Banca Popolare di Bari loans	959		959	965
Medium/long term loans	10,335	4,003	6,332	5,529
Current quote of medium/long term loans	1,614	453	1,162	848
Medium/long term loans	11,949	4,456	7,493	6,377

The medium-long term loans, at equal consolidation area, go from € 5,529 thousand to € 6,332 thousand, with an

increase of € 980 thousand, which is partially balanced by the payment of the previously subscribed loans' instalments. The values of the new acquired companies relate the loans subscribed with other banks, among which one mortgage loan of Unigas Distribuzione Gas S.r.l.. The quota with due date beyond 5 years amounts to € 556 thousand.

17. Other non-current liabilities

The make-up of other non-current liabilities for each period considered is the following:

(thousands of Euro)	31.03.2011	Value of newly acquired companies	Value net of newly acquired companies	31.12.2010
Guarantee deposits	12,629	879	11,751	11,770
Long-term deferred incomes	2,340		2,340	2,351
Other payables	892		892	923
Other non current liabilities	15,861	879	14,982	15,044

The other non-current liabilities go from € 15,044 thousand to € 14,982 thousand with an increase equal to € 62 thousand, at equal consolidation perimeter.

It is noted that other receivables relate to the deferred payments of the occupation rights of the photovoltaic area.

18. Non-current financial liabilities

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

(thousands of Euro)	31.03.2011	Value of newly acquired companies	Value net of newly acquired companies	31.12.2010
Long term (beyond 12 months) leasing financing	684		684	697
Non current financial liabilities	684		684	697

The non-current financial liabilities, at equal consolidation area, go from € 697 thousand as of 31 December 2010 to € 684 thousand as of 31 March 2011, with a decrease of € 13 thousand. These liabilities are composed of payables of the controlled company Le Cime Servizi S.r.l., relating to the subscription of a property rental contract of a co-generation plant in Mirano (Venice).

19. Deferred taxes

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

(thousands of Euro)	31.03.2011	Value of newly acquired companies	Values net of newly acquired companies	31.12.2010
Deferred tax payables	27,618	1,840	25,778	25,989
Deferred tax payables	27,618	1,840	25,778	25,989

The deferred taxes provision goes from € 25,989 thousand to € 25,778 thousand, at equal consolidation perimeter, marking a decrease of € 211 thousand mainly due to the decrease in the tax funds established on the customer's lists of the natural gas sale companies. It is noted that the values of the new acquired companies for 1,840 thousand are mainly related to the tax funds established on the customers lists received upon acquisition of Blue Meta S.p.A., as stated in paragraph "Company aggregations".

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

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

<i>(thousands of Euro)</i>	31.03.2011	Value of newly acquired companies	Value net of newly acquired companies	31.12.2010
Amounts due to banks	139,045		139,045	112,039
Current portion of medium/long term loans	1,614	453	1,162	848
Amounts due to bank and financing	140,659	453	140,206	112,887

Payables to banks, at equal consolidation area, increase by € 27,319 thousand, from € 112,887 thousand to € 140,206 thousand. These payables are mainly composed of debtor accounting balances with credit institutions and of the short-term quote of loans.

21. Accounts payable

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

<i>(thousands of Euro)</i>	31.03.2011	Value of newly acquired companies	Value net of newly acquired companies	31.12.2010
Amounts due to suppliers	101,417	7,931	93,486	64,112
Amounts due to suppliers for invoices to be received	106,860	9,296	97,564	101,968
Accounts payables	208,277	17,227	191,050	166,079

Account payables go from € 166,079 thousand to 191,050 thousand, showing an increase of € 24,971 thousand. The increase of accounts payables is mainly due to the smaller volumes of natural gas sold during the winter period and payment thereof during the spring months.

22. Tax payables

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

<i>(thousands of Euro)</i>	31.03.2011	Value of newly acquired companies	Values net of newly acquired companies	31.12.2010
IRAP payables	4,262	242	4,020	913
IRES payables	7,148	1,843	5,305	2,763
Tax payables	11,456	2,085	9,371	3,722

Payables to tax authority go from € 3,722 thousand to € 9,371 thousand with an increase equal to € 5,649 thousand which include the debt for IRES payables concerning the gas sale companies that did not agree to the fiscal consolidation of the group, the IRAP payable for the first quarter of 2011, and the IRES debt for companies that did not agree with the fiscal consolidation of which Asco Holding S.p.A. is in charge.

23. Other current liabilities

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

(thousands of Euro)	31.03.2011	Value of newly Acquired companies	Values net of newly acquired companies	31.12.2010
Advance payments from clients	3,684		3,684	2,076
Payables due to parent company for fiscal consolidation	11,889		11,889	5,698
Payables to welfare bodies	1,444	93	1,351	1,798
Payables due to personnel	3,941	318	3,623	2,982
VAT payables	19,638	1,010	18,628	127
Payables to Tax authority for retained amounts	599	37	562	789
Annual deferred credit	329	40	288	531
Annual deferred rate	3,206	14	3,192	1,265
UTF payables and regional/provincial additional amounts	51,327	7,898	43,428	18,148
Other payables	20,477	1,517	18,960	5,714
Other current liabilities	116,533	10,927	105,605	39,127

Other current liabilities, at equal consolidation perimeter, go from 39,127 thousand of the previous year to € 105,605 thousand of the first quarter of 2011, marking an increase of € 66,478 thousand.

Customer advances

Clients' payments on account represent the amounts paid by the clients as contribution to works of allotments, connection, construction of photovoltaic plants and construction of thermal energy plants, current at the end of the first quarter 2011. The heading shows a € 1,608 thousand increase.

VAT payables

The payables to tax authorities for the VAT increase by € 19,511 thousand as compared to 31 December 2010. The increase of the VAT payable is due the fact that controlled companies Ascotrade S.p.a. and Estenergy S.p.a. may pay the tax every three months, since they issue invoices to a large number of final clients.

UTF payables and additional Regional/Provincial tax

A significant increase in the payable to the Technical Finance Offices (UTF) is due to the peculiarity of the payment method of the taxes on natural gas, due to the different timing of invoicing of consumption to users, for which the selling company must correspond monthly payments in reference to the values of the previous year. During the first quarter 2011, the Group has accrued debts for € 51,327 thousand.

Payables to parent companies for the fiscal consolidate

This item includes the accrued payable to the parent company Asco Holding S.p.A. and to company Acegas APS S.p.A., which has the joint control over company Estenergy S.p.A., proportionally consolidated by Ascopiave S.p.A., as part of the national fiscal consolidate contracts signed by the Group companies with Asco Holding S.p.A. and Acegas APS S.p.A.. The amount stated corresponds to the IRES payable for the taxes of year 2010, amounting to € 12,012 thousand.

Amounts due to welfare institutions

The "amount due to social security institutions" mainly relates to charges for the first quarter of 2011 that were paid at the start of the next quarter.

Amounts due to employees

The amounts due to employees for untaken vacation, deferred remuneration and bonuses earned relate to the vacation accumulated by 31 March 2011 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 and on local authorities-owned property concessions, for the increase of the duration of the concession for natural gas distribution accrued as of 31 March 2011.

Other payables

Other payables include mainly amounts due to the Electrical Power and Gas Authority for the new repartition of the conveyance tariffs, and have increased since 31 December 2010 by € 14,655 thousand.

24. Current financial liabilities

The following table shows the composition of the heading at the end of the accounting period:

<small>(thousands of Euro)</small>	31.03.2011	Value of newly acquired companies	Value net of newly acquired companies	31.12.2010
Financial payables to others within 12 months	12,597		12,597	2,447
Payables due to shareholders c/financial	3,793	84	3,709	1,755
Payables due to leasing companies within 12 months	81		81	81
Current financial liabilities	16,471	84	16,387	4,283

The current financial liabilities, at equal consolidation perimeter, go from € 4,283 thousand to € 16,387 thousand, with an increase of € 12,104 thousand. The variation is mainly due to the increase of payables to Acegas APS S.p.A. amounting to € 9,798, to the increase of payables to ASM Set S.r.l. for € 352 thousand and to the increase to minority shareholders of the photovoltaic area amounting to € 2,038 thousand.

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:

(thousands of Euro)	First quarter 2011	Value of newly acquired companies	Value net of newly acquired companies	First quarter 2011	First quarter 2010
Revenues from conveyance services	4,939	263	4,677	4,677	3,191
Revenues from gas sale	293,065	25,751	267,315	267,315	268,663
Revenues from electric energy sales	23,591	2,468	21,123	21,123	15,633
Revenues for connection services	1,452		1,452	1,452	1,681
Revenues from heat supply services	920	356	563	563	1,156
Revenues from distribution services	1,144	3	1,141	1,141	1,781
Revenues from billing and taxes	76		76	76	36
Revenues from general services to the companies of the group	898		898	898	502
Revenues from Electricity and Gas authority incentives	1,395	128	1,267	1,267	
Sundry revenues	1,550	185	1,365	1,365	1,024
Revenues	329,032	29,154	299,878	299,878	293,668

At the end of the first quarter 2011, the revenues of the Group Ascopiave amount to € 329,032 thousand increasing from the previous year by € 35,364 thousand mainly due to the increased company revenues in the accounted period. At equal consolidation perimeter, the increase amounts to € 6,210 thousand and it is mainly related to increased revenue deriving from sale of electricity for € 5,940 and by the increase of revenue for gas transportation services on the distribution network for € 1,285 thousand, which are partially balanced by the decrease of € 1,249 thousand in natural gas revenues.

At equal consolidation perimeter, the revenues from natural gas sales, amounting to € 267,315 thousand show a decrease from the first quarter of the previous year, of € 1,349 thousand. The decrease is mainly due to the lesser extent of the trading operations carried out in the accounted quarter, which caused the decrease in revenue of € 9,330, which was partially balanced with increased revenues from the sale of natural gas at the final market for € 7,981 thousand.

The decrease of revenues deriving from the natural gas trading activities is due to the lower amount of cubic meters of gas being commercialised, amounting to 54.8 million. During the first quarter of 2011, the natural gas trading activities have brought revenues for € 44,321 thousand, deriving from the sale of 175.6 million cubic meters of gas, against 230.4 million of the first quarter of the previous year, which brought revenues for € 53,651 thousand.

The increase of revenue deriving from the sale of natural gas to the final market, going from 215,012 thousand of the first quarter of the previous year to € 222,994 thousand of 2011, is mainly due to the increase of the tariffs to the final customers, which increased revenues for € 15,082. The positive effect deriving from the increased tariffs is partially balanced by the decrease in volume of commercialised gas during the accounted period, marking a decrease of 19.1 million cubic meters, going from 591.5 million sold in the first quarter of 2010 to 572.4 million cubic meters sold during 2011, causing a decrease in revenues of € 7,101 thousand.

At equal consolidation perimeter, the gas conveyance service on the distribution network has generated revenues for € 4,677 thousand, increasing € 1,485 from the first quarter of the previous year. The increase is mainly due to the increased volumes of natural gas distributed for third party companies outside the Ascopiave Group. During the accounted period, the natural gas distribution activities involved the conveyance of 944.1 million cubic meters, against 947.9 million of the previous year, with an increase of conveyed volumes of 96.1 million.

At the end of the first quarter of the year, at equal consolidation perimeter, the revenues deriving from sale of electrical power amount to € 21,123 thousand, marking an increase against the previous year of € 5,490. This increase is mainly accountable to the increased volumes of kW/h commercialised, going from 124.8 million in the first quarter of 2010 to 173.2 million of the first quarter 2011 i.e. an increase of 48.4 million.

At the end of the first quarter of 2011, the revenues from connection services amount to € 1,452 thousand, decreasing from the same accounting period of the previous year for € 229 thousand. This decrease is related to a lower number of connections to the gas distribution network, caused by the lingering crisis of the real estate and construction market in Northern Italy.

At equal consolidation parameter, the revenues from distribution of heat go from € 1,156 thousand of the first quarter of 2010 to € 564 thousand of the accounted period in 2011, with a decrease of 51.3% or € 593 thousand. This decrease is mainly due to the decrease in the number of heat plants of managed by the Group. With the extension of the consolidation perimeter in the first quarter of 2011 to controlled company Blue Meta S.p.A., additional € 356 from the company may be added to the revenues.

Revenues deriving from services provided by distributors mark a decrease of € 637 thousand, going from € 1,781 thousand of the first quarter of 2010 to € 1,144 thousand of the accounted quarter. This contraction in revenues is mainly due to the decreased revenue in the activities of domestic gas meter readings for € 399, following the modifications introduced by the Authority for Electrical Power and Gas in the previous year, and by decreased revenues deriving from methanisation amounting to € 319 thousand.

At the end of the first quarter the revenues accounted deriving from contributions of the Authority of Electrical Power and Gas amount to € 1,395 thousand, and they relate to incentives issued for the obtainment of the set goals of energy saving of the Parent Company and of the newly acquired company Unigas Distribuzione Gas S.p.A..

At equal consolidation perimeter the item "other revenues" increases from € 1024 thousand of the first quarter of 2010 to € 1,365 thousand of the accounted period, marking an increase of € 341 thousand. This increase is due to the contributions issued by the Managing Authority of the Electrical Services for production of energy from renewable sources, amounting to € 277 thousand.

Costs

26. Costs of gas purchase

The following table reports on costs relating to the purchase of gas over the relevant financial periods:

(thousands of Euro)	I quarter 2011	Value for newly acquired companies		Value net of newly acquired companies		
				I quarter 2011	I quarter 2011	I quarter 2010
Cost of gas purchase	224,436	8,687	215,750	16,769	207,667	210,481
Cost of gas purchase	224,436	8,687	215,750	16,769	207,667	210,481

At the end of the period considered the costs for natural gas purchase amount to € 224,436 thousand recording a decrease as compared to the previous year first quarter equal to € 2,814 thousand at equal consolidation perimeter.

At equal consolidation perimeter, the purchase costs of natural gas market for the final market increased by € 5,439

thousand, going from € 158,012 thousand of first quarter 2010 to € 163,451 thousand of the currently accounted quarter. The increase in the cost of gas is mainly due to the increase of the entire class of hydrocarbon compounds, which in turn affected the price of natural gas. This raise increased the costs for natural gas by € 10,656 thousand. The negative effect of the increase in gas prices is partially balanced by the decrease in purchased cubic meters of gas, which resulted in a contraction in purchase costs of 5,312 thousand. The gas purchase activities in the first quarter of 2011 has involved 572.4 million cubic meters, marking a 19.1 million cubic meter decrease from the same accounting period of the previous year.

The purchase of natural gas for the trading activities decrease from 52,469 thousand of the first quarter of the previous year to € 44,215 thousand of the first quarter of 2011 i.e. a 8,254 thousand decrease. The reduction is mainly due to the lower amount of purchased cubic meters for trading activities, decreasing from 230.4 million in the first quarter of 2010 to 175.6 million of the first quarter of 2011.

It is noted that the largest share of natural gas are provided to Ascopiave Group by its associated 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 relevant financial periods:

(thousands of Euro)	I quarter 2011	Value of newly acquired companies	Value net of newly acquired companies	I quarter 2010
Gas purchase	189		189	147
GPL and diesel oil costs	1		1	9
Electric energy purchase	16,864	2,508	14,356	11,298
Other materials purchase	740	40	700	258
Purchase of raw material costs	17,795	2,548	15,248	11,713

The costs contracted for the purchase of raw materials, at equal consolidation perimeter, go from € 11,713 thousand of the first quarter of the previous financial year to € 15,248 thousand of the first quarter of the current financial year, showing an increase equal to € 3,535 thousand, which is mainly explained by the increase of the costs occurred for the electric energy purchase and of other materials.

At equal consolidation perimeter, the sustained costs for electrical power purchase for the final market mark an increase of € 3,058 thousand against the first quarter of the previous year, going from € 11,298 thousand to € 14,356 thousand for the accounted quarter. This augmentation is mainly due to the increase in quantity of kW/h purchased in the first quarter of 2011 i.e. 48.4 million.

The costs in the item "other materials" mark an increase of € 442 thousand, going from € 258 thousand of the first quarter of 2010 to € 700 thousand of the first quarter 2011. This is mainly due to the increased purchases of materials used for the construction and maintenance of the gas distribution infrastructures and for the construction of photovoltaic plants.

28. Costs for services

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

(thousands of Euro)	I quarter 2011	Value of newly acquired companies	Value net of newly acquired companies	I quarter 2010
Conveyance costs on secondary networks	25,772	3,559	22,212	27,401
Costs of meter reading	154	8	146	605
Bills mailing costs	130	37	93	170
Postage and telegraphic costs	337	37	300	244
Maintenance and repairing	1,002	83	920	523
Consulting services	1,496	161	1,335	824
Commercial and advertisement services	378	9	369	189
Various utilities	896	284	613	140
Directors and Statutory auditors fees	287	65	222	276
Insurance	388	22	365	146
Personnel costs	118	14	104	180
Other managing expenses	1,937	297	1,639	1,691
Costs for use of third party assets	3,480	554	2,927	1,141
Costs of service	36,376	5,131	31,244	33,531

Costs for services held during the first quarter of the financial year amount to 31,244 thousand compared € 33.531 thousand of the first quarter of the previous financial year, showing a decrease equal to € 2,282 thousand. This contraction is mainly due to the reduction of sustained costs for the natural gas and electricity transportation on the distribution network for € 5,188 thousand and the decrease in costs for domestic reading of gas meters for € 460 thousand. These decreases are partially balanced by the increase in costs sustained for the use of third party assets for € 1,786 thousand and the significant increases in each item, in particular of consulting services, utilities and maintenance and repair expenses.

At equal consolidation perimeter, the costs sustained for gas transportation on the distribution network go from € 23,768 thousand of the first quarter of 2010 to € 16,230 thousand of the first quarter of 2011, i.e. a € 7,338 thousand decrease. This reduction is mainly due to the lower gas volume entered in the gas distribution network by distribution companies' property of, managed by or outside the Group Ascopiave.

The costs for the transportation of electrical power increased by € 2,350 thousand, going from € 3,633 thousand of the first quarter of 2010 to € 5,983 thousand of the first quarter 2011. The increase is mainly due to the higher volume of kW/h commercialised by the consolidated companies Estenergy S.p.A. and Veritas Energia S.r.l.

At the end of the first three months of 2011, the main increase of the heading "costs for services" are represented by the increased costs of maintenance and repair of the natural gas distribution infrastructures for € 397 thousand, increased technical, legal and administrative consultancy services of which the companies of the group availed themselves for € 51 thousand as well as increased costs for utilities for € 473 thousand.

At equal consolidation perimeter, the costs for the use of third party assets have increased by € 1,786 thousand, going from € 1,141 thousand in the first quarter 2010 to € 2,972 of the first quarter of 2011. The increase is mainly due to the increase in extra charges to be corresponded to local authorities by virtue of the extension of the concessions of management of natural gas.

The costs for trade services and advertisement include the costs of market research activities as well as advertisement campaigns.

Personnel costs includes the costs for the management of personnel company vehicles, costs for the cafeteria service and training and education.

29. Personnel costs

The costs for personnel are analysed in the following table:

(thousands of Euro)	I quarter 2011	Value of newly acquired companies	Value net of newly acquired companies	I quarter 2010
Wages and salaries	4,486	298	4,188	4,005
Social security contributions	1,494	94	1,401	1,346
Severance indemnities	287	19	268	238
Actualization of the severance indemnity				
Other costs	145	21	125	102
Total personnel cost	6,412	431	5,981	5,691
Capitalised personnel cost	(358)		(358)	(634)
personnel cost	6,054	431	5,623	5,057

The personnel costs is stated net of capitalised costs, after the increase in intangible fixed assets, financed partially on savings, in order to create new infrastructures for gas distribution by the Parent Company and by consolidated distribution companies.

At equal consolidation perimeter, costs of personnel increase by € 566 thousand, going from € 5,057 thousand of the first quarter of 2010 to € 5,623 thousand in the accounted quarter. The increase is mainly due to the increase in average manpower in the companies of the Group Ascopiave of 25 units, as well as by the decrease in costs that are entered in the intangible fixed assets, amounting to € 275 thousand.

The following tables states the average number of people employed by the Group and their category as of first quarter 2011 and first quarter 2010.

Description	31/03/2011	Newly acquired companies	Net of newly acquired companies	31/03/2010	Variation
Executives (average)	20	0	20	19	1
Office workers (average)	331	5	326	308	22
Workers (average)	127	3	124	125	2
Average number of persons	477	8	469	452	25

It is noted that some employees of the company are owners of stock option plans.

30. Other operating costs

The following table states sundry operating costs for the year being reviewed:

(thousands of Euro)	I quarter 2011	Value newly acquired companies	Value net of newly acquired companies	I quarter 2010
Provisions for risks on credits	2,114	50	2,064	1,306
Other provisions				7
Membership fees and AEEG	145	7	138	174
Capital losses				72
Extraordinary losses	145	58	87	118
Other taxes	261	7	255	127
Other costs	426	29	397	519
Costs for tenders	289	89	199	361
Energetic efficiency certificates	1,467	133	1,334	
Other operating costs	4,847	373	4,474	2,683

At equal consolidation perimeter, other operating costs increase by € 1,791 thousand, going from € 2,83 thousand of the first quarter of 2010 to € 4,474 thousand of the first quarter of 2011. The increase is mainly due to the inclusion under the heading of the costs covered for the purchase of the energy efficiency certificates for € 1,334 thousand and to

the increase in provisions on doubtful accounts for € 758 thousand, which are partially balanced by the reduction of costs for bids and tenders, for € 161 thousand and the decrease of sundry operating costs for € 122 thousand.

The goals set by the Authority for Electrical Power and Gas on energetic savings were published in the decision 18/2010 EEN dated 22 November 2010 by the authority itself. The decisions defines the specific obligations of energetic saving for distributing companies, which the Parent Company Ascopiave S.p.a. and the controlled company Unigas Distribuzione S.r.l., must reach during 2011, by means of production or by purchasing the energy efficiency certificates called “white certificates”.

31. Other operating income

Other operating income is analysed in the following table:

(thousands of Euros)	I quarter 2011	I quarter 2011
Other incomes	10	37
Other incomes	10	37

32. Amortisations

Depreciation and amortisation for the related period are analysed in the following table:

(thousands of Euro)	I quarter 2011	Value of newly acquired companies	Values net of newly acquired comp.	I quarter 2010
Intangible assets	4,246	266	3,980	3,832
tangible assets	375	56	288	302
Amortizations	4,621	323	4,268	4,134

At equal consolidation perimeter, the amortisation at the end of the first quarter of 2011 mark an increase of € 133 thousand, going from € 4,134 thousand of the firstquarter of 2010 to € 4,268 thousand of the first quarter of 2011.

Financial income and costs

33. Financial income and costs

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

(thousands of Euro)	I quarter 2011	Value of newly acquired comp.	Values net of newly acquired companies	I quarter 2011
Interests on bank and post office accounts	38	4	34	11
Other interests	301	28	273	134
Other financial incomes	14	0	14	36
Financial incomes	353	32	321	181
Interests bank expenses	585	28	558	313
Interests expenses on loans	98	19	79	83
Other financial charges	300	2	298	84
Financial charges	983	48	934	480
Evaluation of subsidiary companies with the method of net assets	3,396		3,396	1,516
Depreciation of shares of subsidiary comanies				
Evaluation of subsidiary companies with the method of net assets	3,396		3,396	1,516
Total net costs (incomes)	4,025	16	613	1,815

At the end of the first quarter 2011 the difference between financial income and costs is negative for € 613 thousand, marking an increase from the same period of the previous year of € 315 thousand, by virtue of the increased financial costs for € 454 thousand, and the increase of financial income for € 140 thousand.

The increased financial costs are mainly related to the increased bank exposure during the accounted quarter, as well as to the increased interest rates applied to the lines of credit. The interest rates granted by bank institutions is mainly related to the reference rate Euribor, which after a significant reduction of the first months of the previous year, has increased steadily. Regarding this, it is noted that compared to the first quarter of the previous year, the reference rate has increased of approximately 40 basis points.

The item "Assessment of related companies with the net equity method" amounts to € 3,396 thousand, and includes the loss endured for the accounted period by Sinergie Italiane S.r.l., as explained in the Holdings paragraph of this report.

Taxes

34. Yearly taxes

The following table shows the composition of income taxes for the accounted periods, marking a difference between current, deferred and advance taxes:

<i>(thousands of Euro)</i>	I quarter 2011	Value of newly acquired shares	Values net of newly acquired companies	I quarter 2010
IRES current taxes	12,535	1,310	11,225	8,601
Irap current taxes	1,813	170	1,643	1,353
Prepaid/deferred taxes	(829)	(44)	(785)	(422)
Taxes of the period	13,518	1,436	12,082	9,532

This table reports the effect of income taxation on the result before taxation for the accounted periods:

<i>(thousands of Euro)</i>	I quarter 2011	I quarter 2010
Income before taxes	30,887	24,289
Taxes of the period	13,518	9,532
Incidence on the result before taxes	43.8%	39.2%

The effective tax rate goes from 39.2% of the first quarter of 2010 to 43.8% of the first quarter of 2011, showing an increase of the fiscal incidence equal to 4.5%.

Non-recurring components

In accordance with CONSOB communication 15519/2005, we would report the non-recurring economic components reported in the consolidated financial statements as of 31 March 2011.

Transactions deriving from unusual and/or atypical operations

In accordance with CONSOB communication N. DEM/6064296 of 28 July 2006, we would report that during the first quarter of 2010 any unusual and/or atypical operations occurred.

OTHER NOTES TO THE STATEMENT OF THE INTERMEDIATE MANAGEMENT REPORT AS OF 31 MARCH 2011

Company aggregations

Purchase of shares of Unigas Distribuzione Gas S.r.l. and Blue Meta S.p.A.

On 13 January 2011, Ascopiave S.p.A. has completed the purchase of shares of the group Unigas. After winning the competitive tender issued by Unigas Distribuzione Gas S.r.l. for researching a strategic partner, 100% of the share capital of Blue Meta S.p.A. was purchased, for € 23,788 thousand. This share capital was previously property of Unigas Distribuzione S.r.l.. The latter company also increased its reserved share capital by 48.86% amounting to € 19,910 thousand. Overall Ascopiave S.p.A. has disbursed a total amount of € 43,698 thousand. The acquisition costs, pursuant to “IFRS Revised – Company aggregations” have been entered in the income statement at the value of € 643 thousand.

The purchased shares have been independently assessed by an external expert, in order to assess the allocation of the surplus value against the accounting values of the net equity as of 31 December 2010 of the Company.

The evaluation of the independent expert has highlighted the existence of an intangible asset with a definite life, belonging to Blue Meta S.p.A., represented by the value of the purchase contracts with clients and the client relationships established with said contracts, amounting to € 6,000 thousand (hereinafter called “sale branch client list”), on which the corresponding deferred taxation effect has been also entered. The administrators have established as a conservative estimate for this type of intangible fixed assets a useful life of 10 years, in line with other aggregations with sale companies carried out in the past.

The company aggregation has been partially accounted as of 31 March 2011 pursuant to the international accounting regulations IFRS 3.62. In particular the fair aggregation value transitionally attributed, considering the assets and liabilities of Unigas Distribuzione Gas S.r.l. and Blue Meta S.p.A. as of 31 March 2011, is the following:

	Accounting values			Fair values upon acquisition		
	Unigas 48,86%	Blue Meta 100%	aggregate	Unigas 48,86%	Blue Meta 100%	aggregate
Non current assets						
Goodwill	0	400	400	0	400	400
Other intangible assets	2,343	129	2,471	2,324	6,051	8,375
Tangible assets	11,755	628	12,383	11,755	628	12,383
Shares	8,802	0	8,802	0	0	0
Other non-current assets	6	4	10	6	4	10
Advance taxes	113	289	402	120	312	432
Total non current assets	23,019	1,450	24,469	14,204	7,395	21,600
Current assets						
Inventory	203	0	203	203	0	203
Trade receivables	2,991	20,044	23,036	2,991	20,044	23,036
Other current assets	670	2,699	3,369	670	2,699	3,369
Other financial assets	10	12	22	10	12	22
Tax receivables	0	439	439	0	439	439
Cash or equivalent	8,923	2,690	11,613	20,546	2,690	23,236
Total current assets	12,798	25,884	38,681	24,421	25,884	50,304
Total assets	35,817	27,334	63,150	38,625	33,279	71,904
Non current liabilities						
Provision for risks and charges	0	97	97	0	97	97
Severance pay	138	111	249	131	106	237
Medium-long term financing	4,550	0	4,550	4,550	0	4,550
Non current financial liabilities	0	0	0	0	0	0
Deferred taxes	0	0	0	2	1,885	1,887
Total non current liabilities	4,688	208	4,896	4,683	2,088	6,771
Current liabilities						
Payables to banks and financings	6,449	0	6,449	6,449	0	6,449
Trade payables	2,098	18,124	20,222	2,098	18,124	20,222
Tax payables	131	0	131	131	0	131
Other current liabilities	3,192	4,952	8,143	6,013	2,131	8,143
Current financial liabilities	49	221	270	49	221	270
Total current liabilities	11,918	23,296	35,214	14,739	20,475	35,214
Total liabilities	16,606	0	16,606	19,422	22,563	41,985
Total assets/liabilities of acquired company	19,210	27,334	46,544	19,203	10,716	29,919
Goodwill deriving from the acquisition				707	13,073	13,779
Total cost of the acquisition				19,910	23,788	43,698
Net liquidity of the company				20,546	2,690	23,236

The remaining plusvalue of € 13,779 thousand has been transitionally allocated to goodwill deriving from acquisition of the gas sale activities of the company Blue Meta S.p.A. for € 13,073 thousand and to goodwill deriving from acquisition of the gas sale activities of the company Unigas Distribuzione Gas S.r.l. for € 707 thousand.

Purchase of the share capital of De Stern 5 S.r.l.

On 22 February 2011 the company Serin S.r.l., under joint control by Agroenergetica S.r.l., controlled by the Casillo Group and by Ascoenergy S.r.l. controlled by Ascopiave S.p.A. has acquired 77.50% of the shares of De Stern 5 S.r.l., with registered office in Parma, a company dealing with the production of electricity from photovoltaic plants. The price for the operation was € 3,056 thousand (of which € 1,528 thousand as the Group Ascopiave quota).

The purchased shares have been internally evaluated to determine the allocation of the surplus value against the accounting values as of 31 December 2010. The assessment was made on the basis of the industrial plan and in consideration of the administrative authorisations that had been previously obtained by the company, and according to this assessment, the price paid was just compared to the fair value of the acquired company.

The company aggregation has been partially accounted as of 31 March 2011 pursuant to the international accounting regulations IFRS 3.62. In particular the fair value transitionally attributed, considering the assets and liabilities of De Stern 5 S.r.l. as of 31 March 2011, is the following (of which 50% is part of the Group Ascopiave):

Non current assets		
Tangible assets	20	20
Total non current assets	20	21
Current assets		
Other current assets	3	3
Cash or equivalent allowance	1,564	1,564
Total current assets	1,567	1,567
Total assets	1,588	1,588
Current liabilities		
Payables to banks and financings	35	35
Trade payables	1	1
Total liabilities	36	36
Total assets/liabilities of the acquired companies	<u>1,552</u>	<u>1,552</u>
Third party net equity		344
Goodwill deriving from the acquisition		320
Total cost of the acquisition		<u>1,528</u>
Net liquidity of the company		1,564
Payments		1,528
Utilised net liquidity	-	<u>36</u>

The residual plusvalue of € 320 thousand has been transitionally entered in the goodwill of the acquisition of the electrical energy by photovoltaic plants production activity.

Commitments and risks

Sureties given

The company has provided to the following potential sureties as of 31 March 2011:

(thousands of Euro)	
Credit line patronage	-
Financial lease patronage	-
Gas supply contracts patronage	-
Electric energy purchase contracts patronage	-
Patronage on construction of photovoltaic plants	-
Fidejussions on lines of credit	-
On execution of works	-
To local administrations for gas taxes	-
On concession based distribution	-
On sale and acquisition of company shares	-
On commercial lease contracts	-
On conveyance contracts	-

The guarantees on credit lines and on gas purchase contracts released in favour of the subsidiary company Sinergie Italiane S.r.l. as of 31 March 2011 amount to € 236807 thousand.

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

Interest rate risk

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, which 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 in a reasonably possible interval.

	January	February	March	
Net Financial Position I quarter 2011	(113,767)	(120,465)	(105,741)	
Average passive rate	1.26%	1.13%	1.28%	
Average rate increased by 150 basis point	2.76%	2.63%	2.78%	
Average rate decreased by 60 basis point	0.66%	0.53%	0.68%	
PFN recalculated with increase of 150 basis point	(113,912)	(120,604)	(105,875)	
PFN recalculated with decrease of 60 basis point	(113,709)	(120,410)	(105,687)	Total
Negative effect on the result before taxation	145	139	135	418
Positive effect on the result before taxation	(58)	(55)	(54)	(167)

The sensitivity analysis, obtained simulating a change on the interest tax rate applied to the credit lines of the Group equal to 50 basis points in increase and to 150 basis points in decrease, maintaining steady all the other variables, brings to the evaluation of an effect on the result before taxes respectively negative for € 418 thousand or positive for € 167 thousand.

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 between the 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 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.

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

The company is exposed to the risk of fluctuation of the cost of the raw material due to the misalignment between the baskets of tariff index of natural gas sale and the basket of purchase costs index, which can be different.

In 2010 in order to reduce the afore-stated risk, the company subscribed contracts of provisioning that predict index clauses in the purchase of raw material, lined up with the index formula of the AEEG for the calculation of the component raw material in the sale tariff to domestic customers, which represent the most significant quote of the market.

Thus the risk is still linked to the remaining minor market quote, mainly represented by the business client, for which the company can't give coverage to the different time of index of the cost of raw material compared to the index of sale price.

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

(thousands of Euro)	31.03.2011	31.12.2010
Medium/long term debts	10,788	5,529
Loans from banks net of equivalents on hand	88,171	89,574
Gross financial debt	98,959	95,103
Share capital	234,412	234,412
Reserves	142,381	113,815
Net result not distributed	16,227	31,174
Total net equity	393,019	379,400
Total capital and gross debt	491,978	474,503
Relation between debts and net asset	0.20	0.20

Sector information note

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 have been 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 quarter of 2011 and for the first quarter of 2010.

(thousands of Euro)	Distribution	Gas sale	Trading	Sale electrical energy	Other	31 March 2011 value from new acquisitions	Elisions	Total
I Quarter 2011								
Net revenues to third clients	8,538	222,994	44,321	21,123	2,902	29,154		329,032
In-group revenues between seg.	24,911	463		669	1,475	1,192	(28,710)	0
Revenues of the segment	33,449	223,457	44,321	21,792	4,376	30,346	(28,710)	329,032
(thousands of Euro)	Distribution	Gas sale	Trading	Sale Electrical Energy	Other	31 March 2010 value from new acquisitions	Elisions	Total
I Quarter 2010								
Net revenues to third clients	6,654	215,011	53,652	15,633	2,718			293,668
In-group revenues between segments	27,007	925	113	779	447		(29,271)	0
Revenues of the segment	33,661	215,936	53,765	16,412	3,165	0	(29,271)	293,668

Transactions with related parties

The details on transactions with related parties over the financial year in question is summarised in the following tables:

Company	31 March 2011				First quarter 2011					
	Trade receivables	Other receiv.	Trade Payables	Other payab.	Costs			Ricavi		
					Assets	Services	Other	Assets	Services	Other
<i>Parent company</i>										
Asco Holding S.p.A.	23,138	2,151,735	303,323	12,233,941	-	-	7,219,807	-	6,360	-
Total parent company	23,138	2,151,735	303,323	12,233,941	-	-	7,219,807	-	6,360	-
<i>Associated companies</i>										
Asco TLC S.p.A.	378,076	-	237,871	-	-	101,222	-	-	31,433	-
Seven Center S.r.l.	13,429	-	124,256	-	161,050	-	-	-	2,205	-
Mirant Italia S.r.l.	-	-	-	-	-	-	-	-	-	-
Total associated company	391,505	-	362,127	-	161,050	101,222	-	-	33,638	-
<i>Related companies</i>										
Sinergie Italiane S.r.l.	91,702	-	63,564,965	-	129,191,885	-	-	-	39,669	-
Total related companies	91,702	-	63,564,965	-	129,191,885	-	-	-	39,669	-
Total	506,345	2,151,735	64,230,415	12,233,941	129,352,935	101,222	7,219,807	-	79,666	-

For the first quarter 2011, Ascopiave S.p.A and Ascotrade S.p.A., Asm Dg S.r.l., Edigas Due S.p.A., Edigas Distribuzione Gas S.p.A., 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 goods to Sinergie Italiane concern the purchase of natural gas for the first quarter of 2010 mainly carried out by Ascotrade S.p.A. and Edigas Due S.r.l., while the costs and revenues concern the services for service contracts agreed between the parties and to re-billing of consulting.

We also point out that the guarantees on credit lines and on gas purchase contracts released in favour of the subsidiary company Sinergie Italiane S.r.l. as of 31 March 2011 amount to € 234,807 thousand.

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 financial year

Shareholders' Meeting 28 April 2011

On 28 April 2011 the Shareholders' Meeting of Ascopiave S.p.A. convened, with Gildo Salton as chairman, on ordinary and extraordinary session. The Meeting has approved the yearly statement as of 31 December 2010, which was closed positively with income amounting to € 855.9 million and EBITDA of € 78.0 million, marking a 26.8% increase from the previous year, and a net consolidated equity of € 32.8 million, i.e. a 26.9% increase.

These great results have led the Meeting to issue dividends, increasing from € 0.09 to € 0.10 per share (+11.1%), payment on 12 May 2011, with coupon date 9 May 2011.

Following the expiry of the office of the social bodies of Ascopiave, the Shareholders' Meeting has appointed the Members of the Board of Directors and of the Board of Auditors of the Company, who will remain in office up to the approval of budget of the year ending 31 December 2013. The Board of Directors appointed by the Shareholders' Meeting is composed of 5 administrators elected from a list of candidates presented by the shareholders. Pursuant to the company bylaws, the list presented by the majority shareholders of Asco Holding S.p.A. has obtained the majority of the votes, therefore appointing as Directors Fulvio Zugno, Dimitri Coin, Giovanni Bernardelli and Gildo Salton. From the list presented by the partner Blue Flame S.r.l., which obtained the second largest number of votes, Massimino Colombaro was appointed as Director, as the first candidate of said list.

the Shareholders' Meeting has already appointed Fulvio Zugno as the Chairman of the Board of Directors.

The Board of Auditors appointed by the Shareholders' Meeting was selected from the lists of candidates presented by the Shareholders. Pursuant to company bylaws, the list presented by the majority shareholders Asco Holding S.p.A. has obtained the largest number of votes, and therefore Paolo Papparotto and Elvira Alberti have been elected as Regular Auditors and Andrea Sartor as Substitute Auditor. From the list presented by the partner Blue Flame S.r.l., which obtained the second largest number of votes, Giovanni Zancopè Ogniben was appointed Regular Auditor and Chairman of the Board of Auditors and Paolo Nicolai was appointed Substitute Auditor.

The Shareholders' Meeting has approved the inclusion of a new article in the company bylaws (Art. 29 Operations with related parties), in order to enable the Board of Directors to request permission for significant operations with related parties that did not obtain the approval of the competent panel of independent directors, pursuant to the new regulations on the matter.

Furthermore, the Shareholders' Meeting has approved the inclusion of a new paragraph in Art. 11 (Right to speech during the Meeting), which enables each Company to designate for each Meeting an individual to which the people with the right to vote may confer the proxy of their vote on any and all items of the agenda.

Finally the Shareholders' Meeting has approved some modifications of the Shareholders' Meeting Regulations, in order to update the regulation with the changes and modalities for participation introduced by Law Decree dated 27 January 2010 nr. 27, which implemented in Italy the Shareholders' Rights Directive.

Concessions

As a consequence of winning the tender issued by the municipality of Marostica, Ascopiave started its activity of

manager of the distribution service as of 1 May 2011. Regarding the award of the tender on the supplying of the gas distribution service for the duration of 12 years in 14 municipalities near Vicenza, it is noted that the formalities for the signature of the contracts of service have been completed and the company is currently supplying the service as stated in the new contract.

Goals and policies of the Group

As far as the distribution of natural gas is concerned, the Group intends to enhance its concession portfolio, further establishing its position as manager of service in the currently managed municipalities, and expanding the business by winning new municipality tenders, with the purpose of increasing its market share and strengthening its local leadership. Furthermore the Group is increasing its competence in order to be able to tackle more effectively future bids.

As far as the sale of gas is concerned, the Group intends to implement all the necessary measures to safeguard the yearly income levels in the current market situation that is currently changing, by enacting a trade policy based on differential pricing solutions and by improving the quality of service.

In this segment, the Group intends to pursue its goals of growth in the market share, both by acquiring new customers and by extraordinary aggregations and company acquisitions.

The Group is aware of the importance of securing flexible and economically competitive conditions of supply for the raw materials, in order to enact its policies. Therefore the Group intends to reaffirm its positions in the first stages of the production line.

Pieve di Soligo, 12 May 2011

The Chairman of the Board of Directors

Fulvio Zugno