



PRESS RELEASE

ASCOPIAVE: The BoD approved the Group's quarterly report at 30 June 2007.

Revenues for Q2 of Euro 50.3 million (Euro 47.4 million in Q2 2006) and EBITDA of Euro 6.0 million (Euro 5.6 million in Q2 2006).

Progressive consolidated turnover of first half of 2007 of Euro 183.8 million (Euro 188.3 million in first half of 2006) and EBITDA of Euro 22.0 million (Euro 31.8 million in first half of 2006).

The drop in gas consumption caused by the mild weather conditions in the first six months of the year had a significant effect on the Group's results.

The growth trend in customers was confirmed with numbers increasing from 307,594 at 30 June 2006 to 347,602 at 30 June 2007.

Good sales figures for electricity were also reported: revenues +53.7% compared to the first half of the previous year.

The Board of Directors of Ascopiave S.p.A. met today chaired by Gildo Salton to approve the Group's consolidated quarterly results at 30 June 2007, drafted in compliance with IAS/IFRS international accounting standards.

In Q2 2007 the Group achieved revenues of € 50.3 million (€ 47.4 million in Q2 2006), with a gross operating margin of € 6.0 million (€ 5.6 million in Q2 2006) and net profit of € 2.2 million (€ 1.4 million in Q2 2006).

Ascopiave Group's progressive results for the first half of 2007 are as follows: consolidated turnover at € 183.8 million (€ 188.3 million in first half of 2006), EBITDA of € 22.0 million (€ 31.8 million in first half of 2006), and EBIT of € 16.3 million (€ 26.2 million in first half of 2006).

The drop in results compared to the same period of last year was mainly due to the drop in the volume of gas supplied caused by the exceptionally mild weather conditions experienced mainly in the first but also in the second quarter of the year. The drop in consumptions implied a € 8.9 million drop in Gross Operating Margin.

The volume of gas distributed in the first half decreased from 492.3 million cubic metres to 389.6 million cubic metres. Proof of the exceptional nature of the weather conditions experienced can be seen in the fact that the volume supplied during the first half of 2007 was more than 16.5% lower than the first quarter average for the last five years.



The gas sold, which went from 481.5 million cubic metres to 422.8 million, showed a lower loss since the 2007 figure takes into account consumption by customers transferred from Bimetano Servizi to Ascotrade as from 1 January 2007 (40.3 million cubic metres).

The acquisition of new customers continued during the first half. As regards gas sales, the number of customers increased from 313,355 at year-end to 347,602 showing an increase of 34,247, 29,453 of which from transfer of Bimetano Servizi's gas division, and 4,794 of which from commercial acquisition of new customers, confirming the recent growth trends (+1.5% on a half-yearly basis, +3.0% year-on-year).

Moreover the difference in the results half-year on half year is due to a reduction in the sale price mainly due to the enforcement of Res. no. 134/06 in the first half of 2007 compared to Res. no. 195/02 of the first half of 2006, and to Res. no. 248/04 in Q2 2006, which had a € 3.1 million incidence on Gross Operating Margin.

The drop in Gross Operating Margin, determined by climate and rates, was partially offset by the € 3.9 million extraordinary income deriving from enforcement of provisions of Res. no. 79/07 of the Authority for Electrical Energy and Natural Gas that finally settled the dispute related to the enforcement of Res. 248/04 and seq. for 2005 and 2006.

In the first half of 2007, electricity sales continued to increase. 52.2 GWh were sold during the period and there were 313 customers while revenues showed a 53.7% growth compared to the first half of 2006.

The Group's net financial position, positive for € 58.8 million at the end of the period, decreased by € 28.8 million compared to the end of 2006. Cash flow for the period (profit + amortization and depreciation) was positive for € 16.1 million. Investments accounted for € 8.0 million of financial resources, management of working capital implied cash requirements of € 17.1 million, while 2006 dividend allocation implied a cash outflow of € 19.8 million. The dynamics of working capital for gas companies is heavily affected by the seasonal nature of their business. This is the reason why, during the calendar year, the net financial position is generally at its most negative during March, April and May before improving in the second half of the year.

In compliance with the results of first half of 2007 and in line with best international reporting practice and with reference to what announced to the market upon Initial Public Offering, the Chairman voiced his intention to propose to the Board of Directors – scheduled for 13 September 2007 to approve the interim report at 30 June 2007 – to resolve and pay a € **0,025** per-share advance on dividends to shareholders, payable starting from 15 November 2007 and with coupon registration on 12 November 2007.



The Ascopiave Group operates in the natural gas sector, chiefly in distribution and sale to end customers. Ascopiave directly manages distribution. It currently holds direct licenses and consignments for providing service in 155 municipalities located in the Veneto, Friuli Venezia Giulia, Emilia Romagna and Lombardy regions of Italy. Ascopiave owns the distribution network it manages, which extends over approximately 6,300 kilometres and serves a pool of users of more than 970,000 residents. Ascotrade, a subsidiary of Ascopiave, is responsible for the sale of natural gas and serves more than 340,000 end customers in over 200 municipalities. The Ascopiave Group also operates in other sectors related to its core business, such as heat management and the sale of electrical energy. The Company has been listed in the STAR division of the Italian Stock Exchange since 12 December 2006.

Enclosures: consolidated accounting schedules, not subject to audit.

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Pieve di Soligo, 9 August 2007

Ascopiave S.p.A. Consolidated Financial Statements

(€/000)		30/06/200		
		30/06/2007	6	31/12/2006
ASSETS				
<i>Non Current Assets</i>				
Goodwill	(1)	26,133	21,885	22,112
Other intangible fixed assets	(2)	5,734	577	1,412
Tangible fixed assets	(3)	275,352	270,334	273,772
Shareholdings		76	2	39
Other non current assets		2,857	2,977	2,865
<i>Prepaid taxes</i>	(4)	10,446	8,574	12,636
Total non-current assets		320,599	304,349	312,836
<i>Current Assets</i>				
Inventories	(5)	17,339	3,011	2,768
Trade receivables from third parties	(6)	80,627	75,291	101,673
Other current assets		2,237	2,326	1,382
Current financial assets		3	0	0
Tax assets		1,541	435	3,009
Cash and cash equivalents		70,121	1,305	100,591
Total current assets		171,868	82,368	209,423
<i>Non current assets held for sale</i>				
Total assets		492,466	386,718	522,260
LIABILITIES AND NET EQUITY				
<i>Net equity</i>				
Share capital		233,334	140,000	140,000
Reserves		120,044	50,836	212,129
Net result		10,360	15,322	16,381
Net equity		363,739	206,158	368,511
Minority interest's share capital and reserves	(7)	1,923	0	534
Minority profit (loss)		46	0	(143)
Net minority interest		1,969	0	391
Total net equity		365,708	206,158	368,902
<i>Non-Current Liabilities</i>				
Provisions for liabilities and charges	(8)	18	137	4,441
Employee severance indemnity		1,554	2,936	1,538
Medium and long term loans		5,964	7,666	6,941
Other non current liabilities	(9)	3,153	4,538	2,145
Non current financial liabilities	(10)	898	0	0
Deferred taxes	(11)	19,190	18,316	17,807
Total non current liabilities		30,777	33,594	32,872
<i>Current Liabilities</i>				
Payables to banks and current share of medium, long-term loans		3,573	18,799	3,587
Trade payables	(12)	47,047	46,975	86,864
Tax liabilities	(13)	17,324	37,639	6,255
Other current liabilities		27,993	36,048	23,780
Current financial liabilities to third parties		44	7,504	0
Total current liabilities		95,982	146,965	120,486
<i>Liabilities directly associated with non current assets held for sale</i>				

<i>Total liabilities</i>	<i>126,759</i>	<i>180,560</i>	<i>153,358</i>
<i>Total liabilities and net equity</i>	<i>492,466</i>	<i>386,718</i>	<i>522,260</i>

Consolidated income statement

(€/000)		Q2 2007	Q2 2006	First half of 2007	First half of 2006
<i>Revenues</i>	(1)	50,315	47,379	183,845	188,325
<i>Revenues from subsidiaries</i>		0	0	0	0
<i>Operating costs</i>	(2)	44,312	41,782	161,865	156,562
<i>Costs for gas purchase</i>		36,786	33,608	139,750	137,231
<i>Costs for purchase of other raw materials</i>		3,497	1,988	7,935	5,568
<i>Costs for Services</i>		3,425	1,846	8,607	4,886
<i>Personnel Costs</i>		3,055	2,615	6,191	5,497
<i>Other operating costs</i>		1,854	1,744	3,688	3,508
<i>Other operating income</i>		(4,306)	(18)	(4,306)	(128)
<i>Amortization and depreciation</i>		2,827	2,768	5,668	5,519
<i>Operating result</i>		3,177	2,829	16,312	26,243
<i>Net financial income</i>	(4)	1,386	66	1,386	66
<i>Financial charges</i>	(4)	991	544	425	1,286
<i>Writedowns of shareholdings</i>		0	0	0	0
<i>Pre-tax result</i>		3,571	2,350	17,272	25,024
<i>Taxes for the period</i>	(5)	1,499	954	6,866	9,701
<i>Net result before discontinued operations</i>		2,072	1,397	10,406	15,322
<i>Net result from discontinued operations</i>		0	0	0	0
<i>Net result</i>		2,072	1,397	10,406	15,322
<i>Group net result</i>		2,205	1,397	10,360	15,322
<i>Minority interest</i>		(133)	0	46	0
<i>Profit per share</i>		0.01	0.01	0.04	0.11

Ascopiave S.p.A. Consolidated Cash Flow Statement

(€000)	First half 2007	Q2 2006	Q1 2007	2006
CASH FLOW FROM OPERATIONS:				
Group net result	10,360	15,322	8,156	16,381
Adjustments to reconcile net profit with cash and cash equivalents generated from (used by) operations:				
Minority interest profit	46	0	178	(143)
Amortization and depreciation	5,668	5,519	2,842	11,255
Bad debts	607	1	260	705
Change in deferred/prepaid taxes	2,140	267	(263)	(4,304)
Change in staff severance indemnity	16	141	(2)	(1,257)
Net change in other provisions	(4,423)	(143)	(107)	4,160
Change in assets and liabilities:				
Opening inventories	(14,571)	(573)	(44)	(330)
Trade receivables	25,360	23,331	(71,151)	(3,756)
Other current assets	(855)	(1,878)	(1,794)	(934)
Current and non-current financial assets	228	564	(2)	564
Tax credits and liabilities	12,537	37,503	22,598	3,546
Trade payables	(43,841)	(23,397)	(525)	16,836
Other current liabilities	4,342	11,611	3,573	(6,693)
Other non current assets	8	(80)	(118)	32
Other non current liabilities	(63)	(127)	12	891
Total adjustments and changes	(12,801)	52,739	(44,543)	20,573
Cash flow from operations:	(2,441)	68,062	(36,387)	36,954
CASH FLOWS FROM INVESTMENT ACTIVITIES:				
Goodwill con contributions	-	-	-	-
Investments in intangible fixed assets	(1,124)	(199)	(509)	(1,383)
Disposal of intangible assets	234	0	0	0
Investments in tangible fixed assets	(7,134)	(6,215)	(2,885)	(15,351)
Disposal of tangible assets	10	0	0	84
Change in shareholdings	(37)	(2)	(37)	(37)
Incorporation Coge Calore/Etra Energia	33	0	19	94
Cash flows used from non current assets and liabilities held for sale	-	0	0	0
Cash flows used from investment activities	(8,019)	(6,416)	(3,412)	(16,593)
CASH FLOW FROM OPERATIONS:				
Net change in payables to other lenders	956	-	-	-
Cash due to listing transaction	-	-	0	161,481
Net change in short-term bank loans	(14)	(63,012)	6,128	(78,036)
Net change in loans to parent companies	(143)	5,087	0	114
Repayment of medium and long-term loans	(977)	(874)	(18)	(1,789)

Dividend payment	(19,833)	(3,750)	0	(3,750)
Cash flow generated from (used by) financial activities	(20,010)	(62,549)	6,110	78,021
				0
Change in cash and cash equivalents	(30,470)	(903)	(33,689)	98,383
				0
Opening cash and cash equivalents	100,591	2,208	100,591	2,208
				0
Closing cash and cash equivalents	70,121	1,305	66,902	100,591
Additional information	First half 2007	Q2 2006	Q1 2007	2006
interest paid	351	676	168	1.721
Taxes paid	211	0	0	4.379

**Ascopiave S.p.A. Consolidated
Financial Statements
(€000)**

	Share capital	Legal reserve	Other reserves	Profit (loss) for the year	Group net equity	Minority profit (loss)	Minority interest and reserves	Total net equity
Balance as at 31 December 2004	10			(3)	7			7
Contribution as at 1 January 2005	139,990	28,000	2,067		170,057		1,768	171,825
Allocation of operating result			(3)	3	-			-
Transfer of shares of subsidiaries					-		(1,768)	(1,768)
Profit / loss for 2005				24,522	24,522			24,522
Balance as at 31 December 2005	140,000	28,000	2,064	24,522	194,586	-	-	194,586
Dividend payment				(3,750)	(3,750)			(3,750)
Allocation of operating result		1,171	19,601	(20,772)	-			-
Acquisition of "Gruppo Global Energy"			(17)		(17)		534	516
Listing of Ascopiave S.p.A.			167,279		167,279			167,279
Listing charges			(5,968)		(5,968)			(5,968)
Profit / loss for 2006				16,381	16,381	(143)		16,239
Balance as at 31 December 2006	140,000	29,171	182,959	16,381	368,511	(143)	534	368,902
Allocation of 2006 result		766	15,615	(16,381)	-	143	(143)	-
2 January 2007, share capital increase	93,334		(93,334)		-			-
Transfer of Bimetano Servizi S.r.l. going concern			4,699		4,699		1,501	6,200
Incorporation Coge Calore S.r.l.					-		20	20
Allocation of legal reserve		16,730	(16,730)		-			-
Dividend payment			(19,833)		(19,833)			(19,833)
Incorporation Etra Energia S.r.l.					-		12	12
Result for the period				10,360	10,360	46		10,406
Balance as at 30 June 2007	233,334	46,667	73,377	10,360	363,739	46	1,923	365,708