



## **PRESS RELEASE**

### **ASCOPIAVE: First Quarter 2008 results approved by the Board of Directors.**

#### **Major increase in all the Group's main indicators:**

- **Consolidated Revenues: € 253.5 million (+89.8%)**
- **EBITDA: € 25.2 million (+57.6%)**
- **Operating Result: € 21.8 million (+65.6%)**
- **Group Net Profit: € 13.0 million (+59.3%)**

The Board of Directors of Ascopiave S.p.A. met today, chaired by Gildo Salton, to approve the Group's consolidated quarterly report at 31.03.08, drafted in compliance with IAS/IFRS international accounting standards.

#### **Group's Consolidated Results**

Ascopiave Group closed Q1 2008 with consolidated revenues of € 253.5 million.

The significant increase in turnover (+89.8% compared to the same period of 2007) was due to the growth in gas sales to the Virtual Exchange Point and as a wholesaler, and to the increase in revenues from gas sales to the end market, which can be attributed to 2007's area of activities and to the impact of consolidation of the shareholdings acquired at the end of 2007..

It must be noted that the first quarter of 2008 represented the first period of consolidation of the economic figures of the newly-acquired companies. ASM DG were fully consolidated while Estenergy and ASM Set, in which Ascopiave exercises joint control together with the respective majority shareholders, was consolidated at 49% which corresponds to Ascopiave's stake.

Expansion of the consolidation area compared to Q1 2007 generated additional revenues of € 50.4 million.

There was a clear improvement in all the Group's margins with EBITDA of € 25.2 million showing a 57.6% increase, EBIT of € 21.8 million (up by 65.6%) and group net profit of € 13.0 million, recording a 59.3% increase compared to the first quarter of last year.

The increase in results was achieved thanks to the growth in gas sales, the improvement of specific margins on retail gas sales and distribution, expansion of the consolidation area and the positive contribution made by new gas sales as a trader and wholesaler.



Consolidation of Estenergy, ASM Set and ASM DG had a positive effect of € 2.9 million on Group EBITDA and of €2.4 million on EBIT.

The volumes of gas sold to the end market in Q1 2008 by fully-consolidated companies amounted to €362 million cubic metres, showing a 15.0% growth compared to the same period of 2007, characterised by extremely mild weather conditions..

To be added to the above figures are the volumes sold by the companies consolidated at 49% (Estenergy and ASM Set) which sold a total of 266 million cubic metres of gas in Q1 2008.

Lastly, sales during the quarter to the Virtual Exchange Point and as a wholesaler, performed by the subsidiary company Ascotrade, involved 174 million cubic metres..

The increase in volumes sold was accompanied by an increase in customers served which, at the end of the quarter, numbered 353,000 as regards the fully-consolidated companies, and 270,00 as regards the companies consolidated at 49% (Estenergy and ASM Set).

As regards gas distribution activities, the volumes provided through the networks managed by the Group totalled over 362 million cubic metres (up by 24.6% compared to Q1 2007), of which 25 million cubic metres were distributed through the newly-acquired ASM DG.

The distribution network followed the firmly established growth trends and, as a result of the new extensions and consolidation of ASM DG's business activities, boasted coverage of approximately 6,700 kilometres at March 31 2008.

During Q1 2008, the Group made investments totalling over € 3.3 million, mainly for the development, maintenance and upgrading of gas distribution networks and plants.

At March 31 2008, the group's net financial position stood at € 117.0 million, of which € 36.2 million due to full or pro-quota consolidation of the financial position of the newly-acquired companies..

More specifically during Q1 2008, the difference in the net financial position of € 10.2 million was due to:

- Self-financing (profit + amortisation and depreciation): +€ 16.4 million;
- Net working capital management: -€ 23.8 million;
- Net investments: -€ 3.3 million;
- Treasury share management: +€ 0.5 million.

At March 31 2008, the net financial position was negatively affected by major investments in net working capital (€ 133.5 million at the end of the quarter) which are to be considered non-structural and related to temporary dynamics.

During 2008, realignment of the net working capital with normal values is expected, with the result being a significant improvement in the net financial position..



### **Information on Legislative Decree no. 231/2001**

During the meeting of the Board of Directors, the company also undertook to appoint the Supervisory Body responsible for overseeing functioning of and compliance with the Organisation, Management and Control Model for the prevention of crimes for the purposes provided for in Legislative Decree No. 231/2001.

The Supervisory Body is as follows:

- 1) Ferruccio Bresolin, university professor of economics;
- 2) Valentina Sandri, lawyer, head of the company's legal affairs department;
- 3) Matteo Testa, economics graduate, head of the company's internal auditing department;

### **Statement of the appointed Executive**

As per paragraph 2 article 154 bis of the Unified Finance Law, the Executive appointed to draft company accounts, Mr. Cristiano Belliato, declared that the accounting information set out in this press release tallied with the company's documentary evidence, ledgers and accounting records.

### **Enclosures**

Consolidated accounting schedules (income statement, balance sheet and cash flow statement), not subject to auditing.

*Ascopiave Group operates in the natural gas sector, chiefly in distribution and sale to end customers.*

*Ascopiave directly handles distribution together with its subsidiary ASM DG. They currently hold direct consignments and licenses for providing service in 155 municipalities. Ascopiave and ASM DG own the distribution network they manage, which extends over 6,600 kilometres and serves a pool of users of more than 1 million residents.*

*Ascotrade, a subsidiary of Ascopiave, is responsible for the sale of natural gas and serves more than 350,000 final consumers. In Q4 2007 Ascopiave acquired 49% of Estenergy, a gas-selling company of Acegas-APS Group serving about 240,000 customers, and 49% of ASM Set, a sales company of ASM Rovigo Group (24,000 customers).*

*Thanks to these recent acquisitions, Ascopiave has become one of the leading national players in the gas sector, in terms of both customer base and quantities of gas sold. Thanks to its leading role on the market, the Group has been operating as gas wholesaler and trader since 2007.*

*Ascopiave has been listed on the STAR division of the Italian Stock Exchange since 12 December 2006.*



Contact: Barabino & Partners IR  
Giovanni Vantaggi  
Federico Steiner  
Telephone 02/72.02.35.35  
Mobile 335/42.42.78

Ascopiave  
Telephone 0438/98.00.98  
Roberto Zava - Media Relator  
Mobile 335/18.52.403

Stefania Bassi  
Telephone 02/72.02.35.35

Giacomo Bignucolo - Investor Relator  
Mobile 335/13.11.193

Pieve di Soligo, 14.05.08

CONSOLIDATED ACCOUNTING SCHEDULES AT 31.03.2008

Consolidated balance sheet at 31.03.08

(€000)		31/03/2008	31/12/2007
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Goodwill	(1)	63,795	65,120
Other intangible fixed assets		15,881	16,044
Tangible fixed assets		288,496	288,471
Shareholdings		151	151
Other non current assets		3,823	3,816
Prepaid taxes		9,361	9,510
<b>Total non-current assets</b>		<b>381,507</b>	<b>383,112</b>
<b>Current Assets</b>			
Inventories		3,321	3,298
Trade receivables	(2)	332,536	264,276
Other current assets	(3)	10,983	39,765
Current financial assets	(4)	5,104	2,533
Tax assets		13	215
Cash and cash equivalents		23,117	31,290
<b>Total current assets</b>		<b>375,072</b>	<b>341,377</b>
<b>Total assets</b>		<b>756,579</b>	<b>724,489</b>
<b>LIABILITIES AND NET EQUITY</b>			
<b>Net equity</b>			
Share capital		234,412	233,334
Reserves		134,833	113,684
Net profit or loss		12,990	21,764
<b>Net equity</b>		<b>382,234</b>	<b>368,782</b>
Minority interest share capital and reserves		2,285	1,925
Minority profit (loss)		301	361
<b>Net minority interest</b>		<b>2,587</b>	<b>2,285</b>
<b>Total net equity</b>		<b>384,821</b>	<b>371,068</b>
<b>Non-Current Liabilities</b>			
Provisions for liabilities and charges		236	215
Employee severance indemnity		2,378	2,305
Medium and long term loans		5,152	5,165
Other non current liabilities		6,350	6,670
Non current financial liabilities		4,178	4,189
Deferred taxes	(5)	18,549	19,607
<b>Total non current liabilities</b>		<b>36,844</b>	<b>38,151</b>
<b>Current Liabilities</b>			
Payables to banks and current share of medium, long-term loans		114,233	115,153
Trade payables	(6)	171,626	167,864
Tax liabilities		2,062	439
Other current liabilities	(7)	29,353	25,880
Current financial liabilities	(8)	17,640	5,935
<b>Total current liabilities</b>		<b>334,914</b>	<b>315,270</b>
<b>Total liabilities</b>		<b>371,758</b>	<b>353,421</b>
<b>Total liabilities and net equity</b>		<b>756,579</b>	<b>724,489</b>

## Consolidated Income Statement at 31.03.08

(€000)		First Quarter 2008	First Quarter 2007
<b>Revenues</b>	(1)	<b>253,506</b>	<b>133,530</b>
<b>Revenues from subsidiaries</b>		<b>0</b>	<b>0</b>
<b>Operating costs</b>	(2)	<b>228,321</b>	<b>117,553</b>
Costs for gas purchase		201,145	102,964
Costs for purchase of other raw materials		8,956	4,438
Costs for services		11,695	5,181
Personnel costs		4,034	3,137
Other operating costs		3,820	1,834
Other operating income		(1,329)	(0)
Amortization and depreciation		3,431	2,842
<b>Operating result</b>		<b>21,754</b>	<b>13,135</b>
Financial income	(3)	29	777
Financial charges	(3)	1,342	210
<b>Pre-tax result</b>		<b>20,441</b>	<b>13,701</b>
Taxes for the period	(4)	7,150	5,367
<b>Net profit or loss</b>		<b>13,291</b>	<b>8,334</b>
<b>Group net result</b>		<b>12,990</b>	<b>8,156</b>
<b>Minority interest</b>		<b>301</b>	<b>178</b>

## Consolidated Cash Flow Statement at 31.03.08

(€000)	First Quarter 2008	First Quarter 2007
<b>CASH FLOW FROM OPERATIONS:</b>		
<b>Group net result</b>	<b>12,990</b>	<b>8,156</b>
<b>Adjustments to reconcile net profit to cash and cash equivalents generated (absorbed) by operations:</b>		
Minority interest profit	301	178
Amortization and depreciation	3,431	2,842
Bad debts	1,055	260
Change in deferred/prepaid taxes	415	(263)
Change in staff severance indemnity	73	(2)
Net change in other provisions	21	(107)
<b>Change in assets and liabilities:</b>		
Opening inventories	(22)	(44)
Trade receivables	(69,315)	(71,151)
Other current assets	28,782	(1,794)
Current and non-current financial assets	0	(2)
Tax assets and liabilities	1,826	22,598
Trade payables	3,762	(525)
Other current liabilities	3,474	3,573
Other non current assets	(7)	(118)
Other non current liabilities	(320)	12
<b>Total adjustments and changes</b>	<b>(26,523)</b>	<b>(44,543)</b>
<b>Cash flow used by operating activities</b>	<b>(13,533)</b>	<b>(36,387)</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES:</b>		
Investments in intangible fixed assets	(208)	(509)
Disposal of intangible assets	0	0
Investments in tangible fixed assets	(3,105)	(2,885)
Disposal of tangible assets	20	0
Acquisition of shareholdings net of acquired liquidity	0	(37)
Incorporation Coge Calore/Etra Energia/Italgas Stor.	0	19
<b>Cash flows used from investment activities</b>	<b>(3,293)</b>	<b>(3,412)</b>
<b>CASH FLOW FROM OPERATIONS:</b>		
Change in loans to subsidiaries	(5,104)	0
Net change in payables to other lenders	(473)	0
Net change in short-term bank loans	(920)	6,128
Net change in loans to parent companies	14,700	0
Own shares purchased	462	0
Repayment of medium and long-term loans	(13)	(18)
Dividend payment	0	0
Advances on dividends	0	0
<b>Cash flow generated from (used by) financial activities</b>	<b>8,652</b>	<b>6,110</b>
<b>Change in cash and cash equivalents</b>	<b>(8,173)</b>	<b>(33,689)</b>
<b>Opening cash and cash equivalents</b>	<b>31,290</b>	<b>100,591</b>
<b>Closing cash and cash equivalents</b>	<b>23,117</b>	<b>66,902</b>
<b>Additional information</b>		
	<b>First Quarter 2008</b>	<b>First Quarter 2007</b>
Interest paid	1,326	168
Taxes paid	0	0