



PRESS RELEASE

ASCOPIAVE: 9M 2008 results approved by the Board of Directors.

- **Consolidated Revenues: 537.5 million (+132.2%)**
- **EBITDA: 27.0 million (+7.0%)**
- **EBIT: 16.3 million (-2.2%)**
- **Group Net Profit: 7.9 million (-24.8%)**

Proposal to the Ordinary Shareholders' Meeting to authorise a plan for the sale and purchase of common shares of the Company.

The Board of Directors of Ascopiave S.p.A., chaired by Gildo Salton, was held today in order to inter alia: i) approve the interim report of Ascopiave Group at 30 September 2008; (ii) request the Shareholders' Meeting to authorise a plan for the sale and purchase of common shares of the Company; (iii) approve the report drafted by the directors pursuant to articles 73 and 93 of Consob Regulations no. 11971 of 14 May 1999; (iv) enforce the plan for the purchase of treasury shares envisaged in the above authorisation request and assign the pertinent powers.

The Board of Directors also entrusted its Chairman Gildo Salton with the powers to convene, by the end of the year, the Shareholders' Meeting in order to enforce the resolutions pertaining thereto.

Approval of the interim report of Ascopiave Group at 30 September 2008

Today the Board of Directors approved the interim report of Ascopiave Group at 30 September 2008.

Ascopiave Group closed the first nine months of 2008 with consolidated revenues of € 537.5 million. The significant increase in turnover (+132.2% compared to the same period of 2007) was due to the growth in gas sales to the Virtual Exchange Point and as a wholesaler, as well as 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 expanded scope of consolidation.

It must be noted that FY 2008 was the first year the income figures of the companies acquired at the end of 2007 were consolidated. ASM DG was fully consolidated while Estenergy and ASM Set, in which Ascopiave exercises joint control along with the respective majority shareholders, were consolidated at 49%, i.e. Ascopiave's stake. Moreover, effective from 1 July Edigas Due and Edigas Esercizio Distribuzione Gas, companies operating respectively in gas distribution and gas sales in Lombardy, Piedmont and Liguria, were both consolidated.

Expansion of the scope of consolidation compared to the first nine months of 2007, generated additional revenues of € 92.2 million.

EBITDA improved by € 1.8 million (7.0%), while the Group's net profit decreased by € 2.6 million (-24.8%), due to the increase in depreciation and amortisation (€ +2.1 million) and to net financial charges (€ +4.8 million), partly offset by the decrease in taxes (€ -2.6 million).



In considering the variations on the margins indicated, account must be taken of the fact that the results of the first nine months of the previous financial year benefited from an extraordinary income of € 3.9 million, generated by the partial recovery of the prudential provision made in 2006 for charges it was assumed would be made to the gas sales company Ascotrade, deriving from the application of tariff measures set down by the Electrical Energy and Gas Authority with Resolution No. 248/04 et seq..

If this extraordinary income were deducted from the results for 9M 2007, the rise in EBITDA for 9M 2008 would be € 5.7 million (+26.7%), while the Net Profit would remain substantially unchanged.

The increase in EBITDA 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, Edigas Due and Edigas Esercizio Distribuzione Gas had a positive effect of € 2.3 million on Group EBITDA and of € 0.5 million on EBIT.

The increase in amortisation and depreciation compared to the first nine months of 2007 was mainly due to the consolidation of the newly-acquired companies, while the increase in financial charges was due to the leveraged exposure situation over the last twelve months, influenced partly by extraordinary, temporary circumstances attributable to the management of working capital and partly by structural variations linked to investments in corporate acquisitions made at the end of 2007: (Estenergy, ASM Set and ASM DG); and in the first nine months of 2008 (Edigas Esercizio Distribuzione Gas and Edigas Due).

The volumes of gas sold to the end market in the first nine months of 2008 by fully-consolidated companies amounted to € 576 million cubic metres (4 million cubic metres of which due to the gas sold by Edigas Due in Q3 2008), showing an 11.5% growth compared to the same period of 2007, characterised by extremely mild weather conditions.

The volumes sold by the 49%-consolidated companies (Estenergy and ASM Set) – which sold a total of 322 million cubic metres of gas in the first nine months of 2008 – are to be added to the above figures.

Lastly, sales activities to the Virtual Exchange Point and as a wholesaler, performed by the subsidiary company Ascotrade, involved 603 million cubic metres during the period.

As far as the fully consolidated companies are concerned, the increase in volumes sold was accompanied by an increase in customers served. At 30 September 2008, they numbered 387,800, 38,700 clients more than at the end of Q3 2007 (+11.1%), 31,800 of which were due to the first-time consolidation of Edigas Due. At 30 September 2008, the 49%-consolidated companies (Estenergy and ASM Set) managed 270,500 customers.

As regards gas distribution activities, the volumes provided through the networks managed by the Group totalled over 568 million cubic metres (up 20.7% compared to the first nine months of 2007), 38 million of which were distributed through the newly-acquired companies ASM DG (34



million cubic metres in the first nine months of 2008) and Edigas Esercizio Distribuzione Gas (4 million cubic metres in Q3 2008). The distribution network followed the firmly-established growth trends and, as a result of the new extensions and consolidation of the business activities of ASM DG and Edigas Esercizio Distribuzione Gas, boasted coverage of more than 7,350 kilometres at 30 September 2008.

In the first nine months of 2008 the Group made net investments totalling over € 50.4 million, € 36.5 million of which in corporate acquisitions (acquisition of Edigas Due, Edigas Esercizio Distribuzione Gas and a shareholding in Global Energy and Le Cime Servizi) and € 13.9 million of which mainly to develop, maintain and upgrade gas distribution networks and plants.

At 30 September 2008, the Group's net financial position stood at € 69.0 million, € 3.3 million of which due to full or pro-rata consolidation of the financial position of the newly-acquired companies.

More specifically during the first nine months of 2008, the difference in the net financial position of € 37.8 million was due to:

- Self-financing (profit + amortisation and depreciation): € +18.6 million;
- Net working capital management: € +80.0 million;
- Investments in corporate acquisitions: € -36.5 million;
- Consolidation of newly-acquired companies' net financial position: € +8.1 million;
- Other net investments: € -13.9 million;
- Asset management (dividends distributed and treasury shares purchased): -€ 18.5 million.

Request to the Meeting to authorise a plan for the sale and purchase of common shares of the Company

The Meeting will be called upon to authorise the Board of Directors to implement a plan to sell and purchase, on one or more occasions, on a rotating basis, a maximum number of common shares in order to ensure the company does not at any given time hold more than 10% of its own share capital (equal at today's date to 23,441,157 common shares with a par value of € 1.00 per share), in accordance with the terms and conditions applied by the Meeting and with the provisions of the relevant legislation and regulations.

The transaction aims at allowing the Company to acquire treasury shares to be used consistently with the corporate strategies, for sales and/or exchanges of treasury shares in the light of or within agreements with strategic partners or to execute investment transactions to acquire interests or shares or for other extraordinary finance transactions implying the allocation or the sale of treasury shares. The proposed plan is also aimed at allowing the Company to intervene, in accordance with the regulations currently in force, in order to contain any abnormal variations in share prices and to stabilise trading and prices subject to distortion as a result of excessive volatility or low trading liquidity.

According to the authorisation proposal, purchases may be carried out according to the operational procedures provided for in the Regulation of Markets Organised and Managed by Borsa Italiana S.p.A. and in compliance with article 132 of Legislative Decree No. 58 of 24



February 1998 and article 144-*bis*, paragraph 1, letter b) and c) of Consob Resolution No. 11971 of 14 May 1999. Moreover, the unit cost for the purchase of shares shall be determined on each separate occasion by the Board of Directors or by the director appointed therefor, being understood that the price shall be exactly [10%] of the reference price as per the company stock on the Stock Exchange on the session before every single purchase transaction.

With regard to the disposal of treasury shares purchased according to this system, the authorisation proposal establishes that they may be sold in accordance with the procedures set down by current regulations, and that the cost of the sale of said shares shall be decided upon by the Board of Directors or by the director appointed therefor; the only restriction applied is that the minimum cost (save for a number of specific exceptions) shall not be less than 10% of the reference price as per the company stock on the Stock Exchange on the session before every single disposal transaction.

Authorisation to purchase treasury shares is requested for a maximum period of 18 months from the date on which such authorisation is issued by the Meeting.

The Meeting, to be convened before the end of this year, will also be called upon to authorise the disposal of the shares purchased without limit of time.

At today's date the Company's portfolio includes 3,253,191 treasury shares, for a par value of € 3,253,191 (or 1.39% of the share capital) that are recognised as a reduction in the available reserves, entered into the Company's net equity. None of the Company's subsidiaries holds Ascopiave S.p.A.'s shares.

In order to implement the plan, the Board of Directors will be asking the Shareholders' Meeting for authorisation to use the full amount of distributable profits and available reserves resulting from the last financial statements, unaffected by losses for the period. According to the financial statements at 31 December 2007 these reserves and profits amount in total to € 59,353,992.53.

The Board of Directors has also decided that implementation of the plan for the sale and purchase of treasury shares to begin as soon as authorisation has been received from the Shareholders' Meeting and the Chairman of the Board of Directors has been granted the necessary powers.

At the end of the session, the Board of Directors accepted the resignation of the Chairman of the Board of Auditors, Gaetano Terrin, as a result of his having reached the limit placed on the number of administration and verification duties an individual may carry out pursuant to article 148-*bis*, paragraph 1 of Legislative Decree n. 58/1998; the Board thanked Terrin for the significant contribution he made to the Company during his tenure. In accordance with the corporate by-laws, Mr. Gaetano Terrin's duties have been taken over by the alternate auditor Mr. Paolo Nicolai, who, when he was appointed, formed part of the same list as Mr. Terrin, representing the minority list.



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.

The documents regarding the issues and proposals listed on the agenda, provided for by current legislation, shall be filed with the company's registered office and with Borsa Italiana S.p.A. in compliance with the law. They will be at the disposal of the public. Moreover, shareholders will be allowed to obtain a copy thereof. They will be available also on the company's website www.ascopiave.it.

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

Ascopiave directly handles distribution together with some subsidiaries. They currently hold direct consignments and licenses for providing service in 182 municipalities. The Group owns the distribution network it manages, which extends over 7,350 kilometres and serves a pool of users of more than 1 million residents.

Ascotrade and Edigas Due, subsidiaries of Ascopiave, are responsible for the sale of natural gas and serve more than 380,000 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.

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Pieve di Soligo, 13 November 2008



Enclosures

CONSOLIDATED ACCOUNTING SCHEDULES AT 30 SEPTEMBER 2008

Consolidated balance sheet at 30 September 2008 and at 31 December 2007

		30/09/2008	31/12/2007
Non-current assets			
Goodwill	(1)	74,208	65,120
Other intangible fixed assets	(2)	18,241	16,044
Tangible fixed assets	(3)	317,724	288,471
Shareholdings	(4)	485	151
Other non-current assets	(5)	3,911	3,816
Prepaid taxes	(6)	9,495	9,510
Total non-current assets		424,064	383,112
Current assets			
Inventories		3,432	3,298
Trade receivables	(7)	179,162	264,276
Other current assets	(8)	7,409	39,765
Current financial assets	(9)	0	2,533
Tax credits		492	215
Cash and cash equivalents		26,676	31,290
Total current assets		217,172	341,377
Total assets		641,236	724,489
Net equity			
Share capital and reserves		350,935	347,018
Share capital, indicating the portion not paid up		234,412	233,334
Share premium reserve		50,172	51,247
Other reserves		92,134	91,853
Profit (losses) from previous FYs		(25,782)	(29,417)
Profit (losses) for the year		7,908	21,764
Group net equity		358,843	368,782
Minority interest and reserves		1,590	1,925
Minority profit (losses) for the year		(93)	361
Net minority interest	(10)	1,497	2,285
Total net equity		360,340	371,068
Non-current liabilities			
Provisions for liabilities and charges		228	215
Employee severance indemnity	(11)	3,010	2,305
Medium and long term loans		4,076	5,165
Other non-current liabilities	(12)	8,116	6,670
Non-current financial liabilities		4,224	4,189
Deferred taxes	(13)	25,809	19,607
Total non-current liabilities		45,462	38,151



Current liabilities

Payables to banks and loans		82,010	115.153
Trade payables	(14)	86,885	167.864
Tax liabilities	(15)	1,247	439
Other current liabilities	(16)	61,900	25.880
Current financial liabilities	(17)	3,392	5.935
Total current liabilities		235,434	315,270
Total liabilities		280,896	353,421
Total liabilities and net equity		641,236	724,489

Consolidated income statement for Q3 2008 and 2007 and for 9M closed on 30 September 2008 and 2007

(€/000)		9M 2008	9M 2007
Revenues	(1)	537,450	231,461
Operating costs	(2)	510,472	206,237
Costs for purchase of raw materials - Gas		433,137	172,678
Costs for purchase of other consumables		32,031	11,988
Costs for services		24,733	11,876
Personnel costs		11,282	8,973
Other operating costs		9,544	5,032
Other income		(255)	(4,310)
Amortisation and depreciation		10,717	8,596
Operating result		16,260	16,628
Financial income	(3)	489	3,348
Financial charges	(3)	4,450	2,536
Pre-tax result		12,299	17,440
Income taxes for the year	(4)	4,485	7,113
Net result for the period		7,814	10,327
Profit (loss) for the year – Group		7,908	10,510
Profit (loss) for the year – Minorities		(93)	(183)



Consolidated cash flow statement for 9M closed on 30 September 2008 and 2007

(€/000)	9M 2008	9M 2007
CASH FLOW FROM OPERATIONS:		
Group net result	7.908	10.510
Adjustments to reconcile net profit to cash and cash equivalents generated (absorbed) by operations:		
Minority interest	(93)	(183)
Amortisation and depreciation	10,717	8,596
Bad debts	2,412	651
Change in deferred/prepaid taxes	136	2,297
Change in employee severance indemnity	(78)	139
Net change in other provisions	(229)	(4,423)
Change in assets and liabilities:		
Inventories	(134)	(24,101)
Trade receivables	89,242	40,436
Other current assets	32,501	(6,233)
Current and non-current financial assets	7	231
Tax credits and liabilities	587	(3,358)
Trade payables	(85,794)	(52,534)
Other current liabilities	41,210	(7,463)
Other non-current assets	(514)	(4,652)
Other non-current liabilities	97	43
Total adjustments and changes	90,068	(50,554)
Cash flow generated from / (used by) operating activities	97,976	(40,045)
CASH FLOWS FROM INVESTMENT ACTIVITIES:		
Investments in intangible fixed assets	(1,769)	(2,774)
Disposal of intangible assets	932	333
Investments in tangible fixed assets	(11,977)	(10,502)
Disposal of tangible assets	162	774



Shareholdings paid and advances on shareholdings	(36,982)	(74)
Net capital contributions (own capital or third parties)	(153)	33

Acquisition Edigas group

Cash flow generated from / (used by) investment activities	(49,786)	(12,211)
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CASH FLOW FROM FINANCING ACTIVITIES:

Change in loans to subsidiaries	0	1,503
Net change in payables to other lenders	(427)	0
Net change in short-term bank loans	(33,352)	4,530
Net change in loans to parent companies	453	(143)
Treasury shares purchased	(3,807)	(3,975)
Repayment of medium and long-term loans	(1,089)	(989)
Dividends paid to Ascopiave S.p.A. shareholders	(14,057)	(19,833)
Dividends paid to minority shareholders	(525)	0

Cash flow generated from (used by) lending activities	(52,804)	(18,907)
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Change in cash and cash equivalents	(4,614)	(71,163)
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Opening cash and cash equivalents	31,290	100,591
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Closing cash and cash equivalents	26,676	29,428
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Additional information	9M 2008	9M 2007
Interest paid	4,069	489
Taxes paid	1,235	211



Changes in the consolidated net equity for 9M closed on 30 September 2008 and 30 September 2007

(€/000)		Share capital	Legal reserve	Treasury shares	Other reserves	Profit (loss) for the period	Group net equity	Minority profit (loss)	Minority interest and reserves	Total net equity
Balance at	01/01/2008	233,334	46,667	(637)	67,653	21,764	368,781	361	1,926	371,068
Allocation of 2007 result			216		21,548	(21,764)	-	(361)	361	-
Bonus Share 29 January 2008		1,078			(1,078)		-			-
Dividends paid to Ascopiave S.p.A. shareholders					(14,057)		(14,057)			(14,057)
Dividends paid to minority shareholders							-		(525)	(525)
Purchase and value adjustments of treasury shares				(3,797)	(11)		(3,808)			(3,808)
Other changes					20		20		(173)	(153)
Result for the period						7,908	7,908	(93)		7,814
Balance at	30/09/2008	234,412	46,883	(4,434)	74,075	7,908	358,844	(93)	1,590	360,340



(€/000)		Share capital	Legal reserve	Treasury shares	Other reserves	Profit (loss) for the period	Group net equity	Minority profit (loss)	Minority interest and reserves	Total net equity
Balance at	01/01/2007	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 of Coge Calore S.r.l.							-		23	23
Allocation of legal reserve			16,730		(16,730)		-			-
Dividend payment					(19,833)		(19,833)			(19,833)
Incorporation of Etra Energia S.r.l.							-		12	12
Treasury shares purchased				(3,975)			(3,975)			(3,975)
Advances on dividends					(5,793)		(5,793)			(5,793)
Result for the period						10,511	10,511	(183)		10,328
Balance at	30/09/2007	233,334	46,667	(3,975)	67,584	10,510	354,120	(183)	1,925	355,862