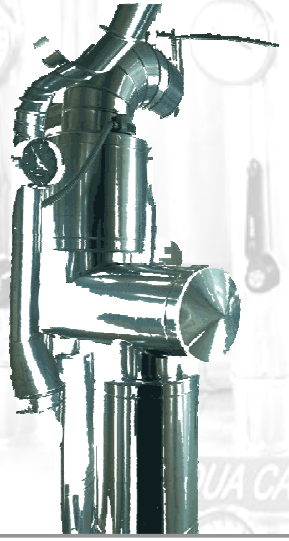
9M 2009
CONSOLIDATED RESULTS



Conference Call

Pieve di Soligo, November 13th 2009

Financial highlights

→ Ascopiave Group structure as of September 30th 2009

→ 9M 2009 income statement

→ Balance sheet

Operating Data

Revenues

Gross margin on gas activities

EBITDA

Personnel

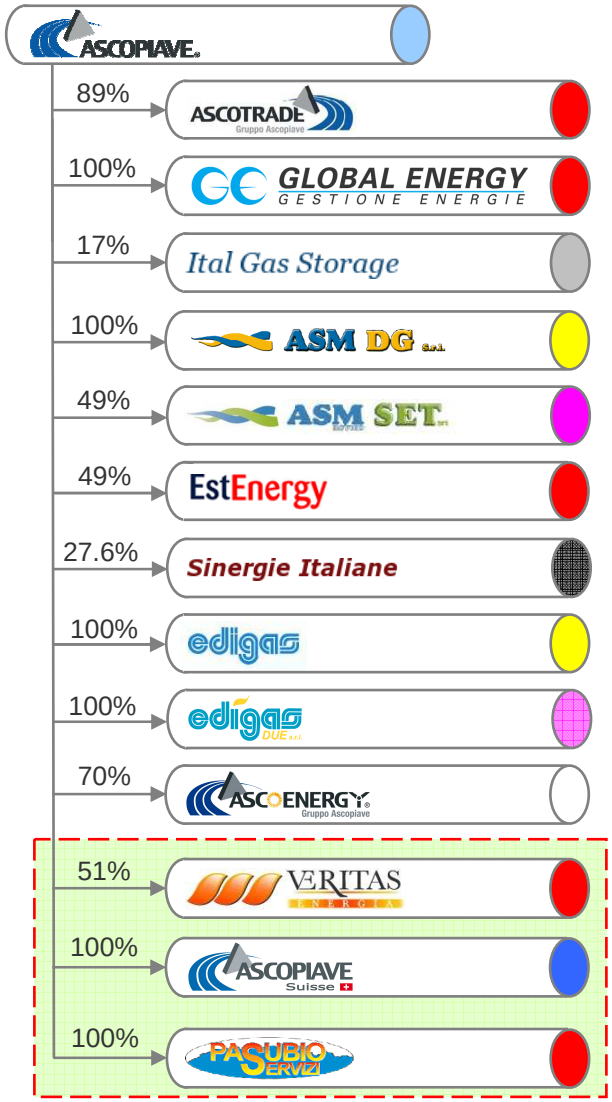
Capex and lenght of the gas distribution network

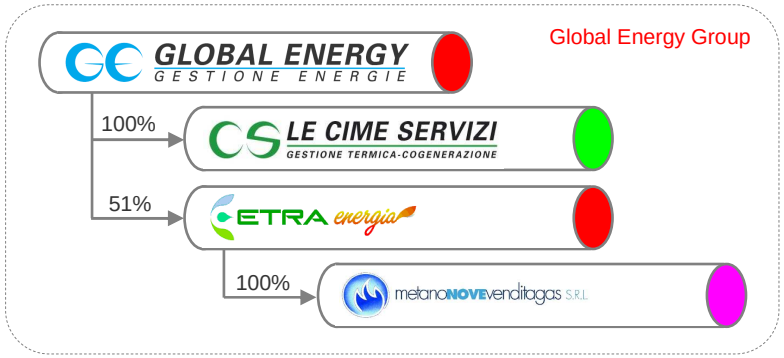
Net Financial Position

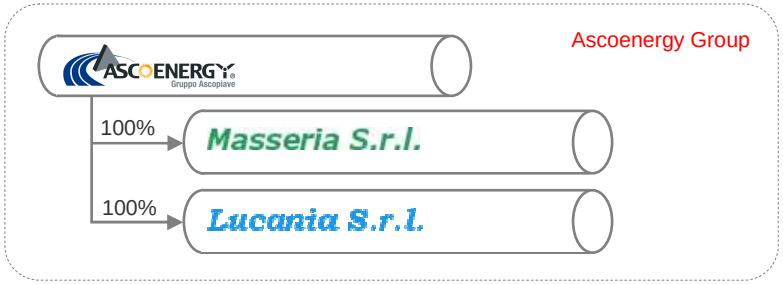
CONFERENCE CALL – 9M 2009 results

Pieve di Soligo, November, 13th 2009

Ascopiave Group structure as of September, 30th 2009







ACTIVITIES

- Gas distribution, heating management
- Gas distribution
- Heating management
- Gas sales and electricity sales
- Gas sales
- Development of gas storage site
- Gas shipping
- Photovoltaic power plants
- Gas distribution, gas sales

Comparison of 9M 2008 and 9M 2009 consolidation areas

9M 2008:	1stQ 2008	2ndQ 2008	3rdQ 2008
9M 2008 Consolidated Companies			
Edigas Esercizio Distribuzione Gas			
Edigas Due			
Veritas Energia			
Metano Nove Vendita Gas			
Pasubio Servizi			

9M 2009:	1stQ 2009	2ndQ 2009	3rdQ 2009
9M 2008 Consolidated Companies			
Edigas Esercizio Distribuzione Gas			
Edigas Due			
Veritas Energia			
Metano Nove Vendita Gas			
Pasubio Servizi			

Chg of consolidation area:	1stQ 2009	2ndQ 2009	3rdQ 2009
9M 2008 Consolidated Companies			
Edigas Esercizio Distribuzione Gas			
Edigas Due			
Veritas Energia			
Metano Nove Vendita Gas			
Pasubio Servizi			

9M 2009 income statement

(Thousand of Euro)	9M 2009	9M 2008	Chg	Chg %
Revenues	**557.849**	**537.450**	**20.399**	**+3,8%**
(Cost of raw materials and consumables)	(460.720)	(465.168)	4.448	-1,0%
(Cost of services)	(39.221)	(24.733)	(14.489)	+58,6%
(Cost of personnel)	(13.765)	(11.282)	(2.483)	+22,0%
(Other operating costs)	(5.849)	(7.126)	1.277	-17,9%
Other operating income	103	255	(152)	-59,6%
EBITDA	**38.396**	**29.396**	**9.000**	**+30,6%**
(Depreciations and amortizations)	(11.955)	(10.717)	(1.237)	+11,5%
(Provisions)	(2.435)	(2.418)	(17)	+0,7%
EBIT	**24.007**	**16.260**	**7.747**	**+47,6%**
Financial income / (expenses)	(145)	(3.961)	3.816	-96,3%
EBT	**23.862**	**12.299**	**11.563**	**+94,0%**
(Income taxes)	(8.781)	(4.485)	(4.296)	+95,8%
(Net income of minorities)	(603)	93	(696)	-746,4%
Net income of the Group	**14.478**	**7.908**	**6.570**	**+83,1%**

Balance sheet

(Thousand of Euro)	30/09/2009	31/12/2008	Chg	Chg %
Tangible assets	325.243	319.279	5.964	+1,9%
Non tangible assets	115.799	92.776	23.023	+24,8%
Other fixed assets	15.963	13.860	2.103	+15,2%
Fixed assets	**457.004**	**425.915**	**31.090**	**+7,3%**
Operating current assets	124.168	281.573	(157.405)	-55,9%
(Operating current liabilities)	(101.669)	(259.641)	157.973	-60,8%
(Operating non current liabilities)	(42.859)	(41.165)	(1.695)	+4,1%
Net working capital	**(20.359)**	**(19.233)**	**(1.127)**	**+5,9%**
Total capital employed	**436.645**	**406.682**	**29.963**	**+7,4%**
Group shareholders equity	**358.059**	**359.108**	**(1.049)**	**-0,3%**
Minorities	**2.859**	**2.325**	**534**	**+23,0%**
Net financial position	**75.727**	**45.249**	**30.477**	**+67,4%**
Total sources	**436.645**	**406.682**	**29.963**	**+7,4%**

Financial highlights

Operating Data

→ Volumes of gas distributed

→ Volumes of gas sold to end customers

→ Volumes of gas sold on trading and wholesaling activities

→ Number of gas sales customers

Revenues

Gross margin on gas activities

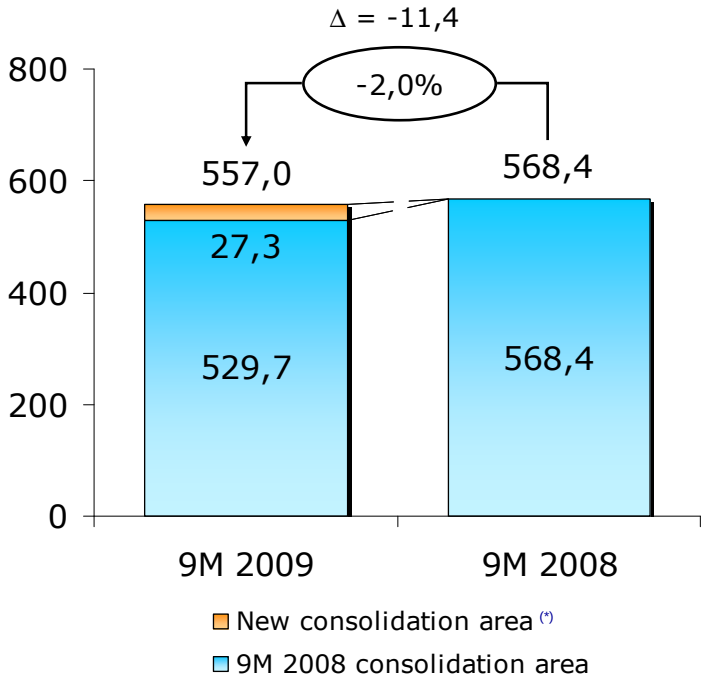
Personnel

Capex and lenght of the gas distribution network

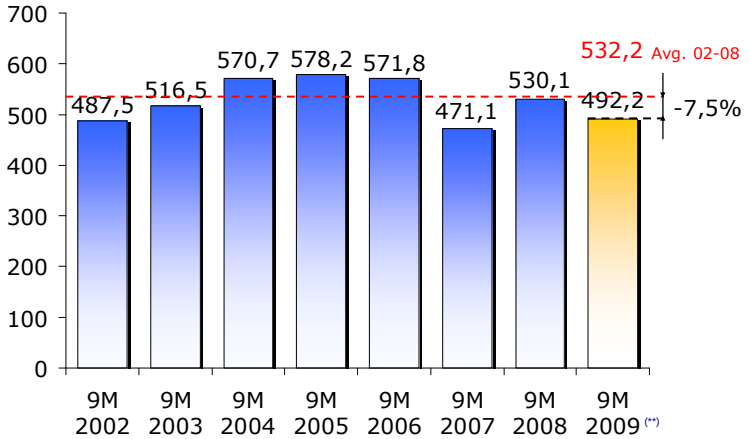
Net Financial Position

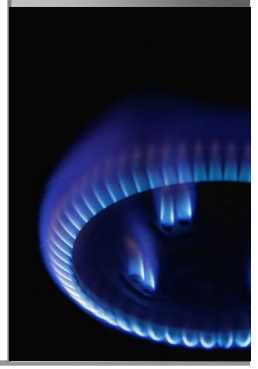
Volumes of gas distributed

Volumes of gas distributed
(Million of standard cubic meters)



Volumes of gas distributed: hystorical trend
(Million of standard cubic meters)



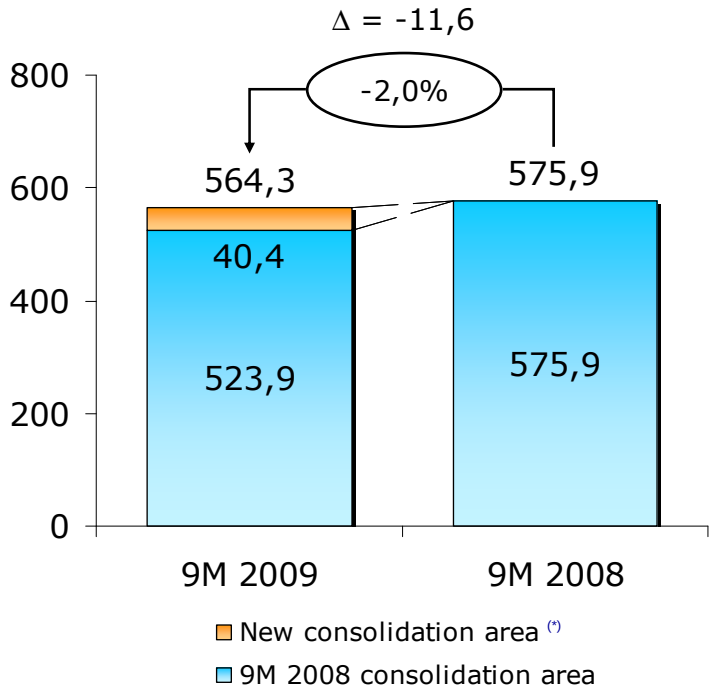


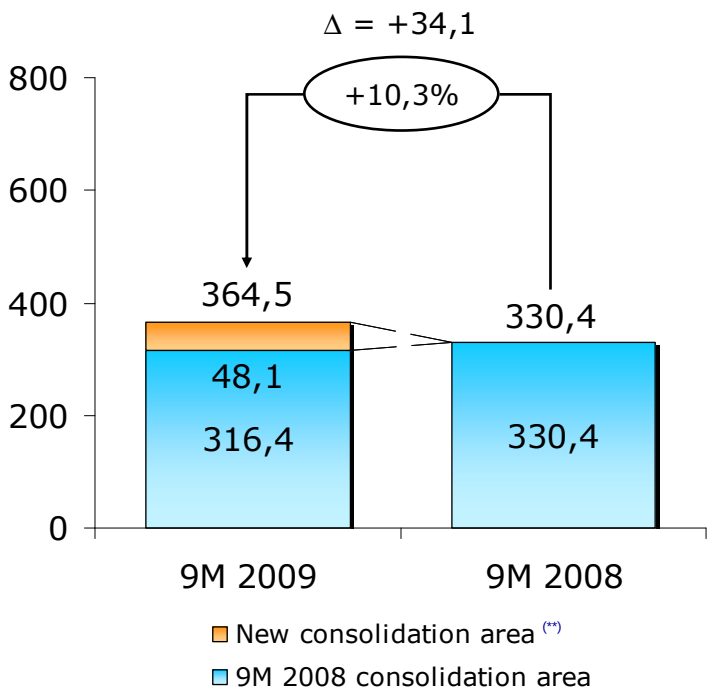
(*) 1stH 2009 of Edigas Esercizio Distribuzione Gas
(**) Excluding volumes of natural gas distributed by ASM DG and Edigas Esercizio Distribuzione Gas

Volumes of gas sold to end customers

Volumes of gas sold to end customers

(Million of standard cubic meters)





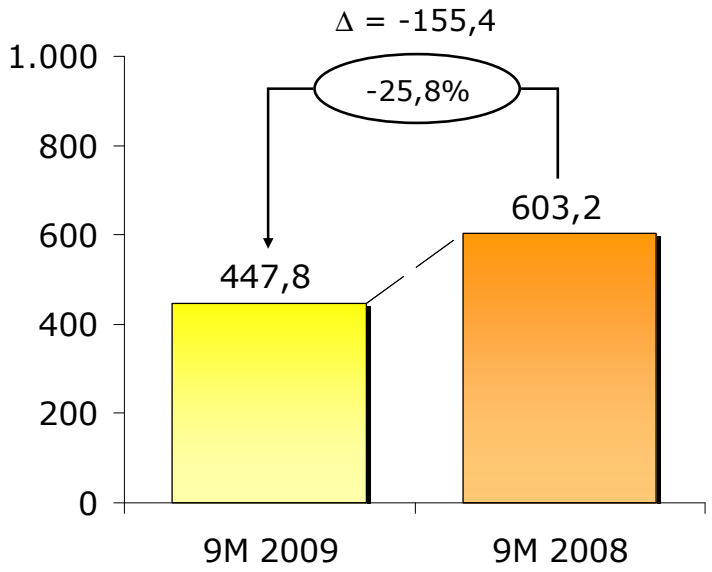
Gas sold to end customers
Companies consolidated at 100%

Gas sold to end customers
Companies consolidated at 49%-51%

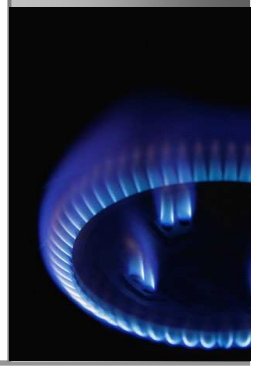
(*) 1stH 2009 of Edigas Due + 9M 2009 of MetanoNove Vendita Gas + 3rdQ 2009 of Pasubio Servizi
(**) 9M 2009 of Veritas Energia

Volumes of gas sold on trading and wholesaling activities

(Million of standard cubic meters)

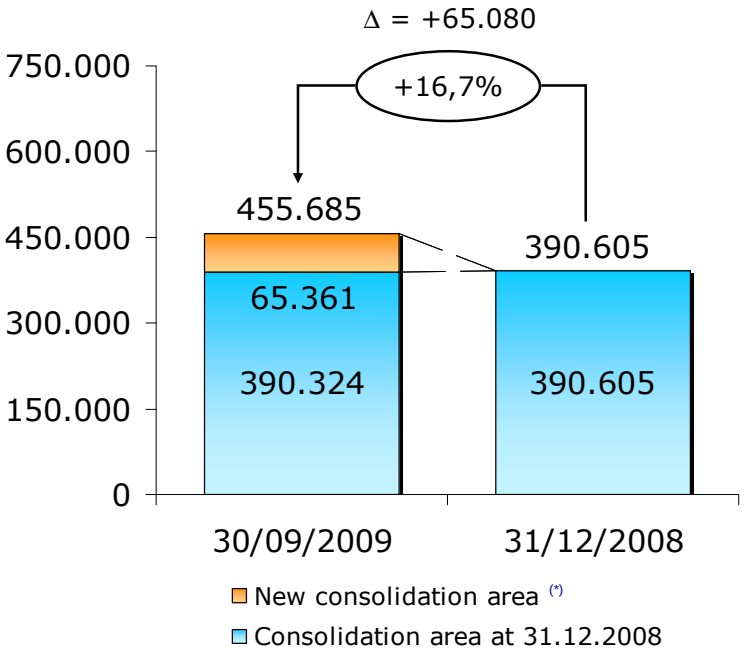


Gas sold on trading and wholesaling activities

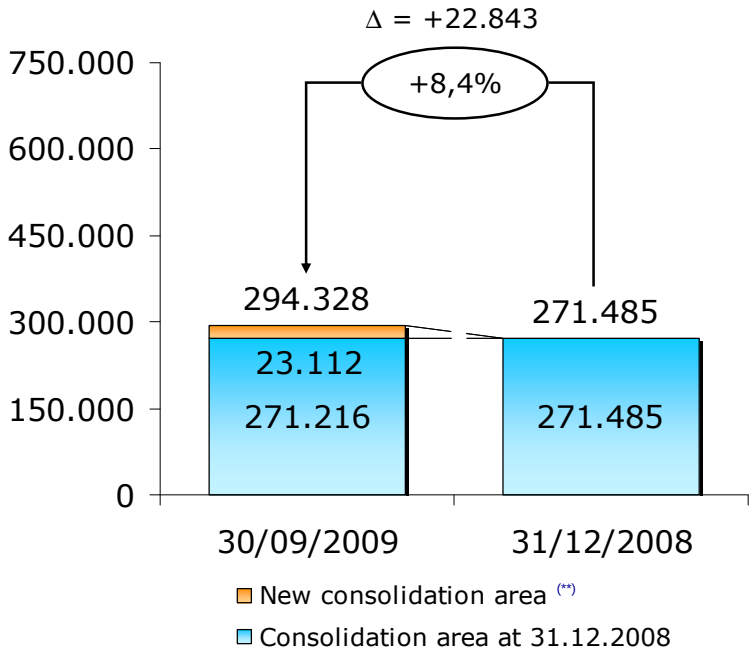


Number of gas sales customers

Gas sales customers
Companies consolidated at 100%



Gas sales customers
Companies consolidated at 49%-51%



(*) Pasubio Servizi + MetanoNove Vendita Gas; (**) Veritas Energia

Financial highlights

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Revenues

→ Revenues bridge

Gross margin on gas activities

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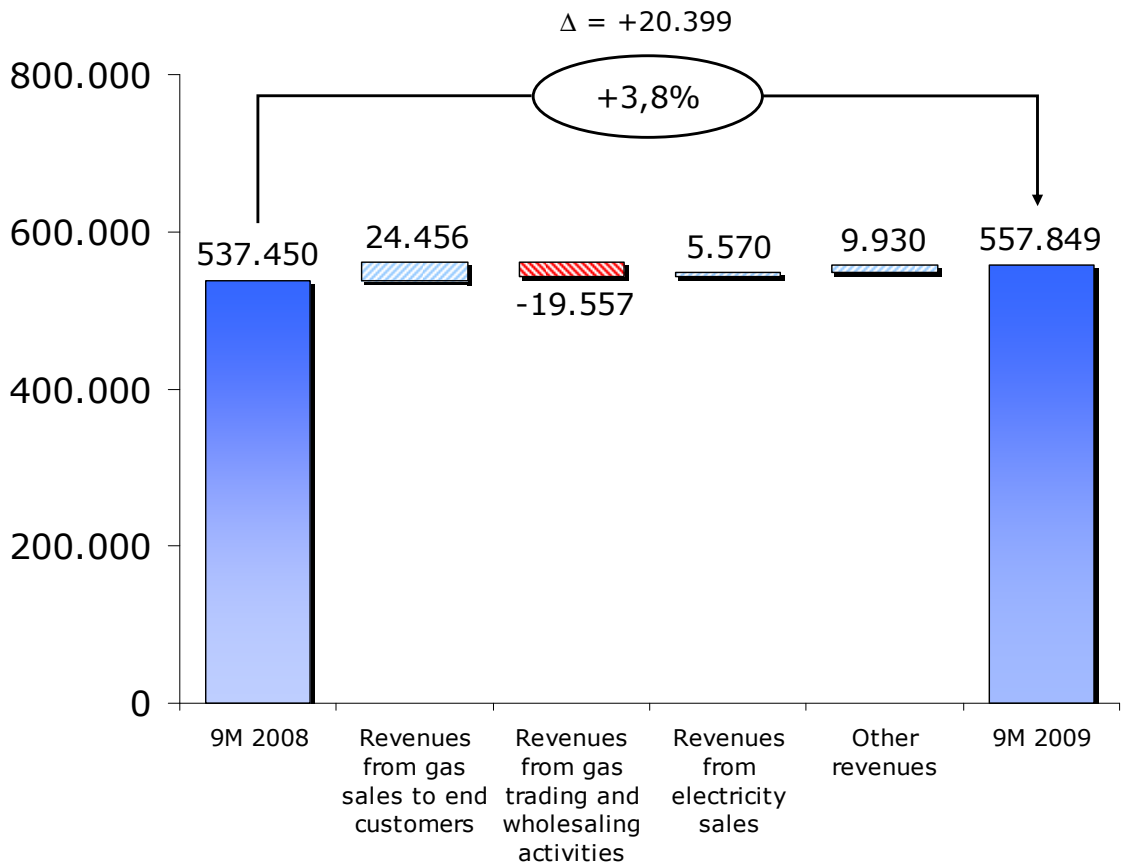
Capex and lenght of the gas distribution network

Net Financial Position

Revenues bridge (1)

Revenues bridge

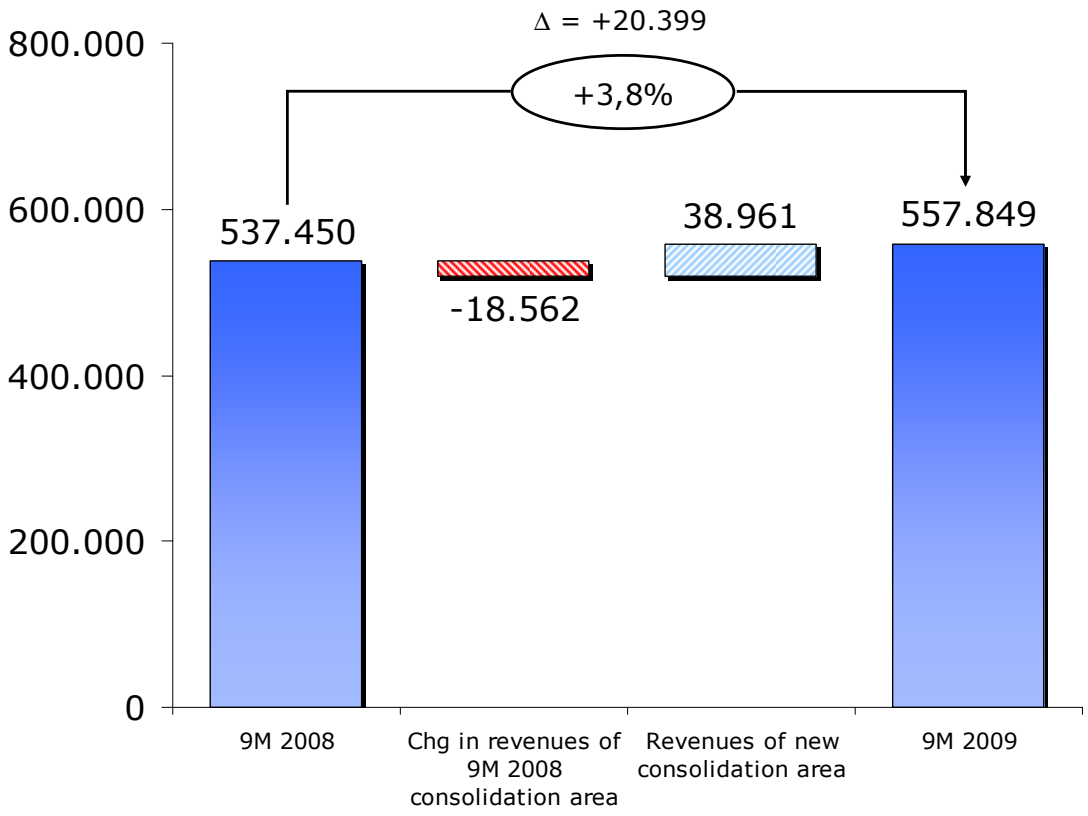
(Thousand of Euro)



Revenues bridge (2)

Revenues bridge

(Thousand of Euro)



Financial highlights

Operating Data

Revenues

Gross margin on gas activities

→ Gross margin on gas activities in prev. conf. call presentations
→ New gas distribution tariff regulation: perequation system
→ Gross margin on gas activities: new definition
→ 9M 2008 reconciliation
→ Gross margin on gas sales
→ Distribution tariff revenues
→ Gross margin on gas sales bridge
→ Distribution tariff revenues bridge

EBITDA

Personnel

Capex and lenght of the gas distribution network

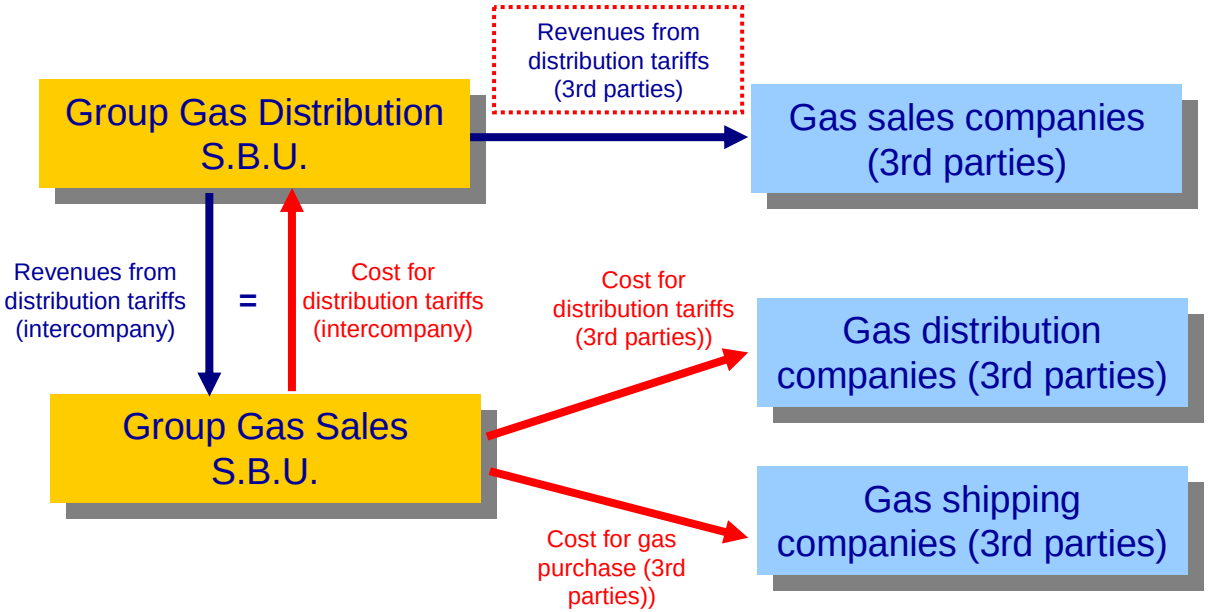
Net Financial Position

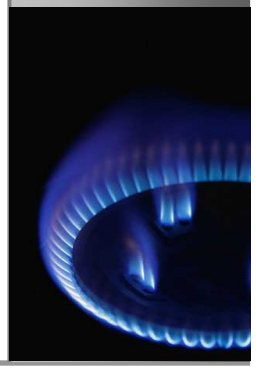
Gross margin on gas activities in previous conference call presentations

Gross margin on gas activities in previous conference call presentations = sum of:

• gross margin on gas sales and trading activities got by the Group gas sales companies = Gas sales revenues – Gas purchase costs – Costs for gas distribution tariffs paid to gas distribution companies;

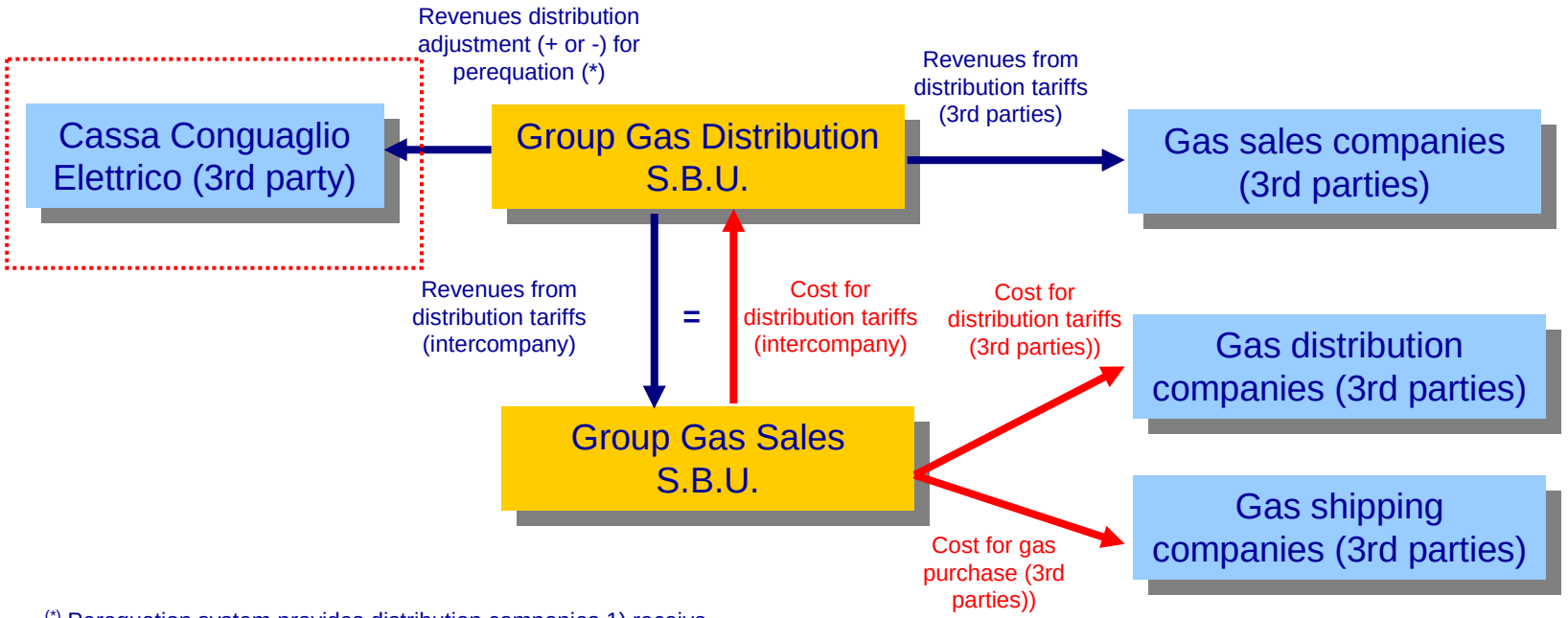
• revenues got by the Group gas distribution companies by applying distribution tariffs to the Group gas sales companies (intercompany revenues), so excluding revenues got by applying gas distribution tariffs to other gas sales companies (third parties revenues) = Intercompany revenues from gas distribution tariffs intercompany – Contribution to national funds





New gas distribution tariffs regulation: perequation system

Both gross margin on gas sales and revenues from distribution tariffs were previously linked to the volumes of gas sold.
Now, due to the change of gas distribution tariffs regulation (3rd regulatory period), gas distribution revenues get by the gas distribution companies are no longer linked to volumes of gas sold / distributed.
New regoulation provides a revenues perequation system - managed by a national authority (i.e. “Cassa Conguaglio per il Settore Elettrico”) - that makes the gas distribution revenues equal the pre-determined Revenues Costraint (“Vincolo dei Ricavi” or “VRT”)



(*) Perequation system provides distribution companies 1) receive money from Cassa Conguaglio if the amount of distribution tariffs applied is lower than VRT and 2) pay money to Cassa Conguaglio if the same amount is higher than VRT

Gross margin on gas activities: new definition (1)

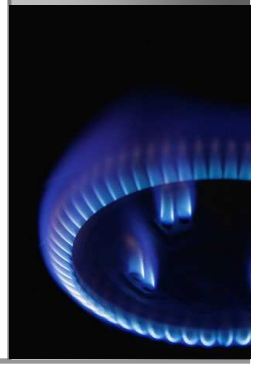
Because under the new gas distribution tariffs regulation, gas distribution revenues got by the gas distribution companies are no longer linked to volumes of gas distributed, it makes no sense to sum revenues from gas distribution revenues and gross margin from gas sales and trading activities.
For this reason, we propose a new method to analyse the gas Group Gross Margin, by considering separately:

- **GROSS MARGIN ON GAS SALES**

i.e. the gross margin on gas sales and trading activities got by the Group gas sales companies that still mainly depends on volumes of gas sold (although fixed component of gas sales selling price increased its level (Res. AEEG n. 64/09), so reducing dependence of gas selling price on volume of gas sold).

- **GAS DISTRIBUTION TARIFF REVENUES**

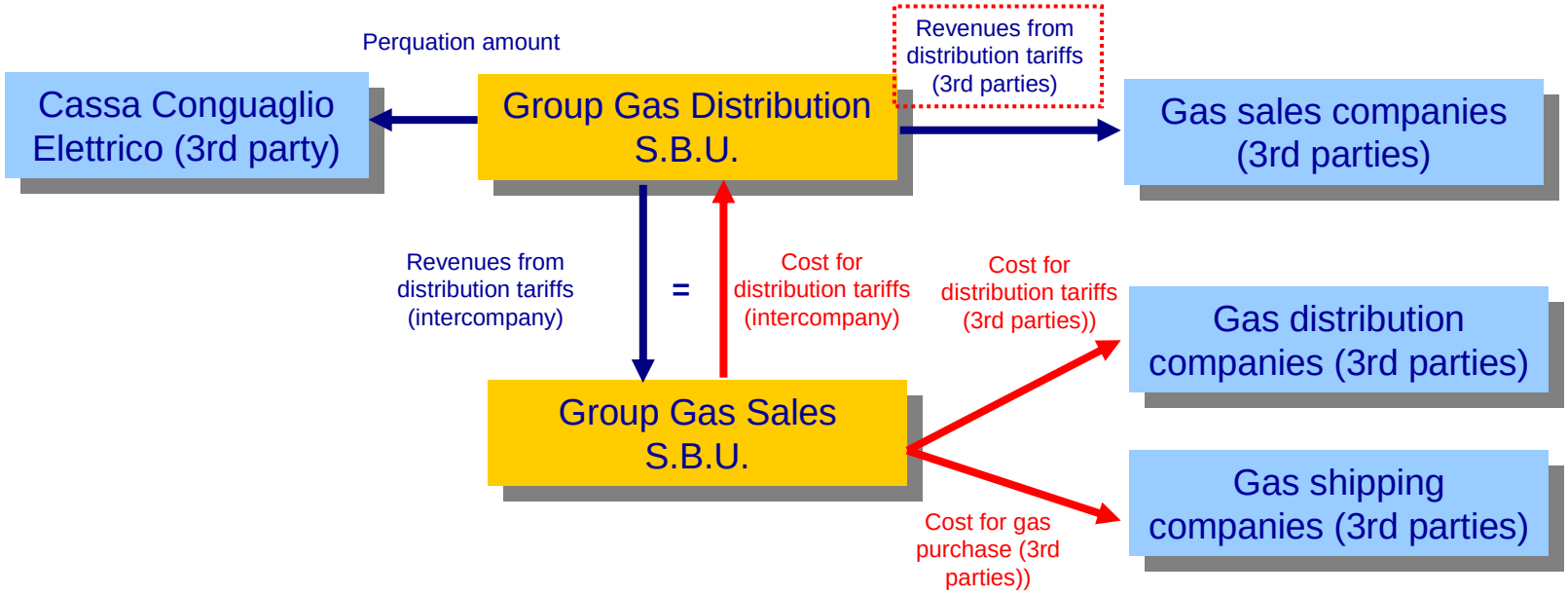
i.e. the revenues got by the Group gas distribution companies by applying distribution tariffs to gas sales companies – including revenues got by applying gas distribution tariffs both to the Group gas sales companies (intercompany revenues) and to other gas sales companies (third parties revenues) – and considering the positive or negative perequation amount to "Cassa Conguaglio".



Gross margin on gas activities: new definition (2)

GROSS MARGIN ON GAS SALES =
Revenues from gas sales(*) – Gas purchase costs – Intercompany distribution costs(**) – Distribution costs to third parties

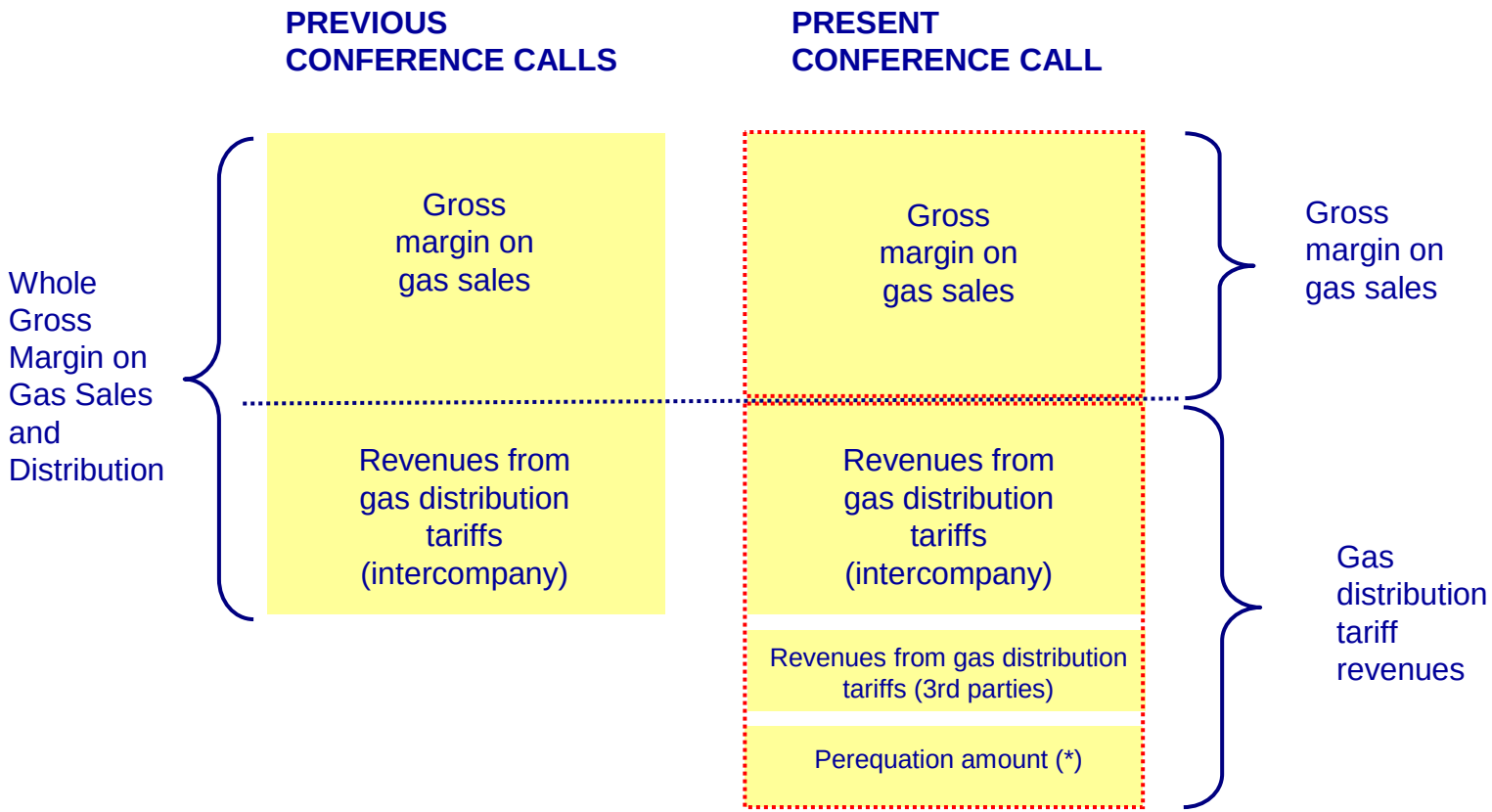
GAS DISTRIBUTION TARIFF REVENUES =
Intercompany revenues from distribution tariffs(**) + Revenues from distribution tariffs to third parties +/- Perequation amount – Contribution to national fund(***)



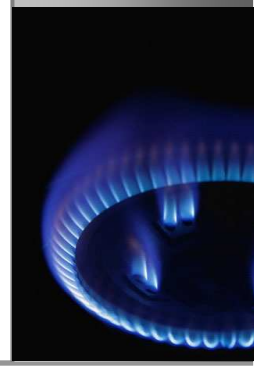
(*) Revenues from gas sales to end customers, gas wholesales to other gas sales companies and gas trading; (**) Intercompany distribution costs equal intercompany revenues from distribution cost (intercompany elided items); (***) Starting from 2009 contribution to national funds are zero, because distribution tariffs are net of these components.

Gross margin on gas activities: new definition (3)

Difference between the previous and the present method of analysis of the gross margin on gas sales and distribution activities



(*) Perequation amount could be positive (as represented in the present illustration) or negative



9M 2008 reconciliation

Period (Thousand of Euro)	**9M 2008**	**9M 2008**
Method of analysis	**Previous Conf. Call**	**Present Conf. Call**
Revenues from gas sales (*)	490.992	490.992
(Gas purchase costs) (**)	(435.266)	(435.266)
(Distribution costs - intercompany)	(28.050)	(28.050)
(Distribution costs to third parties)	(12.394)	(12.394)
Gross margin on gas sales (A)	**15.283**	**15.283**
Tariffs applied to sales companies (intercompany)	28.050	28.050
(Contribution to national funds)	(1.099)	(1.099)
Gas distribution tariff revenues (intercompany) (B)	**26.950**	**26.950**
Tariffs applied to sales companies (third parties)		2.275
Perequation amount (+ / -)		0
Gas distribution tariff revenues (third parties) + perequation (C)		**2.275**
Gross margin on gas distribution and sales (A) + (B)	**42.233**	
Gross margin on gas sales (A)		**15.283**
Gas distribution tariff revenues (B) + (C)		**29.225**

(*) Revenues before elisions; (**) Gas purchase costs before elisions

Gross margin on gas sales

(Thousand of Euro)	9M 2009	9M 2008	Chg	Chg %
Revenues from gas sales to end customers	334.192	299.418	34.774	+11,6%
Revenues from gas trading and wholesaling	172.018	191.574	(19.557)	-10,2%
Revenues from gas sales	**506.210**	**490.992**	**15.217**	**+3,1%**
(Gas purchase costs)	(442.870)	(435.266)	(7.604)	+1,7%
(Distribution costs)	(45.190)	(40.444)	(4.746)	+11,7%
Gross Margin on Gas Sales	**18.150**	**15.283**	**2.868**	**+18,8%**

1) Change of consolidation area (1stH 2009 of Edigas Due S.p.A. + 9M 2009 of Veritas Energia S.r.l. + 3rdQ 2009 of Pasubio Servizi S.r.l.) = + Euro 1,7 mln;

2) Impact of new tariff system for domestic clients (so called “mercato tutelato”) provided by Res. AEEG n. 64/09 (change of QVD tariff component) = + Euro 3,5 mln;

3) Decrease of margin on gas trading and wholesales activities: - Euro 0,4 mln.

4) Decrease of gas volumes sold, decrease of margin on business segment and other changes: - Euro 1,9 mln.

Distribution tariff revenues (1)

(Thousand of Euro)	9M 2009	9M 2008	Chg	Chg %
Tariffs applied to sales companies	34.242	30.285	3.957	+13,1%
(Contribution to national funds)	-	(1.099)	1.099	-100,0%
Perequation amount (+ / -)	6.314	-	6.314	n.a.
Gas distribution tariff revenues	**40.556**	**29.186**	**11.370**	**+39,0%**

The increase of gas distribution tariff revenues are due to:

1) Change of consolidation area (1stH 2009 of Edigas Esercizio Distribuzione Gas S.p.A.): + Euro 2,2 mln;

2) Change of gas distribution tariffs applied to gas sales companies: + Euro 3,9 Euro;

3) Change of accounting method for recording gas distribution tariff revenues: + Euro 5,3 Euro.

Change of accounting method affect only interim results, so there will be no impact of the new accounting method on the coming yearly financial report results (FY 2009).

Distribution tariff revenues (2)

Different accounting methods

1) Perequation amount is such that 9M 2009 distribution tariff method is nine twelfth of the whole FY 2009 Revenues Constraint ("Vincolo dei Ricavi" or "VRT");
2) 9M 2008 distribution tariff revenues are instead proportional to volumes of gas distributed in the period.

Normalization of 9M 2008 gas distribution revenues

In order to estimate the impact of the change in accounting method we normalize 9M 2008 gas distribution tariffs revenues adjusting them by adding a pro-forma perequation amount such that total distribution tariff revenues of the period equals nine twelfth of the distribution revenues realized by the Group in the entire FY 2008.

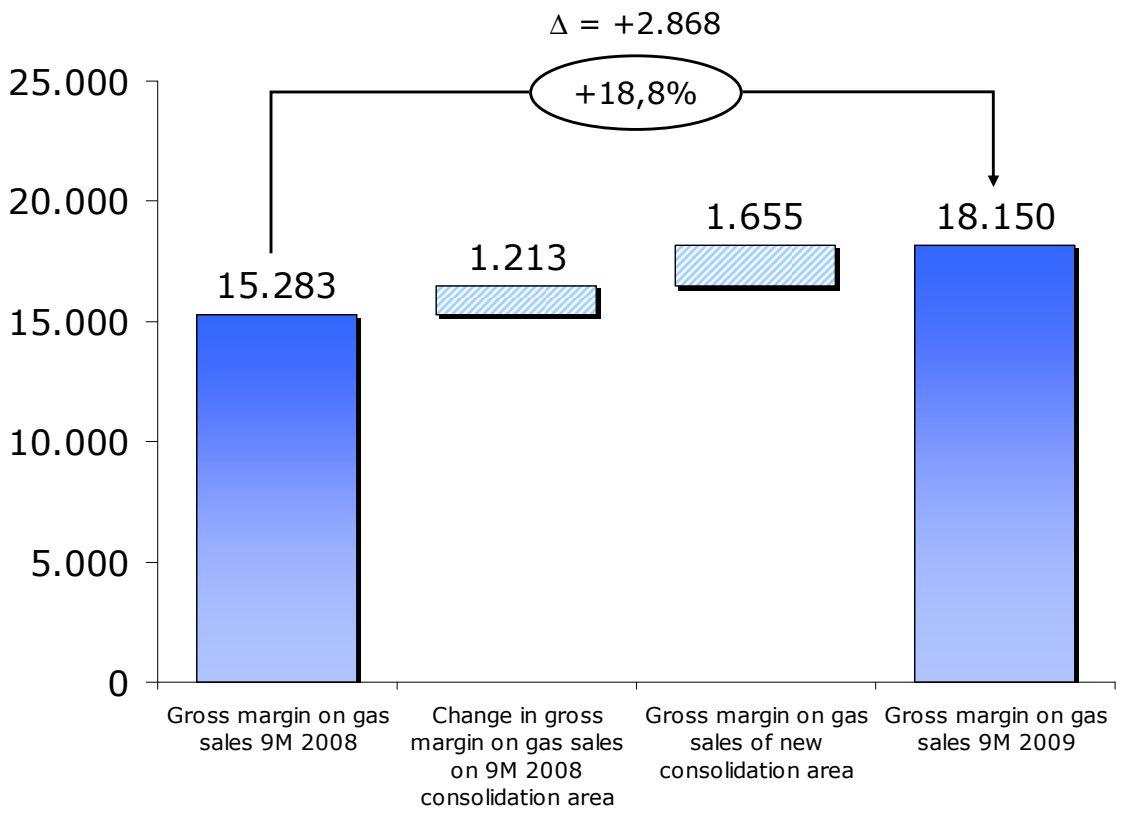
In this way the change in gas distribution tariff revenues increase of Euro 6,1 mln (+17,6%).

(Thousand of Euro)	9M 2009	9M 2008	Chg	Chg %
Tariffs applied to sales companies	34.242	30.285	3.957	+13,1%
(Contribution to national funds)	-	(1.099)	1.099	-100,0%
Perequation amount (+ / -)	6.314	5.303	1.011	+19,1%
Gas distribution tariff revenues	**40.556**	**34.489**	**6.067** (*)	**+17,6%**

(*) Total change = € 6,1M = € 2,2M (change of consolidation area) + € 3,9M (change of gas distribution tariff on 9M 2008 consolidation area)

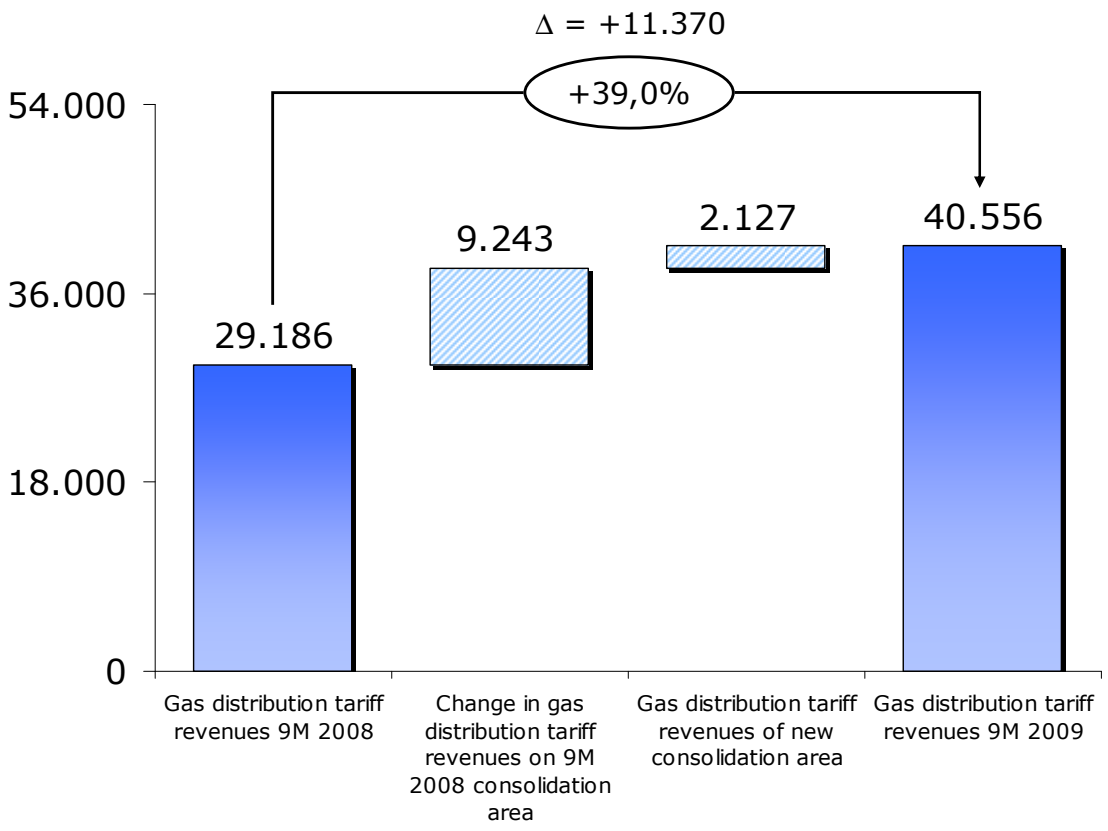
Gross margin on gas sales bridge

(Thousand of Euro)



Distribution tariff revenues bridge

(Thousand of Euro)



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Gross margin on gas activities

EBITDA

→ EBITDA bridge

Personnel

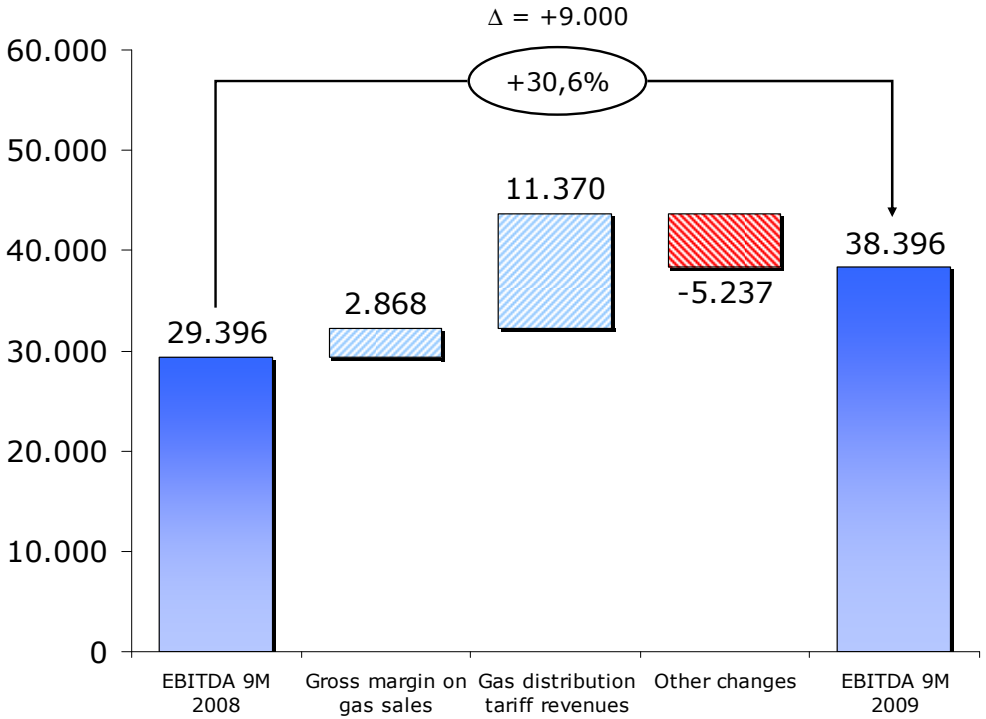
Capex and lenght of the gas distribution network

Net Financial Position

EBITDA bridge (1)

EBITDA bridge

(Thousand of Euro)



Other changes:

- **Net operating costs of new consolidation area:**

  - €2,3M:

- **Increase of net operating costs of 9M 2008 consolidation area:**

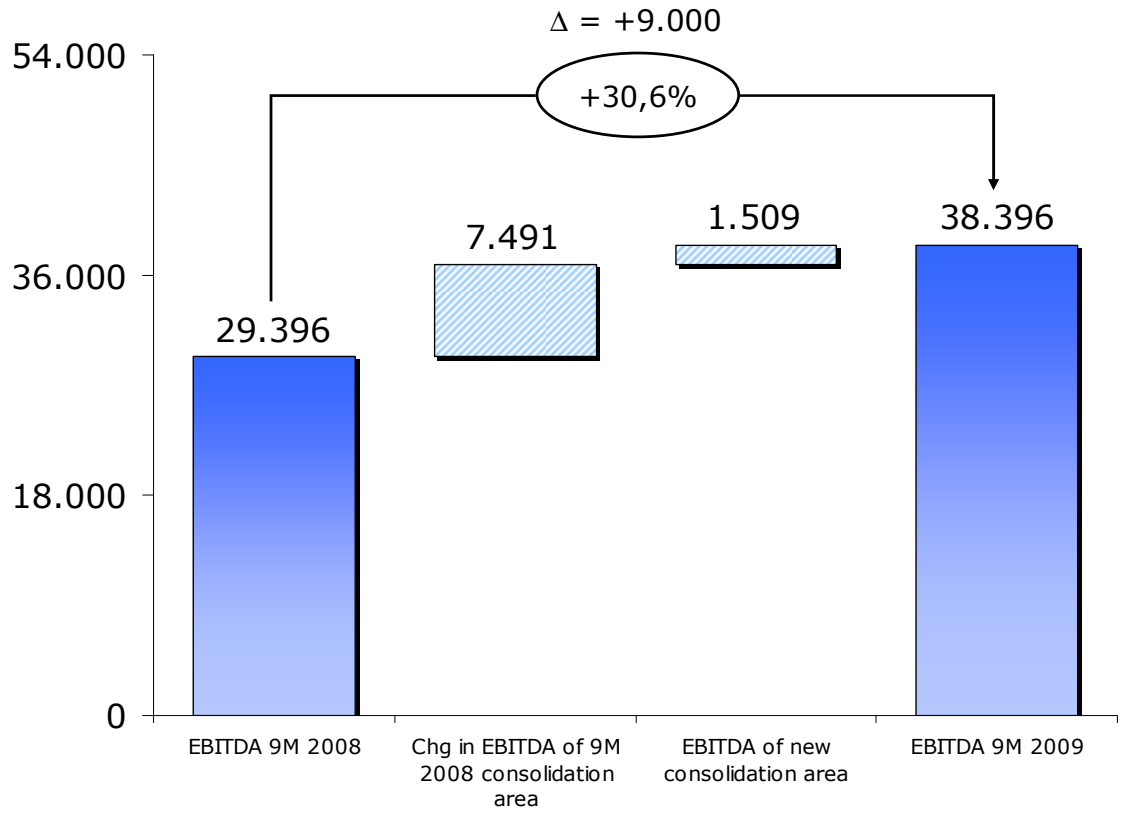
  - €3,0M:

- *Decrease of revenues for distribution network connection services: - €1,1M;*
- *Increase of personnel cost: - €1,2M*
- *9M 2008 Bimetano Servizi goodwill adjustment (extraordinary item): + €1,3M;*
- *Increase of net cost for white certificates: - €0,4M;*
- *Decrease of gross margin in heating management business: - €0,9 M*
- *Other changes: - €0,7M.*

EBITDA bridge (2)

EBITDA bridge

(Thousand of Euro)



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EBITDA

Personnel

→ Number of employees

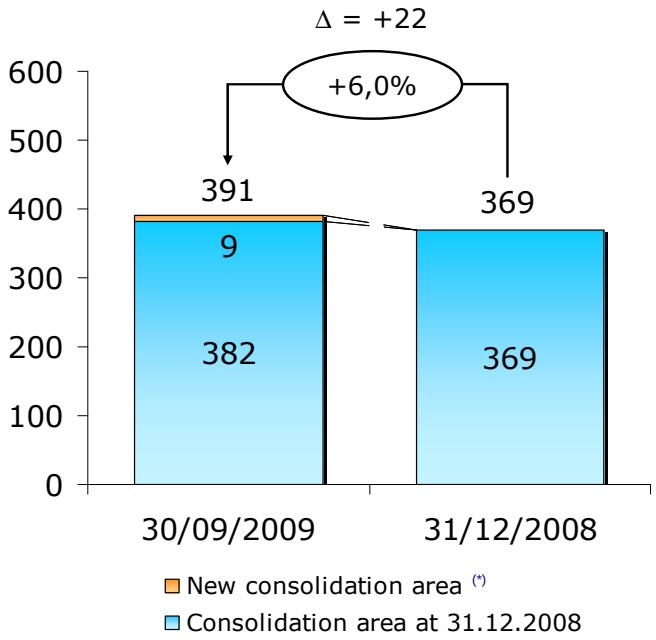
→ Cost of Personnel

Capex and lenght of the gas distribution network

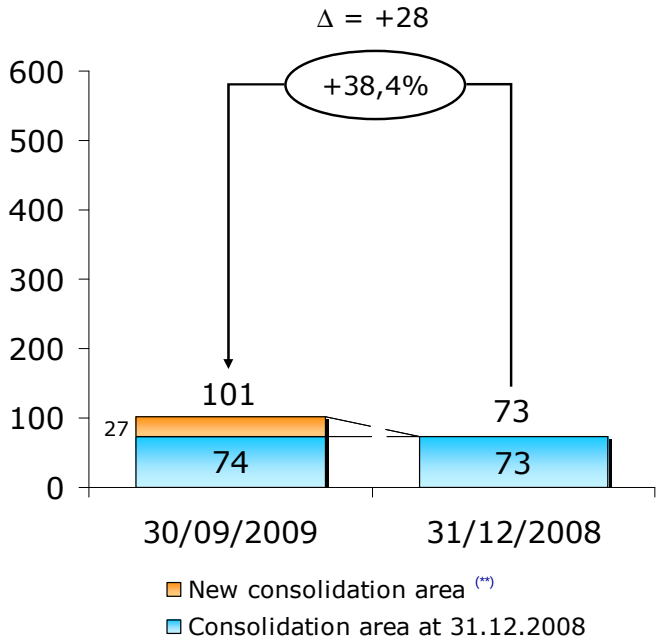
Net Financial Position

Number of employees

No. of employees
Companies consolidated at 100%

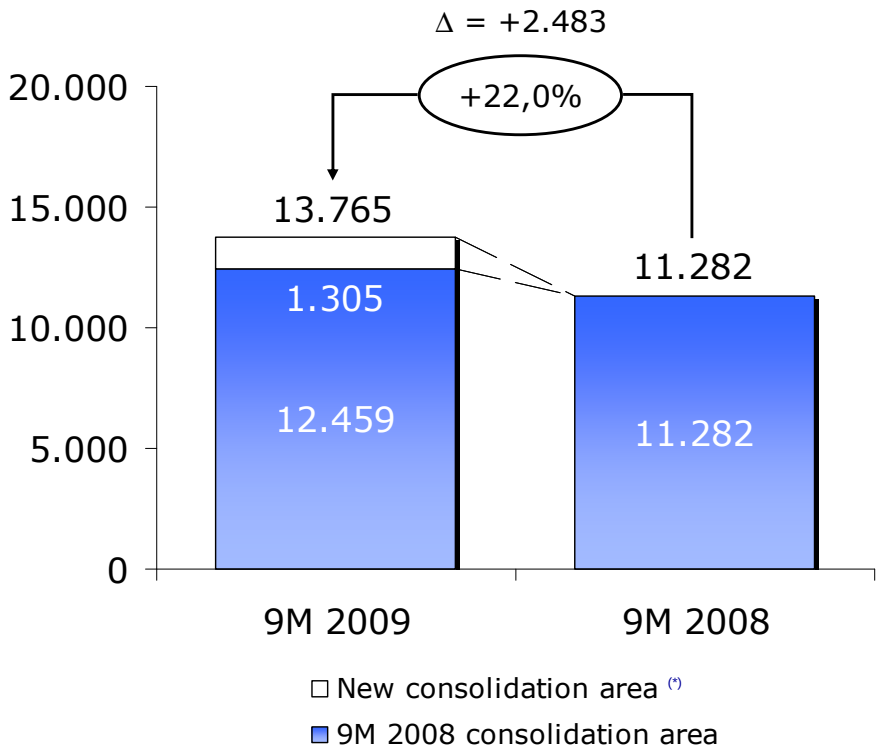


No. of employees
Companies consolidated at 49%-51%



(*) Pasubio Servizi; (**) Veritas Energia

Cost of personnel
(Thousand of Euro)



(*) 1stH 2009 of Edigas Due and Edigas Esercizio Distribuzione Gas + 9M 2009 of Veritas Energia and MetanoNove Vendita Gas + 3rdQ 2009 of Pasubio Servizi

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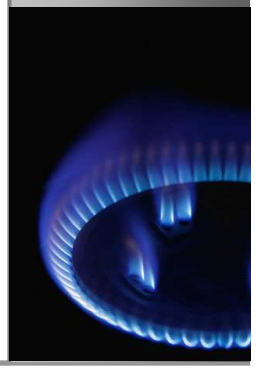
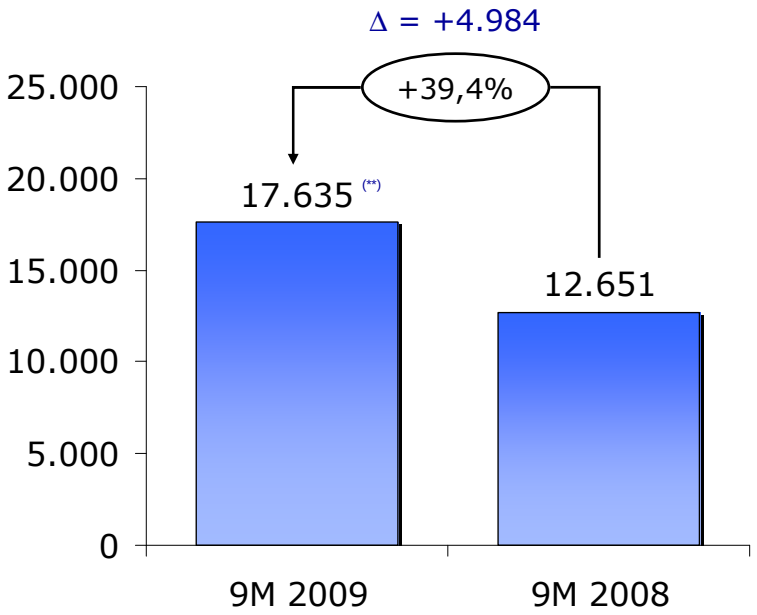
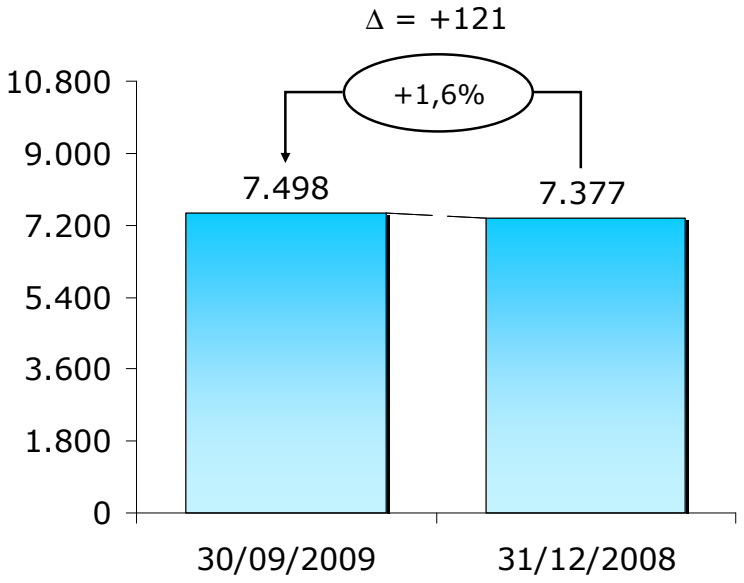


Capex and lenght of the gas distribution network

Capex (*)
(Thousand of Euro)



Length of the gas distribution network
(km)



(*) Excluding network extension in new urbanized areas that according to IAS are operating costs and not investments
(**) Tangible assets: 15.9 million of Euro; Intangible assets: 1.7 million of Euro

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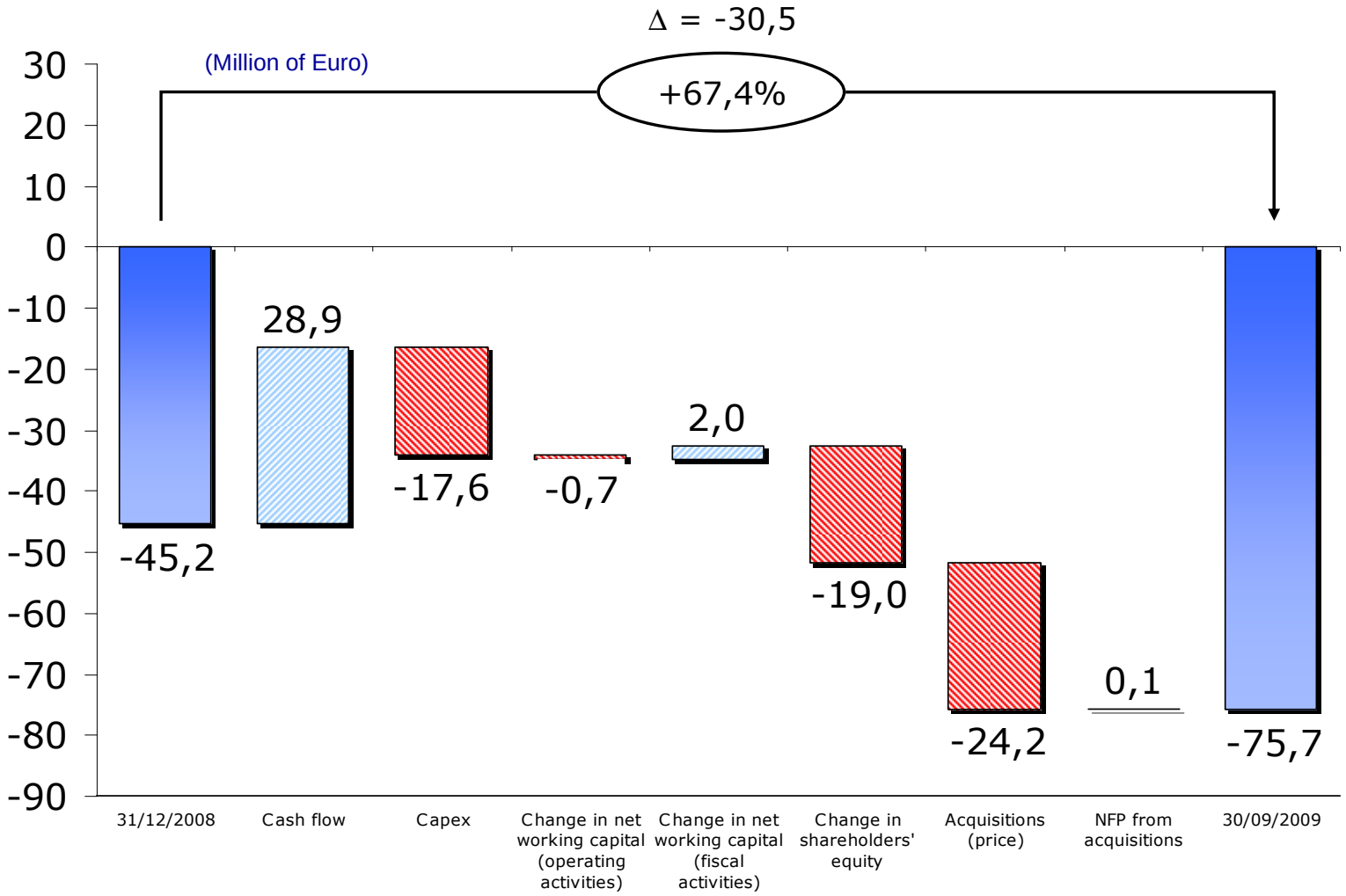
Net Financial Position (1)



Net Financial Position (2)

(Thousand of Euro)	30/09/2009	31/12/2008	Chg	Chg %
9M 2008 consolidation area (excluding Estenergy S.p.A.)	(64.578)	(32.715)	(31.863)	+97,4%
Estenergy S.p.A. (49%)	(14.219)	(12.534)	(1.685)	+13,4%
9M 2008 consolidated companies	(78.797)	(45.249)	(33.548)	+74,1%
New consolidated companies	3.070	-	3.070	n.a.
Group NFP	**(75.727)**	**(45.249)**	**(30.477)**	**+67,4%**