



## **PRESS RELEASE**

**ASCOPIAVE: The Board of Directors approves the results for 1H 2013.  
Steady growth in both operating result and consolidated net profit.  
Debt / shareholders' equity ratio among the best in the industry.**

- **Consolidated Revenues: € 518.2 million (-7,0% on the same period of FY 2012)**
- **EBITDA: € 71.7 million (+42,0%)**
- **EBIT: € 56.0 million (+54,1%)**
- **Consolidated Net Profit: € 29.6 million (+155.2%)**
- **Net Financial Position: € 92.7 million**
- **Net debt / shareholders' equity ratio: 0.24 at 30 June 2013.**

The Board of Directors of Ascopiave S.p.A - chaired by Mr. Fulvio Zugno - met yesterday to review and approve the Consolidated Interim Report of Ascopiave Group at 30 June 2013.

"The excellent results of the first half of 2013 confirm the positive trend highlighted in the 2012 and 1<sup>st</sup> Quarter 2013 financial results– declared the Chairman Mr. Fulvio Zugno - "In a context of reference which remains difficult, due to the persistence of a very deep social and economic crisis, the results obtained unequivocally testify the high solidity of industrial, economic and financial position of Ascopiave Group."

"The results – concluded the Chairman – ensure the Group the continuation of its development strategy and industrial upgrading, both internally and externally, in the distribution and sale of natural gas; without forgetting the renewable energy sector."

### **Consolidated results of Ascopiave Group in the first half of FY 2013**

#### **Revenues from sales**

Ascopiave Group has closed the first half of 2013 with consolidated revenues of € 518.2 million, a decrease compared to € 557.0 million recorded over the same period in 2012 (-7.0%). The fall in turnover was mainly due to lower revenues from natural gas sales, in the role of trader and wholesaler (€ -39.5 million), an activity that the Group has terminated in 2012, and also due to a drop in the sale of electric energy (€ -27.4 million). Such decreases have been partially offset by the growth in revenues from natural gas sales to the end market (€ +24.0 million).

#### **EBITDA**

Compared to the first half of 2012 EBITDA of Ascopiave Group has increased by € 21.2 million (+42.0%), amounting to € 71.7 million.

This growth was driven by an improvement in mark-ups on gas sales (€ +17.3 million) and electric power (€ +1.1 million), and by a revenue increase on gas distribution and measurements (€ +0.3 million), in addition to a positive contribution from the balance between residual cost and residual revenue items (€ +2.5 million).

The commercial margin increase is primarily explained by enhanced economic conditions in the procurement of raw material and a rise in the average unit price of sales . The higher price of sales was mainly determined by the rise in the quotations of energy products included in the indexation formulas and also by the drop in the amount of volumes sold to industrial clients that enjoy more favourable economic conditions of supply. The rise in the average unit price of sales



has offset the effects stemming from lower volumes which particularly hit the area of industrial clients.

The positive change in the contribution made by the balance between residual cost and residual revenue items was mainly due to the decrease in concession fees paid to the municipalities owners of the gas distribution service (€ +1.3 million), the gains generated through the sale of distribution plants (€ +0.7 million) and lower charges from provisions to risks and contingencies (€ +0,6 million).

### **EBIT**

EBIT for the first half of 2013, amounting to € 56.0 million, increased by €19.7 million (+54,1%), compared to the same period of the previous FY.

### **Net result**

The consolidated net result, € 29.6 million, has increased compared to the same period of the previous year by € 18.0 million (+155.2%).

The consolidation at equity of the affiliate Sinergie Italiane S.r.l. – under liquidation - has led to the allocation of € 0.2 million charge, against € 64 million in 1H 2012 (€ +6.2 million).

Other net financial charges, equivalent to € 3.0 million, have decreased by € 1.7 million mainly due to a decrease in financial charges pertinent to the loans granted by banks to the tune of € 0.7 million and lower expenses incurred by the subsidiary Estenergy S.p.A. to the amount of € 0.5 million.

Net income from assets held for sale decreased by € 0.7 million. The amount allocated to 1H 2012 income statement refers to photovoltaic operations managed by Serin S.r.l., sold in December 2012.

The taxes recorded in the income statement, amounting to € 23.2 million, have increased by € 8.8 million over 1H 2012 (+60,9%), consequent to the increase in taxable bases.

The tax rate, calculated by normalizing the pre-tax result from the consolidation of Sinergie Italiane S.r.l. , under liquidation, has fallen from 45.5% to 43.7%.

### **Operating performance in 1H 2013**

The volumes of gas sold to the end market by fully-consolidated companies in 1H 2013 have amounted to 549 million cubic metres, recording a decrease of 17.0% compared to the same period in 2012.

The companies consolidated on a pro rata basis (at 49% or at 51%) sold a total of 301 million cubic metres of gas (-31 million cubic metres; -9.2%) during 1H 2013.

As of 30 June 2013, the gas customers managed by companies consolidated at 100% amounted to approximately 554.000 units; while the customers of the pro-rata consolidated companies were about 290.000.

With regard to gas distribution, the volumes of gas delivered through networks managed by companies consolidated at 100% were 499 million cubic metres, with a reduction of 3.4% compared to the same period the previous year.



To these must be added the 101 million cubic metres distributed by Unigas Distribuzione S.r.l., consolidated through the proportional method (48.86%).

The Group distribution network, as of 30 June 2013, stretches over a length of 8.611 km. with 1.020 km under the scope of Unigas Distribuzione S.r.l.

### **Investments**

During the first six months of 2013, the Group made investments amounting to € 10.7 million, of which € 5.0 million on connections, extensions, maintenance and modernization of the gas distribution networks and plants; € 0.3 million on metres and € 4.3 million relating to concessions, balanced by divestments of licensed assets for € 3.6 million.

### **Indebtedness and Debt/Net Equity Ratio**

The net financial position of the Group as of 30 June 2013 amounted to € 92.7 million, a decrease over the 6-month period of € 77.4 million, due to:

- Self-financing (consolidated net profit + depreciations + provisions): € +45.4 million;
- Management of net working capital: € +65.1 million;
- Net investments: € -6.3 million;

Net equity management: € -26.9 million (mainly due to purchase of treasury shares and distribution of dividends).

The net debt/shareholders' equity ratio as of 30 June 2013 was 0.24 (0,38 as of 30 June 2012).

### **Significant events subsequent to the close of the period**

On 27 August 2013, the company received the first two instalments of the loan agreement signed by the holding Ascopiave Group with the European Investment Bank (BEI), equal to respectively € 35 million and € 10 million. The financing was stipulated in June 2013 for a global amount of € 70 million: its goal is to support investments for the upgrade and expansion of the gas distribution network in the regions of Veneto and Lombardy.

### **Outlook for the year 2013**

With regard to distribution, the Ascopiave Group will be working on the enhancement of its portfolio of licenses and jointly defining the industrial value of the networks and distribution systems with the lessors, ahead of its participation in tenders for the acquisition of new contracts. Consequently, the Group intends to consolidate its leading position in the Triveneto area and its role as a major player in the domestic market. In order to obtain all the tools deemed necessary for the success of the tenders, the Company is making significant organizational endeavours - even through the adoption of new corporate governance models - and is active on the financial markets to raise the necessary resources to participate in calls for tenders.

The firm profit outlook of distribution activities depends on the certainty of the regulation and, from this point of view, to date there are no reasons as to why the Group should be unable to reach at least the results achieved in 2012.

As for the sales segment, commercial margins for 2013 are expected to be essentially in line with the results obtained in 2012.

On the one hand, this assumption stems from the adoption of regulatory provisions, concerning a review of the criteria for defining supply prices to the protected market, which will lead to a progressive reduction in margins, while providing for gradual mechanisms in the implementation of regulatory intervention. On the other hand, the prospects for 2013 are positively influenced by



the portfolio of gas supply for the current thermal year, of which the consolidated results of 1Q 2013 have benefited.

The profitability, on an annual basis, could however be influenced by the evolution of the overall competitive landscape, by the macroeconomic trend and by the supply policies implemented for the thermal year 2013-2014, currently being defined.

The actual results of 2013 could be different from those announced depending on various factors amongst which: the evolution of gas demand, supply and prices, the actual operational performance, the general macroeconomic conditions, the impact of regulations in the energy and environmental field, the successful development and application of new technologies, the changes in stakeholders expectations and other changes to business conditions.

### **Seasonal features of operations**

Gas consumption undergoes a considerable amount of variations on a seasonal basis, with a greater demand in winter in relation to higher consumptions for heating. The seasonality influences the trend of revenues from gas sales and of supply costs, while other operating costs are fixed and incurred by the Group in a uniform manner throughout the year. This peculiarity of the business also affects the performance of the Group's net financial position, as the active and passive billing cycles are not aligned and also depend on the volumes of gas sold and purchased during the year. Therefore, the data and the information contained in the interim financial statements do not allow for immediate indications to be drawn regarding the overall performance for the year.

### **Statement by the manager in charge**

The manager in charge of preparing the company accounting documents, Mr. Cristiano Belliato, hereby states, under the terms of paragraph 2 of article 154 bis of the Unified Finance Law, that the accounting information note contained in this press release corresponds to the document results, accounting books and records.

### **Notice of filing of the 1H Management Report at 30 June 2013**

The Consolidated Management Report for the period ended 30 June 2013 has been made available to the public at the registered office of the Ascopiave Group, at the stock management company Borsa Italiana S.p.A, website: [www.borsaitaliana.it](http://www.borsaitaliana.it), and on the Company website ([www.ascopiave.it](http://www.ascopiave.it)).

### **Annexes**

Consolidated accounting schedules, subject to limited audit.

*The Ascopiave Group operates in the natural gas sector, mainly in the distribution and sales sectors to end customers.*

*Thanks to its broad customer base and the quantity of gas sold, Ascopiave is currently one of the main operators in the industry at a national level.*

*The Group owns concession and direct assignments for the management of distribution activities in over 200 towns, supplying the service to a market segment of over 1 million residents through a distribution network which spreads over 8,000 kilometres.*

*The sale of natural gas is performed through different companies, some are controlled through a majority stake and others affiliated with 49% and 51% and on which the Group*



*exercises a combined control with other members. Overall, the affiliate and subsidiary companies supply gas to more than 850.000 end clients.*

*Since 12 December 2006, Ascopiave has been quoted in the Star segment of the Italian Stock Exchange.*

Contact: Community Group  
Giuliano Pasini  
Auro Palomba  
Tel. 0422 / 416111  
Cell. 335 / 6085019

Ascopiave  
Tel. 0438/98.00.98  
Roberto Zava - Media Relator  
Cell. 335 / 1852403  
Giacomo Bignucolo – Investor Relator  
Cell. 335 / 1311193

Pieve di Soligo, 30 August 2013



## **Ascopiave Group**

**Consolidated interim financial statements  
as of 30<sup>th</sup> June 2013**



*Consolidated assets and liabilities statement as of 30th June 2013 and as of 31st December 2012*

| <b>(thousands of Euro)</b>        | <b>Re-exposed(*)</b> |                   |
|-----------------------------------|----------------------|-------------------|
|                                   | <b>30.06.2013</b>    | <b>31.12.2012</b> |
| <b>ASSETS</b>                     |                      |                   |
| <b>Non-current assets</b>         |                      |                   |
| Goodwill                          | (1) 115,630          | 115,630           |
| Other intangible assets           | (2) 331,885          | 334,827           |
| Tangible assets                   | (3) 39,745           | 40,534            |
| Shareholdings in other company    | (4) 1                | 1                 |
| Other non-current assets          | (5) 11,786           | 11,763            |
| Advance tax receivables           | (6) 18,521           | 18,054            |
| <b>Non-current assets</b>         | <b>517,568</b>       | <b>520,808</b>    |
| <b>Current assets</b>             |                      |                   |
| Inventories                       | (7) 3,499            | 3,053             |
| Trade receivables                 | (8) 185,176          | 301,449           |
| Other current assets              | (9) 32,233           | 57,287            |
| Current financial assets          | (10) 25,715          | 24,723            |
| Tax receivables                   | (11) 1,374           | 1,648             |
| Cash and cash equivalents         | (12) 38,105          | 26,992            |
| <b>Current assets</b>             | <b>286,100</b>       | <b>415,151</b>    |
| <b>ASSETS</b>                     | <b>803,668</b>       | <b>935,959</b>    |
| <b>NET EQUITY AND LIABILITIES</b> |                      |                   |
| <b>Total net equity</b>           |                      |                   |
| Share capital                     | 234,412              | 234,412           |
| Reserves                          | 152,565              | 149,642           |
| <b>Net equity of the Group</b>    | <b>386,976</b>       | <b>384,053</b>    |
| <b>Net equity of Others</b>       | <b>4,503</b>         | <b>4,765</b>      |
| <b>Total net equity</b>           | <b>(13) 391,479</b>  | <b>388,819</b>    |
| <b>Non-current liabilities</b>    |                      |                   |
| Provisions for risks and charges  | (14) 9,058           | 11,218            |
| Severance indemnity               | (15) 3,594           | 3,384             |
| Medium and long-term bank loans   | (16) 26,854          | 29,420            |
| Other non-current liabilities     | (17) 17,457          | 16,622            |
| Non-current financial liabilities | (18) 586             | 613               |
| Deferred tax payables             | (19) 32,265          | 32,897            |
| <b>Non-current liabilities</b>    | <b>89,814</b>        | <b>94,155</b>     |



**Current liabilities**

|  |      |                |                |
|--|------|----------------|----------------|
| Payables due to banks and financing institutions | (20) | 118,342        | 183,277        |
| Trade payables                                   | (21) | 87,209         | 231,735        |
| Tax payables                                     | (22) | 7,785          | 2,716          |
| Other current liabilities                        | (23) | 98,290         | 26,724         |
| Current financial liabilities                    | (24) | 10,750         | 8,534          |
| <b>Current liabilities</b>                       |      | <b>322,375</b> | <b>452,986</b> |
| <b>Liabilities</b>                               |      | <b>412,189</b> | <b>547,141</b> |
| <b>NET EQUITY AND LIABILITIES</b>                |      | <b>803,668</b> | <b>935,959</b> |

\* Following the application from 1 January 2013 (retrospectively) of the amendment to IAS 19, the data for the first half of 2012 shows comparative purposes have been restated as required by IAS 1. For more details, refers to the "accounting standards, amendments and interpretations applied by 1 January 2013".





*Consolidated income statement and overall consolidated income statement*

|   |      | <b>Re-exposed(*)</b> |                   |
|---|------|----------------------|-------------------|
| <b>(thousands of Euro)</b>  |      | <b>30.06.2013</b>    | <b>30.06.2012</b> |
| <b>Revenues</b>   | (25) | <b>518,173</b>       | <b>556,975</b>    |
| <b>Total operating costs</b>  |      | <b>451,906</b>       | <b>511,008</b>    |
| Purchase costs for raw material (gas)   | (26) | 324,154              | 358,971           |
| Purchase costs for other raw materials  | (27) | 26,815               | 48,580            |
| Costs for services  | (28) | 70,608               | 78,612            |
| Costs for personnel   | (29) | 13,743               | 12,959            |
| Other management costs  | (30) | 17,280               | 11,894            |
| Other income  | (31) | 694                  | 9                 |
| Amortization and depreciation   | (32) | 10,291               | 9,650             |
| <b>Operating result</b>   |      | <b>55,977</b>        | <b>36,318</b>     |
| Financial income  | (33) | 1,453                | 827               |
| Financial charges   | (33) | 4,430                | 5,496             |
| Evaluation of companies consolidated with the net equity method                   | (33) | (188)                | (6,354)           |
| <b>Earnings before tax</b>  |      | <b>52,811</b>        | <b>25,295</b>     |
| Taxes for the period  | (34) | 23,180               | 14,404            |
| <b>Result for the period</b>  |      | <b>29,632</b>        | <b>10,890</b>     |
| Net income from discontinued operations/disposal                                  | (35) |                      | 721               |
| <b>Net result for the period</b>  |      | <b>29,632</b>        | <b>11,611</b>     |
| Group's Net Result  |      | 27,762               | 10,379            |
| Third-Parties Net Result  |      | 1,869                | 1,232             |
| <b>Overall income statement</b>   |      |                      |                   |
| 1. components that will be reclassified in the future in the income statement     |      |                      |                   |
| 2. components that will not be reclassified in the future in the income statement |      |                      |                   |
| Actuarial profit & loss on defined benefit plans                                  |      | (93)                 | (11)              |
| <b>Overall income statement result</b>  |      | <b>29,539</b>        | <b>11,601</b>     |
| Group's overall net result  |      | 27,669               | 10,369            |
| Third parties' overall net result   |      | 1,869                | 1,232             |
| Base income per share   |      | 0,12                 | 0,04              |
| Diluted net income per share  |      | 0,12                 | 0,04              |

\* Following the application from 1 January 2013 (retrospectively) of the amendment to IAS 19, the data for the first half of 2012 shows comparative purposes have been restated as required by IAS 1. For more details, refers to the "accounting standards, amendments and interpretations applied by 1 January 2013".

Note: earnings per share is calculated by dividing net profit for the period attributable to the shareholders of the company for the number of shares. For the purpose of calculating basic earnings per share Note that the numerator is used the profit or loss of the period minus the share attributable to third parties. Please note that there is no preferred dividend, the conversion of preference shares and other similar effects which should rectify the economic outcome attributable to holders of ordinary capital instruments. The diluted earnings per share is equal to the per share as there are shares that might be diluting effect and there are no shares or warrants that could have the same effect.



*Consolidated statement of changes in shareholders' equity*

| (thousands of Euro)                                     | Share capital  | Legal reserve | Own shares      | Reserves IAS 19 actuarial differences | Other reserves | Net result for the period | Group's net equity | Net result and net equity of others | Total net equity |
|---|----------------|---------------|-----------------|---------------------------------------|----------------|---------------------------|--------------------|-------------------------------------|------------------|
| <b>Balance as of 1st January 2013</b>                   | 234,412        | 46,882        | (17,109)        | 97                                    | 91,809         | 27,962                    | 384,053            | 4,765                               | 388,818          |
| Result for the period                                   |                |               |                 |                                       |                | 27,762                    | 27,762             | 1,869                               | 29,632           |
| IAS 19 TFR actualization for the period                 |                |               |                 | (93)                                  |                |                           | (93)               | (0)                                 | (93)             |
| <b>Total result of overall income statement</b>         |                |               |                 | <b>(93)</b>                           |                | <b>27,762</b>             | <b>27,669</b>      | <b>1,869</b>                        | <b>29,539</b>    |
| Allocation of 2012 result                               |                |               |                 |                                       | 27,962         | (27,962)                  | (0)                |                                     | (0)              |
| Dividends distributed to Ascopiave S.p.A. shareholders' |                |               |                 |                                       | (24,484)       |                           | (24,484)           |                                     | (24,484)         |
| Dividends distributed to third parties shareholders     |                |               |                 |                                       |                |                           | (0)                | (2,132)                             | (2,132)          |
| Purchase of own shares                                  |                |               | (262)           |                                       |                |                           | (262)              |                                     | (262)            |
| <b>Balance as of 30th June 2013</b>                     | <b>234,412</b> | <b>46,882</b> | <b>(17,371)</b> | <b>4</b>                              | <b>95,287</b>  | <b>27,762</b>             | <b>386,976</b>     | <b>4,503</b>                        | <b>391,479</b>   |

| (thousands of Euro)                             | Share capital  | Legal reserve | Own shares      | Reserves IAS 19 actuarial differences | Other reserves | Net result for the period | Group's net equity | Net result and net equity of others | Total net equity |
|---|----------------|---------------|-----------------|---------------------------------------|----------------|---------------------------|--------------------|-------------------------------------|------------------|
| <b>Balance as of 1st January 2012</b>           | 234,412        | 46,882        | (15,721)        | (0)                                   | 86,031         | 6,266                     | 357,870            | 4,696                               | 362,567          |
| Result for the period                           |                |               |                 |                                       |                | 13,439                    | 13,439             | 1,311                               | 14,750           |
| IAS 19 TFR actualization for the period         |                |               |                 | (11)                                  |                |                           | (11)               | (0)                                 | (11)             |
| <b>Total result of overall income statement</b> |                |               |                 | <b>(11)</b>                           | <b>(0)</b>     | <b>13,439</b>             | <b>13,429</b>      | <b>1,311</b>                        | <b>14,740</b>    |
| Allocation of 2011 result                       |                |               |                 |                                       | 6,266          | (6,266)                   | (0)                |                                     | (0)              |
| Purchase of own shares                          |                |               | (635)           |                                       |                |                           | (635)              |                                     | (635)            |
| Other operations                                |                |               |                 |                                       | (350)          |                           | (350)              |                                     | (350)            |
| <b>Balance as of 30th June 2012</b>             | <b>234,412</b> | <b>46,882</b> | <b>(16,356)</b> | <b>(11)</b>                           | <b>91,947</b>  | <b>13,439</b>             | <b>370,316</b>     | <b>6,008</b>                        | <b>376,321</b>   |



*Financial statements*

| (thousands of Euro)  | <b>Re-exposed(*)</b> |                |
|--|----------------------|----------------|
|  | 30.06.2013           | 30.06.2012     |
| <b>STATEMENT OF CASH FLOW</b>                              |                      |                |
| <b>Net income of the Group</b>                             | <b>27,762</b>        | <b>10,380</b>  |
| <b>Cash flows generated (used) by operating activities</b> |                      |                |
| <b>Adjustments to reconcile net income to net cash</b>     |                      |                |
| Third-parties operating result                             | 1,869                | 1,232          |
| Amortization   | 10,291               | 10,301         |
| Bad debt provisions  | 5,451                | 4,523          |
| Variations in severance indemnity                          | 210                  | 92             |
| Net variation of other funds                               | (2,348)              | 98             |
| Evaluation of subsidiaries with the net equity method      | 188                  | 6,354          |
| Gains on disposal of investments                           | (249)                | 0              |
| Interests paid   | (1,594)              | (2,916)        |
| Taxes paid   | (7,692)              | (14,358)       |
| Interest expense for the period                            | 1,838                | 2,942          |
| Taxes for the period                                       | 24,283               | 8,639          |
| <b>Variations in assets and liabilities</b>                |                      |                |
| Inventories  | (446)                | 1,070          |
| Accounts payables  | 110,821              | 88,270         |
| Other current assets                                       | 25,054               | 41,281         |
| Trade payables   | (144,526)            | (118,888)      |
| Other current liabilities                                  | 59,198               | 58,692         |
| Other non-current assets                                   | (23)                 | 333            |
| Other non-current liabilities                              | 835                  | (274)          |
| <b>Total adjustments and variations</b>                    | <b>83,160</b>        | <b>87,391</b>  |
| <b>Cash flows generated (used) by operating activities</b> | <b>110,922</b>       | <b>97,770</b>  |
| <b>Cash flows generated (used) by investments</b>          |                      |                |
| Investments in intangible assets                           | (9,879)              | (6,398)        |
| Realisable value of intangible assets                      | 4,370                | 1,842          |
| Investments in tangible assets                             | (830)                | (3,463)        |
| Realisable value of tangible assets                        | 49                   | 65             |
| Other net equity operations                                | (93)                 | (345)          |
| <b>Cash flows generated (used) by investments</b>          | <b>(6,384)</b>       | <b>(8,298)</b> |
| <b>Cash flows generated (used) by financial activities</b> |                      |                |
| Net changes in debts due to other financers                | (27)                 | (27)           |
| Net changes in short-term bank borrowings                  | (64,935)             | (49,630)       |
| Net variation in current financial assets and liabilities  | 1,224                | (9,739)        |
| Interest expense   | (243)                | (26)           |
| Purchase of own shares                                     | (262)                | (1,266)        |
| Net changes in medium and long-term loans                  | (2,566)              | (4,632)        |
| Dividends distributed to Ascopiave S.p.A. shareholders'    | (24,484)             | (0)            |
| Dividends distributed to other shareholders                | (2,132)              | (1,830)        |
| Coverage of losses of subsidiary companies                 | 0                    | (27,455)       |



|   |                 |                 |
|---|-----------------|-----------------|
| <b>Cash flows generated (used) by financial activities</b>      | <b>(93,426)</b> | <b>(94,605)</b> |
| <b>Variations in cash</b>                                       | <b>11,113</b>   | <b>(5,133)</b>  |
| <b>Cash and cash equivalents at the beginning of the period</b> | <b>26,992</b>   | <b>44,854</b>   |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>38,105</b>   | <b>39,721</b>   |

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