



PRESS RELEASE

**ASCOPIAVE: The Board of Directors approves results of first quarter 2013.
Steady growth in both operating margins and profit for the year**

- Consolidated revenue¹: € 371.5 million (-6.4% compared to first quarter 2012)
- EBITDA: € 57.0 million (+53.8%)
- Operating profit: € 49.2 million (+59.3%)
- Consolidated net profit: € 27.9 million (+89.0%)
- Net financial position: € 140.0 million

Debt/equity ratio, 0,34, among the top ranks in the industry

The Board of Directors of Ascopiave S.p.A., which met today under the chairmanship of Mr. Fulvio Zugno, has examined and approved the management interim report of the Ascopiave Group as of 31 March 2013.

"The results achieved in the first quarter of 2013 are extremely positive - all the performance indicators are upbeat," stated the Chairman Mr. Fulvio Zugno. "The Group, notwithstanding the complex economic and market environment, has proved that it has embarked on a winning strategy, concentrating its efforts in the gas sector, with an effective balance between regulated and commercial activities.

The quarterly data are the fruit of the restructuring operations implemented, the soundness of the strategic choices and of the reorganization undertaken since the appointment of the sitting Board of Directors.

The positive results of the quarter confirm the healthy trends highlighted in the financial statements approved by the meeting held on 23 April 2013, and allow the shareholders to look optimistically to the future and to the upcoming distribution of dividends.

We also believe that the consistency of performance represents the ideal condition to pursue the development spheres identified, both in sales - through strategic and operational partnerships, and in distribution - through the rationalization of territorial positioning and the strengthening of financial structures."

Consolidated results of Ascopiave Group in first quarter 2013

Revenues from Sales

Ascopiave Group closes first quarter 2013 with consolidated revenues of € 371.5 million, compared with € 396.9 million recorded in the same period in 2012 (-6.4%). The drop in turnover was mainly generated by shrinking revenues from gas sales to end users (€ -15.5 million) and from electricity sales (€ -11.9 million).

¹Comparison with first quarter 2012

In December 2012, the Group sold its 50% stake in Serin Srl, an enterprise heading a group of companies in the photovoltaic sector. In the income statement relating to first quarter of 2012 reported in the interim financial report as of 31 March 2013, the consolidated results of the sold assets has been reclassified as "Net income from assets held for sale", with a different definition of the income statement items and of profit margins compared to the results of the interim management report as of 31 March 2012.



EBITDA

Compared to first quarter in 2012, EBITDA of Ascopiave Group increased by € 19.9 million (+53.8%), amounting to € 57.0 million.

This growth was driven by an improvement in mark-ups on gas sales (€ 19.4 million) and by a revenues increase on gas distribution and measurements (+€ 0.4 million).

The commercial margin increase is primarily explained by enhanced economic conditions in procurement of gas as raw material, in virtue of the supply contract in force from 1 October 2012.

The change in the contribution of the residual cost and revenue items balance, totalling € +0.2 million, is due to increased costs of personnel to the tune of € -0.5 million, a greater commercial margin of € +0.4 million from electricity sale, lower advertising and customer acquisition costs of € +0.3 million, a lower margin from the management of energy efficiency certificates of € -0.5 million, lower contributions on connections of € -0.5 million, gains from the sale of distribution facilities of € +0.7 million and other changes amounting to € +0.3 million.

Operating results

The operating earnings in first quarter 2013, amounting to € 49.2 million, increased compared to the same period of the previous year by € 18.3 million € (+59.3%).

Net profit

Consolidated net profit, amounting to € 27.9 million, records an increase, compared to the same period of the previous year, of € 13.1 million (+89.0%), due to improvement in operating profitability, accompanied by a decrease in net financial expenses, a significant reduction in the loss suffered by the affiliated company Sinergie Italiane S.r.l. – under liquidation, consolidated with the equity method, a reduction in net income from assets held for sale (following the sale of the stake in Serin S.r.l.) and an increase in the fiscal burden due to income taxes.

The other net financial expenses, amounting to € 1.6 million, decreased by € 0.7 million mainly because of the improvement in the net financial position, of interest rates reduction and of lower expenses incurred by the subsidiary company Esternergy S.p.A., which in 2012 recorded significant costs related to a financial transaction of trade receivables securitisation.

The net income from assets held for sale decreased by € 0.8 million due to the disposal of photovoltaic assets held by Serin S.r.l. in December 2012.

The taxes recorded in the income statement, amounting to € 19.4 million, increased by € 6.8 million compared to first quarter 2012 (+54.3%).

The tax rate, calculated by normalizing the pre-tax result of the consolidation effects Sinergie Italiane S.r.l., under liquidation, falls from 44.0% to 40.7%.



Operating performance in first quarter 2013

The volumes of gas sold to end users by companies consolidated at 100% in first quarter 2013 amounted to 434.1 million cubic meters, recording a decrease of 12.5% compared to the same period in 2012.

The companies consolidated on a pro rata basis (at 49% or at 51%) sold a total of 242.4 million cubic meters of gas (-24.2 million cubic meters; -9.1%) in first quarter 2013.

Likewise, during the same period, the Ascopiave Group did not perform gas sales as a trader and wholesaler.

As of 31 March 2013, the gas customers managed by companies consolidated at 100% amounted to over 557,000 units, while the customers of companies consolidated on a pro-rata basis are about 290,000.

With regard to gas distribution, the volumes of gas delivered through networks managed by companies consolidated at 100% were 377.9 million cubic meters, with a reduction of 4.4% compared to the same period the previous year. The amount of 79.9 million cubic meters distributed by Unigas Distribuzione S.r.l., consolidated by using the proportional method (48.86%), must be added to these.

The Group distribution network, as of 31 March 2013, has a length of 8566 km (a decrease due to the sale of certain concessions for gas distribution in the Lombardy area), of which 1,015 km managed by the newly-established Unigas Distribuzione S.r.l.

Investments

In first quarter 2013, the Group made investments amounting to € 6.5 million, of which € 1.8 million mainly in connections, extensions, maintenance and modernization of the gas distribution networks and plants, 0.1 million meters in measuring metres and 4.3 million in licences, balanced by divestments of licensed assets for € 3.6 million.

Debt, debt/net equity ratio

The net financial position of the Group as of 31 March 2013 amounted to € 140.0 million, an increase over the 3-month period of € +30.1 million, due to:

- Self-financing (net income + depreciations + provisions): € +35,7 million;
- Management of net working capital: € -2.9 million;
- Investments in tangible and intangible assets (net of sales): € -2.6 million

The debt/net equity ratio as of 31 March 2013 amounted to 0.34, ranking amongst the top in the industry.

Significant events after the end of the quarter

On 13 May 2013, the Electricity and Gas Authority issued Resolution no. 196/2013/R/GAS, implementing the second stage of the economic regulations reform governing the safeguard of natural gas supplies commencing 1 October 2013, including revision of the portion (QVD) on retail sale marketing.

The Company, having acknowledged the resolution, will evaluate the impacts of the same on operating profits of the sale segment.

²Retail sales component



Outlook for the year 2013

With regard to distribution, year 2013 will herald the involvement of the Ascopiave Group in the development of its portfolio of concessions and a joint definition with the lessors, of the industrial value of the networks and distribution systems as well as the scope for participation in tenders for the acquisition of new concessions, through which 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 efforts - even by adopting 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 first quarter of the year have benefited.

The profitability, on an annual basis, could therefore be influenced, in addition to the expected rate provisions referred to above - whose impacts on commercial margins are under evaluation - also by the evolution of the more general competitive landscape, by the macroeconomic trend and by the supply policies implemented for the thermal year 2013-2014.

The actual results of 2013 could differ compared to 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 varies considerably on a seasonal basis, with a higher 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. The seasonality 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 drawing meaningful conclusions as to the overall 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 Interim Management Report at 31 March 2013

The Interim Management Report at 31 March 2013 has been made available to the public at the registered office, at the stock management company Borsa Italiana S.p.A (website www.borsaitaliana.it) and on the Company website (www.ascopiave.it).

Annexes

Consolidated accounting prospects not subject to auditing

The Ascopiave Group operates in the natural gas sector, mainly in the distribution and sales sectors for end clients.

Thanks to its broad customer base and the quantity of gas sold, Ascopiave is currently one of the main operators of 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 one million 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.

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Pieve di Soligo, 15 May 2013



Ascopiave Group
Accounting statements of the Interim Report as of 31st March 2013

Consolidated statement of financial position

(thousands of Euro)		31.03.2013	31.12.2012
Assets			
Non-current assets			
Goodwill	(1)	115.631	115.630
Other intangible assets	(2)	332.860	334.827
Tangible assets	(3)	40.135	40.534
Shareholdings in other companies	(4)	1	1
Other non-current assets	(5)	11.811	11.763
Advance tax receivables	(6)	17.904	18.054
Non-current assets		518.342	520.808
Current assets			
Inventories	(7)	3.222	3.053
Trade receivables	(8)	395.541	301.449
Other current assets	(9)	26.110	57.287
Current financial assets	(10)	24.216	24.723
Tax receivables	(11)	1.487	1.648
Cash and cash equivalents	(12)	34.865	26.992
Current assets		485.441	415.151
Assets		1.003.783	935.959
NET EQUITY AND LIABILITIES			
Total net equity			
Share capital		234.412	234.412
Reserves		175.684	149.642
Net equity of the Group		410.095	384.053
Net equity of Others		6.562	4.765
Total Net equity	(13)	416.657	388.819
Non-current liabilities			
Provisions for risks and charges	(14)	9.254	11.218
Severance indemnity	(15)	3.440	3.384
Medium- and long-term bank loans	(16)	30.287	29.420
Other non-current liabilities	(17)	16.610	16.622



Non-current financial liabilities	(18)	600	613
Deferred tax payables	(19)	32.573	32.897
Non-current liabilities		92.763	94.155
Current liabilities			
Payables due to banks and financing institutions	(20)	151.891	183.277
Trade payables	(21)	218.577	231.735
Tax payables	(22)	12.973	2.716
Other current liabilities	(23)	94.607	26.724
Current financial liabilities	(24)	16.315	8.534
Current liabilities		494.364	452.986
Liabilities		587.126	547.141
Net equity and liabilities		1.003.783	935.959



Consolidated income statement

(thousands of Euro)		First quarter of 2013	First quarter of 2012
Revenues	(25)	371.523	396.886
Total operating costs		317.371	361.390
Purchase costs for raw material (gas)	(26)	236.810	280.035
Purchase costs for other raw materials	(27)	15.668	25.521
Costs for services	(28)	46.798	45.307
Costs for personnel	(29)	6.887	6.362
Other management costs	(30)	11.894	4.259
Other income	(31)	687	94
Amortization and depreciation	(32)	4.918	4.585
Operating result		49.235	30.911
Financial income	(33)	1.046	467
Financial charges	(33)	2.646	2.804
Evaluation of subsidiary companies with the net equity method	(33)	(351)	(2.096)
Earnings before tax		47.284	26.478
Taxes for the period	(34)	19.407	12.576
Result for the period		27.877	13.902
Net result from transfer/disposal of assets	(35)		848
Net result for the period		27.877	14.750
Group's Net Result		26.080	13.439
Third parties Net Result		1.797	1.311
Overall income statement			
<i>Variation of Cash Flow Hedge reserves of subsidiary companies</i>	*		(1.116)
Overall income statement result		27.877	13.634
Group's overall net result		26.080	12.323
Third parties' overall net result		1.797	1.311
Base income per share		0,11	0,06
Diluted net income per share		0,11	0,06



Consolidated statement of changes in shareholders' equity

(thousands of Euro)	Share capital	Legal reserve	Own shares	Other reserves	Net result for the period	Group's net equity	Net result and net equity of others	Total net equity
Balance as of 01st January 2013	234.412	46.882	(17.109)	92.003	27.865	384.053	4.765	388.818
Result for the period					26.080	26.080	1.797	27.877
Total result of overall income statement					26.080	26.080	1.797	27.877
Allocation of 2012 result				27.865	(27.865)	(0)		(0)
Share buyback			(38)			(38)		(38)
Balance as of 31st March 2013	234.412	46.882	(17.147)	119.868	26.080	410.095	6.562	416.657

(thousands of Euro)	Share capital	Legal reserve	Own shares	Other reserves	Net result for the period	Group's net equity	Net result and net equity of others	Total net equity	
Balance as of 01st January 2012		234.412	46.882	(15.721)	86.031	6.266	357.870	4.696	362.567
Result for the period						13.439	13.439	1.311	14.750
Reserve for evaluation of subsidiary companies' net equity					(1.116)		(1.116)		(1.116)
Total result of overall income statement					(1.116)	13.439	12.323	1.311	13.634
Allocation of 2011 result					6.266	(6.266)	(0)		(0)
Share buyback				(635)			(635)		(635)
Other operations					(350)		(350)		(350)
Balance as of 31st March 2012		234.412	46.882	(16.356)	90.831	13.439	369.210	6.008	375.217



Consolidated statement of Cash Flows

(Thousands of Euro)	First quarter of 2013	First quarter of 2012
Net income of the Group	26.080	13.439
Cash flows generated/(used) by operating activities		
Adjustments to reconcile net income to net cash		
Third-party operating result	1.797	1.311
Amortization	4.918	4.890
Bad debt provisions	2.853	1.576
Variations in severance indemnity	56	(18)
Net variation of other funds	(2.316)	(142)
Evaluation of subsidiaries with the net equity method	351	2.096
Interest expenses paid	(913)	(1.463)
Taxes paid	(0)	(0)
Interest expenses for the period	1.006	1.564
Taxes for the period	19.407	12.576
Variations in assets and liabilities:		
Inventories	(168)	1.200
Trade receivables	(96.945)	(101.969)
Other current assets	31.177	35.155
Trade payables	(13.158)	25.408
Other current liabilities	58.720	68.254
Other non-current assets	(48)	(11)
Other non-current liabilities	(13)	(41)
Total adjustments and variations	6.723	50.386
Cash flows generated/(used) by operating activities	32.803	63.825
Cash flows generated/(used) by investments		
Investments in intangible assets	(6.273)	(3.128)
Realisable value of intangible assets	3.953	1.836
Investments in tangible assets	(233)	(1.992)
Realisable value of tangible assets	0	56
Other changes in net equity	0	(350)
Cash flows generated/(used) by investments	(2.553)	(3.578)
Cash flows generated/(used) by financial activities		
Net changes in debts due to other financiers	(13)	(13)
Net changes in short-term bank borrowings	(31.385)	(32.365)
Net changes in financings to subsidiary companies	8.287	(7.533)
Interest expenses	(93)	(101)
Share buyback	(38)	(635)
Net changes in medium- and short-term loans	866	(149)
Cash flows generated/(used) by financing activities	(22.376)	(40.796)
Variations in cash	7.873	19.450
Cash and cash equivalents at the beginning of the period	26.992	44.854
Cash and cash equivalents at the end of the period	34.865	64.304