GROUP PRESENTATION

Frankfurt, March 4th 2015

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Group business activities

Ascopiave Group operates mainly in the **gas sector**.

Main business activities

Gas distribution	Regulated activity / concession awarded by municipalities
Gas sales to end customers	Not regulated activity / free market

Other business activities

- Heat management
- Cogeneration
- Electricity sales

GAS DISTRIBUTION - 2013 KEY FIGURES (*)

scm = standard cubic meters

No. of managed concessions	193	
Length of gas distribution network (km)	8,121	
Vol. of gas distributed (scm/mln)	912	
⇨ Full consolidated companies (scm/mln)	833	(91%)
⇨ Companies consolidated with equity method (scm/mln)	79	(9%)

GAS SALES - 2013 KEY FIGURES (*)

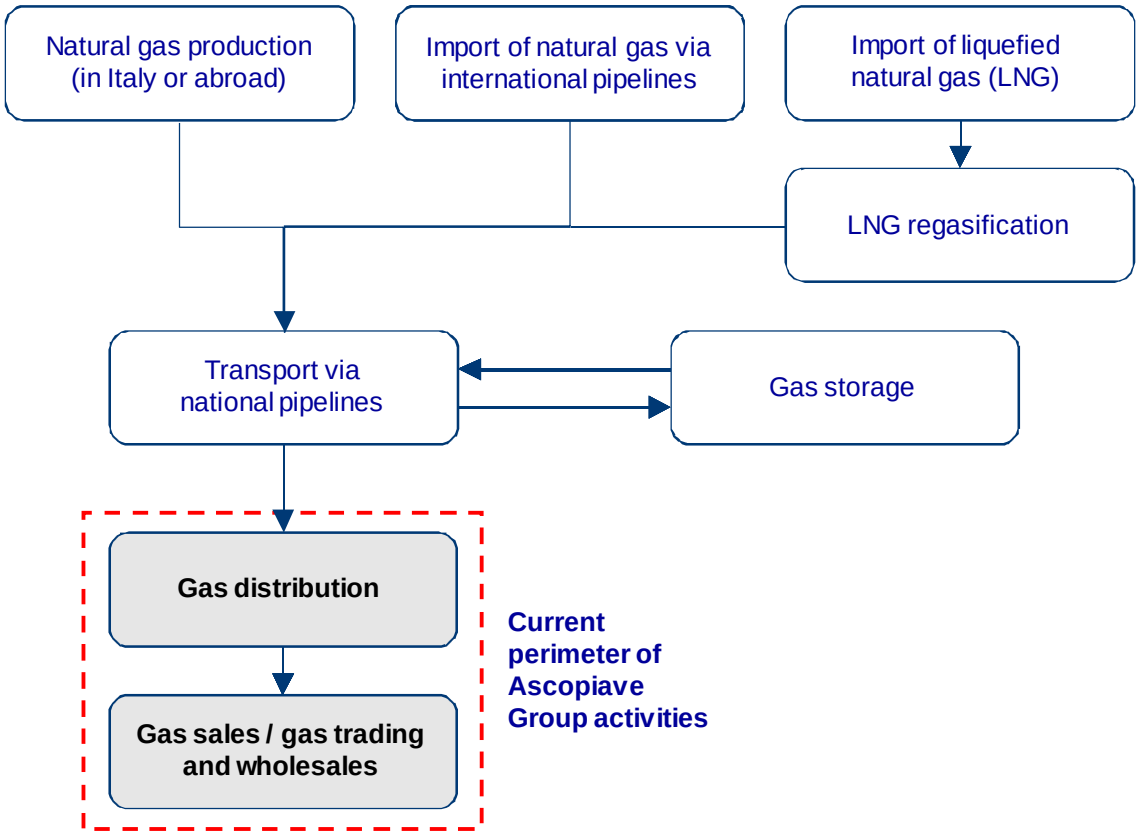
scm = standard cubic meters

Vol. of gas sold to end customers (scm/mln)	1,107	
⇨ Full consolidated companies (scm/mln)	880	(79%)
⇨ Companies consolidated with equity method (scm/mln)	227	(21%)

(*) Data of companies consolidated proportionally or with equity method are considered pro-quota.

Competitive environment: the gas chain in Italy

- Regulated activities
- Liberalized activities



Up-stream and Mid-stream segments

Down-stream segment

Main italian gas down-stream operators

The Group has created an industrial pole that is a **national player** in the gas sector and a **leading regional player in "Triveneto"**.

VOLUMES OF GAS DISTRIBUTED (*)

Ranking	Operator	Vol. (smc)	%
1	Snam	7,800	22.9%
2	F2I Reti Italia	5,661	16.6%
3	Hera	2,684	7.9%
4	Iren	2,099	6.2%
5	A2A	2,072	6.1%
6	Toscana Energia	1,218	3.6%
7	**Ascopiave** (a)	**912**	**2.7%**
8	Estra	770	2.3%
9	Linea Group Holding	676	2.0%
10	Amga - Azienda Multiservizi	475	1.4%
11	Erogasmet	410	1.2%
12	Acsm-Agam	397	1.2%
13	Agsm Verona	380	1.1%
14	Ambiente Energia Brianza	378	1.1%
15	Energei	333	1.0%
16	Gas Natural Sdg	326	1.0%
17	Gas Rimini	294	0.9%
18	Dolomiti Energia	287	0.8%
19	Edison	281	0.8%
20	Aimag	275	0.8%
	Others	6,394	18.7%
	Total	**34,122**	**100.0%**

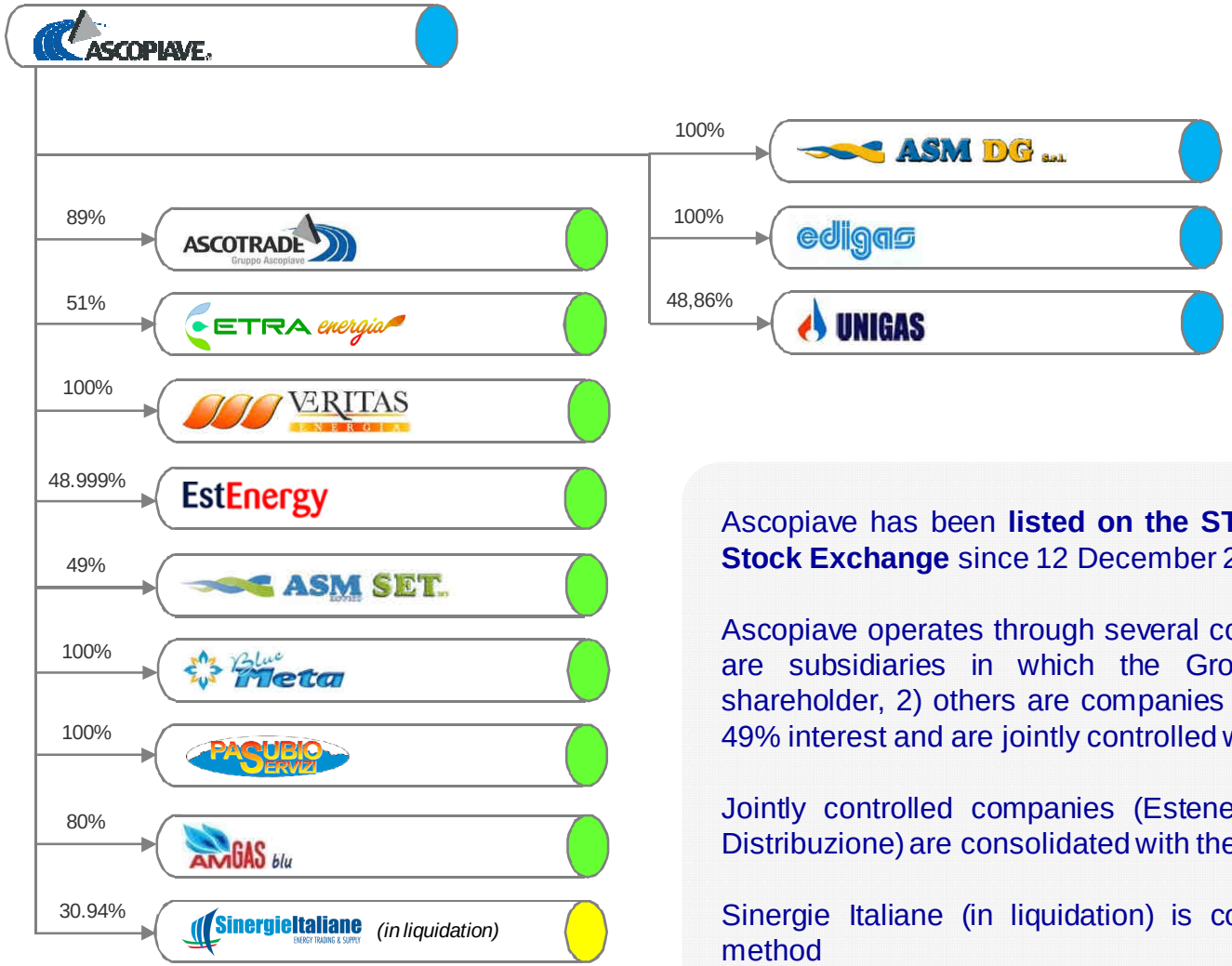
VOLUMES OF GAS SOLD (*)

Ranking	Group	Vol. (smc)	%
1	Eni	16,375	25.9%
2	Edison	7,555	11.9%
3	Enel	5,803	9.2%
4	GdF Suez	3,137	5.0%
5	E.On	2,904	4.6%
6	Iren	2,482	3.9%
7	Hera	2,123	3.4%
8	Royal Dutch Shell	1,764	2.8%
9	A2A	1,588	2.5%
10	Sorgenia	1,406	2.2%
11	**Ascopiave** (b)	**1,107**	**1.7%**
12	Estra	745	1.2%
13	Erogasmet	529	0.8%
14	Dolomiti Energia	459	0.7%
15	Unogas	439	0.7%
16	Linea Group Holding	429	0.7%
17	Erg	419	0.7%
18	Swiss Power & Gas	381	0.6%
19	Agsm Verona	377	0.6%
20	Enerxenia	366	0.6%
	Others	12,950	20.4%
	Total	**63,338**	**100.0%**

With over 640.000 gas sale customers, Ascopiave Group **ranks 1st in "Triveneto"**

(*) In house processing on 2013 AEEGSI data. Data of companies consolidated proportionally or with equit method are considered pro-quota; (a) Including volumes distribuited by Ascopiave, Edigas Esercizio Distribuzione Gas, Asm Distribuzione Gas and Unigas Distribuzione; (b) Including volumes sold by Ascotrade, Etra Energia, Asm Set, Estenergy, Veritas Energia, Pasubio Servizi, Blue Meta and Amgas Blu.

Ascopiave Group structure as of January, 1st 2015



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

Ascopiave operates through several companies: (1) some of them are subsidiaries in which the Group is the great majority shareholder, 2) others are companies in which the Group holds a 49% interest and are jointly controlled with the other shareholders

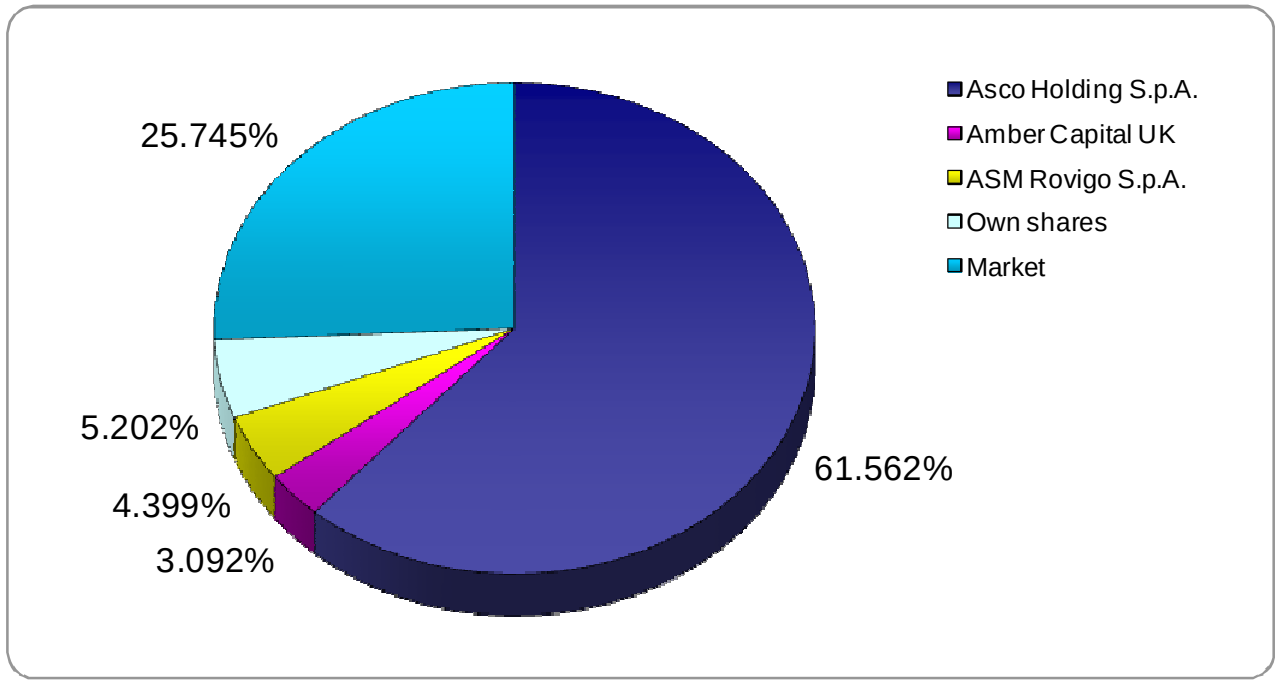
Jointly controlled companies (Estenergy, Asm Set and Unigas Distribuzione) are consolidated with the equity method

Sinergie Italiane (in liquidation) is consolidated with the equity method

Ascopiave Shareholders

Asco Holding S.p.A. directly controls the capital of Ascopiave S.p.A. in an amount equal to 61.562%.

Asco Holding S.p.A. is entirely owned by public shareholders, 92 municipalities mainly located in the province of Treviso.



Internal processing of information received by Ascopiave S.p.A. pursuant to art. 120 TUF.

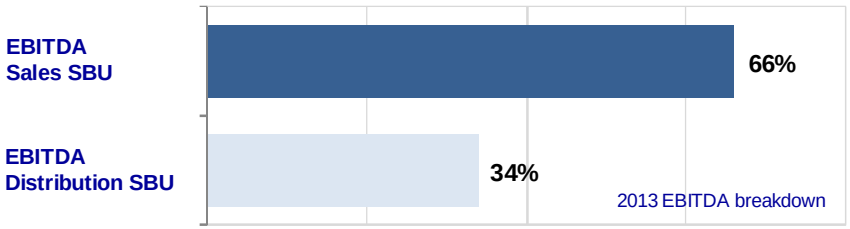
2013 MAIN FINANCIAL DATA (*)

INCOME STATEMENT

	Group	Distribution SBU (**)	Sales SBU (***)
Revenues (****)	854,334	94,100	839,569
EBITDA	**105,904**	**35,998**	**69,906**
EBIT	76,787	18,957	57,830
Net income	41,040		

BALANCE SHEET 31/12/2013

Fixed assets	531,527
Net working capital	2,752
TOTAL CAPITAL EMPLOYED	**534,278**
Shareholders equity	402,679
Net financial position	131,600
TOTAL SOURCES	**534,278**



INDICATORS 31/12/2013

NFP / EQUITY	**0.33**
NFP / EBITDA	**1.24**

(*) Thousand of Euro; (**) Distribution SBU includes heating services management and cogeneration; (***) Sales SBU includes gas sales and electricity sales; (****) Gas distribution SBU and gas sales SBU revenues are represented before elisions

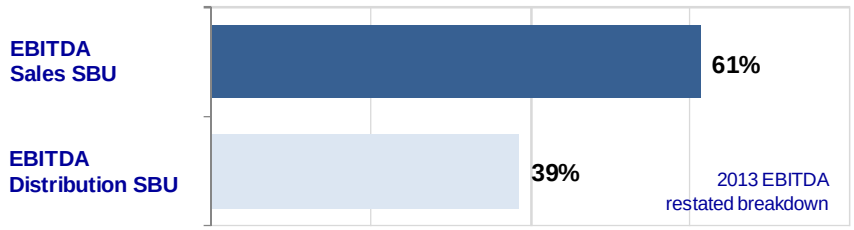
2013 MAIN FINANCIAL DATA RESTATED ACCORDING TO IFRS 11 (*)

INCOME STATEMENT RESTATED

	Group	Distribution SBU (**)	Sales SBU (***)
Revenues (****)	667,837	87,145	644,726
EBITDA	**86,188**	**33,338**	**52,850**
EBIT	61,877	17,082	44,805
Evaluation of companies with equity method (❖)	6,468	802	5,666
Net income	41,040		

BALANCE SHEET RESTATED 31/12/2013

Tangible and intangible assets	465,028
Investments in associates	72,421
Net working capital	(10,960)
TOTAL CAPITAL EMPLOYED	**526,489**
Shareholders equity	402,679
Net financial position	123,810
TOTAL SOURCES	**526,489**



(❖)

EBITDA of the company consolidated with the equity method: €19,7 mln (distribution companies: €2,7 mln + sales companies: €17,0 mln)

EBIT of the company consolidated with the equity method: €14,9 mln (distribution companies: €1,9 mln + sales companies: €13,0 mln)

(*) Thousand of Euro; (**) Distribution SBU includes heating services management and cogeneration; (***) Sales SBU includes gas sales and electricity sales; (****) Gas distribution SBU and gas sales SBU revenues are represented before elisions

2009-2013 EBITDA break-down by Strategic Business Unit

(Million of Euro)	INCOME STATEMENT	Group	Distribution SBU	%	Sales SBU	%
2013	**Revenues**	**854,3**	**94,1**		**839,6**	
	(Gas purchase costs)	(520,1)	0,0		(522,2)	
	(Other operating costs)	(228,3)	(58,1)		(247,4)	
	EBITDA	**105,9**	**36,0**	**34,0%**	**69,9**	**66,0%**
2012	**Revenues**	**1.078,0**	**95,4**		**1.055,4**	
	(Gas purchase costs)	(688,1)	0,0		(689,4)	
	(Other operating costs)	(287,3)	(61,5)		(297,3)	
	EBITDA	**102,7**	**33,9**	**33,1%**	**68,7**	**66,9%**
2011	**Revenues**	**1.099,2**	**92,0**		**1.075,6**	
	(Gas purchase costs)	(772,6)	0,0		(773,9)	
	(Other operating costs)	(233,5)	(57,2)		(243,3)	
	EBITDA	**93,2**	**34,9**	**37,4%**	**58,3**	**62,6%**
2010	**Revenues**	**855,9**	**86,7**		**842,3**	
	(Gas purchase costs)	(608,5)	0,7		(609,6)	
	(Other operating costs)	(169,4)	(54,5)		(187,6)	
	EBITDA	**78,0**	**32,9**	**42,1%**	**45,1**	**57,9%**
2009	**Revenues**	**764,2**	**77,2**		**763,5**	
	(Gas purchase costs)	(581,5)	(0,0)		(592,4)	
	(Other operating costs)	(121,1)	(35,6)		(151,1)	
	EBITDA	**61,5**	**41,6**	**67,6%**	**19,9**	**32,4%**

Gas distribution business is characterized by **stable operating margins**.
Increase of the **gas sales business** operating margins over the last years is due to the **external growth** and to **higher profitability**, mainly thanks to declining gas procurement costs.

Financial leverage comparison

FINANCIAL RATIOS (*)	LOCAL UTILITIES (**) (Average data)	ASCOPIAVE	VAR.
Financial leverage	1,33	0,33	-1,00
D/D+E	56,6%	24,6%	-31,9%
E/D+E	43,4%	75,4%	31,9%
D/EBITDA	3,42	1,24	-2,18

Ascopiave **financial leverage** (0.33) is **lower than those of the Italian listed comparables** (avg: 1.33).

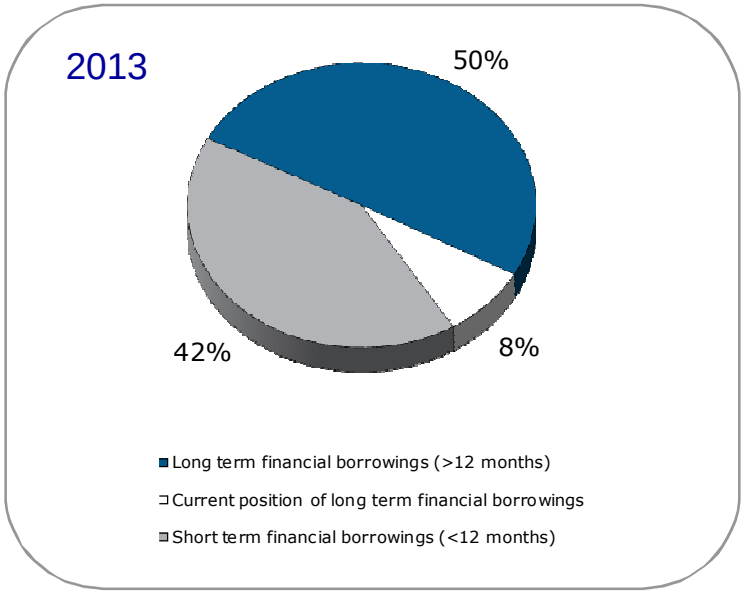
The low indebtedness level is a very positive result in the light of a macroeconomic scenario that makes access to credit a real challenge, which therefore strengthens the Group's economic and financial soundness and enables it to reap the opportunity of carrying out potential extraordinary transactions in next years.

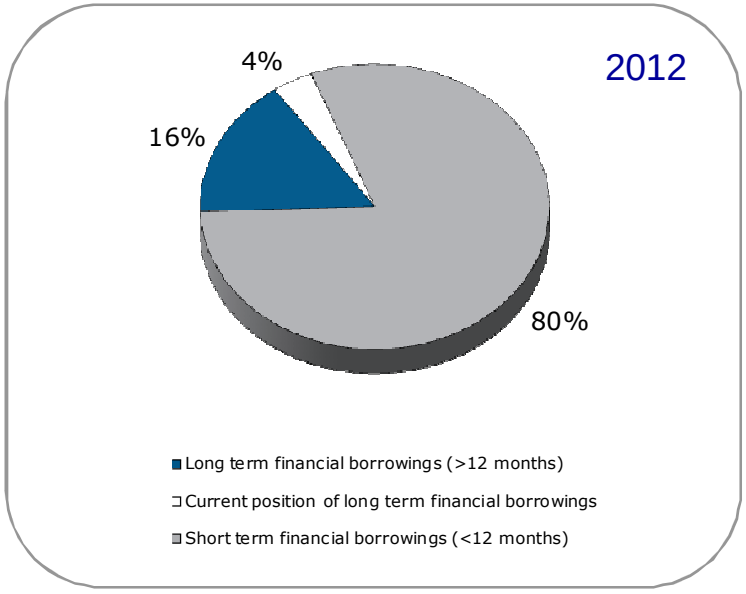
(*) Financial leverage is calculated considering shareholders' equity and net financial position as of December, 31st 2013; (**) Local utilities are: A2A, Hera, Acea and Iren

Financial debt and cost of debt

(Thousand of Euro)	2013	2012	Var	Var %
Long term financial borrowings (>12 months)	64.849	29.420	35.429	+120,4%
Current position of long term financial borrowings	10.480	6.990	3.490	+49,9%
Short term financial borrowings (<12 months)	53.579	149.294	(95.715)	-64,1%
Total financial debt	**128.908**	**185.704**	**(56.796)**	**-30,6%**
Fixed rate borrowings	1.304	1.858	(554)	-29,8%
Variable rate borrowings	127.604	183.846	(56.242)	-30,6%

2013 average cost of debt: 1.58% (vs 2012 rate: 2.01%)





EIB Loan

EIB lends EUR 70 million to Ascopiave for gas grid in north-east of Italy

European Investment Bank

In June 2013 the European Investment Bank (EIB) and Ascopiave have signed a EUR 70 million loan in support of investments to improve and expand gas distribution networks in the Veneto and Lombardy regions.

This is the first operation between the EIB and Ascopiave. This loan confirms the EIB's commitment to the natural gas sector, which in the past two years has undergone major restructuring in Italy aimed at making gas distribution – a priority public service – more efficient.

It also represents an important sign of the Bank's commitment in the EU to mid-caps in the utilities sector, which are marked by a sound business model, public participation and strong regional roots.

History

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→ Equity story after IPO (2007-2014) ..... Pag. 17

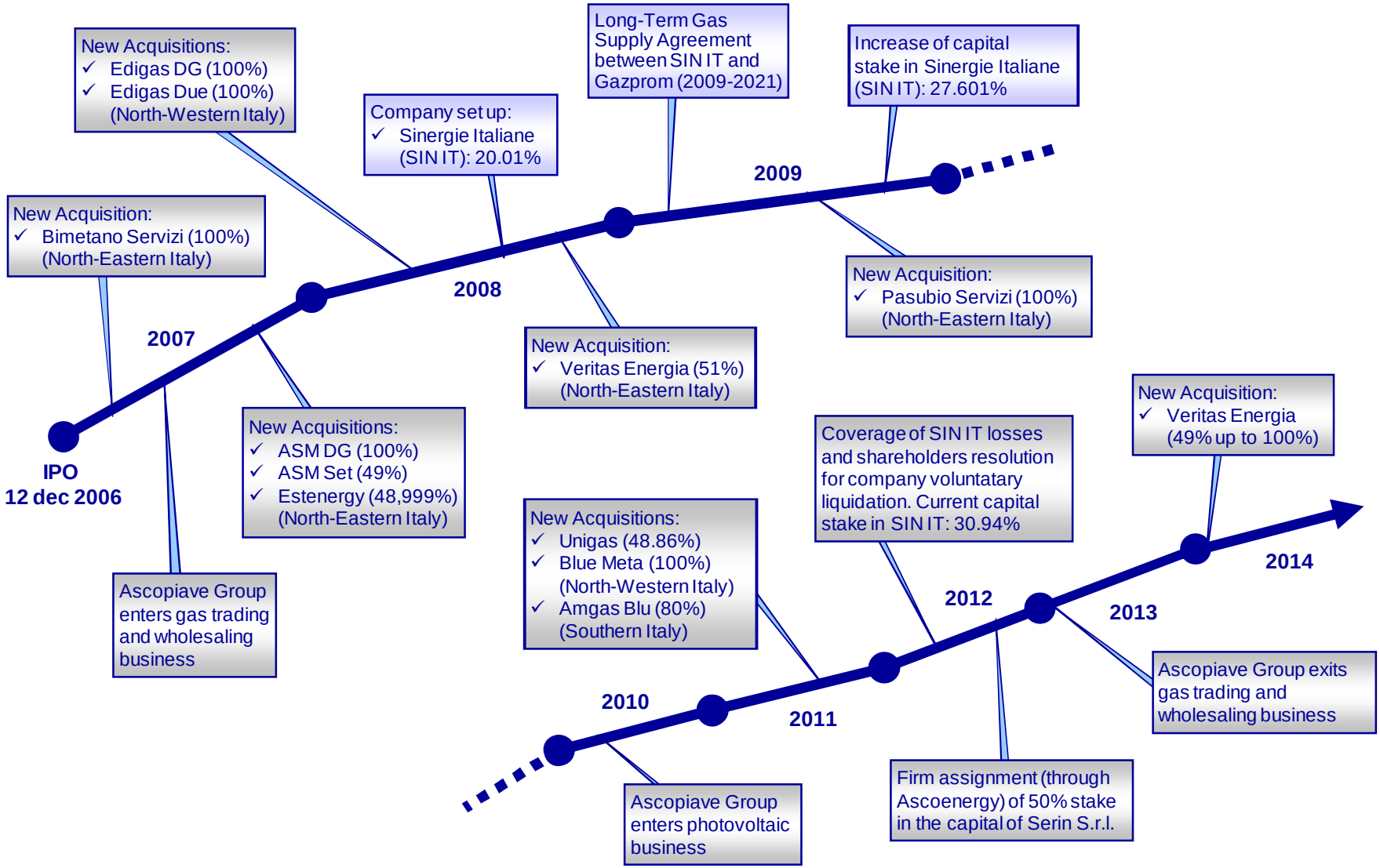
Use of IPO proceeds

Ascopiave has used the IPO proceeds to finance a series of investments pursuing the dimensional growth of the Group, both by internal lines (investments in gas distribution network and other capital expenditures) and by external lines (investments in firm / companies acquisitions).

Net Financial Position at 31.12.2006 (without IPO proceeds)	**(73,9)**
IPO Proceeds	161,5
Cash Flow 2007 ÷ 2013	332,5
Firm assignment: price + NFP	26,9
Total cash in 2007 ÷ 2013: (A)	**520,9**
(Firm acquisitions: price + NFP)	(163,4)
(Capital Expenditures)	(156,9)
(Sinergie Italiane loss coverage)	(27,5)
(Change in Net Working Capital)	(80,0)
(Dividends and shares buybacks)	(150,8)
Total cash out 2007 ÷ 2013: (B)	**(578,6)**
Change in Net Financial Position 2007 ÷ 2013: (A) - (B)	**(57,7)**
Net Financial Position at 31.12.2013	**(131,6)**

(Million of Euro)

Equity story after IPO (2007-2014)



Gas distribution

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→ Ascopiave positioning in the gas distribution market ..... Pag. 20

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→ Current tariff regulation: VRT breakdown ..... Pag. 24

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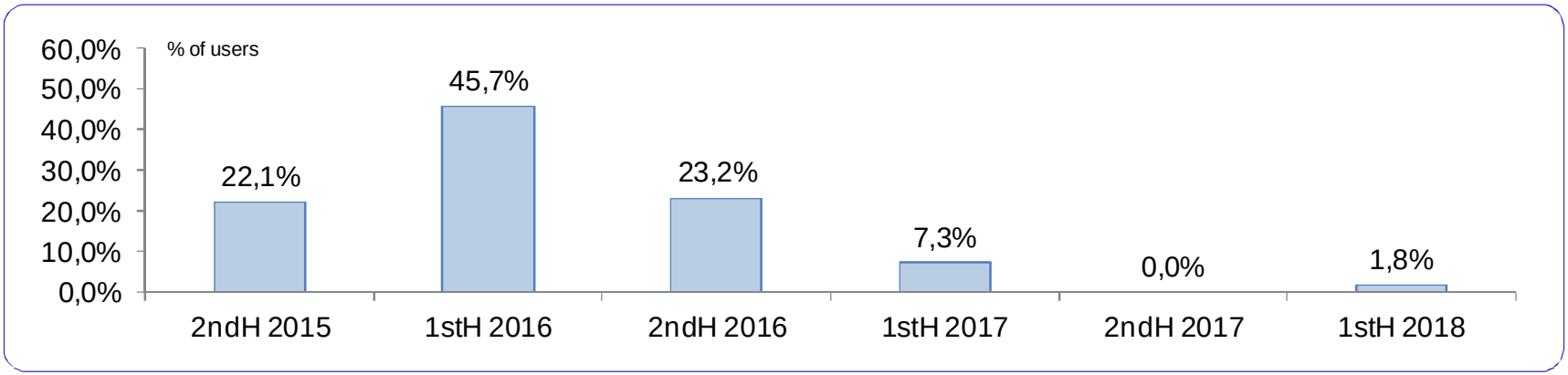
Minimum Territorial District public tenders deadlines

- Gas distribution concessions must be awarded only via Minimum Territorial District public tenders, so public tenders can not be banished by a single municipality, as in the past
- 177 Minimum Territorial Districts (m.t.d.) nationalwide

The following chart illustrates the Ascopiave Group gas users breakdown by Minimum Territorial District tender deadline:



Ascopiave positioning in the Minimum Territorial Districts set by the Government

MINIMUM TERRITORIAL DISTRICT	Total minimum territorial district gas users	Ascopiave Group gas users	%	Public tender deadline	Ascopiave Group gas users share (%)
Treviso 2	159.894	141.163	29,0%	February 2016	88,3%
Treviso 1	137.906	75.664	15,5%	December 2016	54,9%
Rovigo	99.376	35.593	7,3%	March 2017	35,8%
Vicenza 3	102.724	27.431	5,6%	December 2016	26,7%
Bergamo 1	75.801	31.593	6,5%	December 2015	41,7%
Bergamo 5	96.971	30.886	6,3%	February 2016	31,9%
Venezia 2	203.013	25.899	5,3%	December 2015	12,8%
Other m.t.d.	1.318.403	118.425	24,3%	2015-2018	9,0%
Totale	**2.194.088**	**486.654**	**100,0%**		

- Ascopiave is currently the main operator in 2 Minimum Territorial Districts (Treviso 2 and Treviso 1) with a more than 50% market share in term of end users served. The current end users in these Minimum Territorial Districts amount to over 40% of the total end users managed by the Group.
- Ascopiave has a current remarkable market share in other Minimum Territorial Districts located in Veneto and Lombardy.
- Ascopiave is selecting the minimum territorial districts target and evaluating potential partnership with other operators, in order to strengthen its position in some geographical areas.

Standards to evaluate economic and technical offers

A – Economic Offer

B – Safety and service quality

C – Development and maintenance of the distribution network

A - Economic offer

(maximum score: 28)

- Discount on gas distribution tariffs
- Discount on prices for other services provided by the distributor to the end customers
- Fee to be paid to municipalities awarding the concession (cap on the fee level: 10% of the capital cost components of VRT (Total Revenues Constraint) = 10% x (CI x rd + AMM)
- Obligation to extend the distribution network (meters of pipes per end users that imply the obligation to connect new potential end-users)
- Investment for energy efficiency

B - Offer concerning the safety and the service quality
(maximum score: 27)

- network inspections in order to prevent gas leaks (percentage of gas network annually checked)
- performance of the emergency service
- performance of the gas odorization service
- improving the level of other quality standard level set by the Authority

C - Offer concerning the development and the maintenance of the distribution network
(maximum score: 45)

- appropriateness of the network operation analysis
- investments plan for the extension and the increase of capacity of the distribution network; the evaluation concerns: the tangible benefits expected by the investment proposed, the accuracy of the technical projects as well as the quantities of new pipes to be made
- investment plan for the maintenance
- technological innovation

Compensation to be paid to the outgoing distributor

In the event that should not be awarded the next public tenders for the concession of the distribution of gas must be paid to Ascopiave, as the current owner of the networks, a compensation:

(a) the compensation must be calculated in accordance with the terms of the agreement implementing the concession or direct award (as the case may be); provided that agreement are signed before February 11th, 2012

(b) or, if this is not provided for, in accordance with the Guidelines set by the Ministry of Economic Development (Decree May, 22nd 2014)

(c) contributions paid by private users in the past for the construction of part of the network must be deducted (valuation of these are in accordance with the tariff regulation) (*)

(d) whenever compesantion is higher than 110% of the net capital invested remunerated by the tariff system (RAB): AEEGSI must verify whether the compensation has been evaluated in accordance with the law

(e) the organizer of the tender bid must take into account the observations issued by AEEGSI

(*) In the evaluation of RAB contributions paid by private users are currently deducted.

2014 VRT (*) ("Vincolo dei Ricavi Ammesso", i.e. 2014 Total Revenue Constraint)

VRT = CO + AMM + CI x rd

where:

CO: quota covering management operating costs

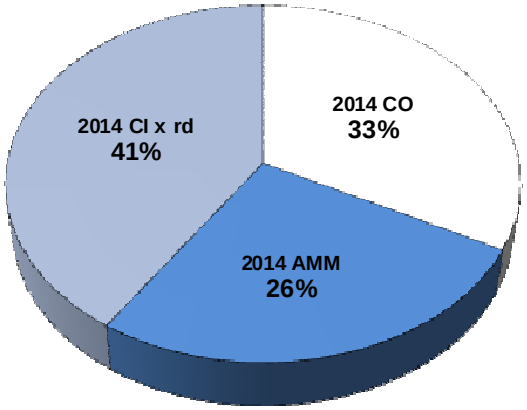
AMM: quota covering depreciation

CI (**RAB**): net capital invested in distribution

rd: real pre-tax rate of return on net invested capital (~ 6.90%)

2014 RAB (**) = 397,0 €/mln

2014 VRT	(Thousand of Euro)
2014 CO	22.084
2014 AMM	17.929
2014 CI x rd	27.460
2014 VRT	**67.474**
2014 RAB	**396.957**



(*) Ascopiave 2014 VRT has been approved by Gas, Electricity and Water Authority (AEEGSI) with Resolution n. 132/14; (**) Including Unigas Distribuzione at 48.86%.

Tariff regulation for the incoming minimum territorial district concessions (Res. AEEGSI n. 367/2014/R/GAS)

Underestimated RAB compared to the national mean level

Revaluation of RAB if the actual value of the gross asset value per meter of the distribution network is less than 75% of a target value calculated by AEEGSI by applying a standard formula.

Difference between Compensation and RAB

At the starting date of the new concession:

- if the winner of the public tender is the previous incumbent operator the new RAB is equal to the previous one;
- if the winner of the public tender is a newcomer the new RAB is equal to the compensation paid by the newcomer to the outgoing operator.

Compensation at the ending date of the minimum territorial district concession:

Calculated as sum of (a) the value of the stock of capital acquired by the outgoing operator at the starting date of the concession, that is equal to the initial compensation properly updated to take into account the value depreciation occurred during the concessional period (b) the value of the investments made during the concessional period, calculated as mean between the effective costs of the assets and regulatory value of the assets (MEAV).

SWOT analysis – Gas Distribution SBU

Strengths

- Dimensional level that allow exploitation of interesting management economies of scale
- Contiguity in gas network, with advantages in terms of operative efficiency
- High network management operative standards
- Part of the local municipalities granting the gas distribution concessions are shareholders of the Group
- Independence by large municipalities
- Current financial leverage

Weakness

- We expect that legal framework uncertainty and the time needed by municipalities to organize competitive tender procedure will delay tender start

Opportunities

- Possibility to achieve critical mass as of aggregative pole in Veneto and Lombardy in the utilities sector
- Tenders for gas distribution concessions
- Temporary push towards aggregations of companies operating in the sector increase in geographical coverage by expanding the corporate structure

Threats

- Regulatory uncertainty
- Uncertainty on financial needs for the reimbursements to be paid to outgoing distributors
- Gas concession expiring
- Risk to lose tenders for gas concession service when awarded

Gas sales

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→ Gas selling price up-date (Resolution AEEGSI n. 196/2013/R/gas) ..... Pag. 31

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Gas sales to end customers: market segmentation and selling prices

Volumes of gas sold to end customers Market segmentation		Pricing
Domestic customers (protected market)	~ 60%	Mandatory maximum price level set by the Authority of Energy, Gas and Water
Small business customers	~ 20%	Completely free prices; mainly price discounts on standard level prices
Business customers	~ 20%	Prices tailored on the individual consumption demand and capacity requirement
Volumes of gas sold to end customers (*)	1,107	

(*) 2013 data in million of standard cubic meter. Operating data of companies consolidated proportionally are considered pro-quota.

Gas selling price to domestic end customers (1)

P = CMEM + CCR + QT + Cpr + GRAD + TD + QVD + GCT + VAT

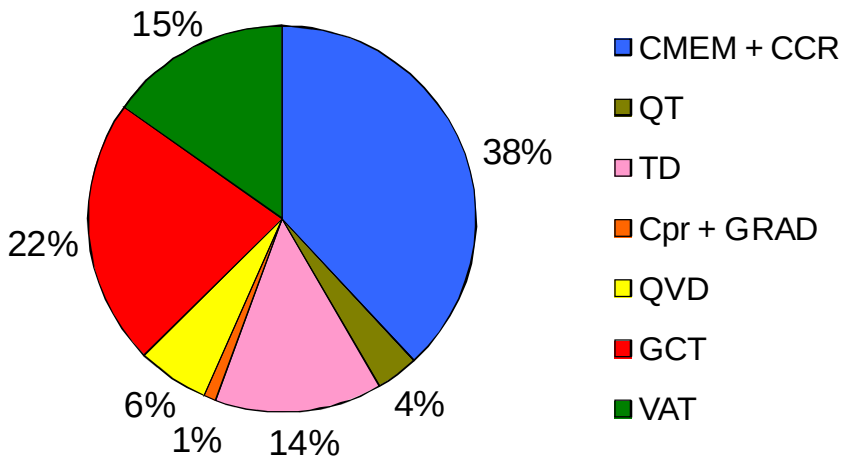
CMEM + CCR = wholesale cost of gas
QT = Gas transportation cost via national network
Cpr + GRAD = mechanism for the gradual implementation of the new regulation

TD = Gas distribution tariff
QVD = Gas retail sale cost
GCT = Gas consumption taxes
VAT = Value added tax

Gas selling price to a typical domestic end customer (annual consumption: 1,400 scm)

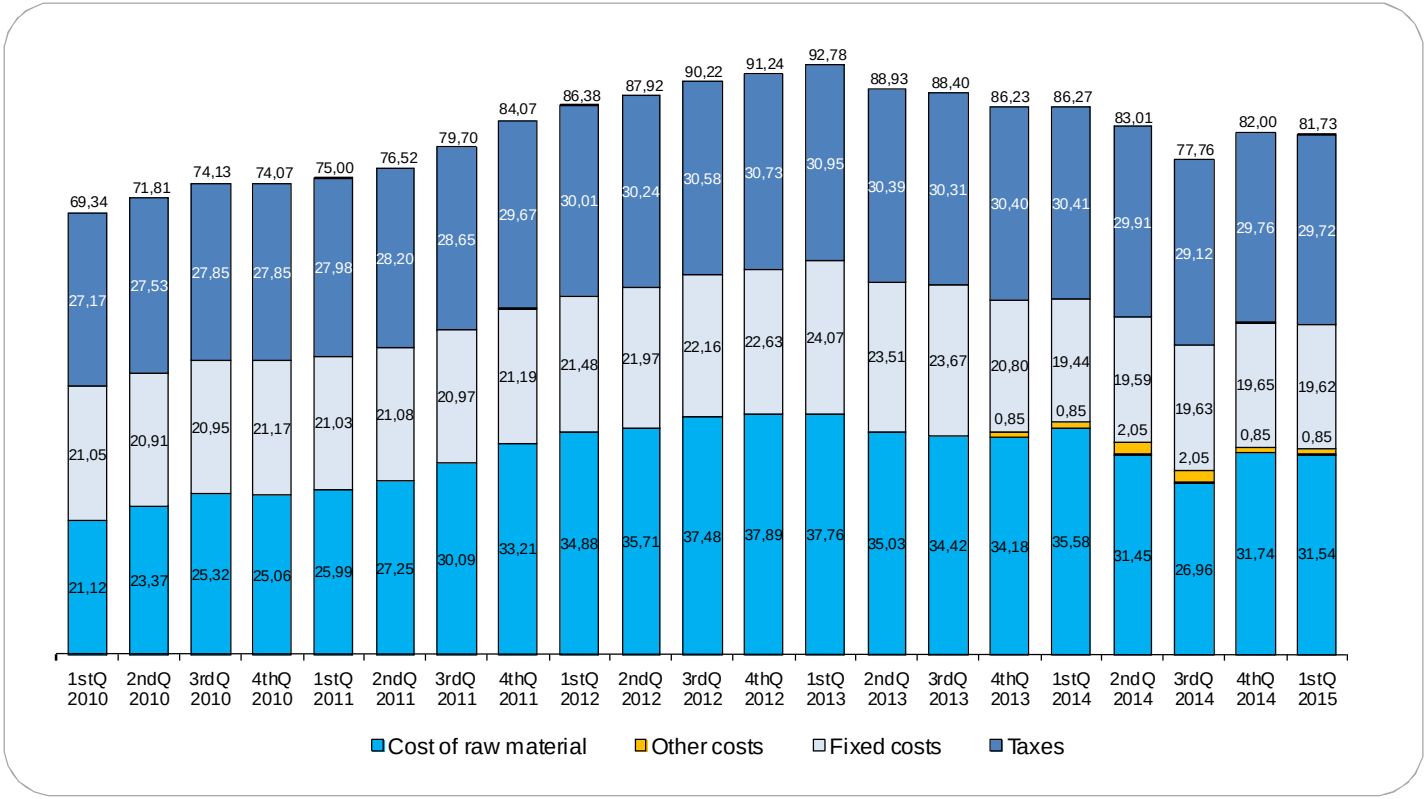
Price component	Eurocent / scm	%
CMEM + CCR	31,56	38%
QT	2,91	4%
Cpr + GRAD	0,85	1%
TD	11,60	14%
QVD	4,92	6%
Price	**51,84**	**63%**
GCT	18,41	22%
VAT	12,56	15%
Taxes	**30,97**	**37%**
Price + taxes	**82,81**	**100%**

January, 1st 2015 (Municipality: Conegliano)



Gas selling price to domestic end customers (2)

Gas selling price to domestic end customers (€cent/scm): from 1stQ 2010 to 1stQ 2015



National average price of natural gas for a family with autonomous heating and annual gas consumption of 1,400 scm.

Until 3rdQ 2013: Cost of raw material = QE; Fixed costs = QTI+QS+TD+QVD+QCI; Taxes = GCT+VAT
From 4thQ 2013: Cost of raw material = CMEM; Fixed costs = QT+TD+QVD+CCR; Taxes = GCT+VAT; Other costs: Cpr+GRAD

Protected market (Res. AEEGSI n. 196/2013/R/GAS)

Resolution AEEGSI n. 196/2013/R/gas provides new rules to set up gas selling price to be applied to customers belonging to the protected market (domestic customers) since october 1st, 2013:

- **Until september 30th, 2013**: cost of raw material based on the average cost of the gas sources (80% Take or Pay Contracts prices + 20% spot market prices (*)); indexation mechanism linked to the oil price (brent);
- **From october 1st, 2013**: cost of raw material based on the spot market prices (TTF forward prices);
- **Increase of QVD**: from 40 €/customer/year to 57 €/customer/year.

(*) From april 2013

Gas Purchasing Costs

- Gas purchasing costs are negotiated on a free market
- Incumbent shippers have strong market position

Uses		Sourcing
Sales to end customers (excluding business customers)	**~ 80%**	Annual contracts (thermal year) (*) (**) Delivery: entry of local distribution network Penalty for excess capacity use
Sales to business customers	**~ 20%**	Gas purchasing contracts: same duration and indexation as the selling contracts

(*) Thermal Year: starting date: 1st october - year t / ending date: 30th september – year t+1; (**) Framework supply agreement with the Group's reference shipper provides that the annual cost of gas take into account the cost of the gas procured through take or pay contracts signed by Sinergie ItaliaNe

Sinergie Italiane is a company established in 2008 (*) to create a partnership among Italian downstream energy companies strongly rooted to local areas and with solid, loyal customer bases.

Sinergie signed a long-term import take-or-pay (ToP) contract with Gazprom for the supply of 1.0bcm of gas per year up to 2021.

In April 2012 Sinergie Italiane shareholders meeting resolved for the voluntary liquidation of the company and appointed the liquidators.

The scope of the company during 2012-2014 was limited to import russian gas and to sell it to the sales companies participated by the shareholders, as well as to manage the agreements, transactions and disputes relating to the regulation of contractual relations, improved in periods before the liquidation.

(*) Former shareholders structure included the current shareholders and also Alto Milanese Gestioni Avanzate and Utilità Progetti.

SWOT analysis – Gas Sales SBU

Strengths

- Large end customer base
- High per-capita consumption
- Front offices capillarity
- Efficient customer care service
- Differentiation of offered services (dual fuel)
- Independence by big customers
- Deeply rooted presence in reference geographical area
- Strong local brand reputation
- High degree of customer loyalty

Weakness

- Limited diffusion and knowledge of the brand outside of the region served

Opportunities

- Presence into territory with good development capability in the segment of residential customers
- Opportunity to acquire new customers into locations not served by distribution SBU
- Total market 'opening' – Cross selling on customer base
- Infrastructure development projects likely to increase the country's gas importing capacity and create business opportunities abroad

Threats

- Risk exposure connected to gas purchase cost
- Activity partially regulated by the Italian Gas, Electricity and Water Authority, focused on keeping low price levels
- Competition in a fully liberalized market
- Competitive pressure increase and attacks from new entrants
- Entrance and consolidation of foreign groups and major Italian utilities

Strategy

→ Strategic guidelines and objectives ..... Pag. 36

→ Growth in the down-stream market ..... Pag. 37

→ Gas distribution sector ..... Pag. 38

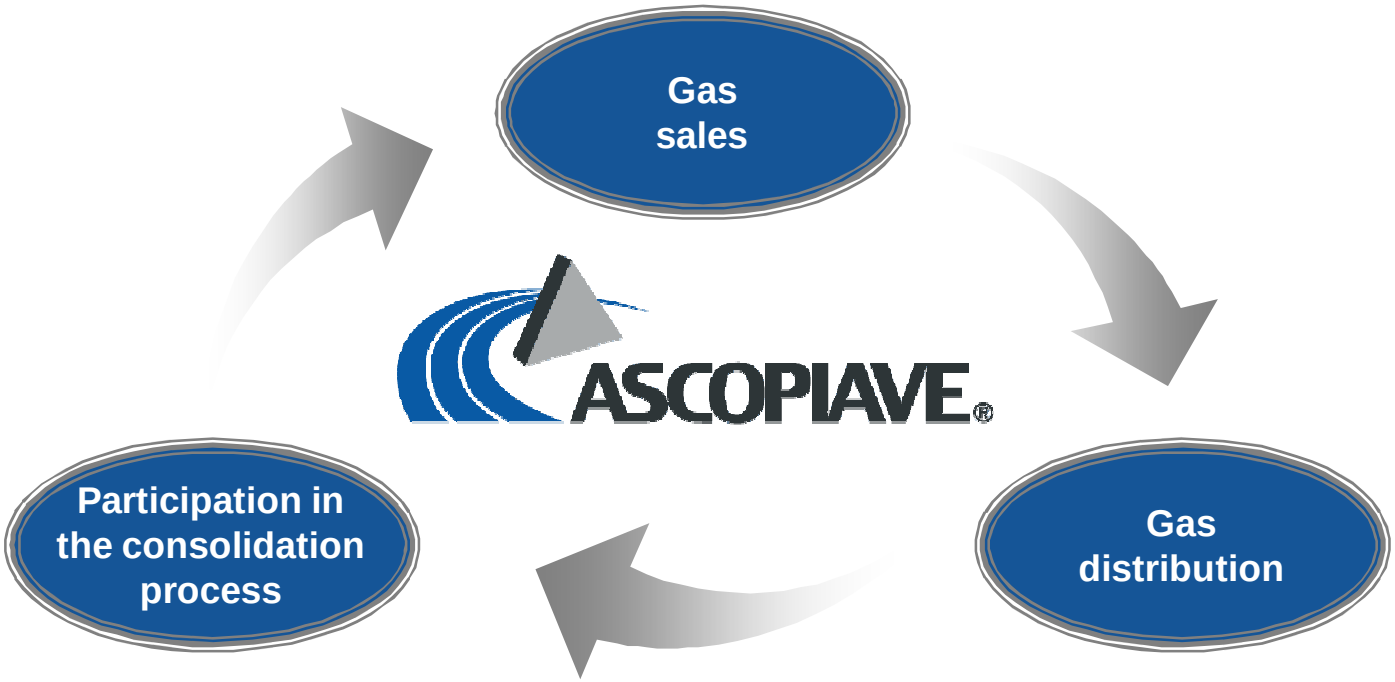
→ Ascopiave: financial needs for winning target gas distribution public tenders ... Pag. 40

→ Gas sales sector ..... Pag. 41

→ Ascopiave: strategic goals in the gas sales market ..... Pag. 43

Strategic guidelines

Taking advantage of opportunities arising from the liberalisation of the gas market.



Growth in size through a significant expansion of its customer base

The growth in the down-stream market can occur by:

- Company acquisitions or partnership / joint venture
- Participation in competitive bidding for the award of contracts to manage the gas distribution service
- Development of the electricity market as a tool to retain current gas customer base (cross selling) and to achieve value creation objectives: dual fuel sales policy (a joint commercial proposal for gas and electricity)
- Dimensional growth in the gas sale business with an increase of the customer base and of the volumes sold, consolidating the leadership in North-Eastern Italy mainly by company acquisitions
- Improving gas procurement process

Gas distribution sector (1)

Gas distribution sector: key figures

- No. of operators: about 240
- Municipalities served: about 7,000
- Volumes of gas distributed: about 34 billion of standard cubic meters
- No. of users served: over 22 million
- Length of the gas distribution network: over 220.000 km (ownership: 75% of operators)
- Regulatory asset base (RAB): 15,1 billion of Euro

Since 2000 gas distribution operators have been reduced to less than a third.

Currently **gas distribution sector** appairs **strongly concentrated**:

- about 50% of RAB (*) is held by Snam Rete Gas and F2i, the only operators with a national rank
- about 30% of RAB is held by 14 medium size operators (RAB > 100 million of Euro), with a regional relevance
- about 20% of RAB is held by small size operators

(*) Ascopiave valuation.

Gas distribution sector (2)

Gas distribution sector is facing a new phase of restructuring after that experienced subsequently the issuing of Letta decree of the early 2000s. Through the adoption of ATEM (minimum territorial district) is expeted a significant reduction of the number of operators. The need of new finance in the system will be the determining factor for the realisation of sectorial concentration announced by legislator.

Likely consequences also to the retail front in consideration of the same ownership structure

Overall effects of the recent legislation on the competitive context:

- **reduction of the number of potential competitors**

  Participation in call of tenders will be possible only to enterprises with suitable financial and organizational capabilities

- **less relevance of the economic part of the offer**

  Definition of maximum thresholds on the economic elements of the offer makes less determining – for the purposes of awarding tenders – the benefit of economic efficiency on operating costs (flattening of the offers on threshold levels)

- **relevance of the technical offer**

  To win a tender will be crucial the formulation of a valid investments plan for development, strengthening and maintenance of the gas distribution system (technical efficiency and sustainability from the point of view of a cost / benefit analysis)

Ascopiave: investments for winning new gas distribution concessions (period 2016-2019)

resulting from:

(+)

Acquisition of new gas distribution plants

(-)

Disposals of gas distribution plants in areas in which Ascopiave does not intend to partecipate to tenders

(+)

Taxes

Gas sales sector: key figures

- No. of operators in the italian market: over 160
- First 10 operators (with volumes of gas sold higher than one billion of standard cubic meters) supplying over 73% of overall consumption to the gas final market (45,6 billion of standard cubic meters on a total of 62,4 billlion of standard cubic meters)

Since liberalization introduced by Letta decree of the early 2000s, gas sale market has experienced two well distinct phases:

- **ORGANIC GROWTH**
- **CONSOLIDATION** through company aggregations / mergers and vertical integrations

The current phase of CONCENTRATION that is happening through growth for external line and the exit from the market of minor gas sale companies will be cause an addictional reduction of the number of operators.

Gas sales sector (2)

- Since 2008 economic crisis continues to affect natural gas demand. Together with the structure and constraints of take or pay contracts it has contributed to create a long market
- Decoupling between gas price and oil gas price is very significant
- All these factors (decoupling, long market and spot prices) have contributed to considerably raise margins for retail operators not tied by procurement to take or pay contracts
- The difference between tariff component of raw material and real purchase costs has been very high
- Resolution n. 196/2013 has changed the criteria to define and update the component relative to cost of raw material that, from 1st october 2013, refers entirely to the gas spot market (TTF forward prices)
- Although gradually, extra margins outcoming from the difference between tariff component of row material and real purchase costs will be reduced significantly in the coming years
- Growth for external line returns to be a driver of development in the gas market as opposed to the organic growth

Ascopiave: actions in the gas sales market

To maintain / improve competitive positioning in the gas sales market, Ascopiave Group foresees:

- **to grow for external line** to compensate the natural loss of gas sales customers
- **to reduce the cost to serve**
- **to improve the gas supply process** by exploiting the competitive advantage of having stable consumption in a long gas market

Dividends

→ Dividend policy ..... Pag. 45

→ Dividend yield comparison ..... Pag. 46

Dividends payment sustainable with high return to shareholders

Sustainability of the dividend policy:

- stable cash flow
- stable business profitability
- well-balanced financial structure

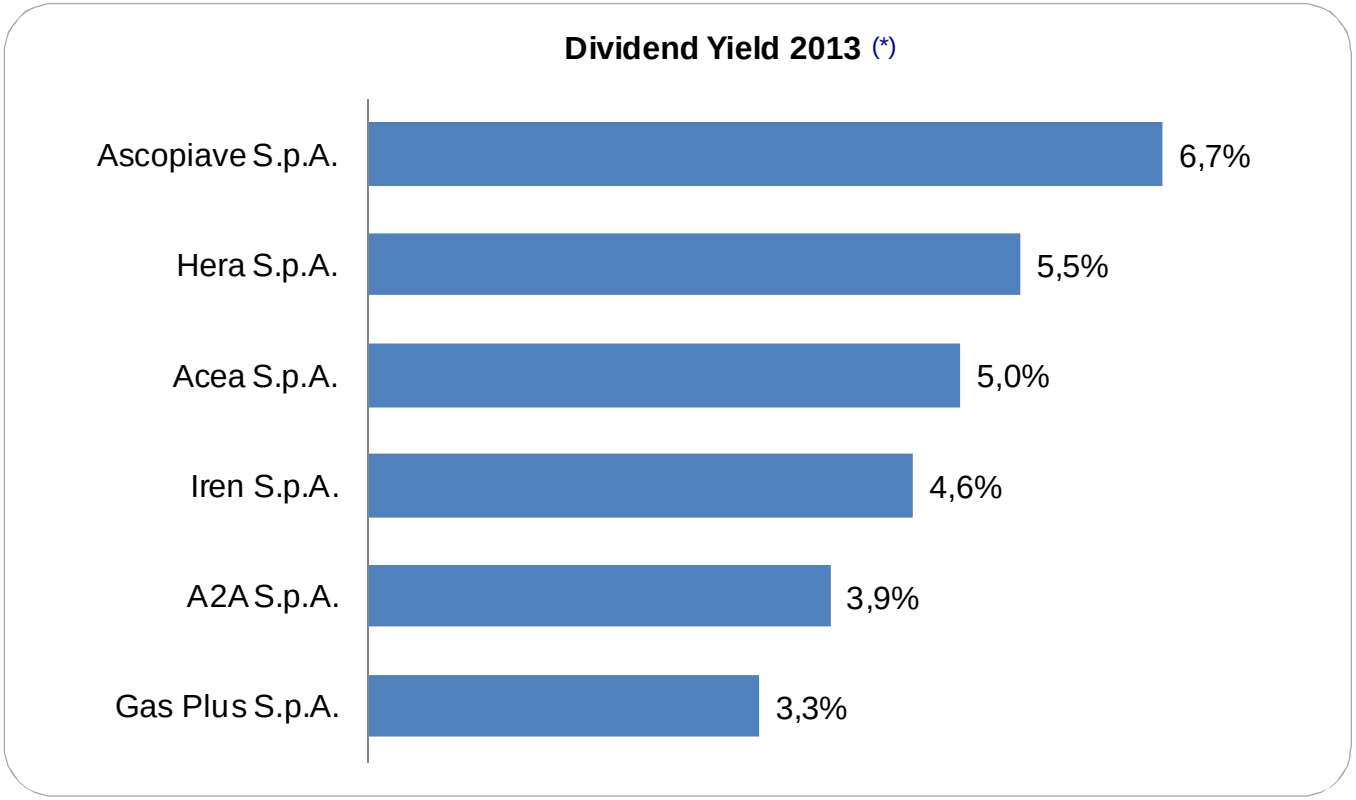
Dividend yield at the top of the listed italian utilities companies

DIVIDENDS	2013	2012	2011	2010	2009	2008	2007	2006
Dividends paid (Thousand of Euro)	28.129	25.785	0	23.441	21.097	19.925	19.898	19.833
Group Net Income (Thousand of Euro)	38.678	27.865	6.266	31.174	25.288	18.452	21.764	16.381
Payout ratio	73%	93%	0%	75%	83%	108%	91%	121%
Dividends per share (Euro)	0,120	0,110	0,000	0,100	0,090	0,085	0,085	0,085
Dividend yield (*)	6,7%	8,6%	0,0%	6,3%	6,0%	5,8%	5,1%	3,8%

(*) Dividend yield = dividends per share / price per share on the last date of the year

Dividends Yield comparison

Dividend distributed by Ascopiave in 2014 is higher than that distributed by major listed comparable companies:



(*) Dividend yield is calculated on the price of the shares at December, 31st 2013 and on the dividends for the year 2013.

ANNEXES

Frankfurt, March 4th 2015

ANNEXES

❖ FY 2013 financial results

→ FY 2013 income statement ..... Pag. 49
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→ Volumes of gas distributed ..... Pag. 51
→ Volumes of gas sold to end customers ..... Pag. 53
→ Volumes of gas sold on trading and wholesaling activities ..... Pag. 54
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❖ 2009-2013 financial comparison

❖ 9M 2014 financial results

FY 2013 income statement

(Thousand of Euro)	2013	2012	Chg	Chg %
Revenues	**854.334**	**1.078.038**	**(223.704)**	**-20,8%**
(Cost of raw materials and consumables)	(574.518)	(780.822)	206.305	-26,4%
(Cost of services)	(133.442)	(152.434)	18.992	-12,5%
(Cost of personnel)	(27.280)	(25.394)	(1.886)	+7,4%
(Other operating costs)	(14.337)	(16.952)	2.614	-15,4%
Other operating income	1.148	247	901	+365,3%
EBITDA	**105.904**	**102.683**	**3.221**	**+3,1%**
(Depreciations and amortizations)	(20.570)	(22.116)	1.547	-7,0%
(Provisions)	(8.548)	(7.491)	(1.056)	+14,1%
EBIT	**76.787**	**73.075**	**3.711**	**+5,1%**
Financial income / (expenses)	(3.874)	(6.916)	3.042	-44,0%
Evaluation of companies with net assets method	(262)	(11.007)	10.746	-97,6%
EBT	**72.651**	**55.152**	**17.499**	**+31,7%**
(Income taxes)	(31.541)	(29.527)	(2.014)	+6,8%
Earnings after taxes	**41.111**	**25.625**	**15.486**	**+60,4%**
(Net loss from discontinued operations)	(71)	4.336	(4.407)	-101,6%
Net income	**41.040**	**29.961**	**11.078**	**+37,0%**
(Net income of minorities)	(2.361)	(2.067)	(294)	+14,2%
Net income of the Group	**38.678**	**27.894**	**10.784**	**+38,7%**

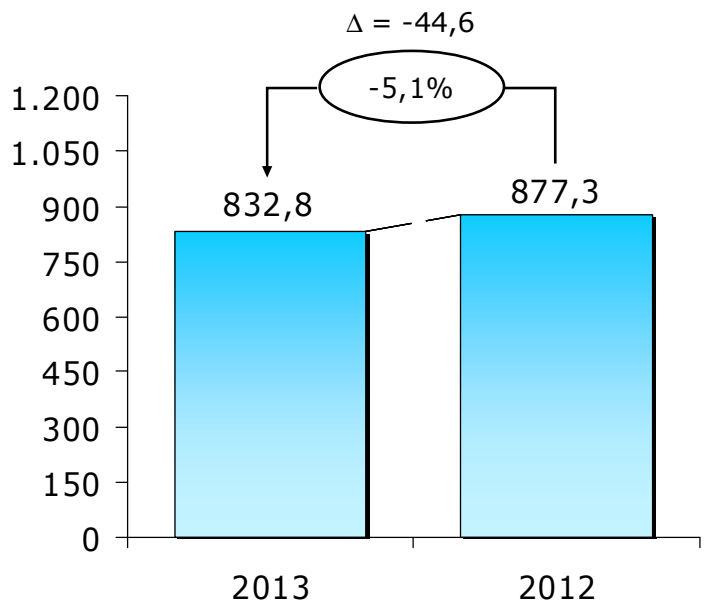
Balance sheet

(Thousand of Euro)	31/12/2013	31/12/2012	Chg	Chg %
Tangible assets (*)	39.277	40.534	(1.257)	-3,1%
Non tangible assets (*)	447.898	450.457	(2.559)	-0,6%
Other fixed assets	44.351	29.817	14.535	+48,7%
Fixed assets	**531.527**	**520.808**	**10.718**	**+2,1%**
Operating current assets	275.864	363.436	(87.572)	-24,1%
(Operating current liabilities)	(211.986)	(261.175)	49.188	-18,8%
(Operating non current liabilities)	(61.126)	(64.122)	2.995	-4,7%
Net working capital	**2.752**	**38.140**	**(35.388)**	**-92,8%**
Total capital employed	**534.278**	**558.948**	**(24.670)**	**-4,4%**
Group shareholders equity	**397.689**	**384.053**	**13.636**	**+3,6%**
Minorities	**4.989**	**4.765**	**224**	**+4,7%**
Net financial position	**131.600**	**170.130**	**(38.530)**	**-22,6%**
Total sources	**534.278**	**558.948**	**(24.670)**	**-4,4%**

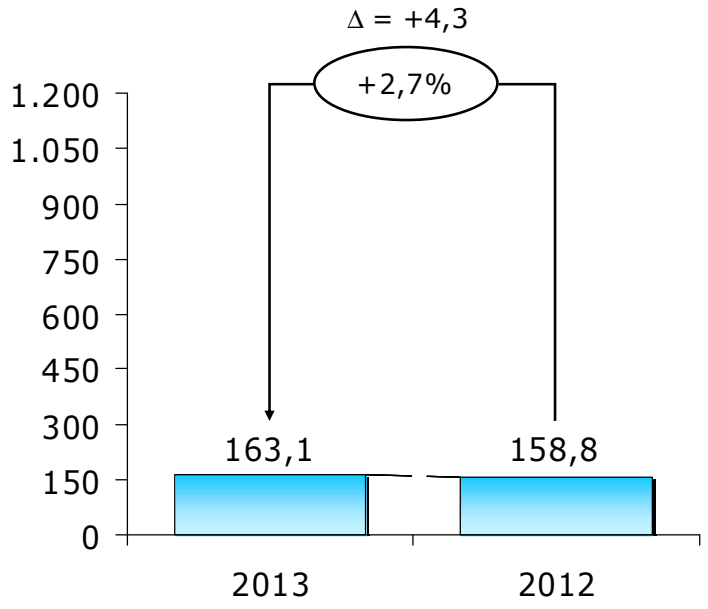
(*) Applying IFRIC 12 involves categorising the infrastructures under concession from tangible assets to intangible assets

Volumes of gas distributed

(Million of standard cubic meters)



Gas distributed
Companies consolidated at 100%

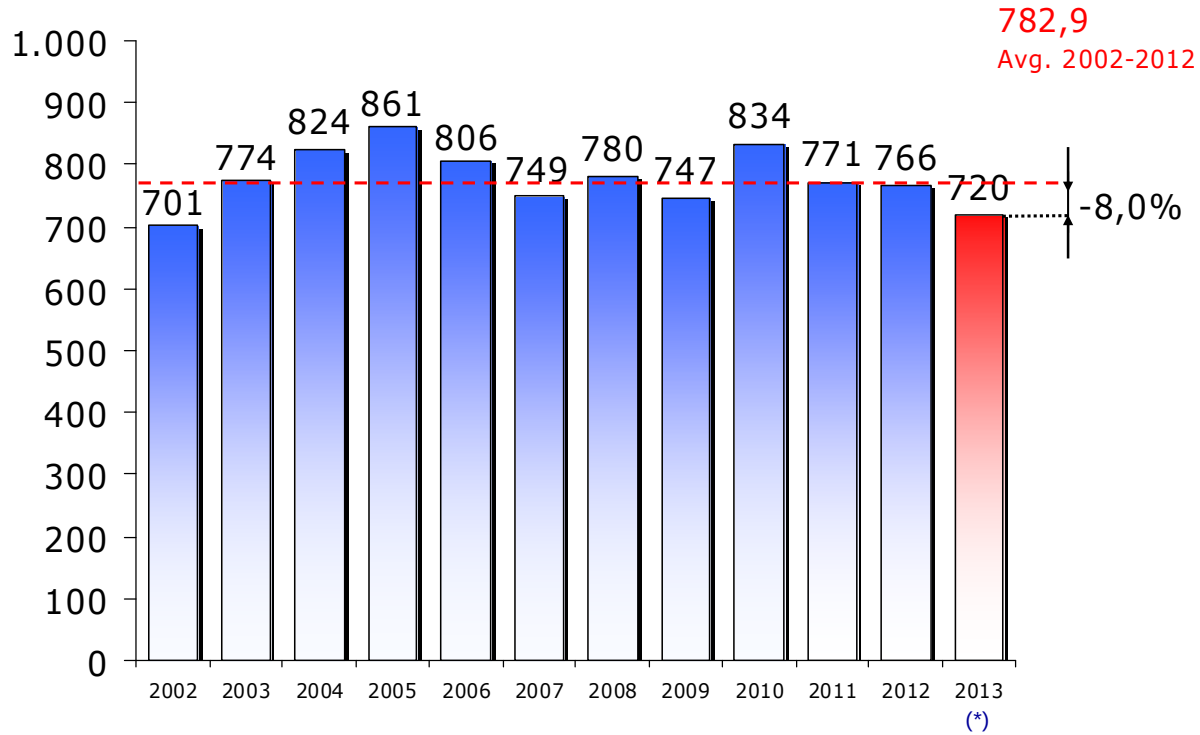


Gas distributed
Companies consolidated at 49%

Volumes of gas distributed (2)

Volumes of gas distributed: hystorical trend (Ascopiave S.p.A.)

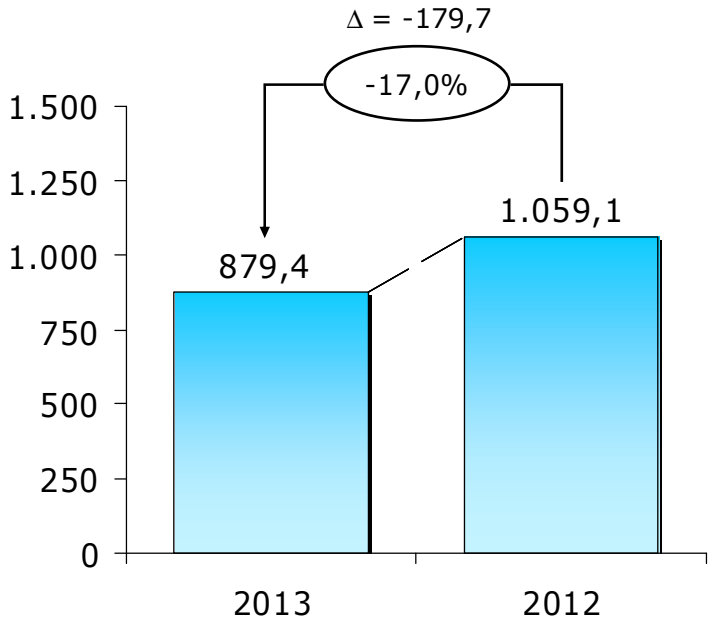
(Million of standard cubic meters)



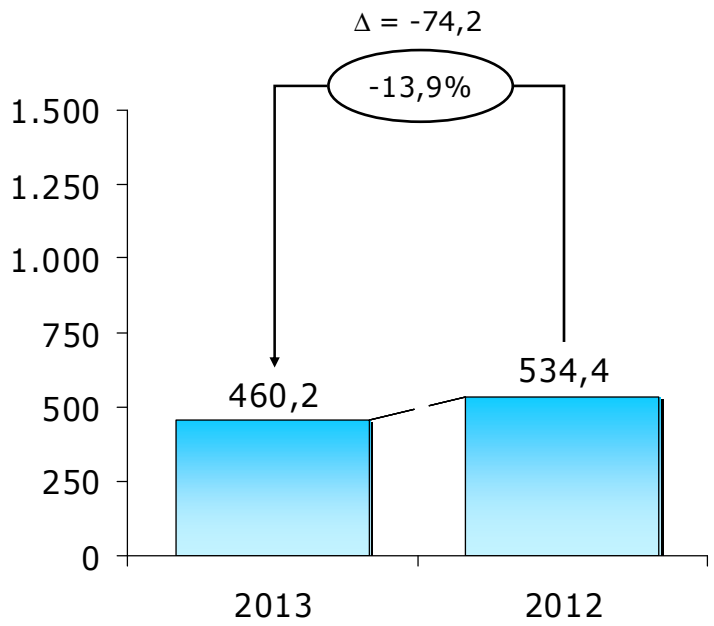
(*) Excluding volumes of natural gas distributed by Asm DG, Edigas Esercizio Distribuzione Gas and Unigas Distribuzione.

Volumes of gas sold to end customers

(Million of standard cubic meters)



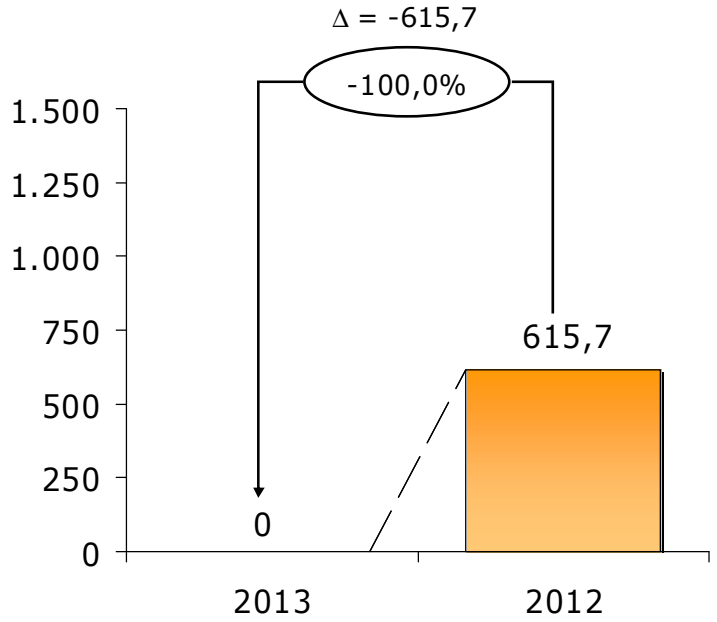
Gas sold to end customers
Companies consolidated at 100%



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

Volumes of gas sold on trading and wholesaling activities

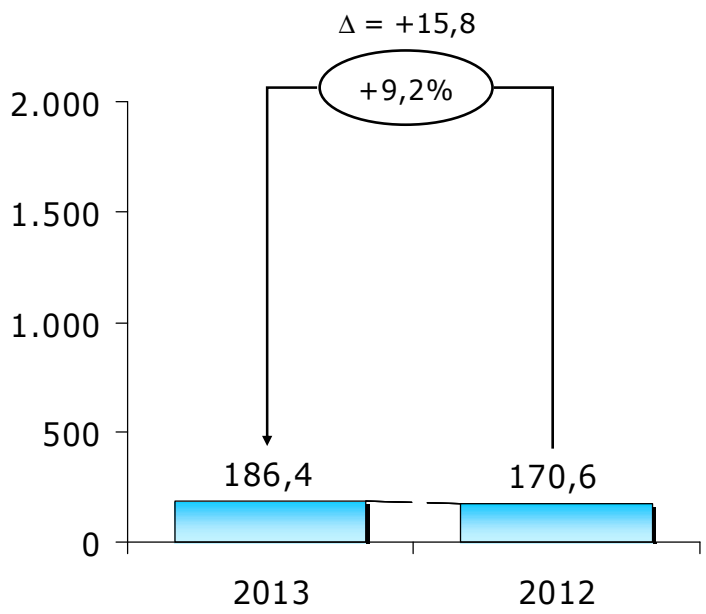
(Million of standard cubic meters)



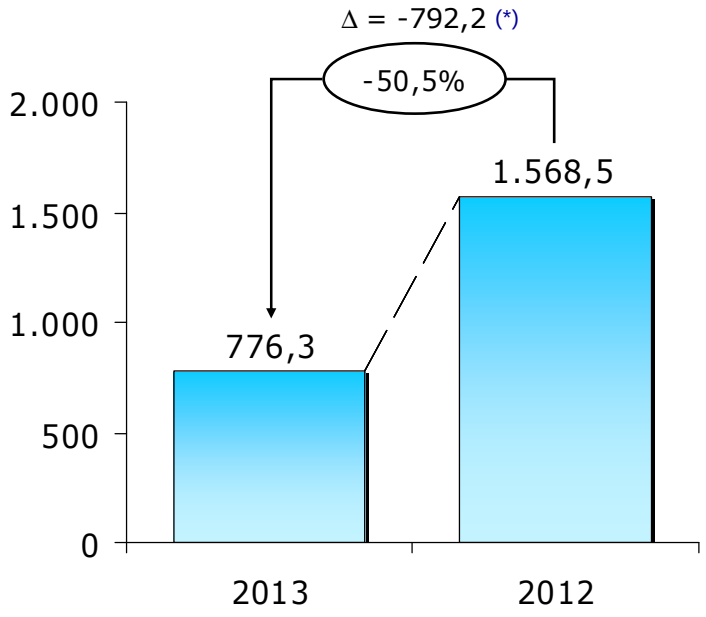
Gas sold on trading and wholesaling activities
Companies consolidated at 100%

Volumes of electricity sold

(GWh)



Electricity sold
Companies consolidated at 100%

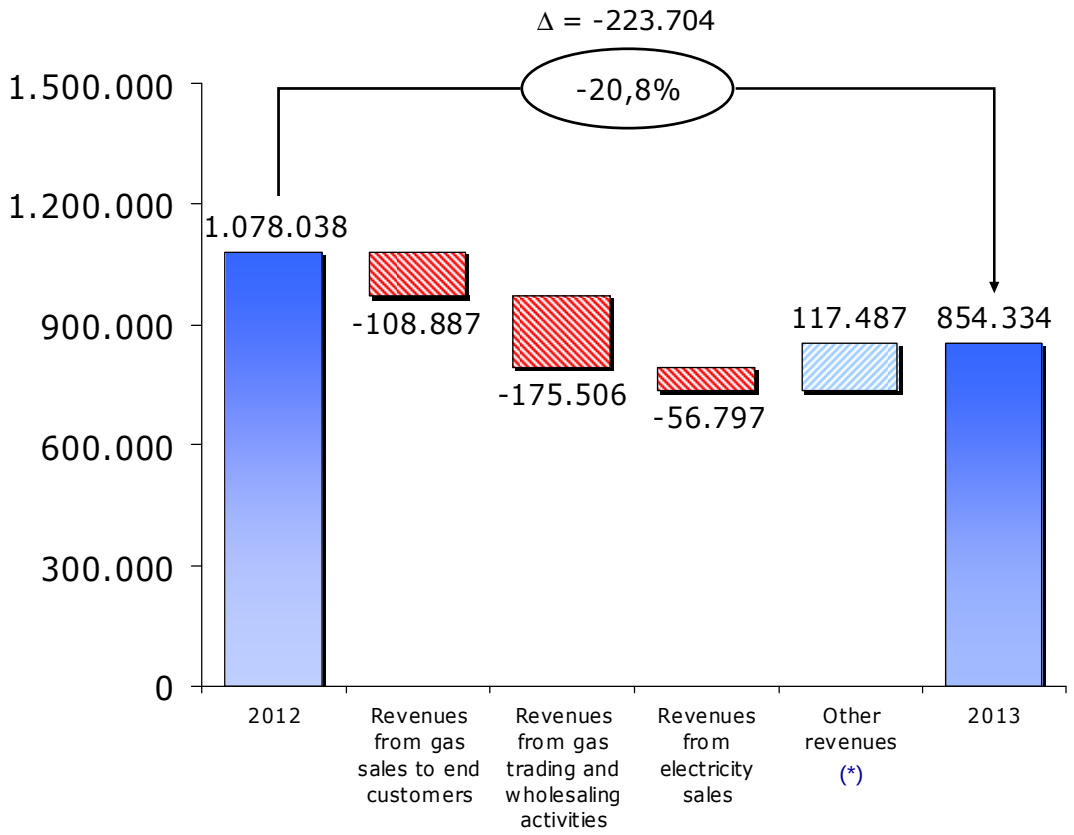


Electricity sold
Companies consolidated at 49%-51%

(*) Reduction is mainly due to a rationalization of Estenergy customers portfolio.

Revenues bridge

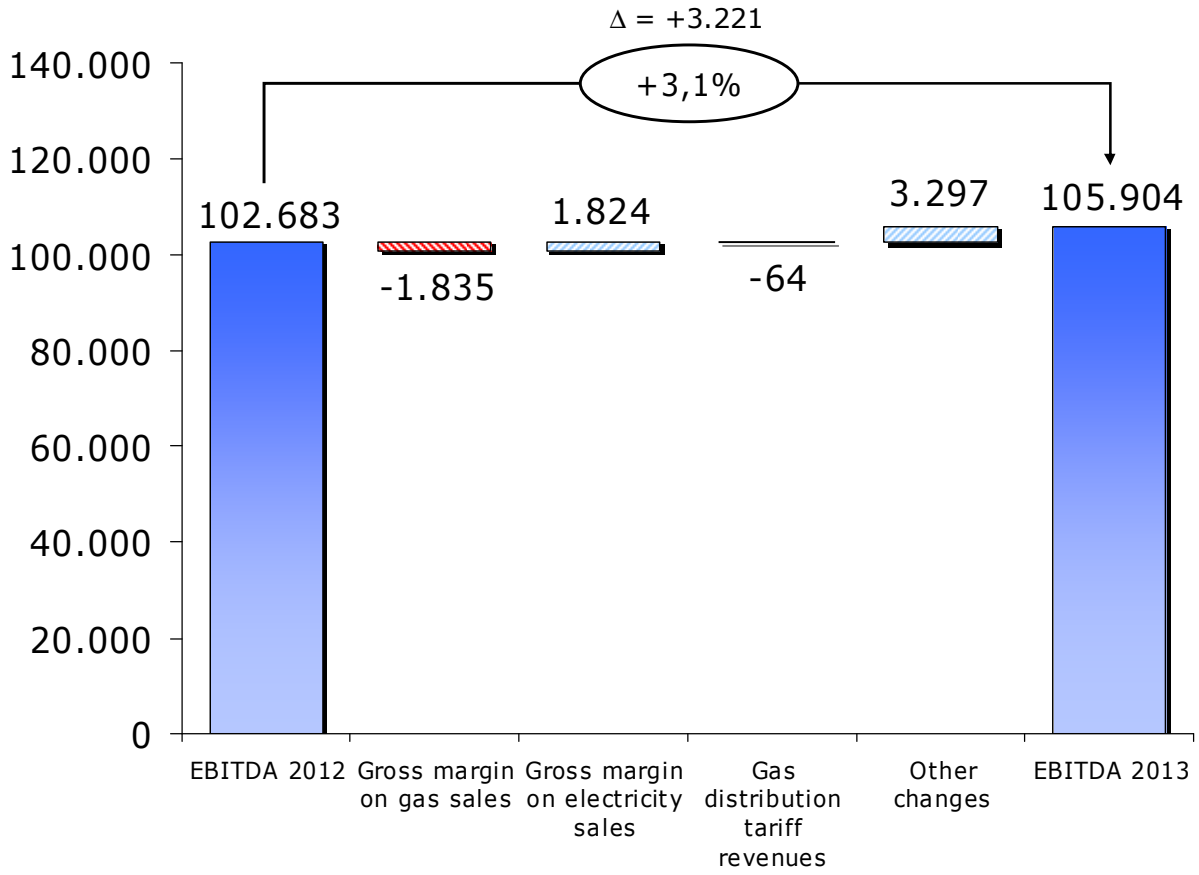
(Thousand of Euro)



(*) of which € 115,1 million relating to sales of gas from Russia ,procured through *take or pay* contracts signed by Sinergie Italiane, regulated in the sphere of the framework supply agreement on the part of the Group's reference shipper.

EBITDA bridge

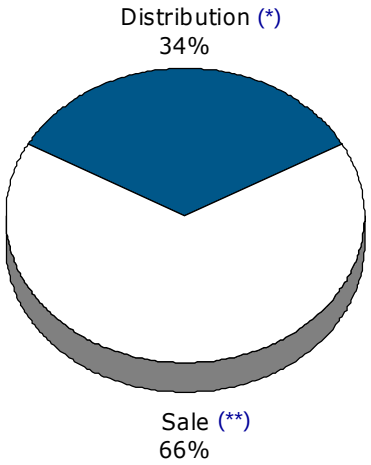
(Thousand of Euro)



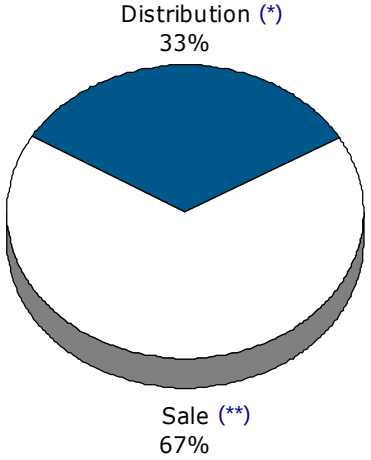
EBITDA breakdown

(Thousand of Euro)	2013	2012	Var	Var %
EBITDA	**105.904**	**102.683**	**3.221**	**+3,1%**
EBITDA - Sale	69.906	68.737	1.168	+1,7%
EBITDA - Distribution	35.998	33.946	2.053	+6,0%
EBIT	**76.787**	**73.075**	**3.711**	**+5,1%**
EBIT - Sale	57.830	57.477	353	+0,6%
EBIT - Distribution	18.957	15.598	3.359	+21,5%

EBITDA 2013



EBITDA 2012



(*) Gas distribution and metering activities; (**) Gas sales, electricity sales and other activities.

Gas distribution tariff revenues

(Thousand of Euro) (*)	2013	2012	Chg	Chg %
Tariffs applied to sales companies	64.001	63.708	293	+0,5%
Equalization amount (+ / -)	6.166	6.523	(357)	-5,5%
Gas distribution tariff revenues	**70.167**	**70.231**	**(64)**	**-0,1%**

The decrease of gas distribution tariff revenues (- Euro 0,1 mln) is due to:

1) change of gas distribution tariffs applied to gas sales companies: + Euro 0,3 mln;

2) equalization amount: - Euro 0,4 mln.

(*) Economic data before elisions.

Gross margin on gas sales

(Thousand of Euro) (*)	2013	2012	Chg	Chg %
Revenues from gas sales to end customers	617.047	713.446	(96.400)	-13,5%
Revenues from gas trading and wholesaling	-	175.506	(175.506)	-100,0%
Revenues from gas sales	**617.047**	**888.953**	**(271.906)**	**-30,6%**
(Gas purchase costs)	(407.174)	(689.410)	282.237	-40,9%
(Distribution costs)	(116.752)	(104.586)	(12.166)	+11,6%
Gross margin on gas sales	**93.121**	**94.957**	**(1.835)**	**-1,9%**

The decrease of gross margin on gas sales (- Euro 1,8 mln) is due to:

- decrease of gross margin on gas sales to end customers: - Euro 2,8 mln;
- end of gas sold on trading and wholesaling activities: + Euro 1,0 mln.

(*) Economic data before elisions.

Gross margin on electricity sales

(Thousand of Euro) (*)	2013	2012	Chg	Chg %
Revenues from elecricity sales	98.692	155.852	(57.160)	-36,7%
(Electricity purchase costs)	(60.141)	(95.405)	35.264	-37,0%
(Distribution costs)	(34.220)	(57.939)	23.719	-40,9%
Gross margin on electricity sales	**4.332**	**2.508**	**1.824**	**+72,7%**

The increase of gross margin on electricity sales is equal to + Euro 1,8 mln.

(*) Economic data before elisions.

Other net operating costs

(Thousand of Euro) (*)	2013	2012	Chg	Chg %
Other revenues	47.006	44.572	2.434	+5,5%
Other costs of raw materials and services	(81.442)	(84.190)	2.748	-3,3%
Cost of personnel	(27.280)	(25.394)	(1.886)	+7,4%
Other net operating costs	**(61.716)**	**(65.012)**	**3.297**	**-5,1%**

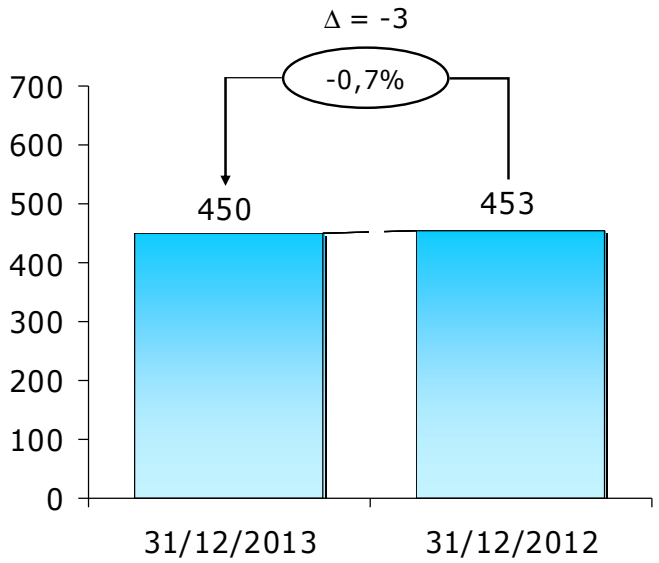
Decrease of net operating costs: + Euro 3,3 mln

of which:

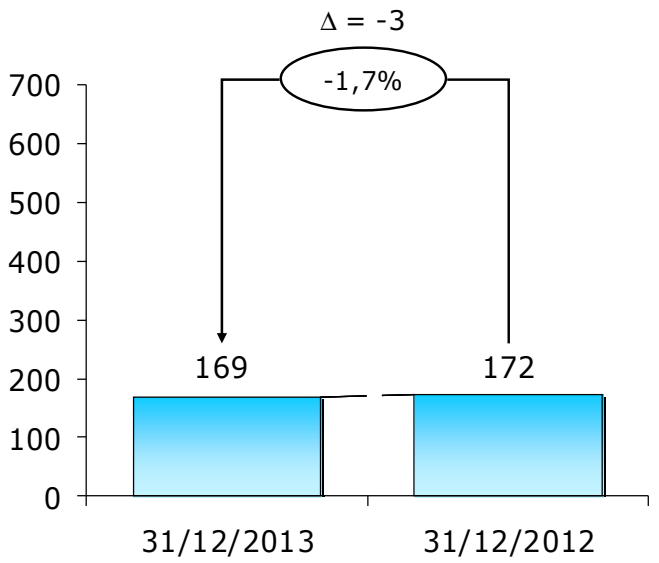
- Decrease of gas distribution concession fees: + Euro 2,7 mln
- Increase of personnel cost: - Euro 1,9 mln
- Decrease of marketing and customer acquisition cost: + Euro 0,6 mln
- Decrease of margin on energy efficiency tasks management: - Euro 1,0 mln
- Decrease of revenues for distribution network connection services : - Euro 1,3 mln
- Capital gain realized on the disposal of distribution plants: + Euro 1,1 mln
- Decrease of provision for risks and charges: + Euro 2,8 mln
- Other changes: + Euro 0,3 mln

(*) Economic data before elisions.

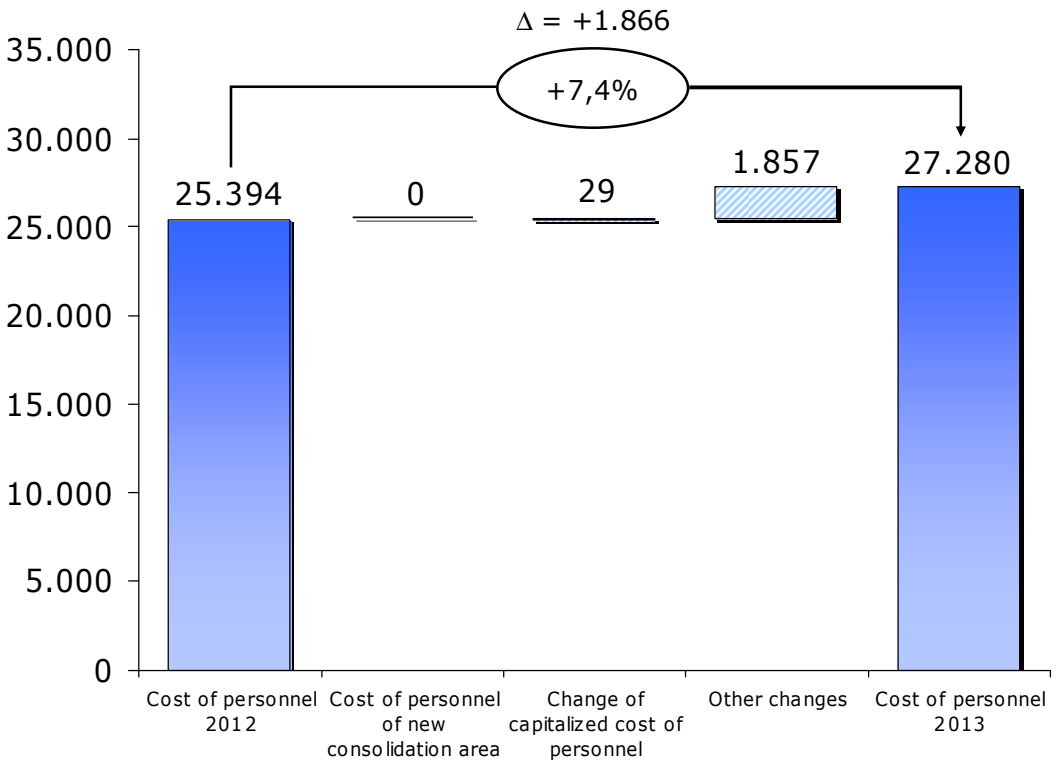
No. of employees
Companies consolidated at 100%



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



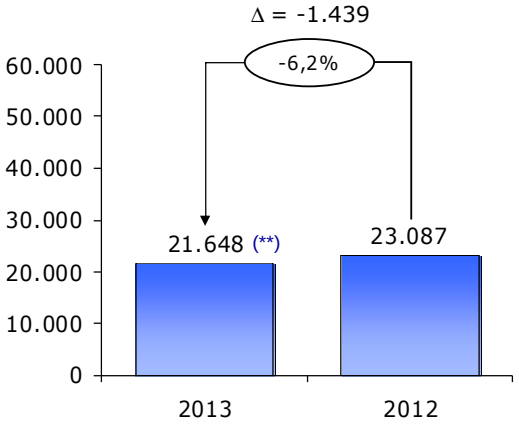
Cost of personnel
(Thousand of Euro)

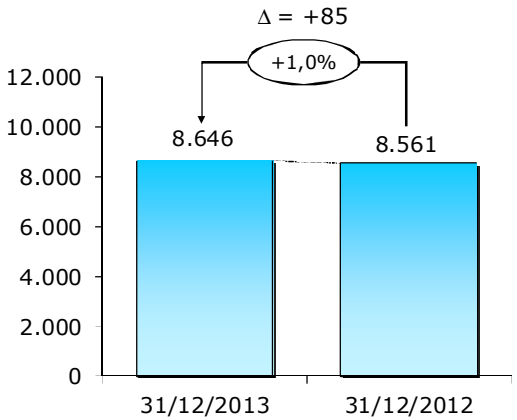


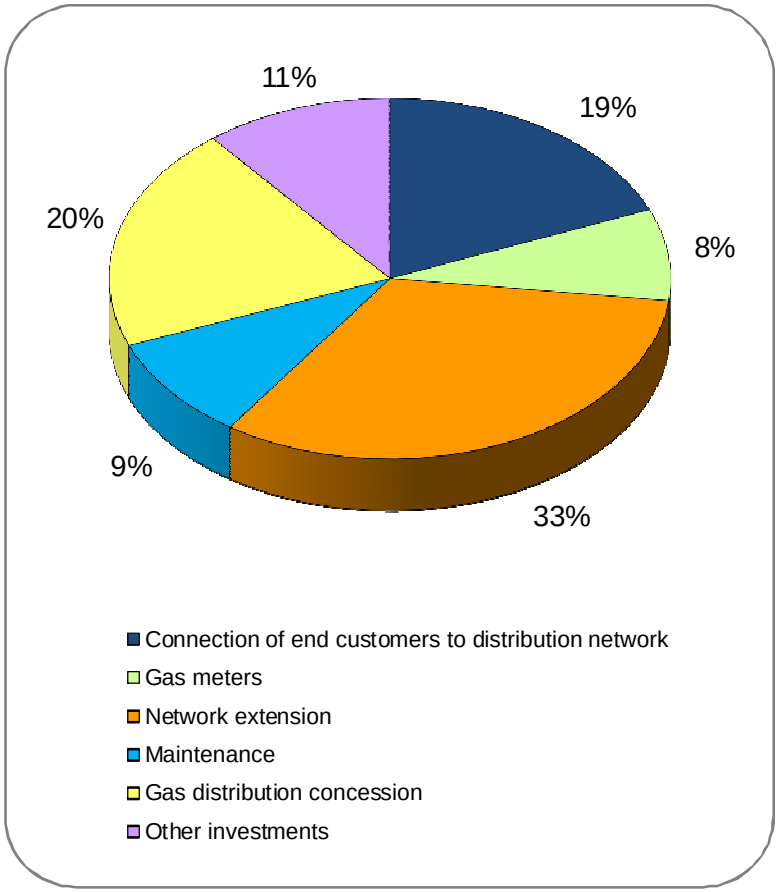
Other changes:

- phantom stock options: Euro 0,7 mln
- long term incentive plan (2012-2013): Euro 0,4 mln
- Labor collective agreement renewal: Euro 0,2 mln
- other: Euro 0,6 mln

Capex (*) and length of gas distribution network (km)

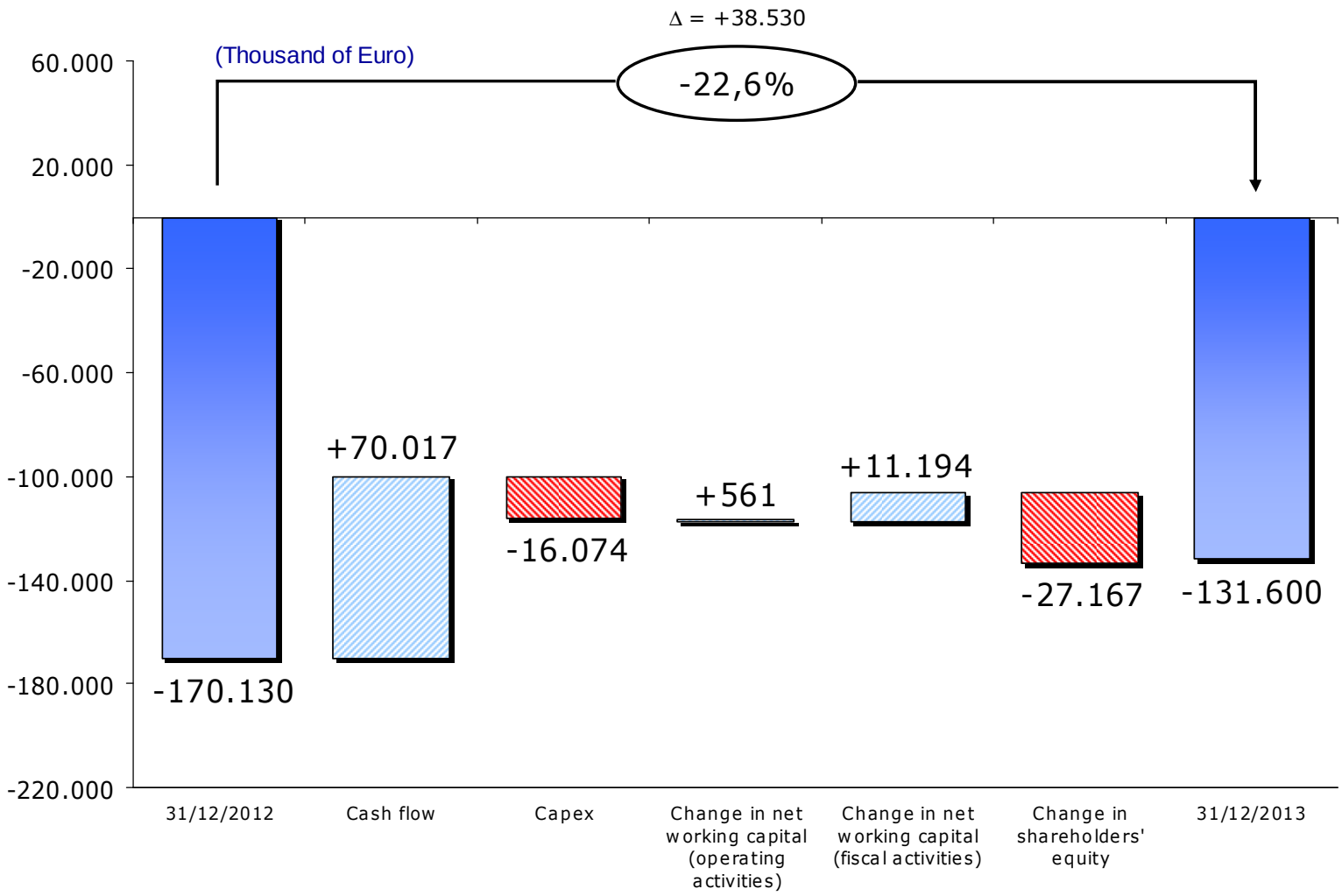






(*) Excluding network extension in new urbanized areas that according to IAS are considered as operating costs and not investments. Data in thousand of Euro.
(**) Investments in tangible assets: 1,9 million of Euro; investments in intangible assets: 19,7 million of Euro, including investments on the gas distribution network (infrustructure under concession)

Net financial position and cash flow



ANNEXES

- **FY 2013 financial results**
- **2009-2013 financial comparison**
  - → 2009-2013 income statement ..... Pag. 68
  - → Balance sheet ..... Pag. 69
- **9M 2014 financial results**

2009-2013 income statement

(Thousand of Euro)	2013	2012	2011	2010	2009	cagr 09-13
Revenues	**854.334**	**1.078.038**	**1.099.241**	**855.884**	**764.151**	**2,8%**
(Cost of raw materials and consumables)	(574.518)	(780.822)	(844.268)	(660.030)	(617.384)	-1,8%
(Cost of services)	(133.442)	(152.434)	(124.572)	(87.528)	(58.888)	22,7%
(Cost of personnel)	(27.280)	(25.442)	(24.323)	(21.091)	(18.377)	10,4%
(Other operating costs)	(14.337)	(16.952)	(13.522)	(10.213)	(9.934)	9,6%
Other operating income	1.148	247	612	989	1.976	-12,7%
EBITDA	**105.904**	**102.635**	**93.169**	**78.009**	**61.545**	**14,5%**
(Depreciations and amortizations)	(20.570)	(22.116)	(19.081)	(17.414)	(16.283)	6,0%
(Provisions)	(8.548)	(7.491)	(7.372)	(4.841)	(4.174)	19,6%
EBIT	**76.787**	**73.027**	**66.717**	**55.754**	**41.088**	**16,9%**
Financial income / (expenses)	(3.874)	(6.916)	(2.798)	(767)	(1.325)	30,8%
Evaluation of companies with net assets method	(262)	(11.007)	(22.425)	(735)	468	n.a.
EBT	**72.651**	**55.104**	**41.494**	**54.253**	**40.231**	**15,9%**
(Income taxes)	(31.541)	(29.509)	(33.874)	(21.408)	(14.340)	21,8%
Earnings after taxes	**41.111**	**25.595**	**7.620**	**32.845**	**25.891**	**12,3%**
(Net loss from discontinued operations)	(71)	4.336	639	-	-	n.a.
Net income	**41.040**	**29.932**	**8.259**	**32.845**	**25.891**	**12,2%**
(Net income of minorities)	(2.361)	(2.067)	(1.993)	(1.671)	(603)	40,7%
Net income of the Group	**38.678**	**27.865**	**6.266**	**31.174**	**25.288**	**11,2%**

Balance sheet

(Thousand of Euro)	31/12/2013	31/12/2012	31/12/2011	31/12/2010 *	31/12/2009 *	cagr 09-13
Tangible assets	39.277	40.534	61.983	43.814	329.970	-41,3%
Non tangible assets	447.898	450.457	459.046	410.765	114.542	40,6%
Other fixed assets	44.351	29.817	26.741	16.133	15.418	30,2%
Fixed assets	**531.527**	**520.808**	**547.770**	**470.712**	**459.930**	**3,7%**
Operating current assets	275.864	363.436	381.684	261.137	211.796	6,8%
(Operating current liabilities)	(211.986)	(261.175)	(283.199)	(208.928)	(178.075)	4,5%
(Operating non current liabilities)	(61.126)	(64.122)	(82.466)	(47.526)	(44.468)	8,3%
Net working capital	**2.752**	**38.140**	**16.019**	**4.683**	**(10.747)**	**n.a.**
Total capital employed	**534.278**	**558.948**	**563.789**	**475.395**	**449.183**	**4,4%**
Group shareholders equity	**397.689**	**384.053**	**357.871**	**375.535**	**367.245**	**2,0%**
Minorities	**4.989**	**4.765**	**4.696**	**3.866**	**2.851**	**15,0%**
Net financial position	**131.600**	**170.130**	**201.221**	**95.995**	**79.088**	**13,6%**
Total sources	**534.278**	**558.948**	**563.789**	**475.395**	**449.183**	**4,4%**

(*) Data are represented not considering the application of IFRIC 12.

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- **2009-2013 financial comparison**
- **9M 2014 financial results**

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Application of IFRS 11 international accounting standard

In application of IFRS 11 international accounting standard, from January, 1st 2014 the jointly controlled companies are consolidated with net equity consolidation method.

Until December, 31st 2013 they were consolidated with proportionate consolidation method.

Company	9M 2014		9M 2013
Sinergie Italiane S.r.l.	Net equity consolidation method	=	Net equity consolidation method
Veritas Energia S.r.l.	Full consolidation method	≠	Proportionate consolidation method
Asm Set S.r.l.	Net equity consolidation method	≠	Proportionate consolidation method
Estenergy S.p.A.	Net equity consolidation method	≠	Proportionate consolidation method
Unigas Distribuzione S.r.l.	Net equity consolidation method	≠	Proportionate consolidation method

For having a comparable accounting situation:

- 9M 2013 income statement has been reclassified (9M 2013 restated);
- balance sheet at December, 31st 2013 has been reclassified (31/12/2013 restated);

using the same consolidation principles in force in 2014.

FY 2013 restated income statement

(Thousand of Euro)	FY 2013	Chg	FY 2013 restated
Revenues	**854.334**	**(186.496)**	**667.837**
(Cost of raw materials and consumables)	(574.518)	101.049	(473.469)
(Cost of services)	(133.442)	59.691	(73.751)
(Cost of personnel)	(27.280)	4.371	(22.909)
(Other operating costs)	(14.337)	1.672	(12.666)
Other operating income	1.148	(2)	1.146
EBITDA	**105.904**	**(19.716)**	**86.188**
(Depreciations and amortizations)	(20.570)	2.297	(18.273)
(Provisions)	(8.548)	2.509	(6.039)
EBIT	**76.787**	**(14.910)**	**61.877**
Financial income / (expenses)	(3.874)	2.447	(1.427)
Evaluation of companies with net assets method	(262)	6.730	6.468
EBT	**72.651**	**(5.734)**	**66.917**
(Income taxes)	(31.541)	5.734	(25.807)
Earnings after taxes	**41.111**	**(0)**	**41.111**
(Net loss from discontinued operations)	(71)	-	(71)
Net income	**41.040**	**(0)**	**41.040**
(Net income of minorities)	(2.361)	-	(2.361)
Net income of the Group	**38.678**	**-**	**38.678**

Balance sheet at December, 31st 2013 restated

(Thousand of Euro)	31/12/2013	Chg	31/12/2013 restated
Tangible assets	39.277	(1.437)	37.840
Non tangible assets	447.898	(60.398)	387.500
Investments in associates	1	72.421	72.421
Other fixed assets	44.351	(4.664)	39.687
Fixed assets	**531.527**	**5.922**	**537.449**
Operating current assets	275.864	(71.799)	204.066
(Operating current liabilities)	(211.986)	51.753	(160.234)
(Operating non current liabilities)	(61.126)	6.334	(54.792)
Net working capital	**2.752**	**(13.712)**	**(10.960)**
Total capital employed	**534.278**	**(7.790)**	**526.489**
Group shareholders equity	**397.689**	**-**	**397.689**
Minorities	**4.989**	**-**	**4.989**
Net financial position	**131.600**	**(7.790)**	**123.810**
Total sources	**534.278**	**(7.790)**	**526.489**

9M 2013 restated income statement

(Thousand of Euro)	9M 2013	Chg	9M 2013 restated
Revenues	**639.639**	**(143.421)**	**496.218**
(Cost of raw materials and consumables)	(426.300)	76.980	(349.320)
(Cost of services)	(98.020)	46.944	(51.077)
(Cost of personnel)	(19.653)	3.162	(16.491)
(Other operating costs)	(15.372)	929	(14.444)
Other operating income	730	(2)	728
EBITDA	**81.024**	**(15.410)**	**65.615**
(Depreciations and amortizations)	(15.759)	1.639	(14.120)
(Provisions)	(7.045)	2.446	(4.599)
EBIT	**58.220**	**(11.324)**	**46.895**
Financial income / (expenses)	(3.666)	2.023	(1.643)
Evaluation of companies with net assets method	(112)	5.090	4.977
EBT	**54.441**	**(4.211)**	**50.229**
(Income taxes)	(24.463)	4.211	(20.252)
Earnings after taxes	**29.978**	**0**	**29.978**
(Net loss from discontinued operations)	-	-	-
Net income	**29.978**	**0**	**29.978**
(Net income of minorities)	(1.796)	-	(1.796)
Net income of the Group	**28.181**	**-**	**28.181**

9M 2014 consolidated income statement

(Thousand of Euro)	9M 2014	9M 2013 restated	Chg	Chg %
Revenues	**431.234**	**496.218**	**(64.984)**	**-13,1%**
(Cost of raw materials and consumables)	(266.485)	(349.320)	82.834	-23,7%
(Cost of services)	(79.387)	(51.077)	(28.311)	+55,4%
(Cost of personnel)	(17.680)	(16.491)	(1.189)	+7,2%
(Other operating costs)	(10.999)	(14.444)	3.445	-23,9%
Other operating income	21	728	(707)	-97,1%
EBITDA	**56.704**	**65.615**	**(8.911)**	**-13,6%**
(Depreciations and amortizations)	(14.681)	(14.120)	(561)	+4,0%
(Provisions)	(4.943)	(4.599)	(344)	+7,5%
EBIT	**37.080**	**46.895**	**(9.815)**	**-20,9%**
Financial income / (expenses)	(869)	(1.643)	774	-47,1%
Evaluation of companies with net assets method (*)	4.104	4.977	(873)	-17,5%
EBT	**40.315**	**50.229**	**(9.914)**	**-19,7%**
(Income taxes)	(15.086)	(20.252)	5.166	-25,5%
Earnings after taxes	**25.229**	**29.978**	**(4.748)**	**-15,8%**
(Net loss from discontinued operations)	-	-	-	n.a.
Net income	**25.229**	**29.978**	**(4.748)**	**-15,8%**
(Net income of minorities)	(1.235)	(1.796)	561	-31,2%
Net income of the Group	**23.994**	**28.181**	**(4.187)**	**-14,9%**

(*) Result of the companies consolidated with net equity consolidation method (data are considered pro-quota): sale companies, Euro 1,0 mln (Euro 4,3 mln in 9M 2013 restated); distribution companies, Euro 0,5 mln (Euro 0,7 mln in 9M 2013 restated); Sinergie Italiane, Euro 2,6 mln (- Euro 0,0 mln in 9M 2013 restated).

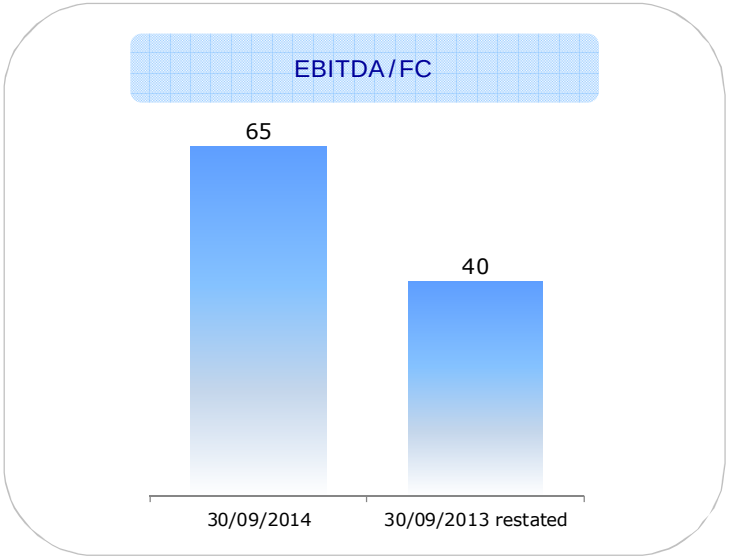
Consolidated balance sheet at September, 30th 2014

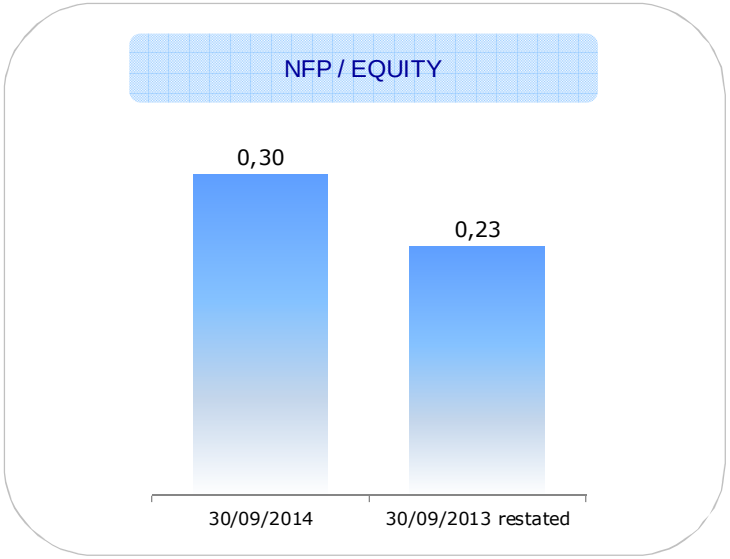
(Thousand of Euro)	30/09/2014	31/12/2013 restated	Chg	Chg %
Tangible assets (*)	36.712	37.840	(1.128)	-3,0%
Non tangible assets (*)	392.721	387.500	5.221	+1,3%
Investments in associates (**)	63.724	72.421	(8.698)	-12,0%
Other fixed assets	36.192	39.687	(3.495)	-8,8%
Fixed assets	**529.348**	**537.449**	**(8.101)**	**-1,5%**
Operating current assets	140.816	204.066	(63.250)	-31,0%
(Operating current liabilities)	(96.170)	(160.234)	64.063	-40,0%
(Operating non current liabilities)	(56.703)	(54.792)	(1.911)	+3,5%
Net working capital	**(12.058)**	**(10.960)**	**(1.097)**	**+10,0%**
Total capital employed	**517.290**	**526.489**	**(9.198)**	**-1,7%**
Group shareholders equity	**393.935**	**397.689**	**(3.754)**	**-0,9%**
Minorities	**3.803**	**4.989**	**(1.187)**	**-23,8%**
Net financial position	**119.553**	**123.810**	**(4.257)**	**-3,4%**
Total sources	**517.290**	**526.489**	**(9.198)**	**-1,7%**

(*) Applying IFRIC 12 involves categorising the infrastructures under concession from tangible to intangible assets; (**) Value of the associated companies consolidated with net equity consolidation method: sale companies, Euro 44,1 mln (Euro 52,1 mln at 31/12/2013 restated); distribution companies, Euro 19,6 mln (Euro 20,3 mln at 31/12/2013 restated).

Financial ratios

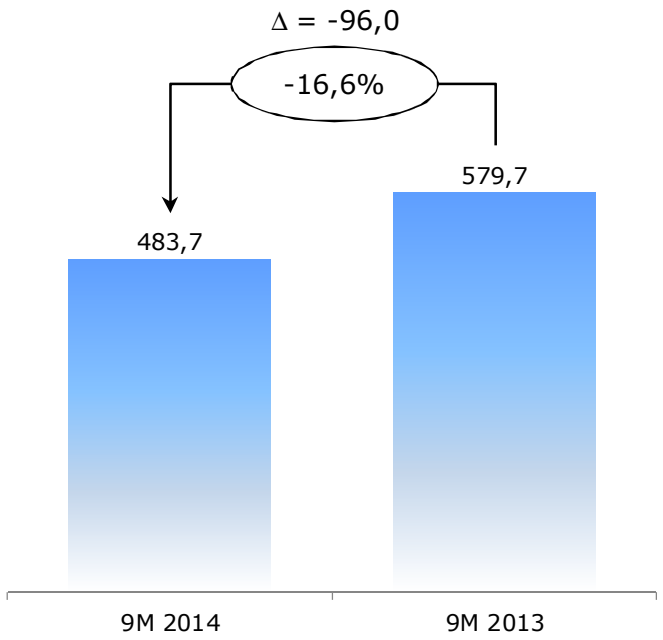
(Thousand of Euro)	30/09/2014	30/09/2013 restated	Var	Var %
Net Financial Position (NFP)	(119.553)	(91.570)	(27.983)	+30,6%
EBITDA	56.704	65.615	(8.911)	-13,6%
Finance costs (FC)	(869)	(1.643)	774	-47,1%
EBITDA / FC	**65**	**40**	**25**	**+63,4%**
Shareholders equity (EQUITY)	397.738	391.757	5.981	+1,5%
NFP / EQUITY (Financial leverage)	**0,30**	**0,23**	**0,07**	**+28,6%**

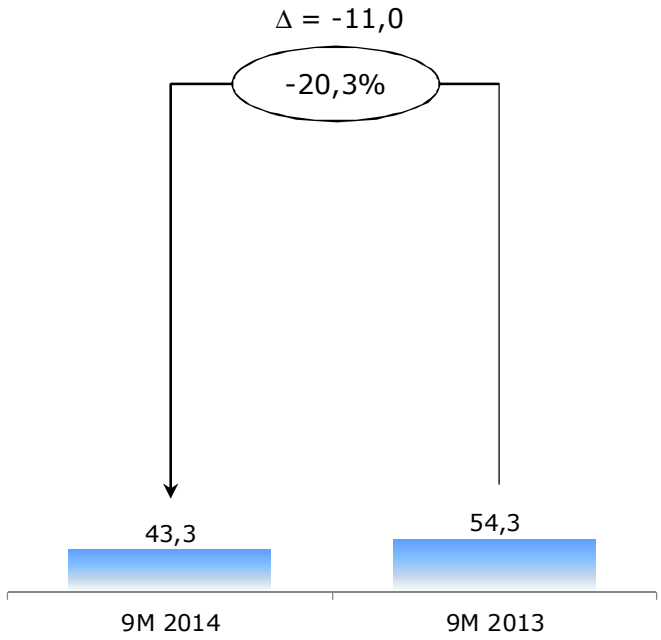




Volumes of gas distributed

(Million of standard cubic meters)





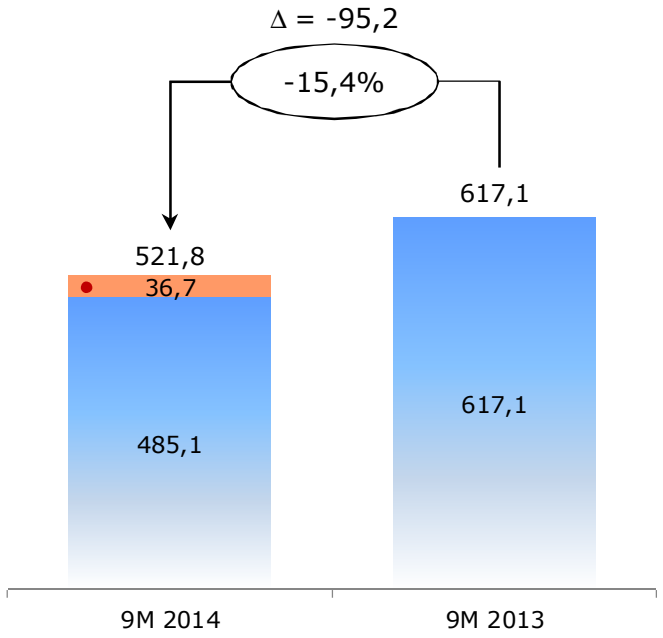
Companies consolidated with full consolidation method

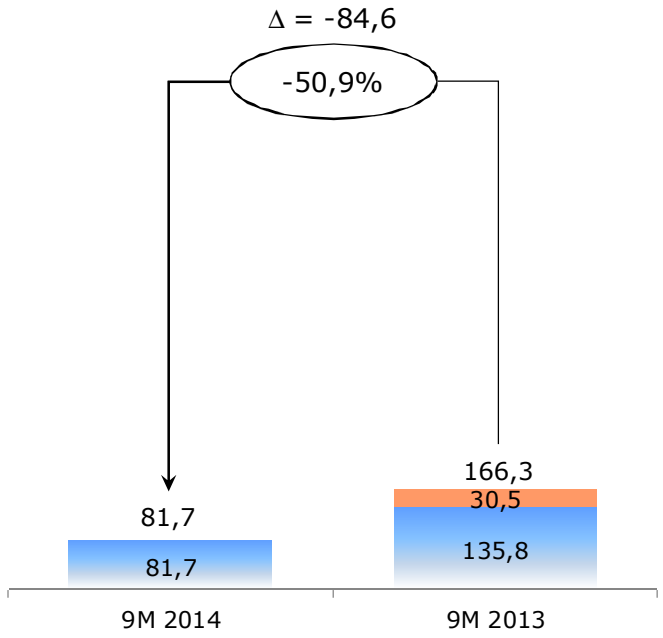
Companies consolidated with net equity consolidation method (*)

(*) Data are considered pro-quota.

Volumes of gas sold

(Million of standard cubic meters)





Companies consolidated with full consolidation method

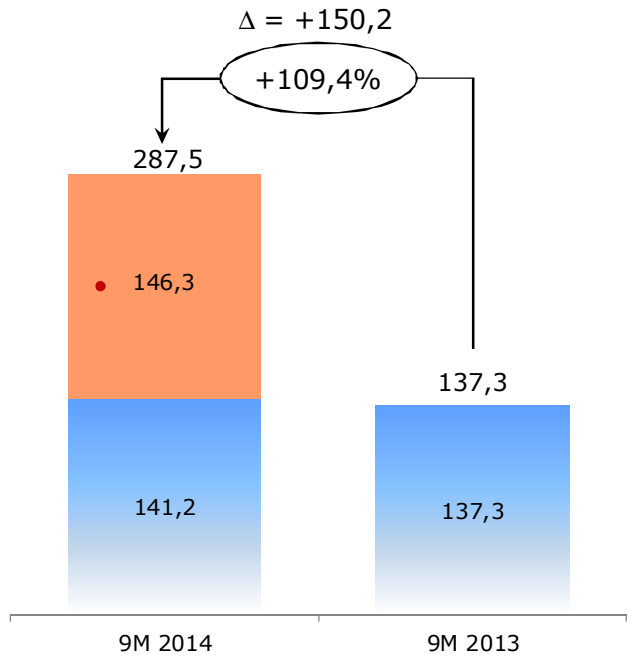
Companies consolidated with net equity consolidation method (*)

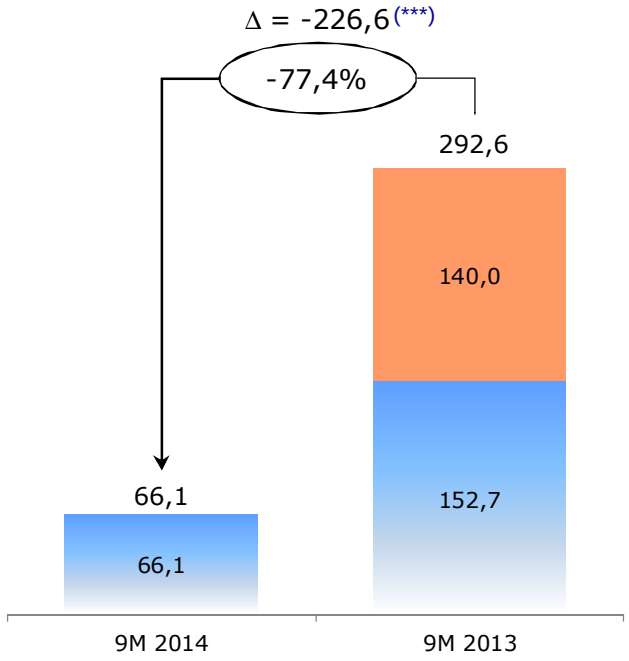
● of which **18,0 mln of cm** for enlargement of consolidation perimeter (**)

Veritas Energia S.r.l.: from January, 1st 2014 the company has modified its consolidation criterion (from proportionate to full consolidation method).
(*) Data are considered pro-quota; (**) Acquisition of 49% stake in Veritas Energia S.r.l.

Volumes of electricity sold

Volumes of electricity sold
(GWh)





Companies consolidated with full consolidation method

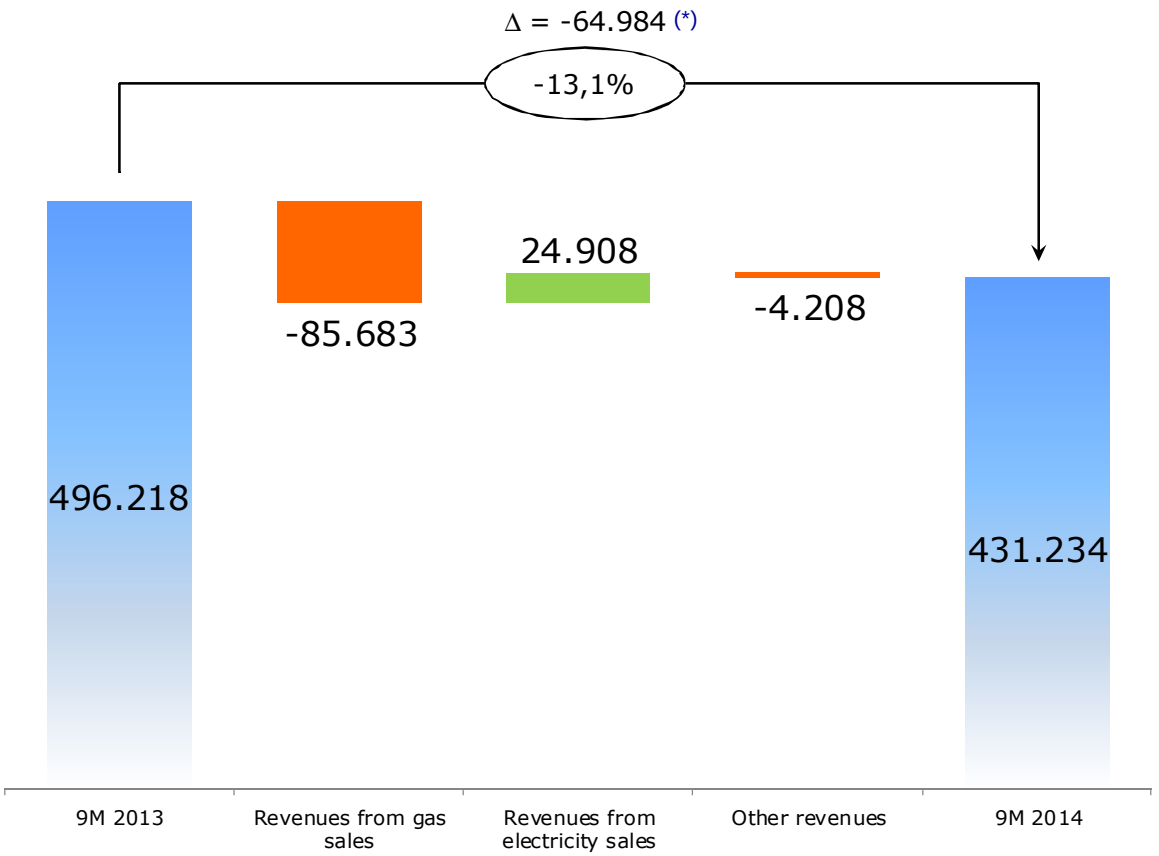
Companies consolidated with net equity consolidation method (*)

● of which **71,7 GWh** for enlargement of consolidation perimeter (**)

Veritas Energia S.r.l.: from January, 1st 2014 the company has modified its consolidation criterion (from proportionate to full consolidation method).
(*) Data are considered pro-quota; (**) Acquisition of 49% stake in Veritas Energia S.r.l.
(***) Reduction is mainly due to a rationalization of Estenergy customers portfolio and to a change in consolidation criterion of Veritas Energia.

Revenues bridge (1)

Revenues bridge
Companies consolidated with full consolidation method
(Thousand of Euro)

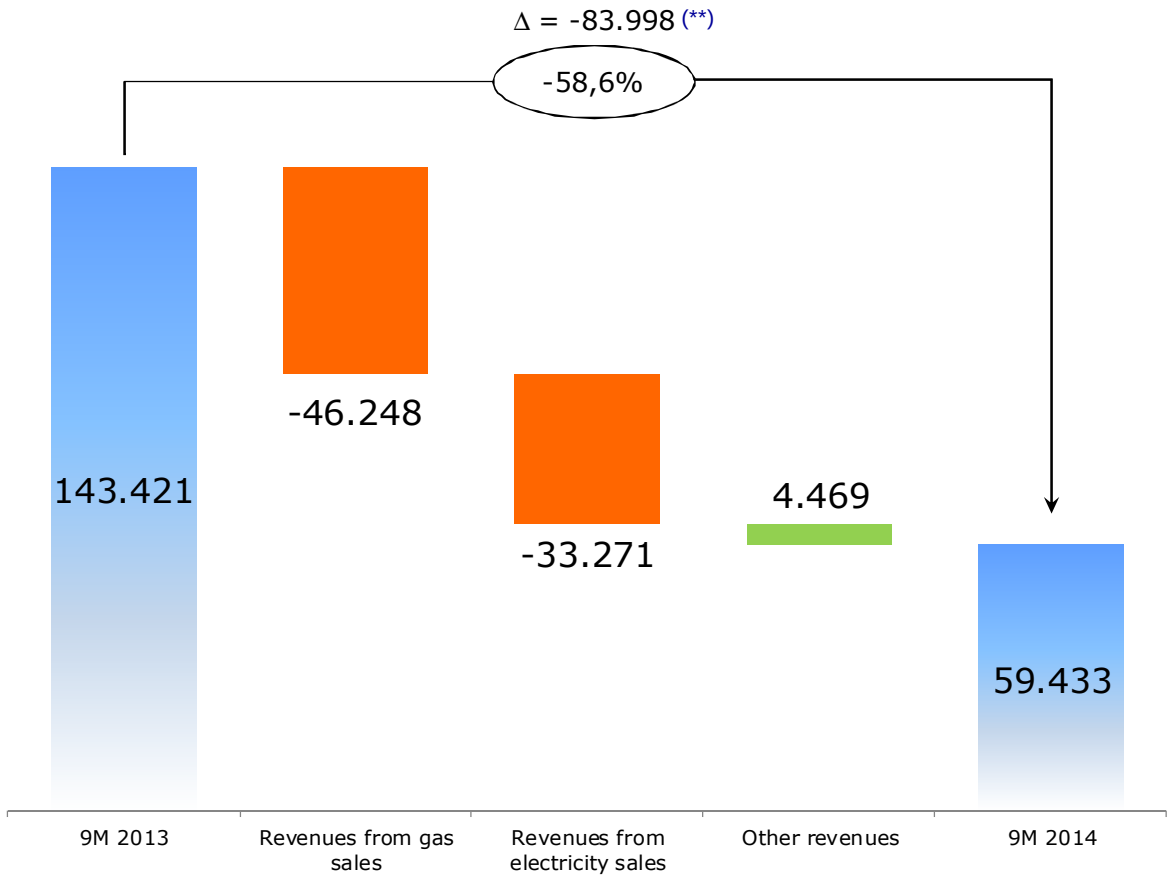


(*) of which for changing of consolidation perimeter of Veritas Energia: Euro 46,3 mln.

Revenues bridge (2)

Revenues bridge
Companies consolidated with net equity consolidation method (*)

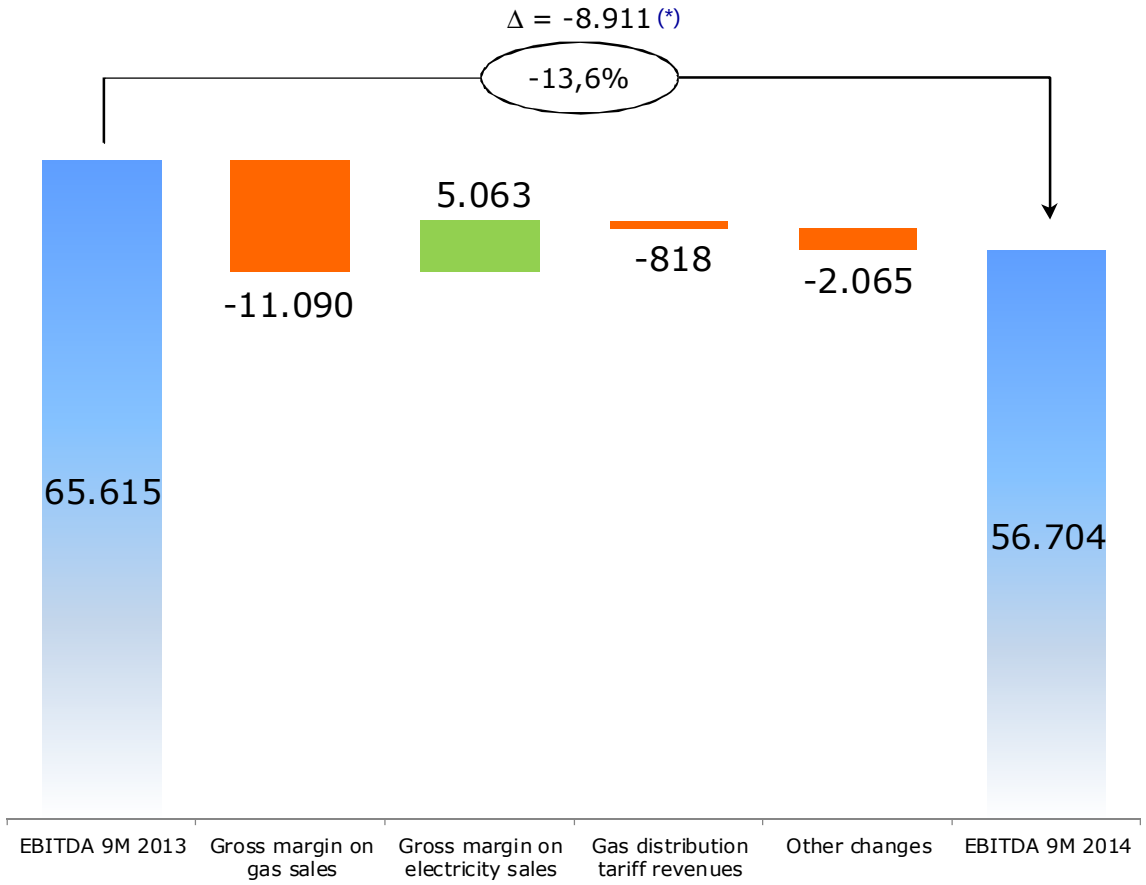
(Thousand of Euro)



(*) Sinergie Italiane excluded; (**) of which for changing of consolidation perimeter of Veritas Energia: Euro 21,1 mln.

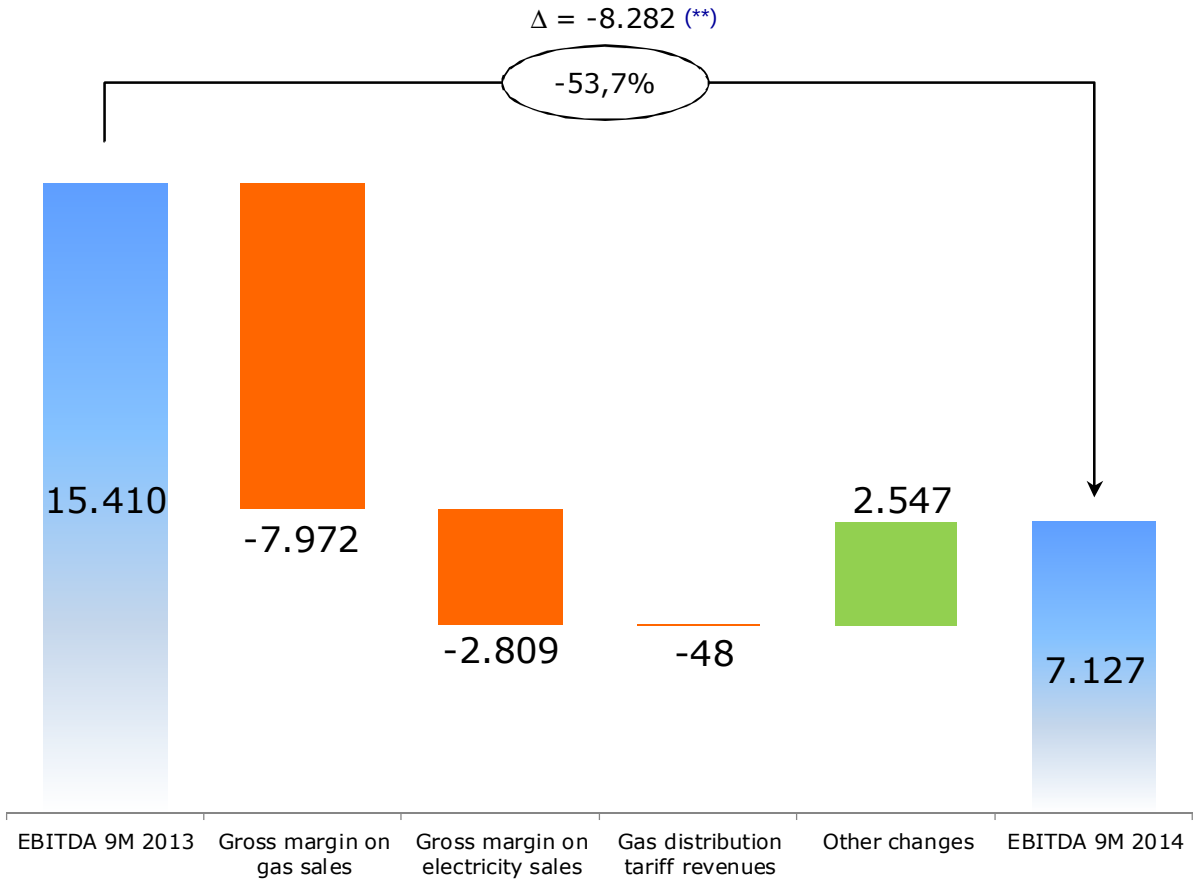
EBITDA bridge (1)

EBITDA bridge
Companies consolidated with full consolidation method
(Thousand of Euro)



(*) of which for changing of consolidation perimeter of Veritas Energia: Euro 5,8 mln.

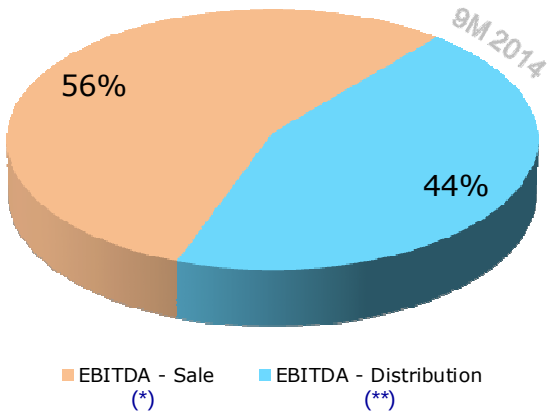
EBITDA bridge
Companies consolidated with net equity consolidation method (*)
(Thousand of Euro)

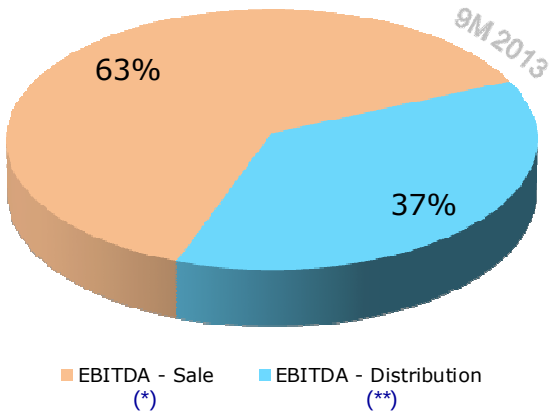


(*) Sinergie Italiane excluded; (**) of which for changing of consolidation perimeter of Veritas Energia: Euro 3,5 mln.

EBITDA breakdown
Companies consolidated with full consolidation method
(Thousand of Euro)

(Thousand of Euro)	9M 2014	9M 2013	Var	Var %
EBITDA	**56.704**	**65.615**	**(8.911)**	**-13,6%**
EBITDA - Sale	31.486	41.187	(9.701)	-23,6%
EBITDA - Distribution	25.217	24.427	790	+3,2%
EBIT	**37.080**	**46.895**	**(9.815)**	**-20,9%**
EBIT - Sale	24.642	34.464	(9.821)	-28,5%
EBIT - Distribution	12.438	12.432	6	+0,1%



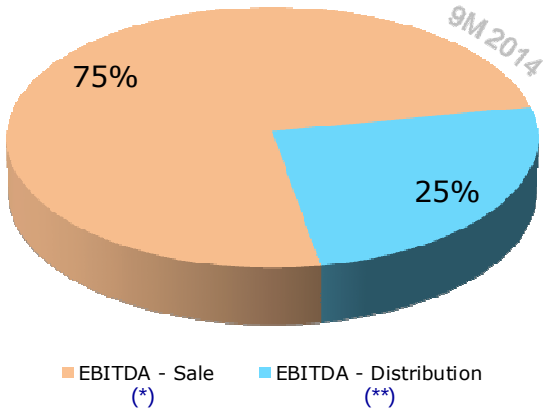


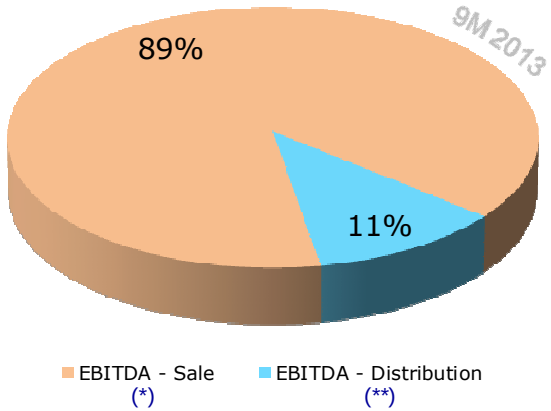
(*) Sale companies; (**) Distribution companies.

EBITDA breakdown (2)

EBITDA breakdown
Companies consolidated with net equity consolidation method (*)
(Thousand of Euro)

(Thousand of Euro)	9M 2014	9M 2013	Var	Var %
EBITDA	**7.127**	**15.410**	**(8.282)**	**-53,7%**
EBITDA - Sale	5.327	13.668	(8.341)	-61,0%
EBITDA - Distribution	1.800	1.741	59	+3,4%
EBIT	**3.829**	**11.324**	**(7.496)**	**-66,2%**
EBIT - Sale	2.844	10.273	(7.429)	-72,3%
EBIT - Distribution	984	1.051	(67)	-6,4%





(*) Sinergie Italiane excluded; (**) Sale companies; (***) Distribution companies.

Gas distribution tariff revenues

(Thousand of Euro) (*)	9M 2014	9M 2013	Chg	Chg %
Tariffs applied to sales companies	35.250	41.992	(6.742)	-16,1%
Equalization amount (+ / -)	11.492	5.568	5.924	+106,4%
Gas distribution tariff revenues (A) *Company consolidated with full consolidation method*	**46.742**	**47.560**	**(818)**	**-1,7%**

The decrease of gas distribution tariff revenues of the companies consolidated with full consolidation method (- Euro 0,8 mln) is due to:

1) change of gas distribution tariffs applied to gas sales companies: - Euro 6,7 mln;
2) equalization amount: + Euro 5,9 mln.

(Thousand of Euro) (*)	9M 2014	9M 2013	Chg	Chg %
Gas distribution tariff revenues (B) *Company consolidated with net equity consolidation method*	**4.231**	**4.279**	**(48)**	**-1,1%**
Gas distribution tariff revenues (A+B)	**50.973**	**51.839**	**(866)**	**-1,7%**

(*) Economic data before elisions.

Gross margin on gas sales

(Thousand of Euro) (*)	9M 2014	9M 2013	Chg	Chg %
Revenues from gas sales	285.908	354.145	(68.237)	-19,3%
(Gas purchase costs)	(187.430)	(236.050)	48.620	-20,6%
(Distribution costs)	(55.219)	(63.746)	8.527	-13,4%
Gross margin on gas sales (A) *Company consolidated with full consolidation method*	**43.259**	**54.349**	**(11.090)**	**-20,4%**

The decrease of gross margin on gas sales of the companies consolidated with full consolidation method is equal to - Euro 11,1 mln:

- change on the same consolidation perimeter: - Euro 16,0 mln
- change for full consolidation of Veritas Energia S.r.l.: + Euro 4,9 mln

(Thousand of Euro) (*)	9M 2014	9M 2013	Chg	Chg %
Gross margin on gas sales (B) *Company consolidated with net equity consolidation method*	**8.441**	**16.413**	**(7.972)** (**)	**-48,6%**
Gross margin on gas sales (A+B)	**51.700**	**70.762**	**(19.063)**	**-26,9%**

(*) Economic data before elisions; (**) Change on the same consolidation perimeter: - Euro 4,9 mln / Change for deconsolidation of Veritas Energia S.r.l.: - Euro 3,1 mln.

Gross margin on electricity sales

(Thousand of Euro) (*)	9M 2014	9M 2013	Chg	Chg %
Revenues from elecricity sales	69.842	25.384	44.457	+175,1%
(Electricity purchase costs)	(37.641)	(25.146)	(12.495)	+49,7%
(Distribution costs)	(26.899)	-	(26.899)	n.a.
Gross margin on electricity sales (A) *Company consolidated with full consolidation method*	**5.302**	**239**	**5.063**	**+2121,2%**

The increase of gross margin on electricity sales of the companies consolidated with full consolidation method is equal to + Euro 5,1 mln:

- change on the same consolidation perimeter: + Euro 1,0 mln
- change for full consolidation on Veritas Energia S.r.l.: + Euro 4,1 mln

(Thousand of Euro) (*)	9M 2014	9M 2013	Chg	Chg %
Gross margin on electricity sales (B) *Company consolidated with net equity consolidation method*	**441**	**3.250**	**(2.809)** (**)	**-86,4%**
Gross margin on electricity sales (A+B)	**5.743**	**3.489**	**2.254**	**+64,6%**

(*) Economic data before elisions; (**) Change on the same consolidation perimeter: - Euro 0,4 mln / Change for deconsolidation of Veritas Energia S.r.l.: - Euro 2,4 mln.

Other net operating costs (1)

(Thousand of Euro) (*)	9M 2014	9M 2013	Chg	Chg %
Other revenues	31.063	35.272	(4.208)	-11,9%
Other costs of raw materials and services	(51.982)	(55.314)	3.332	-6,0%
Cost of personnel	(17.680)	(16.491)	(1.189)	+7,2%
Other net operating costs (A) *Company consolidated with full consolidation method*	**(38.599)**	**(36.533)**	**(2.065)** (**)	**+5,7%**

Increase of other net operating costs of the companies consolidated with full consolidation method: - Euro 2,1 mln

of which:

- *increase of gas distribution concession fees: - Euro 0,5 mln*
- *increase of cost of personnel: - Euro 1,2 mln*
- *increase of marketing and customers acquisition cost: - Euro 0,1 mln*
- *increase of margin on energy efficiency tasks management: + Euro 2,8 mln*
- *decrease of revenues for distribution network connection services (change in accounting method): - Euro 2,2 mln*
- *decrease of capital gain realized on the disposal of distribution plants: - Euro 0,7 mln*
- *other changes: - Euro 0,2 mln*

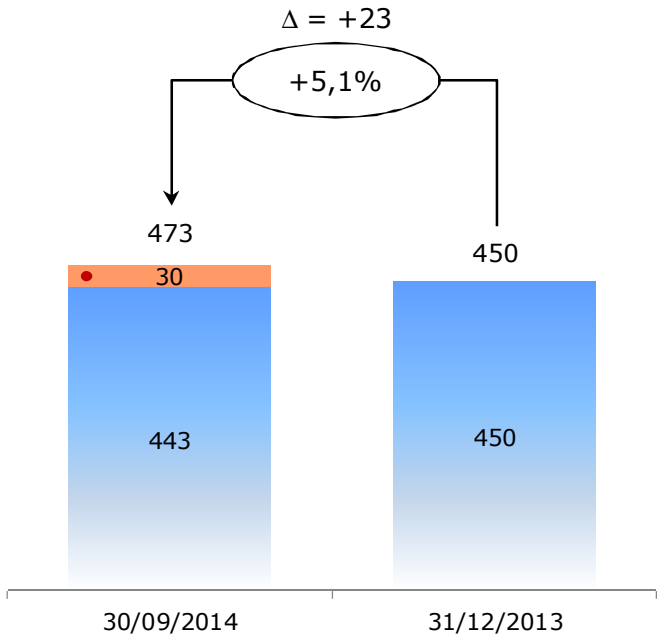
(*) Economic data before elisions; (**) Change on equal method / consolidation perimeter: + Euro 0,9 mln / Change for deconsolidation of Veritas Energia S.r.l.: - Euro 3,0 mln.

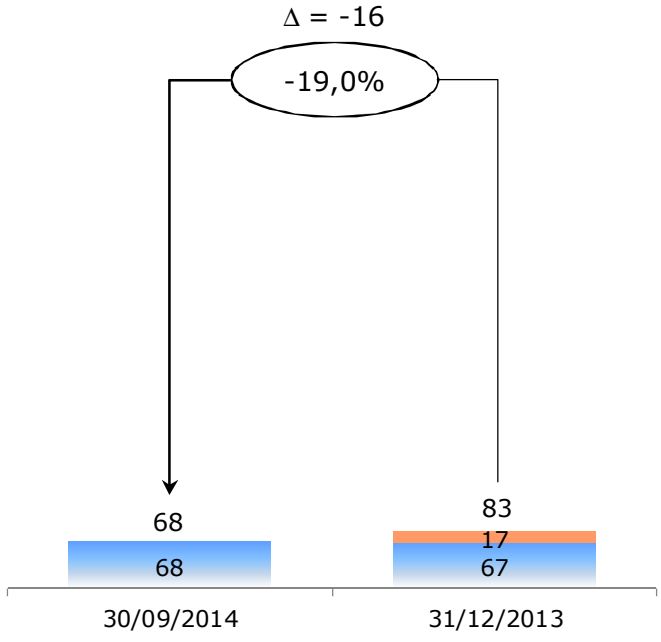
Other net operating costs (2)

(Thousand of Euro) (*)	9M 2014	9M 2013	Chg	Chg %
Other net operating costs (A) *Company consolidated with full consolidation method*	**(38.599)**	**(36.533)**	**(2.065)**	**+5,7%**
Other net operating costs (B) *Company consolidated with net equity consolidation method*	**(20.077)**	**(22.624)**	**2.547** (**)	**-11,3%**
Other net operating costs (A+B)	**(58.675)**	**(59.157)**	**481**	**-0,8%**

(*) Economic data before elisions; (**) Sinergie Italiane excluded; (**) Change on the same consolidation perimeter: - Euro 1,3 mln / Change for deconsolidation of Veritas Energia S.r.l.: + Euro 3,8 mln.

Number of employees





Companies consolidated with full consolidation method

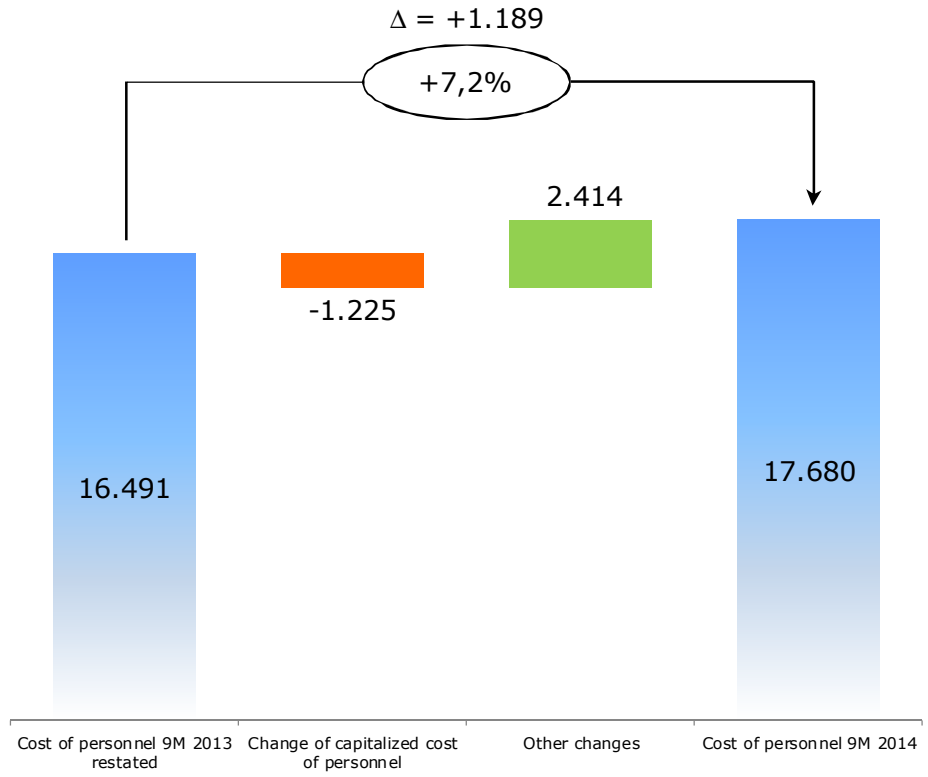
Companies consolidated with net equity consolidation method (*)

● of which **15 employees** for enlargement of consolidation perimeter (**)

Veritas Energia S.r.l.: from January, 1st 2014 the company has modified its consolidation criterion (from proportionate to full consolidation method).
(*) Data are considered pro-quota; (**) Acquisition of 49% stake in Veritas Energia S.r.l.

Consolidated cost of personnel

(Thousand of Euro)

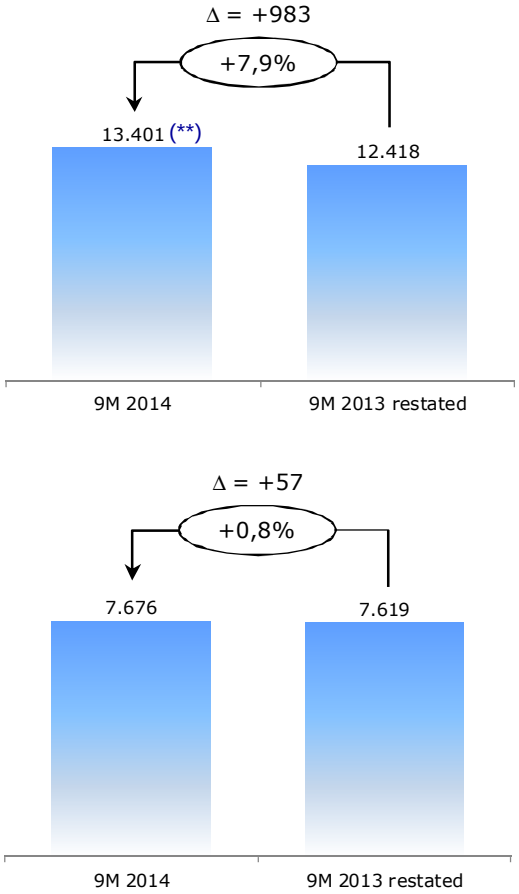


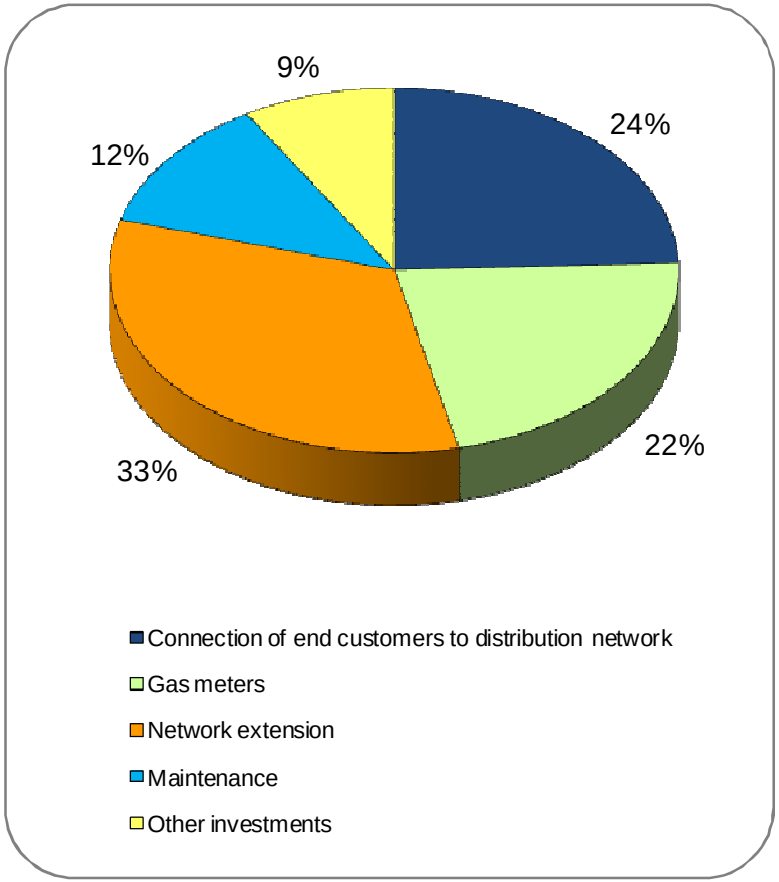
Other changes:

- phantom stock options: Euro 0,6 mln
- change in consolidation criterion of Veritas Energia: 1,3 mln
- other: Euro 0,5 mln

9M 2014 cost of personnel of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 2,5 mln (-21,2%).

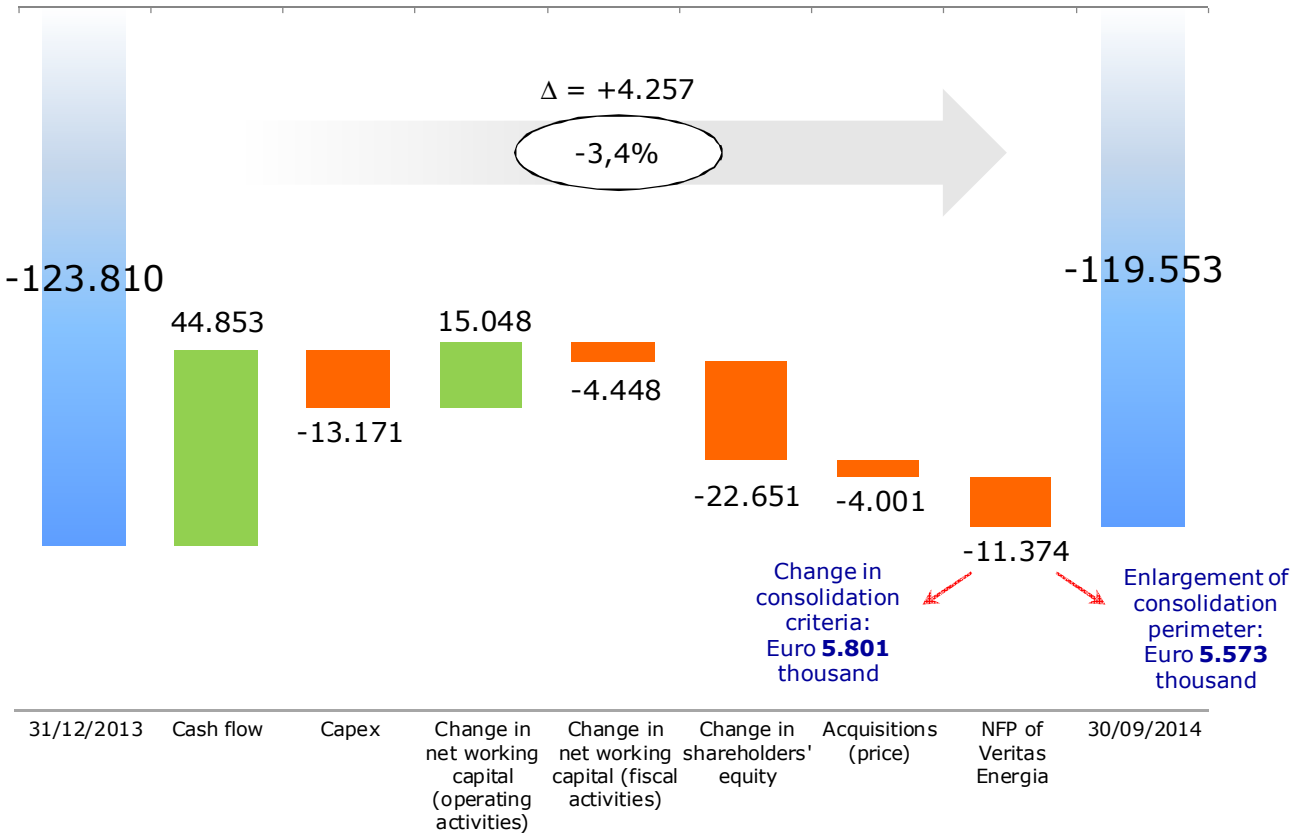
Capex (*) and length of gas distribution network (km)





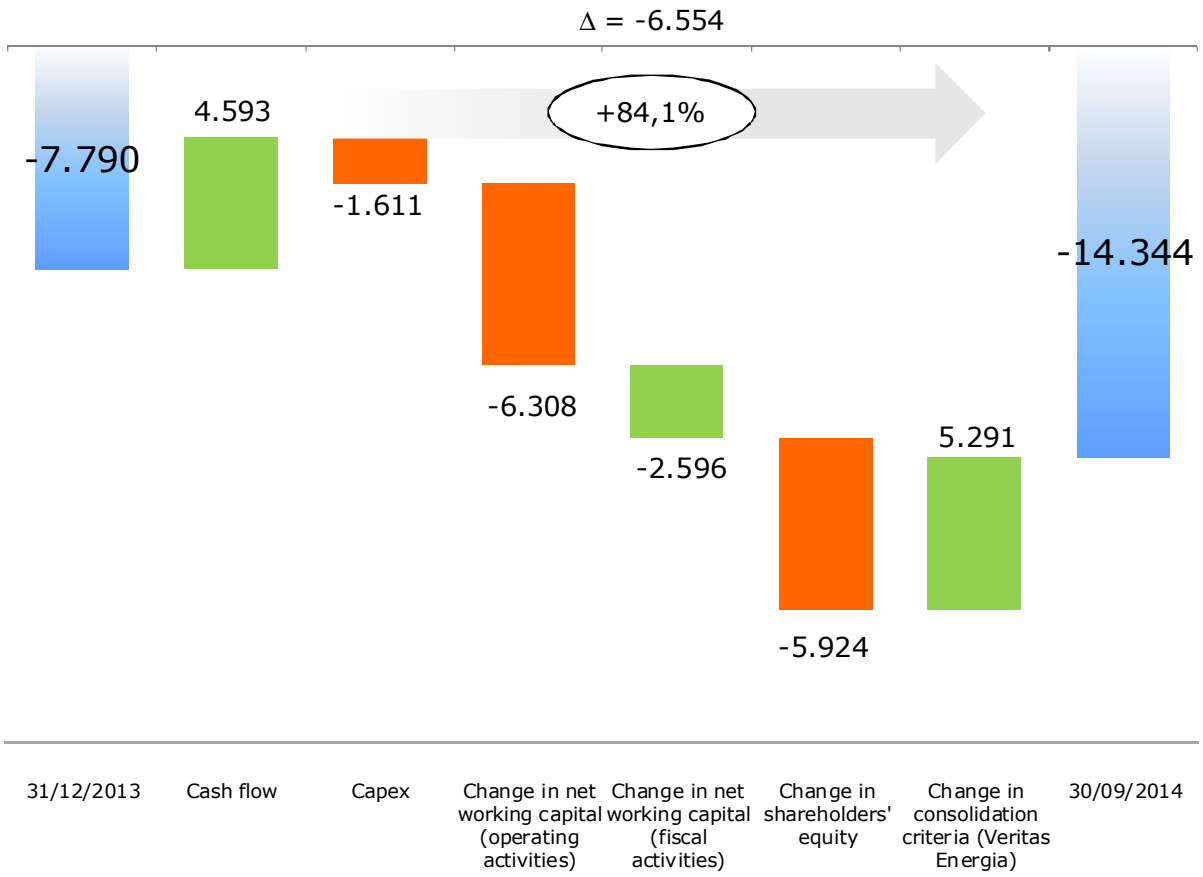
(*) Excluding network extension in new urbanized areas that according to IAS are considered as operating costs and not investments. Data in thousand of Euro.
(**) Investments in tangible assets: Euro 1,0 mln; investments in intangible assets: Euro 12,4 mln (excluded realizations of tangible and intangible assets and investments in associated).
9M 2014 investments of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 1,6 mln (-22,4%).

Net Financial Position and cash flow
Companies consolidated with full consolidation method
(Thousand of Euro)



Net Financial Position and cash flow
Companies consolidated with net equity consolidation method (*)

(Thousand of Euro)

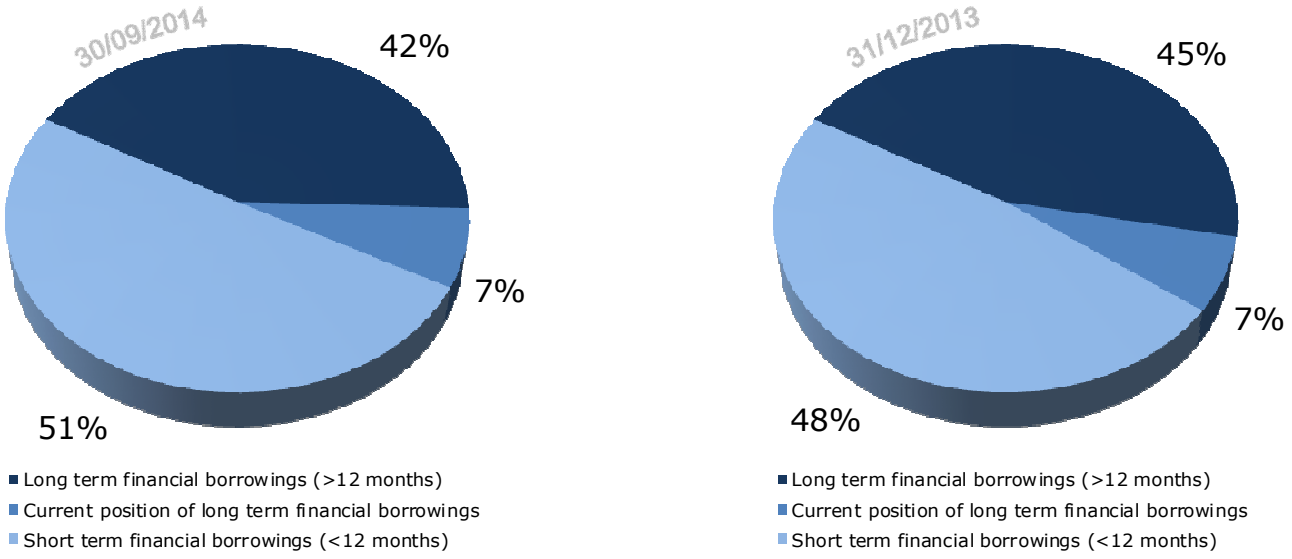


(*) Sinergie Italiane excluded.

Net Financial Position and cash flow (3)

(Thousand of Euro) (*)	30/09/2014	31/12/2013	Var	Var %
Long term financial borrowings (>12 months)	56.548	63.201	(6.653)	-10,5%
Current position of long term financial borrowings	9.766	9.784	(18)	-0,2%
Short term financial borrowings (<12 months)	67.453	67.814	(361)	-0,5%
Total financial debt	**133.767**	**140.799**	**(7.032)**	**-5,0%**
Fixed rate borrowings	1.058	1.304	(246)	-18,9%
Variable rate borrowings	132.709	139.495	(6.786)	-4,9%

9M 2014 average cost of debt: 1,24% (vs FY 2013 rate: 1,86%)



(*) Data refers to only companies consolidated with full consolidation method.