PRESS RELEASE

ASCOPIAVE: The Board of Directors has approved the results of the half year report ended 30 June 2014.

- **Consolidated Revenues: Euro 337.1 million (-16.8% first half of 2013)**
- **Gross Operating Margin: Euro 45.2 million (-20.2%)**
- **Operating Results: Euro 32.5 million (-25.3%)**
- **Consolidated net profit: Euro 22.7 million (-23.5%)**
- **Net Financial Position at Euro 101.1 million**
- **Debt/shareholder's Equity ratio: 0.26, among the best of this sector.**

The Ascopiave S.p.A. Board of Directors, which had a meeting chaired by Mr. Fulvio Zugno today, has acknowledged and approved the report for the first half of the year ended 30 June 2014

According to Ascopiave Chairman Fulvio Zugno "Results for the first half of 2014, while limited by a fully expected decrease in revenues and margins, have been widely positive. They confirm the strength of our Group, which is balanced and sound at the economic, financial and capital levels alike. Together with the newly appointed Board of Directors we have started a fruitful collaboration. We stand ready to tackle all future challenges the Ascopiave Group may face, in the gas distribution sector and in the gas business and electric energy sectors as well. Our strong financial stability, the clarity of our purpose paired with the organization of our teams are strong assets which we deem will be fundamental for our mid-term results. We are aware of our strong traits and we are optimistic about Ascopiave's future endeavours, in a sector that has been very demanding to all its stakeholders.

According to General Manager Roberto Gumirato "The figures that have been approved today prove that the Group has been capable of reacting brilliantly to climate conditions that have been extremely detrimental to gas sales. Furthermore, these conditions have only been made worse by the new pricing conditions set forth by the Regulation Authority, which caused a decrease in trade margins. During the second quarter of 2014 we managed to reverse the trend of the first quarter of the year, with interventions on client portfolios and supplying process. These actions have yielded very successful results. Additionally, we focused our attention on the distribution sector and we will continue to invest in it, as the assignment bids are approaching and we want this to be an opportunity to strengthen our Group even further. All these efficient solutions we have implemented contribute in creating a Company that is increasingly agile and dynamic and more than ever ready to tackle the changes in our future."

Consolidated results of the Ascopiave Group for the first half of 2014

Application of the new accounting standard IFRS 11

From 1 January 2014, new accounting standards on matters of company consolidation will be applied (IFRS 2011). These new standards caused a change in the consolidation method of the joint-control companies of the Group.
In the previous year, Estenergy, ASM Set and Veritas Energia, gas and electricity sale companies, and Unigas Distribuzione, a gas distribution company, had been consolidated with the proportional method. From 1 January 2014, the aforementioned companies (with the exception of Veritas Energia) are consolidated with the Equity method. From the start of the year, the Group has already purchased the entirety of Veritas Energia share capital, therefore obtaining the 49% share interest that had been previously owned by partner Veritas. Thus, following this purchase, the company as of 1 January 2014 is consolidated in full.

Accounting situation readjusted for the new accounting standards compared to 30 June 2013

In order to offer a comparable accounting system, P&L figures of the half year interim report 2013 and yearly accounting data as of 31 December 2013 have been calculated using the same accounting standards used in 2014.

Sale revenue

The Ascopiave Group closed the first half of 2014 with consolidated revenues amounting to 337.1 million Euro, compared to the 405.2 million Euro in the same period of 2013 (-16.8%). The decrease in revenues mainly resulted from the reduction in sale revenues of gas (-78.0 million Euro), due mainly to a decrease in consumption and in sale prices per unit, deriving mainly from the review of the economic conditions for the protected market, pursuant to Decision no. 196 of 2013 of the Authority of Electricity, Gas and Water Services.
The remaining variation is attributed to an increase in sale revenue of electricity (+15.7 million Euro), offset by a decrease in sundry revenues (-5.8 million euro).

Gross operating margin

Gross operating margin of the first half of 2014 amounts to 45.2 million Euro, compared to 56.7 million Euro in the same period of the previous year (-20.2%).

The result is mainly due to a reduction on trade margin on gas sale activities (-12.0 million Euro), attributed to a decrease in sold volumes and tariff adjustments form the Authority of Electricity, Gas and Water Services, implemented on 1 October 2013.

Trade margin on electricity sale has increased by 2.9 million Euro, mainly by virtue of the enlargement of consolidation perimeter to include Veritas Energia (which has been fully integrated as of 2014).

Distribution tariff revenues have marked a 0.7 million decreased, due to the introduction of a new tariff regulation pursuant to decision no. 573/ 2013 by the Authority of Electricity, Gas and Water Services, which will remain valid for the 2014-2019 period.

The variation in the item “residual costs and revenues” amounts to -1.7 million Euro.
The overall result derives from the variation of single items and costs balancing each other. A positive contribution to revenue derived from an increased revenue from energetic efficiency certificates (+1.6 million Euro), offset by the lack of capital gains from sale of distribution systems (-0.7 million Euro), decreased contributions for connections (-1.5 million Euro), increased personnel costs (-1.1 million Euro) and from the increase of concession fees paid to the Municipalities in charge of the gas distribution service (-0.3 million Euro).

Operating Result

The operating profit in the first half of 2014 amounted to 32.5 million Euro, compared with 43.5 million Euro of the same period, in the previous year (-25.3%).
This result has been partially determined by the reduction of provisions to the fund for doubtful accounts (-1.0 million Euro), partially offset by an increase in amortization (+0.5 million Euro).

Net Profit

The consolidated net profit amounted to 22.7 million Euro, compared to the same period the previous year of 29.6 million Euro (-23.5%).

The consolidation with the equity method of associate company Sinergie Italiane, under liquidation, has caused the expenditure of 3.8 million Euro, compared to 5.8 million Euro of the first half in 2013. It is noted that, during the first half of 2014, the associate company under liquidation positive contribution to the consolidated income statement amounted to 2.1 million Euro.

The other net financial expenses amount to 0.7 million Euro, marked a decreased of 0.5 million Euro mainly due to reduction in interest rates.

Taxes recorded in the income statement amounted to 12.9 million Euro, a decrease of 5.5 million compared to the previous year (-30.0%) due to a decrease in taxable revenues and decreased amount of the additional IRES tax rate for energy distributors and retailers, from 10.5% to 6.5%.

The tax rate was calculated by normalizing the pre-tax result of the consolidation effects of the company Sinergie Italiane S.r.l. - under liquidation decreases from 43.6%% to 40.6%.

Net result of joint control companies consolidated with the equity method

Joint control companies consolidated with the equity method achieved in the first half of 2014 a consolidation pro-rata gross operating margin of 6.3 million Euro, a decrease of 8.7 million Euro compared to the same period of the previous year.
This decrease is due to a different consolidation method of Veritas Italiane for 3.7 million Euro and for 5.5 million Euro to a reduction in trade margin on gas and electricity sale activities.

Operating performance for the first half of 2014

The volumes of gas sold to the end market by fully-consolidated companies in the first half months of 2014 have amounted to 445.6 million cubic meters, marking a decrease of 18.8% compared to the same period in 2013, mainly due to milder temperatures that caused a general drop in gas consumption throughout all the client segments.
The reduction in gas sales has been partially offset by the change in the consolidation method of associate company Veritas Energia, which during the first half of 2014 has sold 32.2 million cubic meters of gas.

The equity-method consolidated companies sold a total of 73.2 million cubic meters of gas pro-rate in total, marking a reduction of 75.4 million (50.7%), of which 27.6 million is attributed to the consolidation method of Veritas Energia.

With regard to gas distribution, the volumes of gas delivered through networks managed by companies consolidated at 100% amounted to 397.8 million cubic meters, with a reduction of 20.3% compared to the same period the previous year.
To these must be added the pro-rate 38.0 million cubic meters distributed by Unigas Distribuzione S.r.l., consolidated with the equity method.

Investments

Investments by fully consolidated companies in intangible and tangible fixed assets in the first half of 2014 amount to 8.7 million Euro.
The largest part of these investments pertained development, maintenance and updating of networks and gas distribution systems.
Specifically, investments in gas networks and distribution systems amounted to 6.0 million Euro, of which 1.9 million in connections, 3.6 million in enlargements and enhancing of distribution network and 0.5 million Euro for maintenance, mainly pertaining reduction and pre-heating systems. Investments on meters and adjusters amount to 1.9 million Euro.
Investments by equity-method consolidated companies in intangible and tangible fixed assets amount to 1.0 million Euro and they are also related mainly to networks and methane plants.

Indebtedness and Debt/Net Equity Ratio

The net financial position of the Group as of 30 June 2014 amounted to € 101.1 million, a decrease from 31 December 2013 of € 22.7 million.
The positive financial flow has been determined mainly by the following operations:

- Cash flow generated financial resources for 35.4 million Euro;
- Net investments in fixed assets caused the expenditure of 8.5 million Euro;
- Management of net operating equity and of net fiscal capital generated in total 33.9 million Euro;
- Distribution of dividends by jointly control companies for 6.5 million Euro;
- Acquisition of Veritas Energia caused the expenditure of 4.0 million Euro in total;
- Change in the consolidation method of the company caused a variation in the consolidated financial amount for 11.4 million Euro

The debt/shareholders' equity ratio as of 30 June 2014 amounts to 0.26 (was 0.31 as of 31 December 2013).

Significant events subsequent to the end of the period

No significant event has been registered after the end of the first half of 2014.

Foreseeable outlook for the year

With regard to the distribution segment, in 2014 the Group will be involved in the development of its portfolio of concessions and agreed definition with the grantors of the industrial value of the networks and distribution systems. During the year, if the timeline envisaged by the norms is respected, the first tenders for the assignment of the gas distribution service with the Territorial Area procedure will begin. The Municipalities currently managed by Ascopiave belong to Minimum Territorial Areas for which the maximum deadline to issue the call for tenders exceeds 31 December 2014. However, since tender authorities may anticipate the maximum terms as stated in the norm, it is possible that some Municipalities may be interested by tenders already in 2014. If this should be the case, however, even with no certainties concerning the required time for the assignment, it is reasonable to assume that, for the first call for tenders, possible transfers of management to potential new operators may be executed only after the end of 2014. Thus, the activity perimeter of the Group will likely not change compared to today. In addition, the Group might consider participation in one or more of the tenders that will be issued in 2014, thus strengthening its strategy for development and consolidation in the sector. As far as profitability is concerned, with a hypothetical regular functioning of the systems and certainty of tariff ranges, defined pursuant to the new regulation effective in 2014, the gas distribution activity will substantially be unchanged from 2013 results.

As far as sale of gas is concerned, the trade margins for 2014 are expected to be lower compared to 2013, mainly due to decreased sale prices which will be applied to the protected market, relate to the implementation of the interventions envisaged by AEEGSI decision 196/2013/R/gas (effective as of the fourth quarter of 2013) and due to the remarkable drop in gas consumption that has already been registered in the first months of the year, mainly due to climate factors.
Considering the supply agreement conditions signed for the current thermal year (started on 1 October 2013 and ending on 30 September 2014), the decrease in results can be considered already determined for the first nine months of 2014, while the results of the fourth quarter will be more unpredictable, as they will be influenced by the renewed agreement conditions for the next thermal year.
However, these results could be influenced, in addition to the expected rate provisions by the Authority of Electricity, Gas and Water Services (AEEGSI) – currently unforeseeable – also by the evolution of the more general competitive landscape, as well as by the Group's supply strategy.

The actual results of 2014 could differ compared to those announced depending on various factors amongst which: the evolution of supply and demand and gas prices, the actual operational performance, the general macroeconomic conditions, the impact of regulations in the energy and environmental fields, success in the development and application of new technologies, the changes in stakeholder expectations and other changes to business conditions.

Seasonal nature of operations

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

Statement by the manager in charge

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

Notice of filing of the mid-year Management Report at 30 June 2014

The Consolidated Management Report for the period ended 30 June 2014 has been made available to the public at the registered office of the Ascopiave Group, at the stock management company Borsa Italiana S.p.A, website: www.borsaitaliana.it, and on the Company website (www.ascopiave.it.).

Annexes

Consolidated accounting schedules that undergo limited auditing procedures.

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

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

The Group owns concession and direct assignments for the management of distribution activities in over 200 towns, supplying the service to a market segment of over 1 million residents through a distribution network which spreads over 8,600 kilometres.

The sale of natural gas sale is performed through different companies, some are controlled through joint control. Overall, the affiliate and subsidiary companies have sold to final customers more than 1 billion cubic meters of gas.

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

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Pieve di Soligo, 29 August 2014

Consolidated statement of financial position as of 30th June 2014 and 31st December 2013

(thousands of Euro)		At June 30,2014	Restated(*) At December 31,2013
ASSETS			
Non-current assets			
Goodwill	(1)	80,929	78,017
Other intangible assets	(2)	311,828	309,484
Tangible assets	(3)	36,985	37,840
Shareholdings in other company	(4)	63,967	72,421
Other non-current assets	(5)	17,238	24,232
Other non-current financial assets	(6)	3,124	916
Deferred tax assets	(7)	18,584	15,455
Non-current assets		**532,656**	**538,365**
Current assets			
Inventories	(8)	3,225	2,047
Trade receivables	(9)	98,603	166,289
Other current assets	(10)	35,934	34,588
Current financial assets	(11)	9,377	16,865
Tax receivables	(12)	1,088	1,142
Cash and cash equivalents	(13)	151,601	11,773
Current assets		**299,829**	**232,703**
ASSETS		**832,485**	**771,068**
NET EQUITY AND LIABILITIES			
Total net equity			
Share capital		234,412	234,412
Own shares		(17,660)	(17,660)
Reserves		174,603	180,938
Net equity of the Group		**391,355**	**397,689**
Net equity of Others		**3,828**	**4,989**
Total net equity	(14)	**395,183**	**402,679**
Non-current liabilities			
Provisions for risks and charges	(15)	7,365	8,323
Employee benefits	(16)	3,646	3,180
Medium and long-term bank loans	(17)	58,227	63,201
Other non-current liabilities	(18)	15,993	13,762
Non-current financial liabilities	(19)	3,359	552
Deferred tax payables	(20)	29,619	29,527
Non-current liabilities		**118,210**	**118,546**
Current liabilities			
Payables due to banks and financing institutions	(21)	203,349	89,371
Trade payables	(22)	73,075	134,568
Tax payables	(23)	590	446
Other current liabilities	(24)	41,788	25,220
Current financial liabilities	(25)	289	239
Current liabilities		**319,091**	**249,844**
Liabilities		**437,301**	**368,390**
NET EQUITY AND LIABILITIES		**832,485**	**771,068**

(*) Following the retrospective application from 1st January 2014 of the IFRS 11, the data related to the first half of 2013 exposed for comparison purposes, have been redefined, pursuant to IAS 1.

Consolidated income statement

(thousands of Euro)		First half of 2014	Restated(*) First half of 2013
Revenues	(26)	**337,085**	**405,174**
Total operating costs		**294,873**	**352,485**
Purchase costs for raw material (gas)	(27)	203,745	269,748
Purchase costs for other raw materials	(28)	12,827	17,004
Costs for services	(29)	56,312	39,588
Costs for personnel	(30)	12,606	11,548
Other management costs	(31)	9,395	15,290
Other income	(32)	11	694
Amortization and depreciation	(33)	9,721	9,197
Operating result		**32,491**	**43,492**
Financial income	(34)	489	1,273
Financial charges	(34)	1,218	2,492
Evaluation of companies consolidated with the net equity method	(34)	3,805	5,778
Earnings before tax		**35,567**	**48,050**
Taxes for the period	(35)	12,892	18,419
Net result for the period		**22,675**	**29,632**
Group's Net Result		21,415	27,762
Third-Partiy Net Result		1,260	1,869
Consolidated statement of comprehensive income			
1. components that will be reclassified in the future in the income statement			
2. components that will not be reclassified in the future in the income statement			
Actuarial profit & loss on defined benefit plans		(78)	(93)
Total comprehensive income		**22,597**	**29,539**
Group's overall net result		21,337	27,669
Third parties' overall net result		1,260	1,869
Base income per share		0.10	0.12
Diluted net income per share		0.10	0.12

(*) Following the retrospective application from 1st January 2014 of the IFRS 11, the data related to the first half of 2013 exposed for comparison purposes, have been redefined, pursuant to IAS 1.

N.B.: earnings per share are calculated by dividing the net income for the period attributable to the Company's shareholders by the weighted average number of shares net of own shares. For the purposes of the calculation of the basic earnings per share, we specify that the numerator is the economic result for the period less the share attributable to third parties. There are no preference dividends, conversions of preferred shares or similar effects that would adjust the results attributable to the holders of ordinary shares in the Company. Diluted profits for shares result as equal to those for shares in that ordinary shares that could have a dilutive effect do not exist and no shares or warrants exist that could have the same effect.

Consolidated statement of changes in shareholders' equity

(thousands of Euro)	Share capital	Legal reserve	Own shares	Reserves IAS 19 actuarial differences	Other reserves	Net result for the period	Group's net equity	Net result and net equity of others	Total net equity
Balance as of 1st January 2014	**234,412**	**46,882**	**(17,660)**	**(35)**	**95,413**	**38,678**	**397,692**	**4,989**	**402,679**
Result for the period						21,415	21,415	1,260	22,675
IAS 19 TFR actualization for the period				(83)			(83)	5	(78)
Total result of overall income statement				**(83)**		**21,415**	**21,331**	**1,265**	**22,597**
Allocation of 2013 result					38,678	(38,678)	(0)		(0)
Dividends distributed to Ascopiave S.p.A. shareholders'					(26,666)		(26,666)		(26,666)
Dividends distributed to third parties shareholders							(0)	(2,427)	(2,427)
Change in reserves					(1,000)		(1,000)		(1,000)
Balance as of 30th June 2014	**234,412**	**46,882**	**(17,660)**	**(118)**	**106,426**	**21,415**	**391,356**	**3,827**	**395,183**

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

Consolidated statement of Cash Flows

(thousands of Euro)	1st Half of 2014	Restated(*) 1st Half of 2013
STATEMENT OF CASH FLOW		
Net income of the Group	**21,415**	**27,762**
Cash flows generated (used) by operating activities		
Adjustments to reconcile net income to net cash		
Third-parties operating result	1,260	1,869
Amortization	9,721	9,197
Bad debt provisions	2,998	3,990
Variations in severance indemnity	225	215
Net variation of other funds	(83)	(2,348)
Evaluation of subsidiaries with the net equity method	(3,804)	(5,778)
Depreciation of fixed assets	0	(249)
Interests paid	(685)	(1,454)
Taxes paid	(7,477)	(6,292)
Interest expense for the period	1,137	1,528
Taxes for the period	12,892	18,419
Variations in assets and liabilities		
Inventories	(1,178)	(493)
Accounts payable	98,050	83,919
Other current assets	4,194	21,705
Trade payables	(83,335)	(103,068)
Other current liabilities	5,146	44,635
Other non-current assets	7,800	(23)
Other non-current liabilities	504	908
Total adjustments and variations	47,366	66,679
Cash flows generated (used) by operating activities	**68,780**	**94,442**
Cash flows generated (used) by investments		
Investments in intangible assets	(8,312)	(8,710)
Realisable value of intangible assets	0	4,370
Investments in tangible assets	(438)	(771)
Realisable value of tangible assets	230	49
Disposal/acquisitions in investments and avances	(951)	(0)
Other net equity operations	(78)	(93)
Cash flows generated/(used) by investments	**(9,549)**	**(5,155)**
Cash flows generated (used) by financial activities		
Net changes in debts due to other financers	2,807	(27)
Net changes in short-term bank borrowings	105,965	(58,591)
Net variation in current financial assets and liabilities	(175)	(2,244)
Interest expense	(452)	(73)
Purchase of own shares	0	(262)
Net changes in medium and long-term loans	(4,974)	(2,213)
Dividends distributed to Ascopiave S.p.A. shareholders'	(26,666)	(24,484)
Dividends distributed to third parties shareholders	(2,427)	(2,132)
Dividends/(Coverage of losses) of subsidiary companies	6,519	5,058
Cash flows generated (used) by financial activities	**80,597**	**(84,969)**
Variations in cash	**139,828**	**4,317**
Cash and cash equivalents at the beginning of the period	**11,773**	**18,006**
Cash and cash equivalents at the end of the period	**151,601**	**22,323**

(*) Following the retrospective application from 1st January 2014 of the IFRS 11, the data related to the first half of 2013 exposed for comparison purposes, have been redefined, pursuant to IAS 1.