PRESS RELEASE

ASCOPIAVE: The Board of Directors has approved the results of the interim report ended 30th June 2015.
Net Consolidated Profit increases. Net Financial Position continues improving. Debt/Shareholders' Equity ratio, among the most performing in the field.

Gross Operating Margin € 42.4 million, a slight decrease compared to the first half of 2014 (€ 45.2 million)

Operating Result € 30.4 million, a slight decrease compared to the first half of 2014 (€ 32.5 million)

Net Consolidated Profit € 24.1 million, up from the first half of 2014 (€ 22.7 million)

Net Financial Position € 93.1 million, steadily up from € 129.7 million registered on 31st December 2014

Debt/Shareholders' Equity ratio of 0.23, among the most performing in the field

The Ascopiave S.p.A. Board of Directors, which had a meeting chaired by Mr. Fulvio Zugno yesterday, acknowledged and approved the Ascopiave Group's interim report as of 30th June 2015, drafted in compliance with the International Accounting Standards IAS/IFRS.
Regarding this, Chairman Fulvio Zugno commented "The results of the first half of 2015 are positive and in line with management expectations, with a view to continuous improvement in the economic and financial balance of our Group, among the strongest in the industry.
In the light of these favourable conditions, we are proud to say that the Group has all the technical, economic, organizational and financial resources to compete in the upcoming tenders, as well as to continue its solid commercial growth."
The General Manager, Roberto Gumirato, added: "We have achieved very good results, promptly addressing a particularly complex context. We were able to ensure dynamism and resilience in the operational management of the Group, rationalizing operational costs through the streamlining of the existing procedures in the technical area, as well as through the optimization of the procurement process. The results of the financial management, and in particular the continuous improvement in the net financial position, are among the key factors that ensure the Group the investors' trust and allow us, in an industry that is severely testing all of its players, to look to the future of Ascopiave with confidence and determination".

Consolidated results of the Ascopiave Group in the first half of 2015

Revenue from sales

The Ascopiave Group closed the first half of 2015 with consolidated revenues amounting to € 321.6 million, compared to € 337.1 million in the same period in 2014 (-4.6%). The decrease in revenues is mainly due to a reduction in gas sales (€ - 14.7 million) primarily attributed to the lower amounts of Russian gas imported during the period.

Gross operating margin

Gross operating margin in the first six months of 2015 amounted to € 42.4 million, marking a slight decrease compared to € 45.2 million in the same period of the previous year (-6.2%).

The trade margins on gas sale and on electricity sale declined by € 1.0 million and 0.8 million respectively as compared to the first six months of 2014.

The variation in the residual costs and revenue items (€ - 1.0 million) is the result of the variation of single entries of revenue and costs that partially balance each other. Among the most remarkable variations, there was a decrease in the energy efficiency management margin of € 0.9 million, a decrease in tariff revenue for gas distribution of € 0.4 million, a reduction in provisions for risks of € 0.3 million and a positive variation in the decrease of personnel costs of € 1.4 million.

Operating Result

The operating profit in the first half of 2015 amounted to € 30.4 million, compared to € 32.5 million for the same period in the previous year (-6.4%).

This result is due, among other factors, to the small differential in EBITDA as well as to the decrease in provision for doubtful accounts (€ +0.8 million).

Net Profit

The consolidated net profit amounted to € 24.1 million, marking an increase compared to € 22.7 million of the first half the previous year (+6.1%).

The consolidation with the equity method of the jointly controlled companies and the associated company Sinergie Italiane S.r.l., under liquidation, caused the expenditure of € 3.9 million, compared to € 3.8 million in the first six months of 2014. It is noted that, during the first half of 2015, the positive contribution of the associated company under liquidation to the consolidated income statement amounted to € 0.7 million.

Net financial expenses amounted to € 0.2 million, a decrease of € 0.5 million (-73.2%) compared to the first six months of the previous year.

Taxes recorded in the income statement amounted to € 10.1 million, a decrease of € 2.8 million (-21.9%) due to a decreased amount of IRES tax caused by the cancellation of the additional IRES tax to sellers and distributors of energy (so-called "Robin Hood Tax") and the lower taxable income.

The tax rate, calculated by normalizing the pre-tax result of equity method consolidated companies, decreased from 40.6% to 33.3%.

EBITDA of jointly controlled companies consolidated with the equity method

Jointly controlled companies consolidated with the equity method achieved in the first half of 2015 a consolidation pro-rata gross operating margin of € 6.7 million, an increase of € 0.4 million compared to the same period of the previous year.

Operating performance in the first six months of 2015

The volumes of gas sold by the fully-consolidated companies in the first six months of 2015 amounted to 477.9 million cubic meters, marking a slight increase of 7.2% compared to the same period of 2014, which had been characterized by milder weather conditions.

The equity-method consolidated companies sold a total of 84.6 million cubic meters of gas pro-rata in total, marking an increase of 15.5% compared to the first half of 2014.

With regard to gas distribution, the volumes of gas delivered through the networks managed by companies consolidated at 100% amounted to 448.2 million cubic meters, with an increase of 12.7% compared to the same period of the previous year.
To these must be added the pro-rata 41.8 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 2015 amounted to € 8.0 million.
Most technical investments concerned the development, maintenance and updating of gas networks and distribution systems.
Specifically, investments in gas networks and distribution systems amounted to € 7.7 million, of which € 1.8 million in connections, € 2.9 million in enlargements and enhancing of distribution network and € 0.5 million for maintenance, mainly relating to reduction and pre-heating systems. Investments in meters and adjusters amounted to € 2.5 million.
Investments by equity-method consolidated companies in intangible and tangible fixed assets amounted to € 0.6 million and they were also related mainly to networks and methane plants.

Indebtedness and Debt/Net Equity Ratio

The net financial position of the Group as of 30th June 2015 amounted to € 93.1 million, an increase of € 36.6 million as compared to 31st December 2014.

The positive financial flow was determined mainly by the following operations:

- Cash flow generated financial resources for € 36.1 million;
- Net investments in fixed assets caused the expenditure of € 7.7 million;
- Management of net operating equity and of net fiscal capital generated resources for € 40.0 million in total
- Collection of dividends distributed the by jointly controlled companies for € 3.4 million;
- Distribution of dividends to third parties for € 35.1 million

The debt/shareholders' equity ratio as of 30th June 2015 amounted to 0.23 (0.32 as of 31st December 2014). This result is among the highest in the field.

Significant events during the period

No significant event was registered during the first half of 2015.

Significant events subsequent to the end of the period

The Shareholders' Meeting of Ascopiave S.p.A. convened in its ordinary session on 23rd April 2015, chaired by Mr. Fulvio Zugno. During the meeting, the 2014 yearly statement was approved and the Meeting agreed to distribute a dividend of € 0.15 per share. The dividend was paid on 13th May 2015 with ex-dividend date on 11th May 2015 (record date on 12th May 2015).
Furthermore, the Meeting approved the remuneration policy of the Company, set out in compliance with Art. 123/3 of the Unified Finance Law and it approved a long-term share-based incentive plan for the three 2015 – 2017 fiscal periods regarding executives and company administrators.
The Shareholders' Meeting also approved a new purchase and sale plan for treasury shares pursuant to Art. 2357 and 2357/3 of the Italian Civil Code, replacing and superseding the previous authorization dated 24th April 2014.
Finally, following the expiry of the auditing role entrusted in 2005 to the company Reconta Ernst Young, the Meeting decided to appoint the auditing company PriceWaterhouseCoopers S.p.A. as independent legal auditors for Ascopiave S.p.A. for the period 2015 to 2023.

2015-2017 Long-term incentive plan

On 29th June 2015, the Ascopiave Board of Directors identified the beneficiaries of the new 2015-2017 Long-term incentive plan (the "Plan"), approved by the Meeting on 23rd April 2015.
In compliance with the provisions of the Plan Rules, the Board of Directors decided to specify as beneficiaries of the potential outcomes of the Plan the executive directors of the companies Ascopiave and Ascotrade, and a number of managers and directors of the Ascopiave Group, based on the relevance of the functions performed.

Outlook for 2015

As far as the gas distribution activities are concerned, in 2015 the Group will continue its normal operations and service management within the already existing portfolio of currently active concessions and the definitions agreed with the grantors of the industrial value of the networks and distribution systems. During the year, if the timeline envisaged by the regulations is respected, the first tenders for the assignment of the gas distribution service with the Territorial Area procedure will begin. Most Municipalities currently managed by the Ascopiave Group belong to Minimum Territorial Areas for which the maximum deadline to issue the call for tenders exceeds 31st December 2015. However, since tender authorities may anticipate the maximum terms stated in the regulations, it is possible that some Municipalities may be interested in tenders already in 2015. 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 2015. 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 2015, 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 2014 results.

As far as gas sale is concerned, the trade margins in 2015 are expected to be slightly lower than 2014, due to the competitive pressure in the retail market and AEEGSI tariff provisions, not offset by the continuous thermal improvement of 2015 with respect to 2014.

Electricity sale activities in 2015 are expected to yield less significant results than 2014, due to the particularly favourable market conditions of 2014.
However, these results could be influenced, in addition to the possible tariff provisions by the Electricity, Gas and Water System Authority (AEEGSI) – currently unforeseeable – also by the evolution of the more general competitive context, as well as by the Group's procurement strategy.
The actual results of 2015 may differ compared to those announced depending on various factors amongst which: the evolution of supply and demand and gas and electricity prices, the actual operational performance, the general macroeconomic conditions, the impact of regulations in the energy and environmental fields, the 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 procurement 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 Interim Management Report at 30th June 2015

The Interim Management Report for the period ended 30th June 2015 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), on the Company website (www.gruppoascopiave.it) and stored in the "SDIR & Storage" system of Bit Market Services S.p.A..

Annexes

Consolidated accounts 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 holds concessions and direct assignments for the management of distribution activities in over 200 Municipalities, 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 is performed through different companies; some are controlled through joint control. Overall, the companies of the Group in 2014 sold to end customers over 1 billion cubic meters of gas.

Since 12th December 2006, Ascopiave is listed in the Star segment of Borsa Italiana.

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Pieve di Soligo, 6th August 2015

Ascopiave Group

Consolidated half-year financial statements

30th June 2015

Consolidated statement of financial position as of 30th June 2015 and 31st December 2014

(Thousands of Euro)		30.06.2015	31.12.2014
ASSETS			
Non-current assets			
Goodwill	(1)	80,758	80,758
Other intangible assets	(2)	312,994	313,772
Tangible assets	(3)	35,621	36,614
Shareholdings	(4)	65,330	65,453
Other non-current assets	(5)	17,299	16,741
Non current financial assets	(6)	0	3,124
Advance tax receivables	(7)	12,761	12,814
Non-current assets		**524,764**	**529,276**
Current assets			
Inventories	(8)	4,761	2,482
Trade receivables	(9)	92,838	147,804
Other current assets	(10)	39,874	73,973
Current financial assets	(11)	6,106	8,234
Tax receivables	(12)	3,604	4,837
Cash and cash equivalents	(13)	18,613	100,882
Current assets		**165,795**	**338,212**
ASSETS		**690,559**	**867,488**
Net equity and liabilities			
Total Net equity			
Share capital		234,412	234,412
Own shares		(17,521)	(17,660)
Reserves		178,024	188,605
Net equity of the Group		**394,915**	**405,357**
Net equity of Others		**3,982**	**4,310**
Total Net equity	(14)	**398,897**	**409,666**
Non-current liabilities			
Provisions for risks and charges	(15)	7,979	8,496
Severance indemnity	(16)	3,893	3,968
Medium- and long-term bank loans	(17)	48,653	53,456
Other non-current liabilities	(18)	17,940	17,221
Non-current financial liabilities	(19)	456	3,327
Deferred tax payables	(20)	22,990	23,675
Non-current liabilities		**101,911**	**110,142**
Current liabilities			
Payables due to banks and financing institutions	(21)	65,595	184,851
Trade payables	(22)	59,874	136,179
Tax payables	(23)	566	205
Other current liabilities	(24)	60,609	26,164
Current financial liabilities	(25)	3,107	280
Current liabilities		**189,751**	**347,679**
Liabilities		**291,662**	**457,821**
Net equity and liabilities		**690,559**	**867,488**

Statement of comprehensive income

(Thousands of Euro)		1st Half 2015	1st Half 2014
Revenues	(26)	**321,561**	**337,085**
Total operating costs		**281,360**	**294,873**
Purchase costs for raw material (gas)	(27)	191,747	203,745
Purchase costs for other raw materials	(28)	9,870	12,827
Costs for services	(29)	59,895	56,312
Costs for personnel	(30)	11,188	12,606
Other management costs	(31)	8,676	9,395
Other income	(32)	17	11
Amortization and depreciation	(33)	9,789	9,721
Operating result		**30,411**	**32,491**
Financial income	(34)	556	489
Financial charges	(34)	752	1,218
Evaluation of subsidiary companies with the net equity method	(34)	3,917	3,805
Earnings before tax		**34,133**	**35,567**
Taxes for the period	(35)	10,072	12,892
Result for the period		**24,060**	**22,675**
Net result from transer/disposal of assets	(36)		
Net result for the period		**24,060**	**22,675**
Group's Net Result		22,621	21,415
Third parties Net Result		1,440	1,260
Other components of Consolidated statement of comprehensive income			
1. Components that can be reclassified to the income statement			
2. Components that can not be reclassified to the income statement			
Actuarial (losses)/gains from remeasurement on defined-benefit obligations		58	(78)
Total comprehensive income		**24,119**	**22,597**
Group's overall net result		22,678	21,332
Third parties' overall net result		1,441	1,265
Base income per share		0.102	0.096
Diluted net income per share		0.102	0.096

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 2015	**234,412**	**46,882**	**(17,660)**	**(286)**	**106,426**	**35,583**	**405,357**	**4,309**	**409,666**
Result for the period						22,621	22,621	1,440	24,060
IAS 19 TFR actualization for the period				57			57	1	58
Total result of overall income statement				**57**		**22,621**	**22,678**	**1,441**	**24,119**
Allocation of 2014 result					35,583	(35,583)	0		0
Dividends distributed to Ascopiave S.p.A. shareholders'					(33,332)		(33,332)		(33,332)
Dividends distributed to third parties shareholders							0	(1,768)	(1,768)
Long-term incentive plans			138		74		212		212
Balance as of 30th June 2015	**234,412**	**46,882**	**(17,552)**	**(228)**	**108,750**	**22,621**	**394,913**	**3,982**	**398,897**

(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 on business combinations					(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**

Consolidated statement of cash flows

(thousands of Euro)	1st Half 2015	1st Half 2014
Net income of the Group	**22,621**	**21,415**
Cash flows generated (used) by operating activities		
Adjustments to reconcile net income to net cash		
Third-parties operating result	1,440	1,260
Amortization	9,789	9,721
Bad debt provisions	2,217	2,998
Variations in severance indemnity	(74)	225
Net variation of other funds	153	(83)
Evaluation of subsidiaries with the net equity method	(3,917)	(3,804)
Interests paid	(710)	(685)
Taxes paid	(733)	(7,477)
Interest expense for the period	732	1,137
Taxes for the period	10,072	12,892
Variations in assets and liabilities:		
Inventories	(2,279)	(1,178)
Accounts payable	52,749	98,050
Other current assets	34,098	4,194
Trade payables	(76,304)	(83,335)
Other current liabilities	26,066	5,146
Other non-current assets	(203)	7,800
Other non-current liabilities	719	504
Total adjustments and variations	**53,816**	**47,366**
Cash flows generated (used) by operating activities	**76,437**	**68,780**
Cash flows generated (used) by investments		
Investments in intangible assets	(7,762)	(8,312)
Realisable value of intangible assets	27	0
Investments in tangible assets	(285)	(438)
Realisable value of tangible assets	0	230
Disposals / (Acquisition) of investments and advances	0	(951)
Other net equity operations	270	(78)
Cash flows generated/(used) by investments	**(7,749)**	**(9,549)**
Cash flows generated (used) by financial activities		
Net changes in debts due to other financers	(33)	2,807
Net changes in short-term bank borrowings	(119,256)	105,965
Net variation in current financial assets and liabilities	4,887	(175)
Interest expense	(22)	(452)
Purchase of own shares	0	0
Net changes in medium and long-term loans	(4,803)	(4,974)
Dividends distributed to Ascopiave S.p.A. shareholders'	(33,332)	(26,666)
Dividends distributed to other shareholders	(1,768)	(2,427)
Dividends distribuited from subsidiary companies	3,369	6,519
Cash flows generated (used) by financial activities	**(150,958)**	**80,597**
Variations in cash	**(82,270)**	**139,828**
Cash and cash equivalents at the beginning of the year	**100,882**	**11,773**
Cash and cash equivalents at the end of the year	**18,613**	**151,601**