



PRESS RELEASE

ASCOPIAVE: 2007 results approved by the Board of Directors.

Consolidated Revenues of Euro€ 451.9 million, and Net Profit up 32.8% compared to the previous FY.

- **Consolidated Revenues: Euro 451.9 million (+42.1%)**
- **EBITDA: €Euro 45.7 million (+13.0%)**
- **Operating Result: Euro€ 33.9 million (+16.1%)**
- **Group Net Profit: Euro€ 21.8 million (+32.8%)**

Dividend proposal: €Euro 0.085 per share.

The Board of Directors of Ascopiave S.p.A met today, chaired by Mr. Gildo Salton, to approve the draft financial statements and consolidated financial statements at 31 December 2007, drafted in compliance with IAS/IFRS international accounting standards.

Group's Consolidated Results

Ascopiave Group closed 2007 with consolidated revenues of €451.9 million.

The significant increase in turnover (+42.1% compared to 2006) is mainly due to the launch of gas sales to the Virtual Exchange Point and as a wholesaler which accounted for revenues of €115.0 million for approximately 435 million m³ of gas.

All profit margins improved. EBITDA was up 13% and the Group's Net Profit showed a 32.8% increase.

Against general stability in the margins achieved for gas sales to the end market, the increase in results was achieved thanks to new sales of gas as a trader and wholesaler and from re-negotiation of purchase agreements with shippers, as provided for in Resolution No. 79/07 of the Electrical Energy and Gas Authority which made it possible to fully re-integrate the provision set aside in 2006 to cover presumed charges resulting from the application of reviewed rates introduced under Resolution No. 248/04 et seq..

The Group's economic results are largely influenced by the climatic factor and from this viewpoint, 2007 just like 2006 was characterised by a mild climate which penalised gas consumption by civilian users, especially in the first quarter of the year.

Gas sold to the end market in 2007 amounted to 813 million m³ with a 2.8% increase compared to 2006 due to expansion of activities to include Bimetano Servizi's corporate division, transferred to the subsidiary Ascotrade as from 1 January 2007. While if the same activities as per 2006 are taken into account, there was a 7.2% drop in consumption (- 57 million m³).

The drop in volumes was largely due to the climatic variable, while the number of customers served continued to increase as always, exceeding 350,000 units at the end of 2007.



As regards gas distribution, the volumes provided through the Group's networks were in excess of 790 million m³ (-7.0% compared to 2006). The 2007 distribution network followed the traditionally consolidated development trends and covered over 6,6000 kilometres at 31 December 2007 thanks to the new extensions and consolidation of ASM DG (Rovigo)'s activities.

During 2007, the Group adopted an independent procurement policy as regards sourcing and logistics management (transport on national networks and storage) which is valid for the 2007-2008 thermal year.

To this end, the Group purchased abroad and stored gas for about 90 million m³, that were taken to meet the requirements of the end market during the winter months (November 2007-March 2008).

In 2007 the Group invested more than € 74.4 million, € 58.3 million of which in corporate acquisitions.

In Q4 the following acquisitions were completed: 49% of Estenergy, a company selling gas and electricity for Acegas-Aps Group, 49% of Asm Set, and 100% of ASM DG, companies respectively in charge of selling and distributing gas in the municipality of Rovigo.

Since these new companies were acquired in December 2007, their results had no impact on 2007 economic results.

The above corporate operations allowed Ascopiave to contribute to the creation of an industrial hub in the natural gas sector which, with over 610,000 end customers and approximately 1.4 billion m³ of gas sold (2007 data on volumes sold to the end market only, excluding trading and wholesale operations), holds a top position at a national level as regards size, and a leadership position in the north-east of Italy.

The increase in gas downstream fits into Ascopiave's strategy as a necessary condition in order to be able to strengthen its contractual power as regards shippers and make the prospect of upstream integration more solid.

The Net Financial Position at 31 December 2007 stood at € 106.8 million.

The considerable absorption of financial resources seen during the year (€ -194.4 million) was largely due to management of working capital and the extraordinary investments mentioned herein.

Specifically, in 2007 the change in Net Financial Position was as follows:

- Self-financing (profit + amortisation and depreciation): +€ 33.6 million;
- Net working capital management: € -116.1 million;
- Corporate acquisitions: € -58.3 million;
- Consolidation of newly-acquired companies' net financial position: € -11.3 million;
- Other net investments: € -16.1 million;
- Dividends distributed and own shares purchased: € - 26.2 million.



The resources committed in current assets mainly came from:

- Management of payments/collection of consumption taxes which resulted in posting of UTIF receivables and regional surtaxes: €-30.9 million;
- Payment of suppliers as per AEEG Ruling No. 248/04: €-9.7 million;
- Advance payment to natural gas suppliers of a part of Q4 consumptions: € -21.7 million;
- Payment of gas for storage purposes: €-30.7 million.

Re-absorption of working capital to normal values is forecast during the year as business activities return to normal, with a consequent significant improvement in the Net Financial Position.

The results of Ascopiave S.p.A., the Parent Company

In 2007 the Parent Company Ascopiave S.p.A. recorded € 74.9 million in revenues (+14.7% on 2006) and a net profit of € 17.5 million (+13.9 % on 2006).

Information for Shareholders

The dividends submitted for approval by the Shareholders' Meeting equalled € 0.085 per share, totalling € 19.9 million.

Moreover, in November 2007, the Company already paid its shareholders a € 0.025 per-share advance on 2007 dividends totalling € 5.7 million.

The Board of Directors proposed to allocate € 215,515 of 2007 profits to the legal reserve.

The Ordinary Shareholders' Meeting shall be convened on 28 April 2008 at the company's registered offices at Via Verizzo 1030, Pieve di Soligo (TV), at 4pm in first call and on 29 April 2008, same time and place, in second call.

The Meeting's agenda shall concern approval of the financial statements at 31 December 2007, the Directors' Report and the Reports of the Board of Auditors and of the Auditing Firm.

Documentation regarding the issues and proposals listed on the agenda, provided for by current legislation, shall be filed at the company's offices and the offices of Borsa Italiana S.p.A. in compliance with the law, at the disposal of anyone wishing to consult it and with the faculty for shareholders to obtain a copy, and made available on www.ascopiave.it.

"The financial statements which we shall submit for approval at the forthcoming Shareholders' Meeting – stated Ascopiave Chairman, Gildo Salton - are considerably up on the previous year and shall allow us to allocate a high dividend which places our share at the top of the utilities sector as regards dividend-yield".



“We have seen the closure of a very important year – continued Gildo Salton – which saw the Group consolidating its position with important transactions including acquisition of 49% of Estenergy and 100% of the gas distribution division of ASM Rovigo. Said acquisitions have generated the conditions for great future development of the Group and the taking on of a leading role in the North East’s future aggregation”.

Information on Legislative Decree no. 231/2001

During the Board meeting, the company also undertook to adopt the Organisational, Management and Control Model for the prevention of crimes for the purposes provided for in Legislative Decree No. 231/2001 and approval of the company’s Code of Ethics. The Supervisory Body appointed to supervise functioning of and compliance with the Model was also appointed during the meeting and is as follows:

- 1) Ferruccio Bresolin, university professor of economics, non-executive and independent company director;
 - 2) Valentina Sandri, lawyer, head of the company’s legal affairs department;
 - 3) Matteo Testa, economics graduate, head of the company’s internal auditing department;
- The general part of the Model and Code of Ethics shall be made available to the public on the Issuer’s website.

Statement of the appointed Executive

As per paragraph 2 article 154 bis of the Unified Finance Law, the Executive appointed to draft company accounts, Mr. Cristiano Belliato, declared that the accounting information set out in this press release tallied with the company’s documentary evidence, ledgers and accounting records.

Consolidated income statement, balance sheet and cash flow statement of Ascopiave Group and Ascopiave S.p.A. are enclosed herewith. It must be noted that said schedules and relative notes were transmitted to the Board of Auditors and Independent Auditing Firm for the relative assessments.



Ascopiave Group operates in the natural gas sector, chiefly in distribution and sale to end customers.

Ascopiave directly handles distribution together with its subsidiary ASM DG. They currently hold direct consignments and licenses for providing service in 155 municipalities. Ascopiave and ASM DG own the distribution network they manage, which extends over 6,600 kilometres and serves a pool of users of more than 1 million residents.

Ascotrade, a subsidiary of Ascopiave, is responsible for the sale of natural gas and serves more than 350,000 final consumers. In Q4 2007 Ascopiave acquired 49% of Estenergy, a gas-selling company of Acegas-APS Group serving about 240,000 customers, and 49% of ASM Set, a sales company of ASM Rovigo Group (24,000 customers).

Thanks to these recent acquisitions, Ascopiave has become one of the leading national players in the gas sector, in terms of both customer base and quantities of gas sold.

Thanks to its leading role on the market, the Group has been operating as a gas wholesaler and trader since 2007.

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

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Pieve di Soligo, 27 March 2008

| (€000) | | 31/12/2007 | 31/12/2006 |
|--|------|-------------------|-------------------|
| ASSETS | | | |
| Non Current Assets | | | |
| Goodwill | (1) | 65,120 | 22,112 |
| Other intangible fixed assets | (2) | 16,044 | 1,412 |
| Tangible fixed assets | (3) | 288,471 | 273,772 |
| Shareholdings | (4) | 151 | 39 |
| Other non current assets | (5) | 3,816 | 2,865 |
| Prepaid taxes | (6) | 9,510 | 12,636 |
| Total non-current assets | | 383,112 | 312,836 |
| Current Assets | | | |
| Inventories | (7) | 3,298 | 2,768 |
| Trade receivables | (8) | 264,276 | 101,673 |
| Other current assets | (9) | 39,765 | 3,626 |
| Current financial assets | (10) | 2,533 | 0 |
| Tax assets | (11) | 215 | 766 |
| Cash and cash equivalents | (12) | 31,290 | 100,591 |
| Total current assets | | 341,377 | 209,423 |
| Total assets | | 724,489 | 522,260 |
| LIABILITIES AND NET EQUITY | | | |
| Net equity | | | |
| Share capital | | 233,334 | 140,000 |
| Reserves | | 113,684 | 212,129 |
| Net profit or loss | | 21,764 | 16,381 |
| Net equity | (13) | 368,782 | 368,511 |
| Minority interest share capital and reserves | | 1,925 | 534 |
| Minority profit (loss) | | 361 | (143) |
| Net minority interest | (14) | 2,285 | 391 |
| Total net equity | | 371,068 | 368,902 |
| Non-Current Liabilities | | | |
| Provisions for liabilities and charges | (15) | 215 | 4,441 |
| Employee severance indemnity | (16) | 2,305 | 1,538 |
| Medium and long term loans | (17) | 5,165 | 6,941 |
| Other non current liabilities | (18) | 6,670 | 2,145 |
| Non current financial liabilities | (19) | 4,189 | 0 |
| Deferred taxes | (20) | 19,607 | 17,807 |
| Total non current liabilities | | 38,151 | 32,872 |
| Current Liabilities | | | |
| Payables to banks and current share of medium, long-term loans | (21) | 115,153 | 3,587 |
| Trade payables | (22) | 167,864 | 86,864 |
| Tax liabilities | (23) | 439 | 4 |
| Other current liabilities | (24) | 25,880 | 29,903 |
| Current financial liabilities | (25) | 5,935 | 129 |
| Total current liabilities | | 315,270 | 120,486 |
| Total liabilities | | 353,421 | 153,358 |
| Total liabilities and net equity | | 724,489 | 522,260 |

| (€000) | | Fiscal year 2007 | Fiscal year 2006 |
|---|-----|------------------------|------------------------|
| Revenues | (1) | 451,871 | 318,105 |
| Operating costs | (2) | 406,195 | 277,701 |
| Costs for gas purchase | | 351,254 | 232,709 |
| Costs for purchase of other raw materials | | 16,798 | 13,226 |
| Costs for services | | 22,984 | 10,115 |
| Personnel costs | | 12,091 | 10,878 |
| Other operating costs | | 7,384 | 10,898 |
| Other operating income | | (4,315) | (127) |
| Amortization and depreciation | | 11,816 | 11,255 |
| Operating result | | 33,860 | 29,149 |
| Financial income | (3) | 3,701 | 327 |
| Financial charges | (3) | 2,763 | 2,191 |
| Pre-tax result | | 34,798 | 27,285 |
| Taxes for the period | (4) | 12,673 | 11,047 |
| Net profit or loss | | 22,125 | 16,239 |
| Group net result | | 21,764 | 16,381 |

| (€000) | Fiscal year 2007 | Fiscal year 2006 |
|--|---------------------|---------------------|
| CASH FLOW FROM OPERATIONS: | | |
| Group net result | 21,764 | 16,381 |
| Adjustments to reconcile net profit with cash and cash equivalents generated from (used by) operations: | | |
| Minority interest profit | 361 | (143) |
| Amortization and depreciation | 11,816 | 11,255 |
| Bad debts | 831 | 705 |
| Change in deferred/prepaid taxes | 902 | (4,304) |
| Change in staff severance indemnity | 15 | (1,257) |
| Net change in other provisions | (4,423) | 4,160 |
| Change in assets and liabilities: | | |
| Opening inventories | (268) | (330) |
| Trade receivables | (110,657) | (3,756) |
| Other current assets | (30,430) | (934) |
| Current and non-current financial assets | (0) | 564 |
| Tax assets and liabilities | (3,332) | 3,546 |
| Trade payables | 38,433 | 16,836 |
| Other current liabilities | 1,087 | (6,693) |
| Other non current assets | (863) | 32 |
| Other non current liabilities | (195) | 891 |
| Total adjustments and changes | (96,721) | 20,573 |
| Cash flow from operations | (74,957) | 36,954 |
| CASH FLOWS FROM INVESTMENT ACTIVITIES: | | |
| Investments in intangible fixed assets | (2,757) | (1,383) |
| Disposal of intangible assets | 339 | 0 |
| Investments in tangible fixed assets | (14,764) | (15,351) |
| Disposal of tangible assets | 1,191 | 84 |
| Acquisition of shareholdings net of acquired liquidity | (55,509) | (37) |
| Incorporation Coge Calore/Etra Energia/Italgas Stor. | (112) | 94 |
| Cash flows used from investment activities | (71,613) | (16,593) |
| CASH FLOW FROM OPERATIONS: | | |
| Net change in payables to other lenders | 1,415 | 0 |
| Cash due to listing transaction | | 161,481 |
| Net change in short-term bank loans | 103,789 | (78,036) |
| Net change in loans to parent companies | 143 | 114 |
| Own shares purchased | (637) | 0 |
| Repayment of medium and long-term loans | (1,872) | (1,789) |
| Dividend payment | (19,833) | (3,750) |
| Advances on dividends | (5,736) | |

| | | |
|--|--------------------|--------------------|
| Cash flow generated from (used by) financial activities | 77,269 | 78,021 |
| Change in cash and cash equivalents | (69,300) | 98,383 |
| Opening cash and cash equivalents | 100,591 | 2,208 |
| Closing cash and cash equivalents | 31,291 | 100,591 |
| | Fiscal year | Fiscal year |
| Additional information | 2007 | 2006 |
| Interest paid | 3,934 | 1,721 |
| Taxes paid | 11,105 | 4,379 |

TABLE II

| | | |
|---|--------------------|--------------------|
| | Fiscal year | Fiscal year |
| (€000) | 2007 | 2006 |
| Company net result | 21,764 | 16,381 |
| Cash flow generated from (used by) operating activities | (74,957) | 36,954 |
| Cash flows used from investment activities | (71,613) | (16,593) |
| Cash flow generated from (used by) financial activities | 77,269 | 78,021 |
| Cash flow for the year | (69,300) | 98,383 |
| Initial cash and cash equivalents | 100,591 | 2,208 |
| Final cash and cash equivalents | 31,291 | 100,591 |

| (€000) | 31/12/2007 | 31/12/2006 |
|--|-------------------|---------------------|
| ASSETS | | |
| Non Current Assets | | |
| Goodwill | 20,433 | 20,433 (1) |
| Other intangible fixed assets | 1,823 | 1,407 (2) |
| Tangible fixed assets | 274,507 | 272,680 (3) |
| Shareholdings | 63,976 | 5,549 (4) |
| Other non current assets | 3,664 | 2,827 (5) |
| Prepaid taxes | 8,117 | 10,224 (6) |
| Total non-current assets | 372,521 | 313,121 |
| Current Assets | | |
| Inventories | 3,049 | 2,766 (7) |
| Trade receivables from third parties | 4,938 | 6,476 (8) |
| Trade receivables from subsidiaries | 14,339 | 18,076 (8) |
| Other current assets | 3,643 | 1,261 (9) |
| Current financial assets | 111,097 | 0 (10) |
| Tax assets | 121 | 423 (11) |
| Cash and cash equivalents | 7,142 | 97,909 (12) |
| Total current assets | 144,330 | 126,910 |
| Total assets | 516,851 | 440,031 |
| LIABILITIES AND NET EQUITY | | |
| Net equity | | |
| Share capital | 233,334 | 140,000 |
| Reserves | 112,207 | 210,672 |
| Net profit or loss | 17,457 | 15,327 |
| Advances on dividends | (5,736) | |
| Net equity | 357,263 | 365,999 (13) |
| Non-Current Liabilities | | |
| Provisions for liabilities and charges | 18 | 137 (14) |
| Employee severance indemnity | 1,443 | 1,463 (15) |
| Medium and long term loans | 4,954 | 6,675 (16) |
| Other non current liabilities | 0 | 31 (17) |
| Deferred taxes | 15,046 | 17,660 (18) |
| Total non current liabilities | 21,461 | 25,967 |
| Current Liabilities | | |
| Payables to banks and current share of medium, long-term loans | 107,327 | 3,513 (19) |
| Trade payables | 9,745 | 10,181 (20) |
| Tax liabilities | 0 | 0 |
| Other current liabilities | 21,055 | 22,566 (21) |
| Current financial liabilities | 0 | 11,806 (22) |
| Total current liabilities | 138,127 | 48,067 |
| Total liabilities | 159,588 | 74,034 |
| Total liabilities and net equity | 516,851 | 440,033 |

Ascopiave S.p.A.

| (€000) | Fiscal year 2007 | Fiscal year 2006 |
|---|-----------------------------|-------------------------|
| Revenues | 74,920 | 65,304 |
| Revenues from third parties | 30,776 | 20,441 |
| Revenues from subsidiaries | 44,144 | 44,863 |
| Operating costs | | |
| Costs for gas purchase | 10,364 | 0 |
| Costs for purchase of other raw materials | 2,910 | 2,794 |
| Costs for services | 9,992 | 7,731 |
| Personnel costs | 10,037 | 9,289 |
| Other operating costs | 6,097 | 5,662 |
| Other operating income | (15) | (126) |
| Amortization and depreciation | 11,346 | 11,204 |
| Operating result | 24,188 | 28,749 |
| Financial income | (3,648) | (201) |
| Financial charges | 922 | 3,530 |
| Pre-tax result | 26,914 | 25,420 |
| Taxes for the period | 9,456 | 10,093 |
| Net profit or loss | 17,457 | 15,327 |

| (€000) | Fiscal year 2007 | Fiscal year 2006 |
|--|------------------------|------------------------|
| CASH FLOW FROM OPERATIONS: | | |
| Company net result | 17,457 | 15,327 |
| Adjustments to reconcile net profit with cash and cash equivalents generated from (used by) operations: | | |
| Amortization and depreciation | 11,346 | 11,204 |
| Bad debts | 0 | 90 |
| Fixed assets writedown | 0 | 0 |
| Change in deferred/prepaid taxes | (507) | (2,789) |
| Change in staff severance indemnity | (19) | (1,263) |
| Net change in other provisions | (119) | (132) |
| Change in assets and liabilities: | | |
| Opening inventories | (283) | (328) |
| Trade receivables | 5,274 | (4,315) |
| Other current assets | (2,382) | (920) |
| Current and non-current financial assets | (0) | 7,532 |
| Tax assets and liabilities | 302 | (2,567) |
| Trade payables | (436) | 3,455 |
| Other current liabilities | (12,286) | (3,425) |
| Other non current assets | (836) | 42 |
| Other non current liabilities | (31) | (82) |
| Total adjustments and changes | 21 | 6,503 |
| Cash flow from operations | 17,478 | 21,830 |
| CASH FLOWS FROM INVESTMENT ACTIVITIES: | | |
| Investments in intangible fixed assets | (1,076) | (1,153) |
| Disposal of intangible assets | 482 | 0 |
| Investments in tangible fixed assets | (14,190) | (14,262) |
| Disposal of tangible assets | 1,194 | 81 |
| Change in shareholdings | (47,649) | 16,011 |
| Change in other non current liabilities | | |
| Cash flows used from investment activities | (61,239) | 678 |
| CASH FLOW FROM OPERATIONS: | | |
| Cash being listed | | 161,481 |
| Net change in loans to subsidiaries | (122,775) | (3,081) |
| Net change in loans to parent companies | (129) | 114 |
| Net change in short-term bank loans | 103,813 | (77,357) |
| Repayment of medium and long-term loans | (1,721) | (2,054) |
| Distribution of reserves | | |
| Dividend payment | (19,833) | (3,750) |
| Advance on dividends | (5,736) | |
| Purchase of own shares | (625) | |
| NE movements | | 0 |
| Cash flow used by financial activities | (47,005) | 75,352 |

| | | |
|-------------------------------------|----------|--------|
| Change in cash and cash equivalents | (90,767) | 97,860 |
|-------------------------------------|----------|--------|

| | | |
|-----------------------------------|--------|----|
| Opening cash and cash equivalents | 97,909 | 49 |
|-----------------------------------|--------|----|

| | | |
|-----------------------------------|-------|--------|
| Closing cash and cash equivalents | 7,142 | 97,909 |
|-----------------------------------|-------|--------|

Additional information

| | | |
|---------------|-----|-------|
| Interest paid | 889 | 1,721 |
|---------------|-----|-------|

| | | |
|------------|-------|-------|
| Taxes paid | 9,942 | 4,019 |
|------------|-------|-------|
