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Diffusione presunta

Oggetto : The Board of Directors approves the half-year financial report as at 30 June 2015

Testo del comunicato

Vedi allegato.



***Gas Plus: The Board of Directors approves
the half-year financial report as at 30 June 2015***

EBITDA in line with 1H14, despite the worsening of the energetic scenario and the temporary production decline. Positive steps forward for the gas-in of new E&P projects.

Substantial growth of the Net Result thanks to the positive trend of the financial items and to the more favorable “tax rate”.

NFP in strong reduction vs. December 31st, 2014

- **Total Revenues: € 104.5 M vs. € 76.2 M in 1H14**
- **EBITDA: € 20.4 M vs. € 20.1 M in 1H14**
- **EBIT: € 11.4 M vs. € 10.7 M in 1H14**
- **EBT: € 8.2 M vs. € 5.6 M in 1H14**
- **Net Result: € 5.8 M vs. € 4.4 M in 1H14**
- **Net Financial Position: € 50.3 M vs. € 71.2 M as at December 31st, 2014**

Milano, August 5th, 2015 - The Board of Directors of Gas Plus S.p.A., a company listed on the Italian Stock Exchange, approved today the half-year financial report as at 30 June 2015.

In 1H15 the Group achieved € 5.8 M Net Result, in substantial growth vs. 1H14, despite the decrease of the hydrocarbon price scenario and the production constraints affecting the Exploration and Production, the main Group business unit.

The result is a consequence of the positive contribution of the operating cost control, the efficient management of the financial items and the no recurring items realized by the E&P.

The Group faced the difficult market context focusing, in the E&P sector, on the projects aimed to increase the production in the short term and to limit the operating costs, in order to restrain the impact of the natural depletion of the most mature fields.

The margin decline was in line with the natural gas prices trend, the main commodity of the Group.

The recent removal of the interruption of the authorization iter for the E&P and Storage projects by the Emilia Romagna Region and the consequent beginning of the main development projects will allow the Group to restart its growth process and to exploit its mining resources, not adequately represented by the actual production volumes.

It is worthwhile underlying that all these operations will be undertaken in one of the most advanced, both at a national and international level, context of controls and monitoring , regulated by the Guidelines established



by the Ministry and introduced thanks also to the precious and well recognized work performed with the highest standard by Società Padana Energia SpA through "Laboratorio Cavone".

In relation to the other business units, the regulated activities of the BU Network and Transportation, the retail commercial activities of the BU Retail recorded a positive performance, against the persisting negative context and trend of the wholesale commercial activities of the BU S&S, in relation to which the Group is carrying out a revision of its business model on the commodity, with the subsequent exit from this wholesale activity starting from next gas year (October 2015).

As far as the financial aspects are concerned, the cash flows of the period, the positive effects of the policy aimed at reducing the working capital and the postponement of the main investments have contributed to reduce the Net Financial Position (NFP) from 71.2 M as at December 31st, 2014 to the actual € 50.3 M.

The CEO Davide Usberti has declared: *"We believe that the authorization release for the new E&P projects in Emilia Romagna demonstrates the big work done, with strong sense of responsibility, by the competent Institution and Authorities and the scientific community, that has put in place a deep and real expertise, by the entire industry and in particular our Group, that is historically rooted in Emilia Romagna, as well as by a group of suppliers with excellent standard.*

Supported by a context of technical and scientific controls and monitoring, regulated by a model of Guidelines among the most advanced at international level, arisen in our Mirandola concession with Laboratorio Cavone, we think that there are the premises to believe in the restart of our activity, with benefits for the Company and the Country.

At the same time we believe that, in a context characterized by constraints to new projects and by an energetic scenario less favorable, the stability of our economic results shows the commitment, the strength and the capability of the Group to face times of adversity. "

1H 2015 CONSOLIDATED ECONOMIC AND FINANCIAL DATA

1H 15 **Total Revenues** amounted to € 104.5 M vs. € 76.2 M of 1H14. The increase was mainly due to the wholesale commercial activity that counterbalanced the reduction of the E&P revenues, deriving from the lower selling prices and the natural depletion of certain production fields, still not compensated by the restart of new production.

The revenues of the semester include no recurring items for € 5.3 M, following a renewal of a service contract of the E&P Business Unit.

EBITDA moved from € 20.1 M of 1H14 to the actual € 20.4 M despite the lower E&P performances (€ 14.2 M in 1H15 vs. € 15.5 M in 1H14). The declining trend was partially compensated by the good performance of the Commercial Gas Assets (€ 2.6 M in 1H15 vs. € 0.9 M in 1H14) although with different trends within the single business unit: the positive contribution of the retail commercial activity on the one side (€ 3.0 M in



1H15 vs. € 1.8 M in 1H14) and the negative performance of the wholesale commercial activity (-€ 0.4 M in 1H15 vs. -€ 0.9 M in 1H14) on the other, despite the increase of the commercial portfolio.

The BU Network and Transportation recorded a result equal to that of the corresponding period of the previous year (€ 3.8 M in 1H15 vs. € 3.8 M in 1H14), confirming the constant and positive contribution to the consolidated Group results.

EBIT amounted to € 11.4 M vs. € 10.7 M in 1H 14, the **Operating Result** to € 11.7 N vs. € 10.7 M in 1H14 while **EBT** amounted to € 8,2 M vs. € 5,6 M in 1H 14, thanks to the positive trend of the financial items.

Thanks also to a lower tax rate, net of no recurring tax items of the previous semester, the Group closed the 1H15 with a Net Result amounting to € 5.8 M vs. € 4.4 M of 1H 14.

The **Net Financial Position**, thanks to the operating cash flows generated in the period also for seasonal effects and for the deferral of some investments, recorded a remarkable improvement (€ 50.3 M at June 30th, 2015 vs. € 71.2 M at December 31st, 2014).

BUSINESS UNITS TREND

With reference to the **Business Units** we highlight:

B.U. E&P: as of 30th June 2015, the gross hydrocarbon production was equal to 79,6 MSmce, with a decrease of roughly 14% with respect to the 92,8 MSmce registered in the first semester 2014.

Indeed, the B.U. could only count on the production of the mature fields, affected by the typical natural depletion, considering the missing contribution from the Garaguso concession, not operated by the Group (which counts for more than the 10% of the total gross hydrocarbon production), due to the persisting interruption of the production facility, and also the missing contribution from new gas-in, due to the well-known delays in the authorization procedures. Thanks to the optimization strategy implemented by the Group, the production reduction trend was however lower compared to the latest quarters (and equal to -2,2%).

As of 30th June 2015, the EBITDA was equal to € 14.2 M, decreasing by roughly 9.0% with respect to € 15.5 M registered in the first semester 2014..Beside to the effect of the mentioned lower volumes produced, the reduction was due to the market dynamics characterized by a lower hydrocarbon prices scenario mainly in respect of the oil price. The above mentioned factors were partially compensated by a constant monitoring and control of the operating costs and by a positive no recurring item of roughly € 5.3 M deriving from the renegotiation of a service contract.

Until the 30th June 2015, considering the impossibility to start new development projects, mainly for the suspension of the authorization procedures in Emilia Romagna region (in which the main activities of the Group are located), the development activities of the E&P Italian Branch was only focused on those projects



whose authorization procedures were not affected by the above mentioned suspension. To this regard, the contracts for the pipeline construction, treatment and compression facilities revamping and production set up were awarded in relation to one of these projects. In June, in particular, the works related to pipeline installation and the opening of the construction site for the treatment facilities and the well area have been started.

Finally, the studies and evaluations related to the producing field trend and to the restart of the minor currently not producing fields have carried on. Following the preliminary positive results of the tests of compression facilities carried out in 2014, other preparatory activities required for the continuation of the tests have been carried out during the semester in order to allow an increase in production of some producing fields.

Thanks to the removal of the interruption of the authorization iter for new E&P projects through the Resolution of the Emilia Romagna Region of 13 July 2015, the Group will again focus on the development of its activities in that region in order to maximize the value of its reserves not adequately represented by the current production levels.

In relation to the exploration activities, the drilling of Faseto well, carried out in July 2015, had a negative outcome.

With regard to the International E&P activities in Romania, the analysis of the 3D seismic data related to Midia Shallow & Pelican and Midia Deep concessions have been continued.

In relation in particular to the Midia Deep concession, the operator presented the preliminary results of the seismic 3D reprocessing and of the integration of the results of an exploration well drilled on an adjacent prospect. In order to complete the interpretation of the results and the validation of the geological model, which are fundamental premises for the eventual entry in the next exploration phase, the partners have submitted to the authorities a request for the extension of the current exploration phase until August 2016. In relation to the Midia Shallow & Pelican concession the analysis of the seismic 3D data were concluded. During the second semester some preliminary activities for the definition of the development plan of the Ana and Doina deposits will be started. **Commercial Gas Assets** (composed by **B.U. Supply & Sales** and **Retail**): as of 30th June 2015, the commercial gas assets registered an higher marginality compared to the corresponding 2014 period (from € 0.9 M to € 2.6 M). The increase was mainly due to the better performances of the Retail B.U. which registered an increasing EBITDA of € 3.0 M compared to the € 1.8 M of the first semester 2014, especially because of a significant increase in the unitary marginality of residential and small business segment, in addition to the first quarter characterized by climate conditions less unfavorable than those registered in the previous winter, although still temperate.

The S&S B.U., instead, registered a significant increase of the volumes sold (from 158.2 MSmc in 1H 2014 to 261,4 MSmc in 1H 2015, i.e. roughly 65%), which however hasnot counterbalanced the decrease of marginality due to the gas prices regime introduced in the 4Q 2013, with an EBITDA equal to - € 0.4 M.



B.U. N&T: as of 30th June 2015, the B.U. registered an increase of distributed volumes (from 91.9 MSmc in 1H 2014 to 101.9 MSmc in 1H 2015) as effect of the less moderate climate conditions compared to the corresponding 2014 period.

In terms of profitability, the B.U. confirmed its positive contribution to the Group results recording an EBITDA equal to € 3,8 M, substantially in line with the corresponding 2014 period. In relation to the tenders connected to the new regulatory framework, the B.U. has continued its review of the current concessions as well as the evaluation of further development opportunities through the participation to the tenders.

B.U. Storage: following the issuance of the environmental compatibility assessment (EIA) decrees related to Poggiofiorito and San Benedetto projects, occurred in the previous year, the activities related to the authorization procedures of the above mentioned projects and also of the Sinarca project have been carried on. Several appeals to the TAR of the Abruzzo and Marche regions have been made against the above mentioned decrees by different entities which, regardless of the outcomes, will inevitably affect the timing of the authorization procedures completion.

OUTLOOK

As detailed in the consolidated financial report of the semester, following the negative outcome of the Faseto exploration well, the forecast for the FY 2015 overall results remains slightly negative in case of a further reduction of the hydrocarbon prices scenario.

The manager responsible for preparing the company's financial reports, Dr. Germano Rossi, declares, pursuant to paragraph 2-bis of Article 154 of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

The Half-Year Financial Report as at 30 June 2015, along with the limited report of the auditors, will be made available at the Company registered office, on the Company web site www.gasplus.it (Investor Relations section) and on the storage mechanism NIS-Storage.

On 6 August 2015 at h. 10.00 (CET), Gas Plus will host the conference call for analysts/investors on 1H 2015 financial results.

Speakers:

Davide Usberti – Chief Executive Officer

Cinzia Triunfo – General Manager

Germano Rossi – Chief Financial Officer



To connect to the conference-call:

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Gas Plus is the fourth largest producer of natural gas (as estimated by the Authority for Electricity and Gas) after Eni, Edison and Shell Italy E&P. It is active in the main sectors of the industry of natural gas, particularly in the exploration, production, purchase, distribution and sale to wholesale and final customers. At 31 December 2014 the Group has 49 exploitation concessions located throughout the Italian territory, wholesale markets about 350 million cubic meter of natural gas in 2014, manages a total of approximately 1,500 kilometers of distribution network located in 37 municipalities, serves a total of more than 75,000 end users, with a staff of 207 employees.

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ATTACHMENTS:

Half-year prospects of consolidated balance sheet, consolidated income statements and consolidated cash-flow statements, taken from the half-year financial report as at 30 June 2015 (not audited yet).



CONSOLIDATED BALANCE SHEET AS AT JUNE 30,2015 AND DECEMBER 31,2014

Amounts in thousands of Euro	06/30/2015	12/31/2014
ASSETS		
Non-current assets		
Property, plant and equipment	103.000	104.170
Goodwill	750	750
Concessions and other intangible assets	357.586	361.636
Investments in associated companies	-	-
Other non-current assets	4.528	4.477
Deferred tax assets	26.476	25.948
Total non-current assets	492.340	496.981
Current assets		
Inventory	5.452	19.283
Trade receivables	19.010	34.535
Income tax receivables	859	3.521
Other receivables	9.593	14.871
Receivables from associated companies	14	41
Receivables from parent company	191	193
Financial assets	4.481	5.339
Cash and cash equivalents	23.885	6.386
Total current assets	63.485	84.169
TOTAL ASSETS	555.825	581.150
SHAREHOLDER'S EQUITY		
Share capital	23.353	23.353
Reserves	193.083	179.623
Other equity components	(1.216)	931
Net result for the period	5.822	16.886
Equity attributable to equity holders of the parent	221.042	220.793
Minority interests	453	446
TOTAL SHAREHOLDER'S EQUITY	221.495	221.239
LIABILITIES		
Non-current liabilities		
Long-term financial debts	44.296	46.286
Termination indemnity	4.400	4.866
Deferred tax liabilities	102.217	103.501
Liabilities for acquisition of business	27.757	27.757
Long-term borrowings from parent company	-	-
Other non-current liabilities	3.123	3.150
Provisions	115.636	113.777
Total non-current liabilities	297.429	299.337
Current liabilities		
Trade payables	16.933	35.545
Payables to associated companies	-	-
Short-term financial debts	6.509	8.715
Liabilities for acquisition of business	113	121
Other current liabilities	12.156	16.113
Income tax payables	1.190	80



Total current liabilities	36.901	60.574
TOTAL LIABILITIES	334.330	359.911
TOTALE SHAREHOLDER'S EQUITY AND LIABILITIES	555.825	581.150



HALF-YEAR CONSOLIDATED INCOME STATEMENT

Amounts in thousands of Euro	1H 2015	1H 2014
Revenues	97.227	73.888
Other revenues	7.321	2.298
Total revenues	104.548	76.186
Raw materials and consumables costs	(54.957)	(27.329)
Services and other costs	(23.098)	(22.419)
Personnel costs	(6.088)	(6.329)
Other income (charges)	256	-
Share of result of associated companies	-	-
Depreciation, amortization and devaluation	(9.007)	(9.372)
OPERATING RESULT	11.654	10.737
Financial income	1.788	1.013
Financial expense	(5.240)	(6.160)
PRE-TAX RESULT	8.202	5.590
Income taxes	(2.368)	(1.155)
NET RESULT FOR THE YEAR	5.834	4.435
Attributable to:		
Group	5.822	4.422
Minority interests	12	13
		4.435
Basic earnings per share (amounts in Euro)	0,13	0,10
Diluted earnings per share (amounts in Euro)	0,13	0,10



HALF YEAR CONSOLIDATED CASH FLOW STATEMENT

Amounts in thousands of Euro	1H 2015	1H 2014
Cash flow from operating activities		
Net result	5.834	4.435
Depreciation, amortization and devaluation of tangible and intangible assets (1)	7.523	8.777
Other non-monetary funds	7	(16)
Discounted retirement fund	2.435	2.312
Financial charges on liabilities for acquisition of business	298	327
Capital (gains) losses	152	-
Change in fair value of assets and liabilities	(596)	(237)
Change in deferred taxes	(1.694)	(1.985)
Change in operating assets and liabilities		
Change in inventory	13.770	8.001
Change in trade receivables from third parties and associated companies	15.721	23.534
Change in trade payable from third parties and associated companies	(18.612)	(6.723)
Asset retirement obligations	(684)	(13)
Change in termination indemnity	(251)	82
Change in other operating assets and liabilities	5.629	900
Net cash flow from operating activities	29.533	39.394
Cash flow from investing activities		
Purchase of tangible and intangible assets (1)	(2.997)	(3.461)
Net cash flows used in investing activities	(2.997)	(3.461)
Cash flows from financing activities		
Net change in financial liabilities	(1.144)	(7.518)
Loans reimbursed	(2.500)	(15.400)
Dividends paid	(4.362)	(6.978)
Other changes in shareholders' equity	-	3
Net cash flows generated (used) in financing activities	(8.006)	(29.893)
Effects of exchange rate on abroad companies' financial statements	(1.031)	(582)
Increase (decrease) in cash at bank and in hand	17.499	5.458
Cash and cash equivalent at the beginning of the year	6.386	3.527
Cash and cash equivalent at the end of the year	23.885	8.985
Dividends received	348	84
Taxes paid in the period	287	5.185
Interests paid in the period	1.887	2.749

(1) net of amortization of exploration costs incurred in the period (respectively Euro 1.484 in 2015 and Euro 595 in 2014).



Fine Comunicato n.0886-15

Numero di Pagine: 13