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Testo del comunicato

Vedi allegato.

PRESS RELEASE

ASCOPIAVE: The Board of Directors has approved the results of the interim report ended 31st March 2016. Operating margins and operating result on the rise.

Gross Operating Margin € 36.0 million, an increase compared to the first quarter of 2015 (€ 34.3 million)

Operating Result € 30.3 million, an improvement compared to the first quarter of 2015 (€ 28.6 million)

Net Consolidated Profit equal to € 24.1 million, increasing compared to the first three months of 2015 (€ 22.8 million)

Net Financial Position equal to € 70.6 million, a further improvement on € 114.0 million registered on 31st December 2015

Debt/Shareholders' Equity ratio of 0.16, 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 31st March 2016, drafted in compliance with the International Accounting Standards IAS/IFRS .

The Chairman of Ascopiave S.p.A. Board of Directors, Dr. Fulvio Zugno, has stated: "In the first quarter of 2016, the Ascopiave Group has achieved excellent operating and financial results which continue improving as compared to the achievements of the same period last year. The business strategy that we have been implementing, that effectively distinguishes us in the utilities sector, carefully devised by the Board of Directors and the management, continues to bear fruit. This testifies to the energy, passion, determination and daily commitment of the entire organisation, aimed at creating value for the territory and the shareholders, who continue to trust in our work."

The General Manager, Dr. Roberto Gumirato, has stated: "We have identified positive economic and financial indicators in all business segments, and the net financial position has been progressively improving. In particular, in a regulated market like ours, which constantly calls for the development of skills for legislative compliance, despite recent unfavourable weather conditions for consumption, the effectiveness of the corporate strategy we have implemented, our main asset, has led, during the quarter, to positive margins in the fields of natural gas distribution and gas and electricity sale, as well to a reduction in operating costs, thanks to a scrupulous cost rationalisation policy and business process innovation."

Consolidated results of the Ascopiave Group in the first quarter of 2016

Revenue from sales

The Ascopiave Group closed the first quarter of 2016 with consolidated revenues amounting to € 182.5 million, compared to € 219.5 million in the same period in 2015 (-16.8%). The decrease in revenues is mainly due to a reduction in natural gas sales (€ -39.6 million), mainly attributable to lower amounts of gas sold and a decrease in sale prices per unit.

Gross operating margin

Gross operating margin in the first three months of 2016 amounts to € 36.0 million, marking an increase compared to € 34.3 million in the same period in the previous year (+4.9%).

The trade margins on gas sale and on electricity sale improve by € 0.9 million and € 0.4 million respectively as compared to the first three months of 2015. This increase is determined by the improvement in sales unit margins, which has more than offset the negative effect of the decrease in the amounts of gas sold.

The variation in the residual costs and revenue items has positively contributed to the formation of the gross operating margin (€ +0.4 million). Among the most remarkable changes, a positive variation in contingent assets totalling € 0.3 million, a decrease in personnel costs for € 0.1 million, and a general reduction in costs for services and other operating expenses (€ +1.0 million). These improvements have more than offset a decrease in the margin on the activity related to the management of energy efficiency requirements, amounting to € 0.7 million, and a decrease in tariff revenues from gas distribution for € 0.3 million.

Operating Result

The operating profit in the first quarter of 2016 amounted to € 30.3 million, an improvement compared to € 28.6 million in the same period in the previous year (+5.8%).
This result is due, in addition to an increase in the gross operating margin, to a decrease in the provision for doubtful accounts (€ +0.2 million), offset by an increase in amortization (€ +0.3 million).

Net Profit

The consolidated net profit amounts to € 24.1 million, an increase compared to € 22.8 million in the first three months of 2015 (+5.7%).

The consolidation with the equity method of the joint ventures and the associated company Sinergie Italiane, under liquidation, caused the expenditure of € 3.6 million, compared to € 3.5 million in the first three months of 2015. During the first quarter of 2016, the positive contribution of the associated company under liquidation to the consolidated income statement amounted to € 0.1 million (€ 0.2 million in the first three months of 2015).

Taxes recorded in the income statement amount to € 9.6 million, an increase of € 0.5 million (+4.9%), due to a higher taxable income.

The tax rate, calculated by normalising the pre-tax result of equity-method consolidated companies, decreases from 32.2% to 31.9%.

EBITDA of joint control companies consolidated with the equity method

Joint control companies consolidated with the equity method achieved in the first quarter of 2016 a consolidation pro-rata gross operating margin equal to € 6.1 million, an increase of € 0.2 million compared to the same period in the previous year.

Operating performance in the first quarter of 2016

The volumes of gas sold to the end market by fully-consolidated companies in the first three months of 2016 amount to 349.1 million cubic meters, marking a decrease of 7.7% compared to the same period in 2015.

The equity-method consolidated companies sold 64.6 million cubic meters of gas pro-rata in total, marking a decrease of 10.0% compared to the same period in 2015.

With regard to gas distribution, the volumes of gas delivered through networks managed by companies consolidated at 100% amount to 339.4 million cubic meters, with an increase of 1.0% compared to the same period in the previous year.
To these must be added the pro-rata 33.4 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 quarter of 2016 amount to € 4.1 million and mainly concern the development, maintenance and upgrading of gas networks and distribution systems.
Specifically, investments in gas networks and distribution systems amount to € 2.3 million, of which € 1.1 million for connections, € 1.0 million for enlargements and enhancing of the distribution network and € 0.2 million for maintenance, mainly relating to reduction and pre-heating systems. Investments in meters and correctors amount to € 1.0 million.
Investments by equity-method consolidated companies in intangible and tangible fixed assets amount to € 0.2 million and also mainly relate to methane networks and plants.

Indebtedness and Debt/Net Equity Ratio

The net financial position of the Group as of 31st March 2016 amounted to € 70.6 million, an increase of € 43.4 million as compared to 31st December 2015.
The positive financial flow was determined mainly by the following operations:

- Cash flow generated financial resources for € 29.8 million;
- Net investments in fixed assets caused the expenditure of € 4.1 million;
- Management of net operating equity and of net fiscal capital generated resources for € 17.7 million.

The debt/shareholders' equity ratio as of 31st March 2016 amounts to 0.16 (0.27 as of 31st December 2015). This result is among the best in the field.

Significant events during the period

On 18th January 2016, Ascopiave, along with other operators, filed an appeal before the Council of State against the judgement of the Regional Administrative Court of Lombardy no. 2221/2015.
In February 2016, the Law no. 21/2016 was approved, which contains provisions governing the distribution of gas.
In particular, Article 3 establishes that the time limits for the publication of the tender notices envisaged in the earlier legislation should range from a maximum of 14 months to a minimum of 5 months, depending on the group to which the Minimum Territorial Area belongs.
Subsequent to the expiration of the time limits within which the awarding entities designated by the Municipalities should have published the tender notices, the new legislation provides that the competent Region for the Area grants six extra months, after which it may invite tenders by appointing an acting Commissioner.
If two months elapse without such appointment, the Ministry of Economic Development, in agreement with the Region, may intervene by appointing its own acting Commissioner.
The law has also abolished the penalties under the scope of the Municipalities established by the previous legislation in the event of delayed publication of tender notices.

Other significant events

Establishment of AP Reti Gas S.p.A.

On 18th March 2016, the company AP Reti Gas S.p.A. was established, with a share capital of Euro 200 thousand, fully paid-in, 100% controlled by Ascopiave S.p.A.. Commencing 1st July 2016, it will be entrusted with Ascopiave S.p.A. business unit in charge of natural gas distribution, in compliance with the unbundling obligations that require the separation between sales and natural gas distribution integrated in the same corporate group.

Significant events subsequent to the end of the period

Shareholder's Meeting held on 28th April

The Shareholders' Meeting of Ascopiave S.p.A. convened in its ordinary session on 28th April 2016, chaired by Mr. Fulvio Zugno. During the meeting, the 2015 yearly statement was approved and the Meeting agreed to distribute a dividend of € 0.15 per share. The dividend was paid on 11th May 2016 with ex-dividend date on 9th May 2016 (record date on 10th May 2016).
Furthermore, the Meeting has approved the remuneration policy of the Company, set out in compliance with Art. 123/3 of the Unified Finance Law as well as a new purchase and sale plan of treasury shares under the terms of articles 2357 and 2357-ter of the Civil Code, to replace and revoke the previous authorisation of 23rd April 2015.

Outlook for 2016

As far as the gas distribution activities are concerned, in 2016 the Group will continue its normal operations and service management and perform preparatory activities for the invitations to tender. The Group will also participate in the tenders invited, if any, for the award of the Minimum Territorial Areas in which it is interested. 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 2016. 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 2016. 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 2016. Thus, the activity perimeter of the Group will likely not change compared to today.

As far as profitability is concerned, it will be negatively affected by the adjustment of the capital return rate envisaged in the recent tariff measures; in fact, the actual pre-tax rate of return for the distribution activity was reduced from 6.9% in 2015 to 6.1%, thus determining an expected decrease in global tariff revenues.

As far as gas sale is concerned, it is even more difficult to forecast result trends, also due to the impact of weather conditions, which significantly affect gas consumption. However, for the time being there is no reason to believe that in the near future there will be considerable variations in business profitability conditions, despite the competitive pressure in the retail market and the expected impact of the tariff measures defined by the AEEGSI for the protected market.

As regards electricity sales, the fiscal year 2016 could confirm 2015 results.

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 2016 could 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 successful 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. This 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 31st March 2016

The Interim Management Report for the period ended 31st March 2016 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 Bit Market Services S.p.A. "SDIR & Storage" system.

Annexes

Consolidated accounting schedules not subjected to 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 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 inhabitants through a distribution network which spreads over 8,800 kilometres.

The sale of natural gas sale is performed through different companies, some are controlled through joint control. Overall, in 2015 the companies of the Group sold to end customers more than 1 billion cubic meters of gas.

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

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Pieve di Soligo, 13th May 2016

Ascopiave Group

Interim Report

as of 31st March 2016

Consolidated statement of financial position

(Thousands of Euro)		31.03.2016	31.12.2015
ASSETS			
Non-current assets			
Goodwill	(1)	80,758	80,758
Other intangible assets	(2)	315,802	316,659
Tangible assets	(3)	34,873	34,987
Shareholdings	(4)	71,519	68,078
Other non-current assets	(5)	14,820	15,366
Advance tax receivables	(6)	10,848	11,333
Non-current assets		**528,620**	**527,182**
Current assets			
Inventories	(7)	3,511	3,577
Trade receivables	(8)	213,901	172,022
Other current assets	(9)	30,487	46,518
Current financial assets	(10)	659	3,487
Tax receivables	(11)	1,368	1,368
Cash and cash equivalents	(12)	27,823	28,301
Current assets		**277,750**	**255,272**
ASSETS		**806,370**	**782,454**
Net equity and liabilities			
Total Net equity			
Share capital		234,412	234,412
Own shares		17,521	17,521
Reserves		221,191	198,374
Net equity of the Group		**438,081**	**415,264**
Net equity of Others		**6,380**	**4,873**
Total Net equity	(13)	**444,461**	**420,137**
Non-current liabilities			
Provisions for risks and charges	(14)	7,215	7,360
Severance indemnity	(15)	3,906	3,864
Medium- and long-term bank loans	(16)	42,042	43,829
Other non-current liabilities	(17)	19,632	18,903
Non-current financial liabilities	(18)	404	422
Deferred tax payables	(19)	19,242	19,571
Non-current liabilities		**92,443**	**93,948**
Current liabilities			
Payables due to banks and financing institutions	(20)	55,950	97,866
Trade payables	(21)	109,220	122,823
Tax payables	(22)	2,323	397
Other current liabilities	(23)	101,062	43,324
Current financial liabilities	(24)	721	3,708
Current liabilities from derivative financial instruments	(25)	190	252
Current liabilities		**269,466**	**268,370**
Liabilities		**361,909**	**362,317**
Net equity and liabilities		**806,370**	**782,454**

Consolidated income statement

(Thousands of Euro)		First Quarter 2016	First Quarter 2015
Revenues	(26)	**182,512**	**219,496**
Total operating costs		**147,123**	**186,023**
Purchase costs for raw material (gas)	(27)	97,143	134,435
Purchase costs for other raw materials	(28)	5,034	5,541
Costs for services	(29)	34,263	36,668
Costs for personnel	(30)	5,672	5,742
Other management costs	(31)	5,032	3,643
Other income	(32)	21	5
Amortization and depreciation	(33)	5,084	4,830
Operating result		**30,304**	**28,642**
Financial income	(34)	126	386
Financial charges	(34)	237	458
Evaluation of subsidiary companies with the net equity method	(34)	3,587	3,452
Earnings before tax		**33,780**	**32,022**
Taxes for the period	(35)	9,642	9,190
Net result for the period		**24,138**	**22,832**
Group's Net Result		22,651	21,394
Third parties Net Result		1,487	1,438
Consolidated statement of comprehensive income			
1. Components that can be reclassified to the income statement			
Fair value of derivatives, changes in the period		187	
Income tax relating to components of comprehensive income			
2. Components that can not be reclassified to the income statement			
Actuarial (losses)/gains from remeasurement on defined-benefit obligations			
Total comprehensive income		**24,325**	**22,832**
Group's overall net result		22,818	21,394
Third parties' overall net result		1,507	1,438
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 2016	**234,412**	**46,882**	**(17,522)**	**(99)**	**108,578**	**43,014**	**415,264**	**4,873**	**420,137**
Result for the period						22,651	22,651	1,487	24,138
Other operations					167		167	21	187
Total result of overall income statement				**0**	**167**	**22,651**	**22,818**	**1,507**	**24,325**
Allocation of 2015 result					43,014	(43,014)	0		0
Balance as of 31st March 2016	**234,412**	**46,882**	**(17,522)**	**(99)**	**151,758**	**22,651**	**438,080**	**6,381**	**444,462**

Consolidated statement of cash flows

(thousands of Euro)	First quarter 2016	First quarter 2015
Net income of the Group	**22,651**	**21,394**
Cash flows generated (used) by operating activities		
Adjustments to reconcile net income to net cash		
Third-parties operating result	1,487	1,438
Amortization	5,084	4,830
Bad debt provisions	616	835
Variations in severance indemnity	43	29
Current assets / liabilities on financial instruments	(62)	0
Net variation of other funds	0	(94)
Evaluation of subsidiaries with the net equity method	(3,586)	(3,452)
Impairment losses / (gains) on shareholdings	(396)	0
Interests paid	(297)	(543)
Interest expense for the year	237	454
Taxes for the year	7,955	9,190
Variations in assets and liabilities		
Inventories	65	(89)
Accounts payable	(42,495)	(82,220)
Other current assets	16,031	32,977
Trade payables	(13,603)	(8,719)
Other current liabilities	52,053	43,044
Other non-current assets	546	8
Other non-current liabilities	729	502
Total adjustments and variations	**24,408**	**(1,807)**
Cash flows generated (used) by operating activities	**47,059**	**19,587**
Cash flows generated (used) by investments		
Investments in intangible assets	(3,606)	(3,092)
Investments in tangible assets	(507)	(86)
Cash flows generated/(used) by investments	**(4,113)**	**(3,178)**
Cash flows generated (used) by financial activities		
Net changes in debts due to other financers	(2,460)	(16)
Net changes in short-term bank borrowings	(31,202)	(25,552)
Net variation in current financial assets and liabilities	2,678	5,316
Interest expense	60	88
Ignitions loans and mortgages	16,000	50,500
Redemptions loans and mortgages	(28,500)	(80,000)
Cash flows generated (used) by financial activities	**(43,424)**	**(49,664)**
Variations in cash	**(478)**	**(33,255)**
Cash and cash equivalents at the beginning of the period	**28,301**	**100,882**
Cash and cash equivalents at the end of the period	**27,823**	**67,627**

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