



FY 2016

CONSOLIDATED RESULTS

Conference Call

Pieve di Soligo, 15th March 2017

Financial highlights

- Ascopiave Group structure as of 31st December 2016
- FY 2016 consolidated income statement
- Consolidated balance sheet as of 31st December 2016

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Gross margin on gas and electricity sales and other net operating costs

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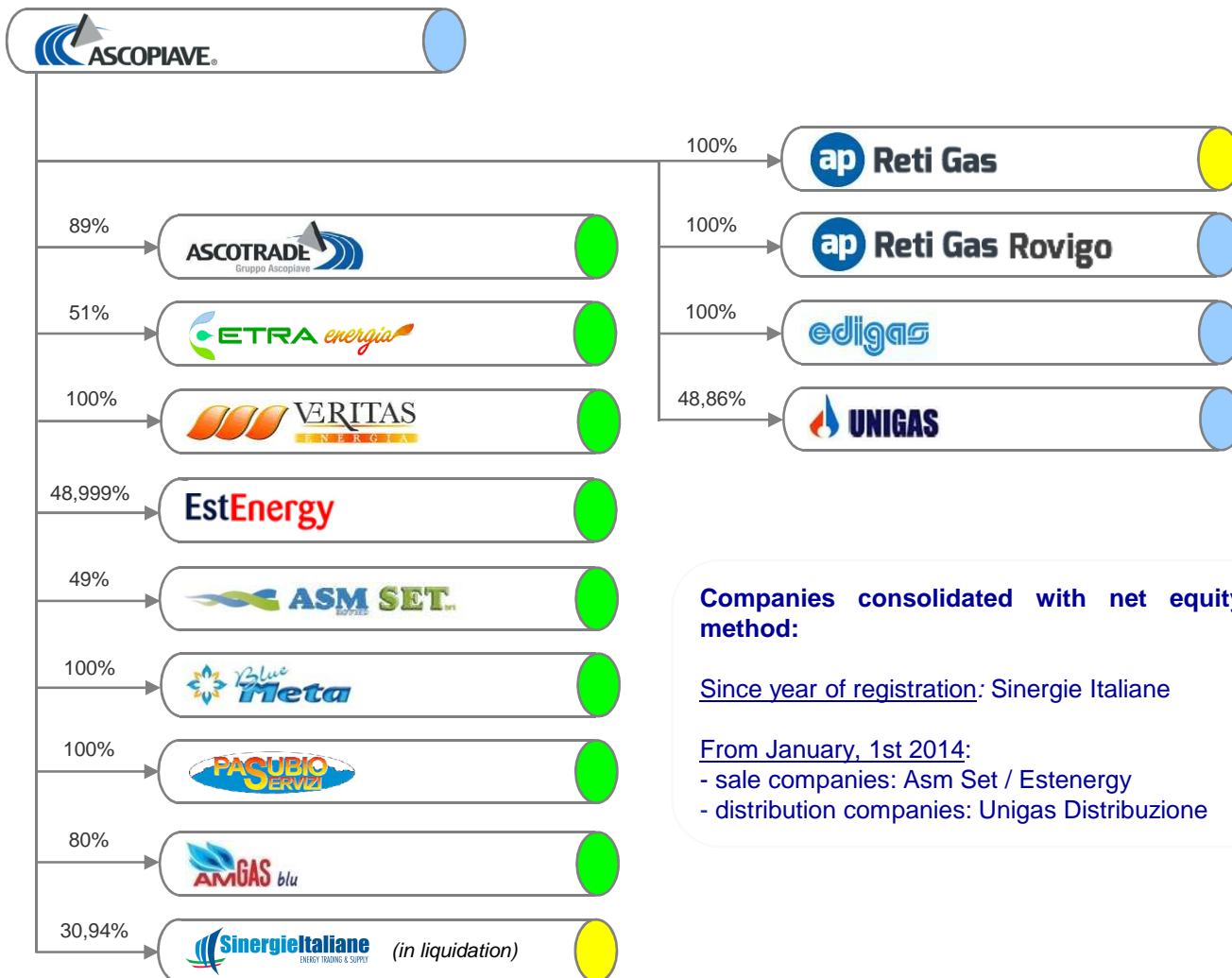
Capex

Net financial position and cash flow

Dividend proposal

Disclaimer

Ascopiave Group structure as of 31st December 2016



Companies consolidated with net equity consolidation method:

Since year of registration: Sinergie Italiane

From January, 1st 2014:

- sale companies: Asm Set / Estenergy
- distribution companies: Unigas Distribuzione

- Gas distribution
- Gas sales
- Other activities

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FY 2016 consolidated income statement

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FY 2016 consolidated results
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(Thousand of Euro)	2016	2015	Chg	Chg %
Revenues	497.689	581.655	(83.966)	-14,4%
(Cost of raw materials and consumables)	(249.916)	(346.431)	96.516	-27,9%
(Cost of services)	(107.503)	(119.151)	11.648	-9,8%
(Cost of personnel)	(24.233)	(21.573)	(2.660)	+12,3%
(Other operating costs)	(21.377)	(14.106)	(7.271)	+51,5%
Other operating income	596	591	5	+0,8%
EBITDA	95.255	80.983	14.271	+17,6%
(Depreciations and amortizations)	(20.227)	(20.029)	(198)	+1,0%
(Provisions)	(2.891)	(4.004)	1.112	-27,8%
EBIT	72.137	56.950	15.186	+26,7%
Financial income / (expenses)	(544)	(518)	(26)	+5,0%
Evaluation of companies with net assets method (*)	7.750	7.449	301	+4,0%
EBT	79.343	63.881	15.461	+24,2%
(Income taxes)	(22.401)	(18.519)	(3.882)	+21,0%
Earnings after taxes	56.942	45.362	11.579	+25,5%
(Net loss from discontinued operations)	-	-	-	n.a.
Net income	56.942	45.362	11.579	+25,5%
(Net income of minorities)	(3.307)	(2.349)	(958)	+40,8%
Net income of the Group	53.635	43.014	10.621	+24,7%

(*) Result of the companies consolidated with net equity consolidation method (data are considered pro-quota): sale companies, Euro 5,4 mln (Euro 5,0 mln in FY 2015); distribution companies, Euro 1,2 mln (Euro 1,0 mln in FY 2015); Sinergie Italiane, Euro 1,2 mln (Euro 1,5 mln in FY 2015).

Consolidated balance sheet as of 31st December 2016

(Thousand of Euro)	31/12/2016	31/12/2015	Chg	Chg %
Tangible assets (*)	32.364	34.987	(2.623)	-7,5%
Non tangible assets (*)	397.664	397.418	246	+0,1%
Investments in associates (**)	68.738	68.078	659	+1,0%
Other fixed assets	23.808	26.699	(2.891)	-10,8%
Fixed assets	522.574	527.182	(4.608)	-0,9%
Operating current assets	201.908	223.484	(21.576)	-9,7%
(Operating current liabilities)	(138.003)	(166.796)	28.792	-17,3%
(Operating non current liabilities)	(48.151)	(49.698)	1.546	-3,1%
Net working capital	15.754	6.991	8.763	+125,3%
Total capital employed	538.328	534.173	4.155	+0,8%
Group shareholders equity	438.055	415.264	22.791	+5,5%
Minorities	6.154	4.873	1.281	+26,3%
Net financial position	94.119	114.037	(19.917)	-17,5%
Total sources	538.328	534.173	4.155	+0,8%

(*) Applying IFRIC 12 involves categorising the infrastructures under concession from tangible to intangible assets; (**) Value of the associated companies consolidated with net equity consolidation method: sale companies, Euro 48,0 mln (Euro 47,9 mln as of 31st December 2015); distribution companies, Euro 20,7 mln (Euro 20,2 mln as of 31st December 2015).

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- Volumes of gas distributed
- Volumes of gas sold
- Volumes of electricity sold

Revenues and EBITDA

Gross margin on gas and electricity sales and other operating costs

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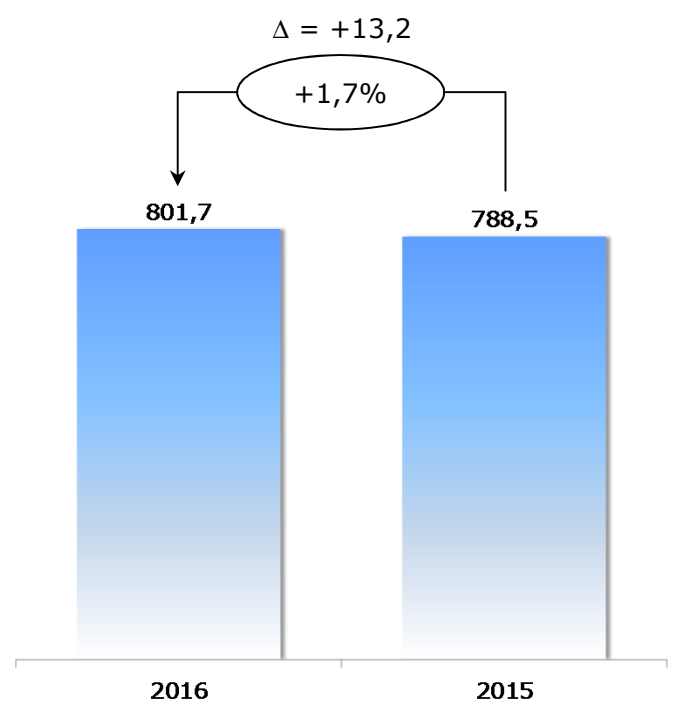
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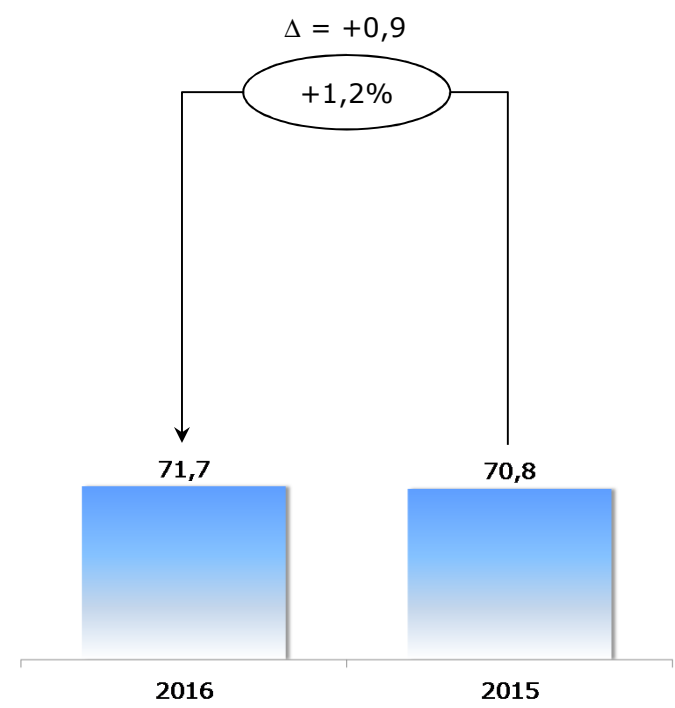
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Volumes of gas distributed

Volumes of gas distributed (Million of standard cubic meters)



Companies consolidated with full consolidation method



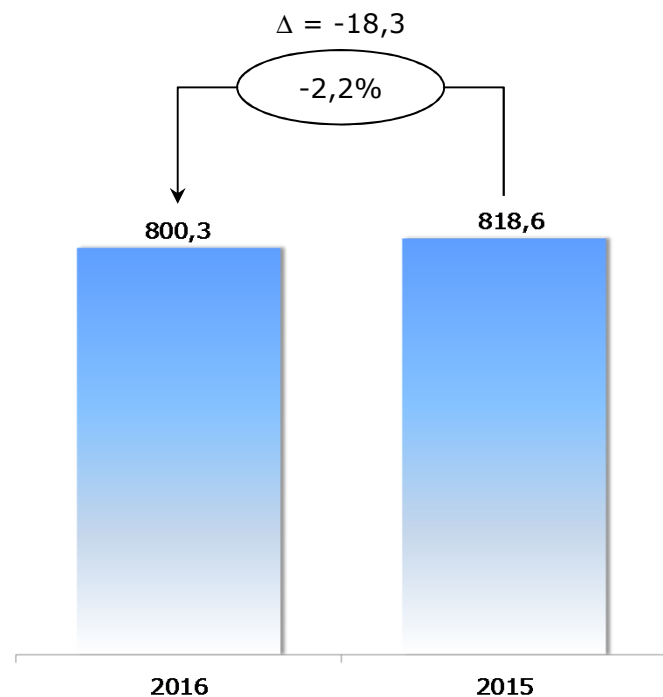
Companies consolidated with net equity consolidation method (*)

(*) Data are considered pro-quota.

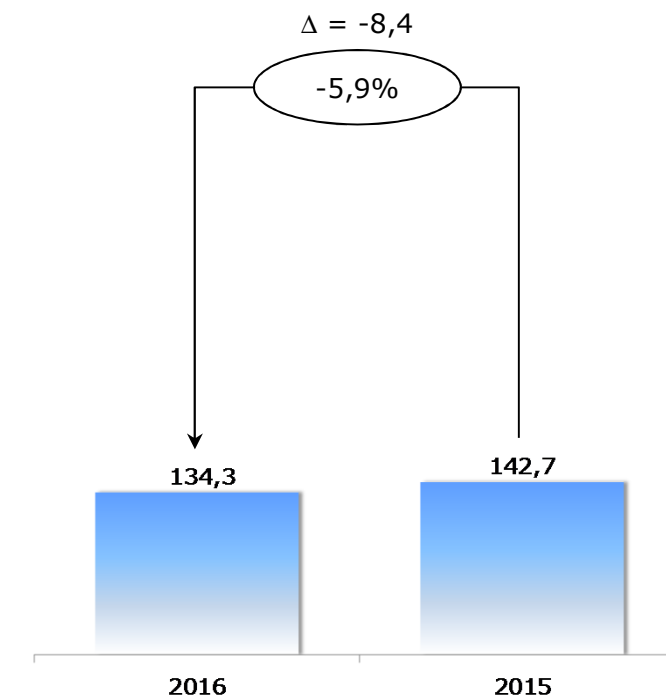


Volumes of gas sold

Volumes of gas sold (Million of standard cubic meters)



Companies consolidated with full consolidation method



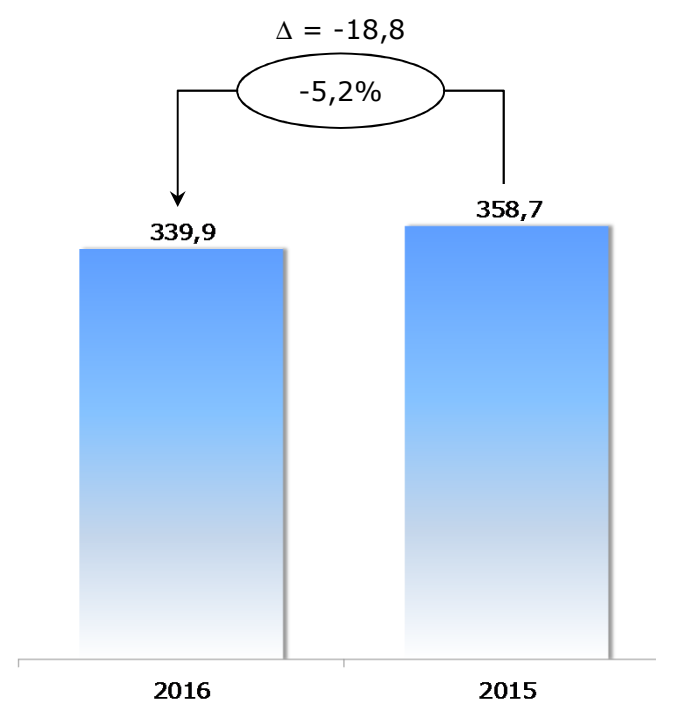
Companies consolidated with net equity consolidation method (*)

(*) Data are considered pro-quota.

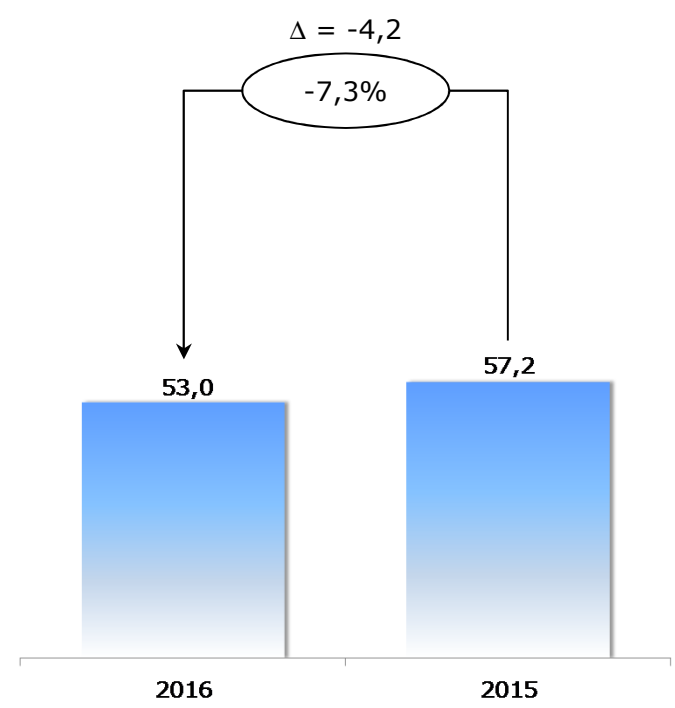
Volumes of electricity sold

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Volumes of electricity sold (GWh)



Companies consolidated with full consolidation method



Companies consolidated with net equity consolidation method (*)

(*) Data are considered pro-quota.



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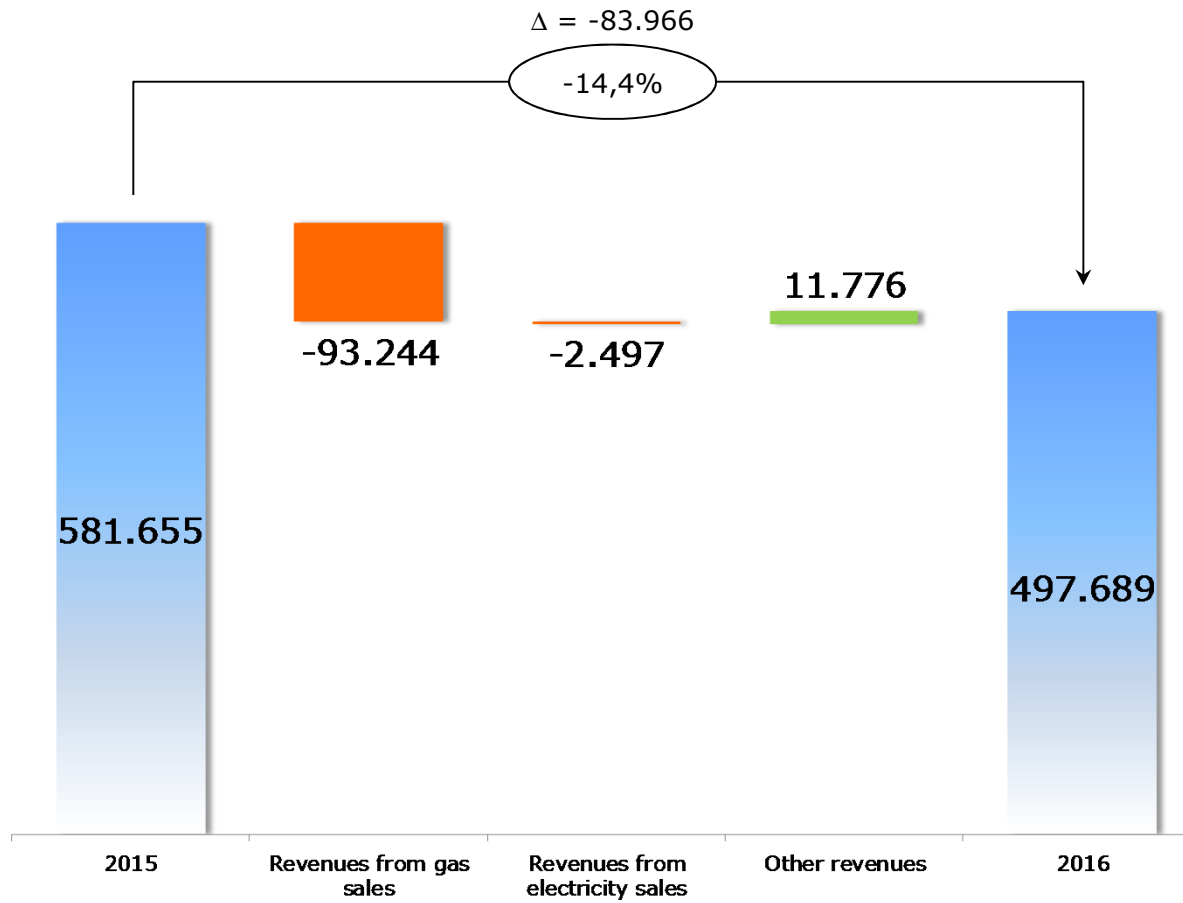
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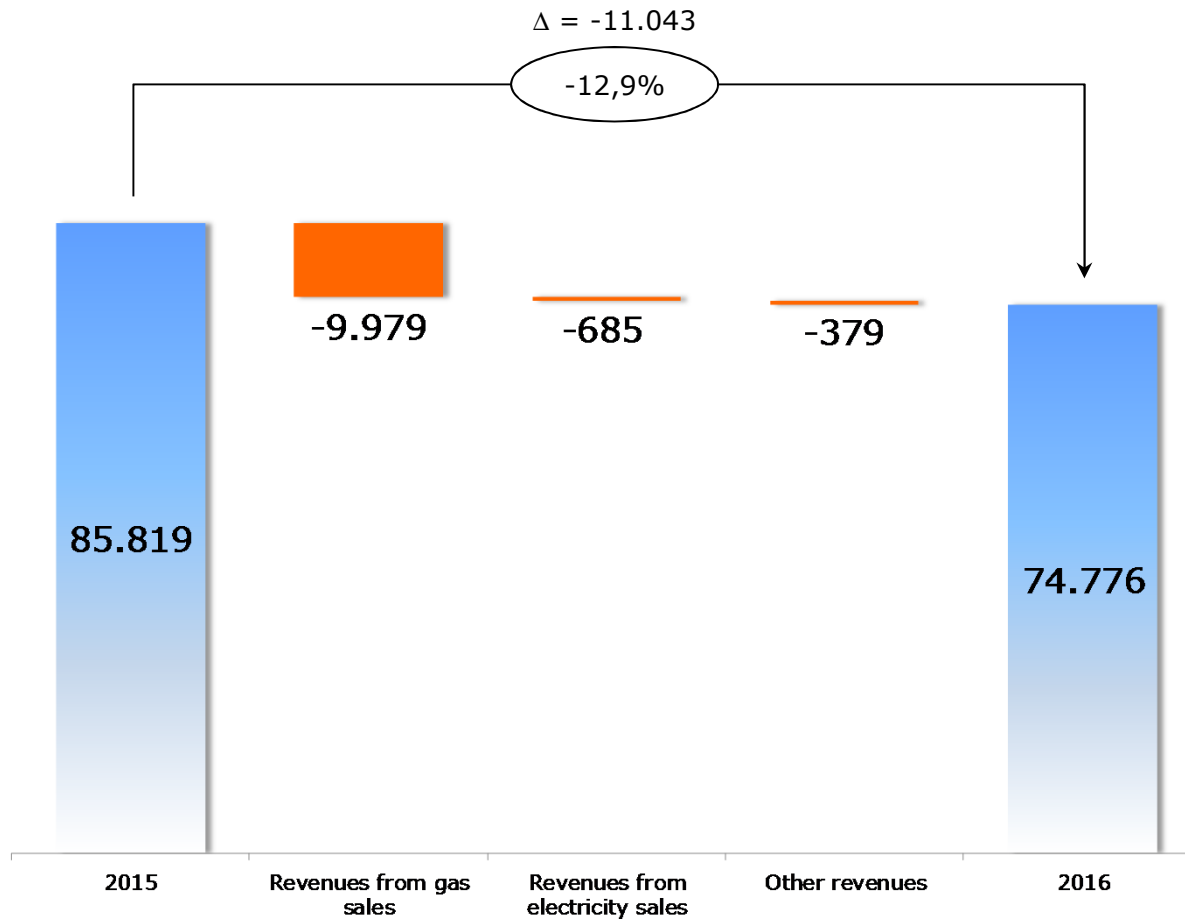
Revenues bridge (1)

Revenues bridge Companies consolidated with full consolidation method (Thousand of Euro)



Revenues bridge (2)

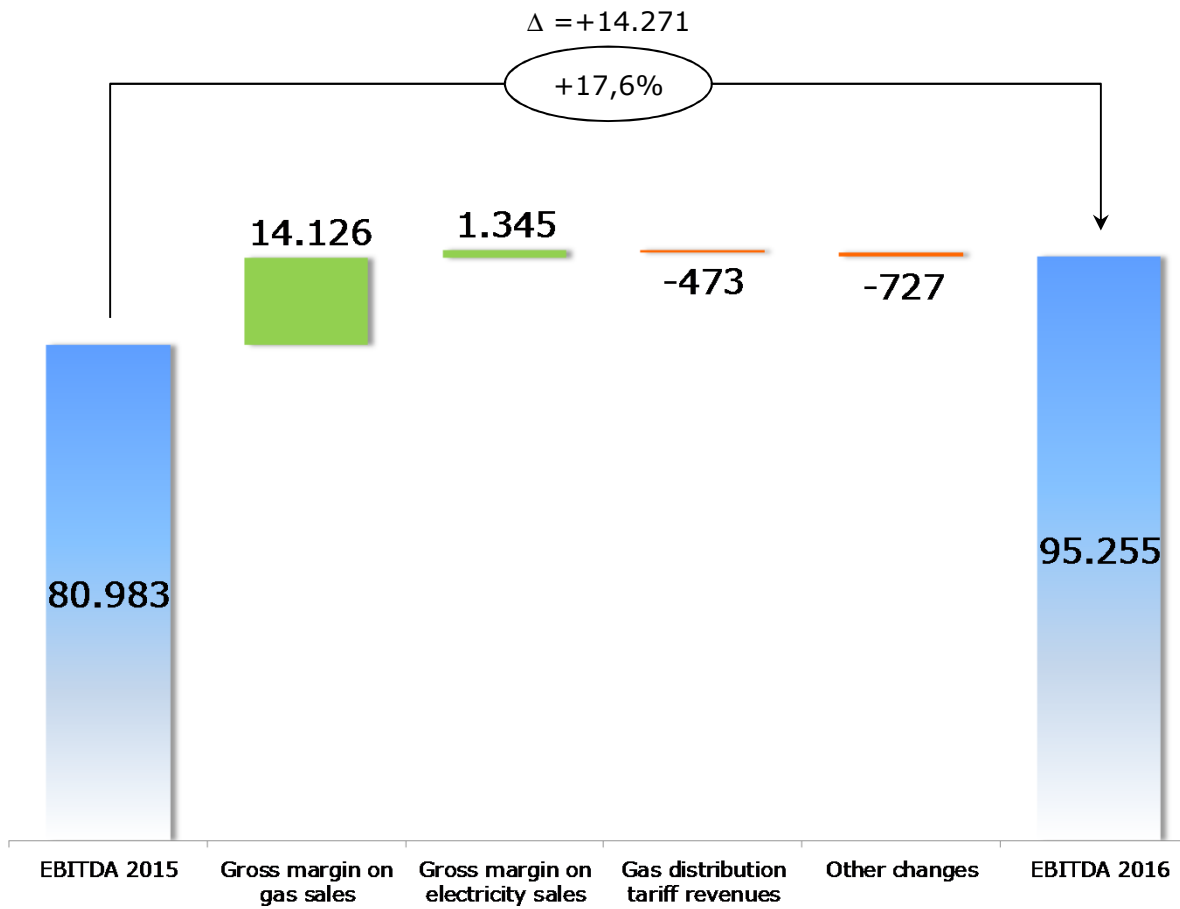
Revenues bridge
Companies consolidated with net equity consolidation method (*)
 (Thousand of Euro)



(*) Sinergie Italiane excluded.

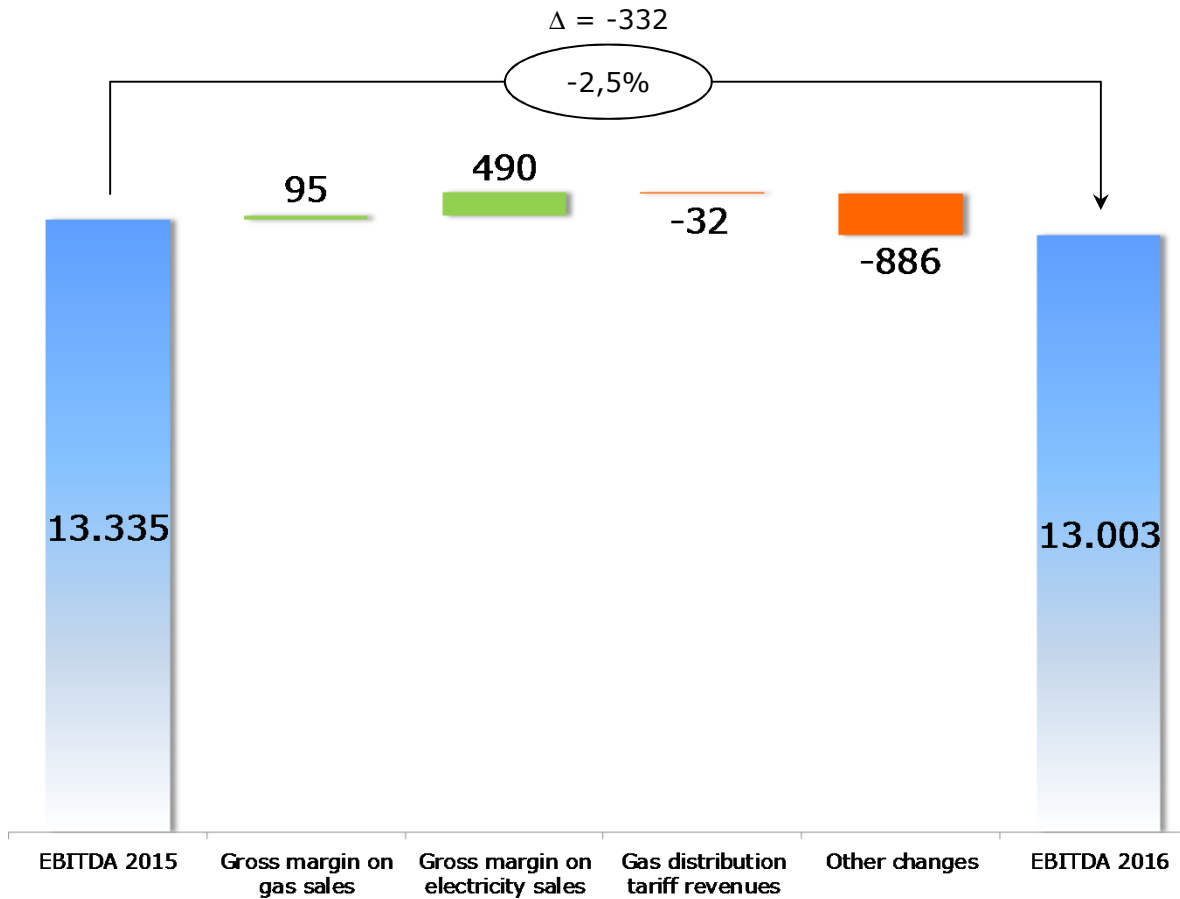
EBITDA bridge (1)

EBITDA bridge Companies consolidated with full consolidation method (Thousand of Euro)



EBITDA bridge (2)

EBITDA bridge
Companies consolidated with net equity consolidation method (*)
 (Thousand of Euro)



(*) Sinergie Italiane excluded.

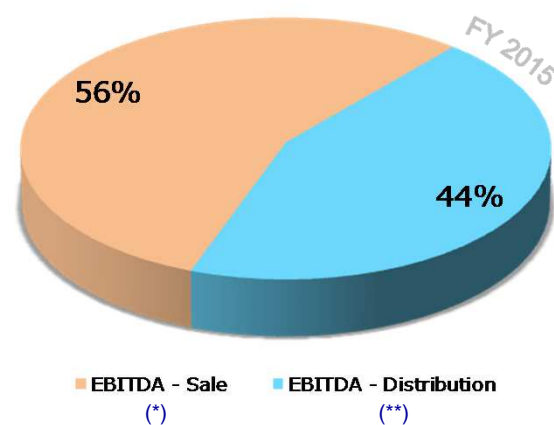
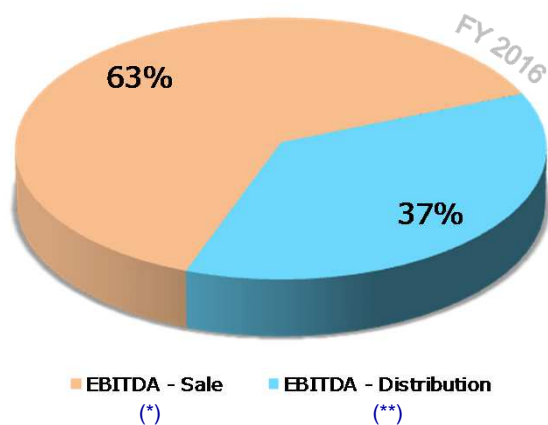
EBITDA breakdown (1)

EBITDA breakdown

Companies consolidated with full consolidation method

(Thousand of Euro)

(Thousand of Euro)	2016	2015	Var	Var %
EBITDA	95.255	80.983	14.271	+17,6%
EBITDA - Sale	60.235	45.167	15.068	+33,4%
EBITDA - Distribution	35.020	35.817	(797)	-2,2%
EBIT	72.137	56.950	15.186	+26,7%
EBIT - Sale	54.940	39.173	15.767	+40,3%
EBIT - Distribution	17.196	17.778	(581)	-3,3%



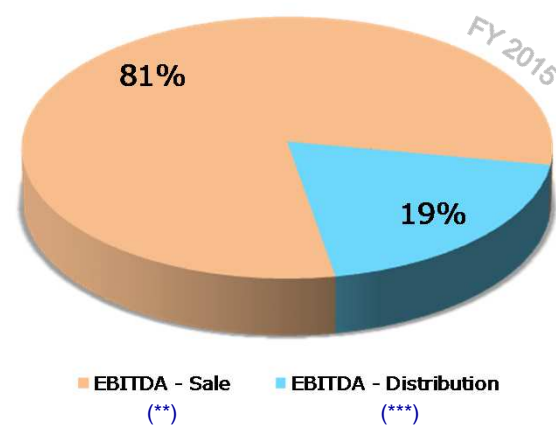
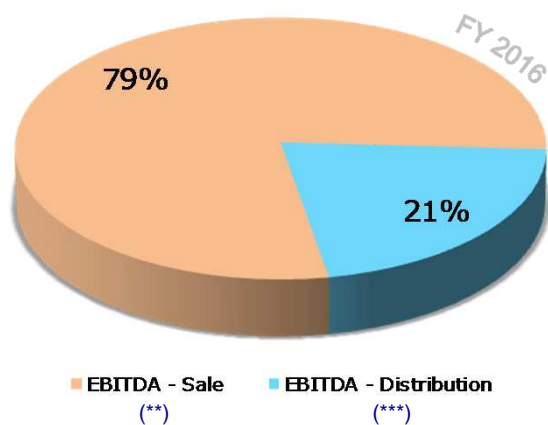
(*) Sale companies; (**) Distribution companies.

EBITDA breakdown (2)

EBITDA breakdown

Companies consolidated with net equity consolidation method (*)
(Thousand of Euro)

(Thousand of Euro)	2016	2015	Var	Var %
EBITDA	13.003	13.335	(332)	-2,5%
EBITDA - Sale	10.221	10.752	(531)	-4,9%
EBITDA - Distribution	2.782	2.583	199	+7,7%
EBIT	9.027	7.420	1.607	+21,7%
EBIT - Sale	7.503	6.024	1.479	+24,6%
EBIT - Distribution	1.523	1.395	128	+9,2%



(*) Sinergie Italiane excluded; (**) Sale companies; (***) Distribution companies.

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Gross margin on gas sales (1)

(Thousand of Euro) (*)	2016	2015	Chg	Chg %
Revenues from gas sales	343.127	415.962	(72.835)	-17,5%
(Gas purchase costs)	(182.079)	(258.281)	76.202	-29,5%
(Distribution costs)	(82.531)	(93.290)	10.759	-11,5%
Gross margin on gas sales (A) <i>Company consolidated with full consolidation method</i>	78.517	64.391	14.126	+21,9%

The increase of gross margin on gas sales of the companies consolidated with full consolidation method, equal to + Euro 14,1 mln, is due to:

- 1) reduction of the gas purchase cost due to the accounting of the compensation entitled to the Group for the adhesion to the mechanism for the renegotiation of the long-term gas procurement agreements in the years 2014-2016 according to the AEEGSI Res. 447/2013/R/gas (- Euro 11,1 mln);
- 2) higher unit profit margins, in spite of the lower volumes of gas sold.

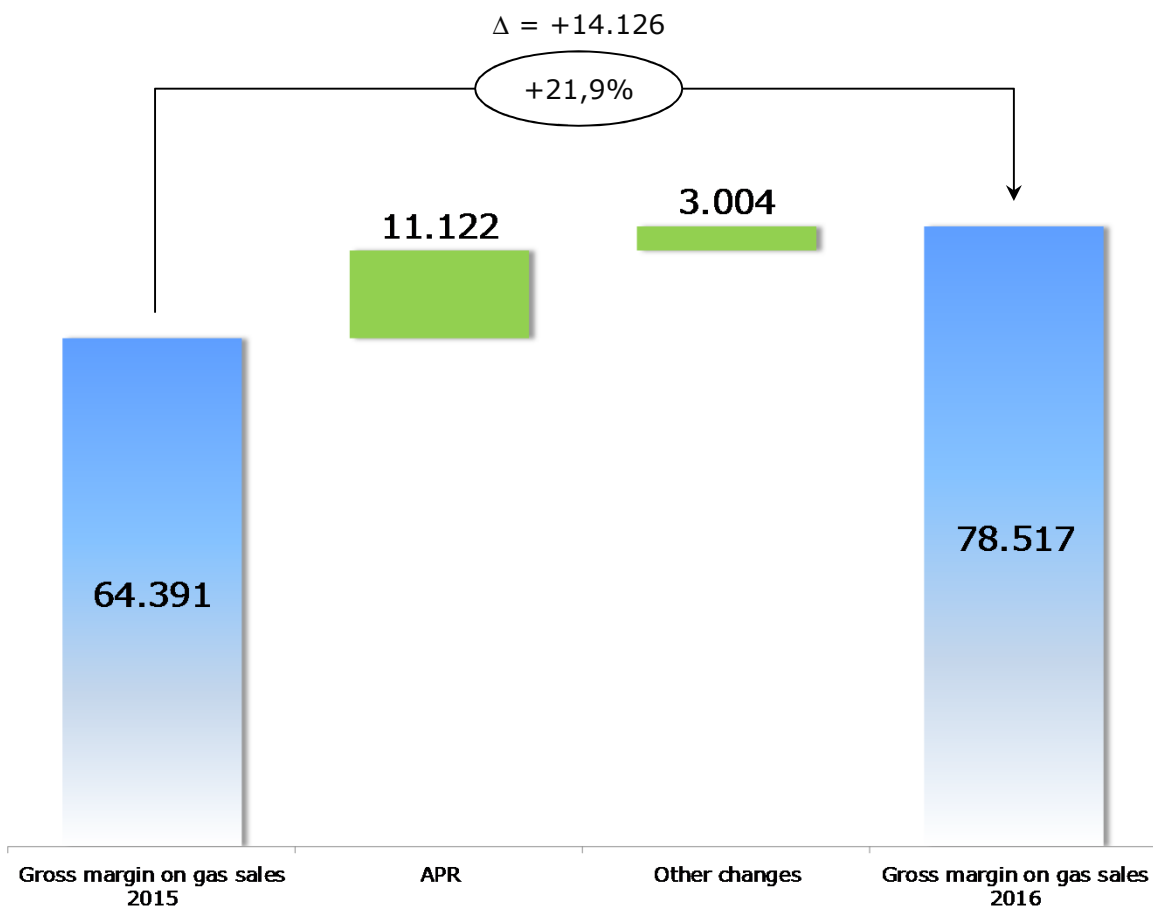
(Thousand of Euro) (*)	2016	2015	Chg	Chg %
Gross margin on gas sales (B) <i>Company consolidated with net equity consolidation method</i>	14.300	14.205	95	+0,7%
Gross margin on gas sales (A+B)	92.817	78.596	14.221	+18,1%

(*) Economic data before elisions.

Gross margin on gas sales (2)

Gross margin on gas sales bridge Companies consolidated with full consolidation method

(Thousand of Euro)



APR mechanism (1)

In 2013, AEEGSI concluded the review of the economic conditions applicable to protected customers, by adjusting them to the gradual and structural evolution of Italy's gas market, which led to the alignment of tariffs with those prevailing in other European countries.

In order to soften the impact of the afore-mentioned review on operators having long-term procurement portfolios, regulation AEEGSI (447/2013/R/gas) has envisaged the following:

- ✓ support the long-term gas price renegotiation by entering a specific CPR component within the general context for defining the new price on the protected market. The goal is the introduction of a compensation payment to offset the dislocation between long-term procurement prices, pegged to oil and its derivatives, and market rates, those prevailing on spot deals, to support the gradual migration of procurement benchmarks in the renegotiation process;
- ✓ guarantee an advantage to the protected customer if, during the mechanism's three-year application period, market prices on the whole turn out to be higher than the average procurement costs of long-term contracts.

Selling firms interested in the APR mechanism enjoyed the option of whether to join or decline admission.

APR mechanism (2)

In 2013, in relation to the Group's gas volumes, AEEGSI had planned the following for Ascopiave – in the event of admission:

- ✓ a total maximum compensation, during the mechanism's three-year application, to the tune of Euro 11,2 million;
- ✓ and, in the event of a reversal between procurement and spot price, a disbursement to end customers up to 3 times the figure that was initially defined: approximately Euro 33,5 million.

At the beginning, the Group had resolved to stay out of the APR mechanism, based on proven unfavourable operating conditions, challenging it in the Regional Court of Lombardy (TAR), by requesting a suspension.

Subsequently, having obtained the suspension of the regulation and – thanks to technical data collected in the meantime – having evaluated a high likelihood of success, the management resolved on joining the APR mechanism.

In November 2016, through regulation 649/2016/R/GAS, AEEGSI determined the actual compensation figure in favour of the Group, defining it to the amount of **+ Euro 11,1 million**.

Gross margin on electricity sales

(Thousand of Euro) (*)	2016	2015	Chg	Chg %
Revenues from electricity sales	90.590	92.810	(2.219)	-2,4%
(Electricity purchase costs)	(48.779)	(51.181)	2.402	-4,7%
(Distribution costs)	(36.633)	(37.796)	1.163	-3,1%
Gross margin on electricity sales (A) <i>Company consolidated with full consolidation method</i>	5.178	3.833	1.345	+35,1%

The increase of gross margin on electricity sales of the companies consolidated with full consolidation method, equal to + Euro 1,3 mln, is attributable to the higher unit profit margins, in spite of the lower volumes of electricity sold.

(Thousand of Euro) (*)	2016	2015	Chg	Chg %
Gross margin on electricity sales (B) <i>Company consolidated with net equity consolidation method</i>	1.129	639	490	+76,8%
Gross margin on electricity sales (A+B)	6.307	4.471	1.836	+41,1%

(*) Economic data before elisions.

Gas distribution tariff revenues (1)

(Thousand of Euro) (*)	2016	2015	Chg	Chg %
Tariffs applied to sales companies	55.408	54.981	427	+0,8%
Equalization amount (+ / -)	6.080	6.979	(899)	-12,9%
Gas distribution tariff revenues (A) <i>Company consolidated with full consolidation method</i>	61.488	61.960	(473)	-0,8%

The decrease of gas distribution tariff revenues of the companies consolidated with full consolidation method (- Euro 0,5 mln) is due to:

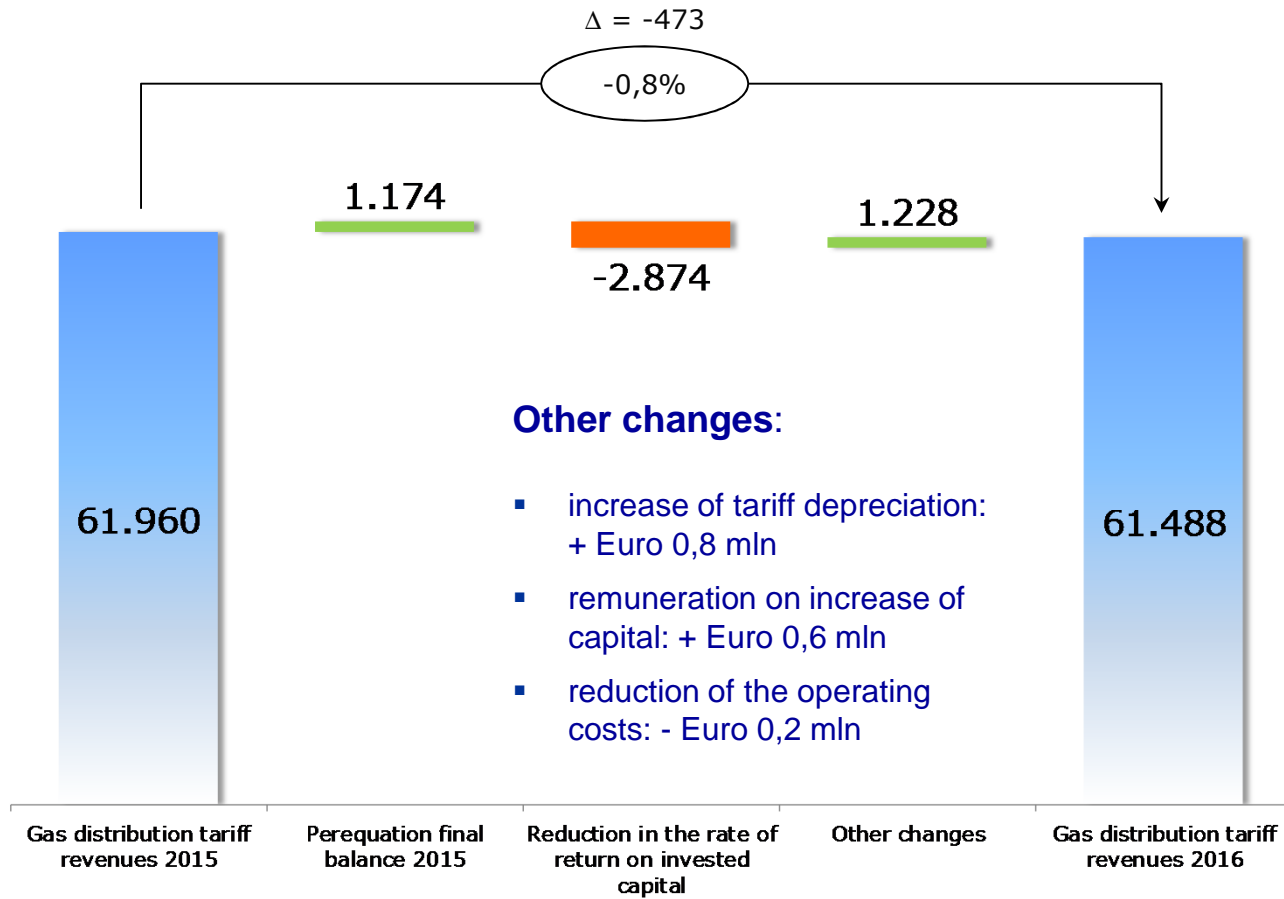
- 1) change of gas distribution tariffs applied to gas sales companies: + Euro 0,4 mln;
- 2) equalization amount: - Euro 0,9 mln.

2016 gas distribution tariff revenues include the equalization amount accounted for the positive difference between the definitive and provisional tariffs related to year 2015 (+ Euro 1,2 mln).

(Thousand of Euro) (*)	2016	2015	Chg	Chg %
Gas distribution tariff revenues (B) <i>Company consolidated with net equity consolidation method</i>	5.803	5.834	(32)	-0,5%
Gas distribution tariff revenues (A+B)	67.290	67.795	(504)	-0,7%

(*) Economic data before elisions.

Gas distribution tariff revenues bridge
Companies consolidated with full consolidation method
 (Thousand of Euro)



Other net operating costs (1)

(Thousand of Euro)	2016	2015	Chg	Chg %
Other revenues	30.300	20.741	9.560	+46,1%
Other costs of raw materials and services	(55.995)	(48.369)	(7.626)	+15,8%
Cost of personnel	(24.233)	(21.573)	(2.660)	+12,3%
Other net operating costs (A) <i>Company consolidated with full consolidation method</i>	(49.928)	(49.201)	(727)	+1,5%

Increase of other net operating costs of the companies consolidated with full consolidation method: - Euro 0,7 mln

of which:

- *increase of cost of personnel: - Euro 2,7 mln;*
- *increase of margin on energy efficiency tasks management: + Euro 0,3 mln;*
- *increase of cost for consulting services: - Euro 0,7 mln;*
- *decrease of cost of energy consumptions: + Euro 0,3 mln;*
- *decrease of gas concession fees: + Euro 0,6 mln;*
- *decrease of provisions for risks and charges: + Euro 0,5 mln;*
- *increase of capital loss: - Euro 0,4 mln*
- *increase of contingent assets: + Euro 1,4 mln.*

Other operating costs (2)

(Thousand of Euro)	2016	2015	Chg	Chg %
Other net operating costs (A) <i>Company consolidated with full consolidation method</i>	(49.928)	(49.201)	(727)	+1,5%
Other net operating costs (B) <i>Company consolidated with net equity consolidation method (*)</i>	(8.229)	(7.343)	(886)	+12,1%
Other net operating costs (A+B)	(58.157)	(56.544)	(1.613)	+2,9%

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(*) Sinergie Italiane excluded.

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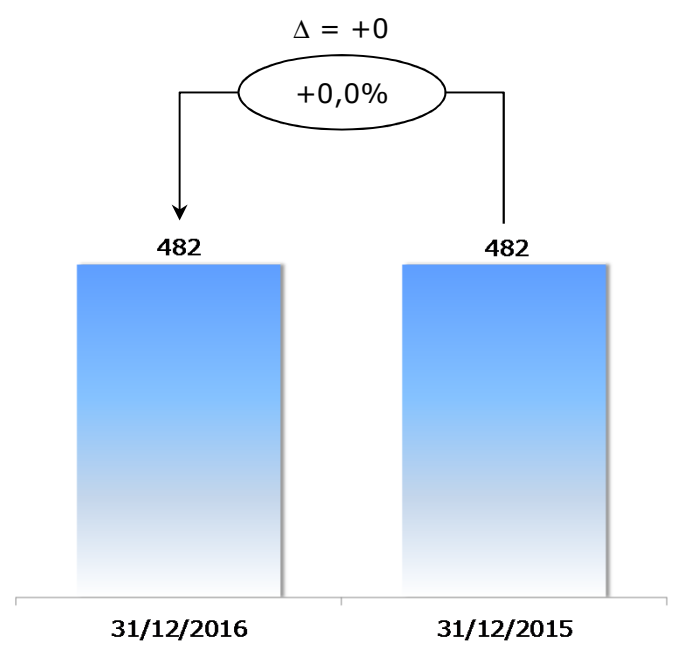
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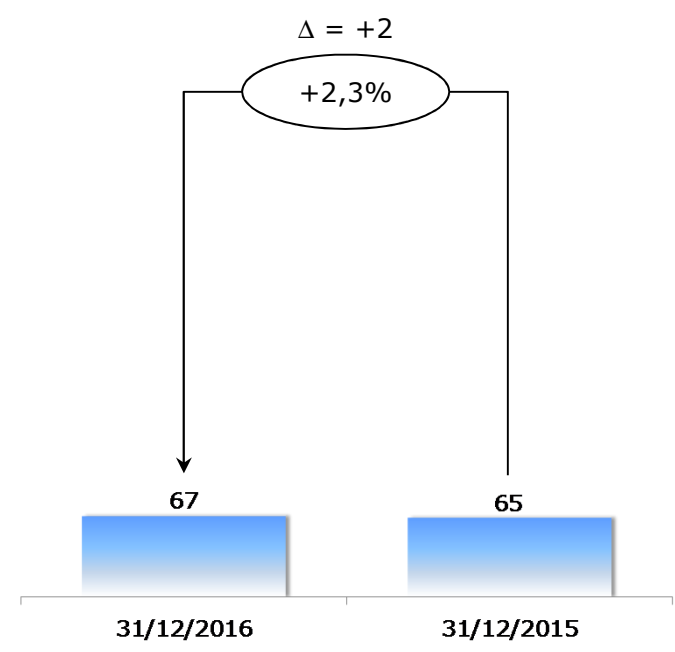
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Number of employees



Companies consolidated with full consolidation method



Companies consolidated with net equity consolidation method (*)

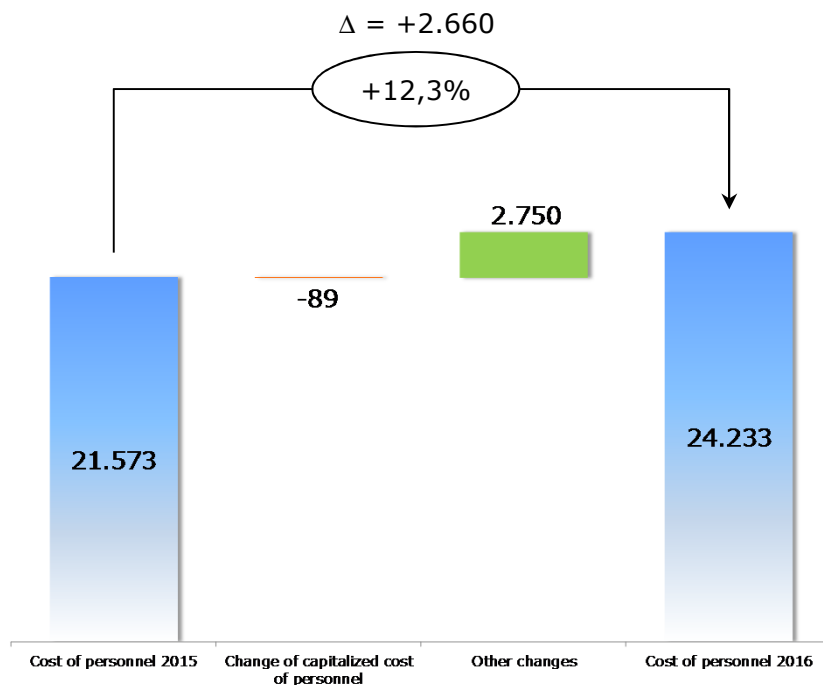
(*) Data are considered pro-quota.



Consolidated cost of personnel

Consolidated cost of personnel

(Thousand of Euro)



Cost of personnel changes:

- capitalized cost of personnel: - Euro 0,1 mln
- other: + Euro 2,7 mln, of which:
 - + Euro 1,5 mln: compensations for the financial years 2015-2016 related to the long term incentive plan
 - + Euro 0,3 mln: settlement agreement for disputes with former employees
 - + Euro 0,3 mln: provision to pension funds according to the Law n. 125/2015
 - + Euro 0,4 mln: salary increases under the current labor contracts and for salary improvements
 - + Euro 0,2 mln: other changes

FY 2016 cost of personnel of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 3,2 mln (-7,8%).

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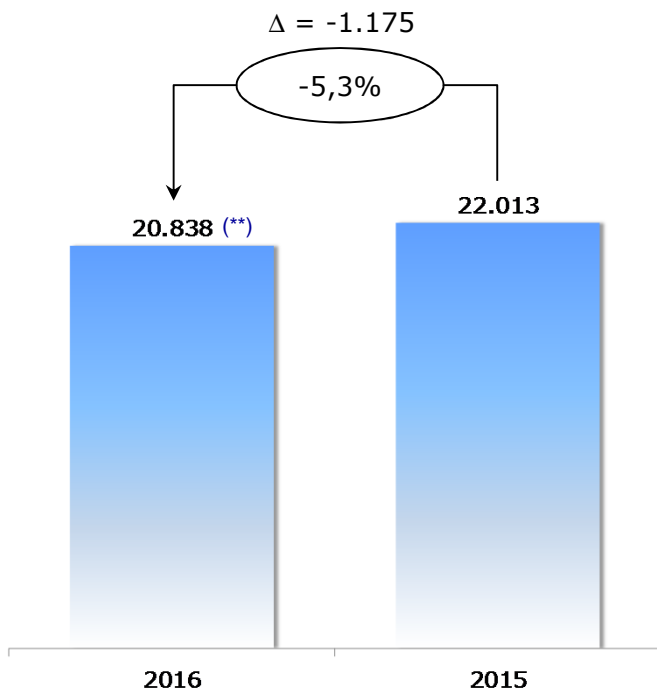
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Consolidated capex (*)

(Thousand of Euro)



- Gas distribution systems: Euro 12,7 mln
- Gas meters: Euro 7,0 mln
- Other: Euro 1,1 mln

FY 2016 investments of the companies consolidated with net equity consolidation method (Sinergie Italiane excluded): Euro 1,4 mln (-5,3%).

(*) Excluding network extension in new urbanized areas that according to IAS are considered as operating costs and not investments.

(**) Investments in tangible assets: Euro 1,2 mln; investments in intangible assets: Euro 19,7 mln (excluded realizations of tangible and intangible assets and investments in associated).

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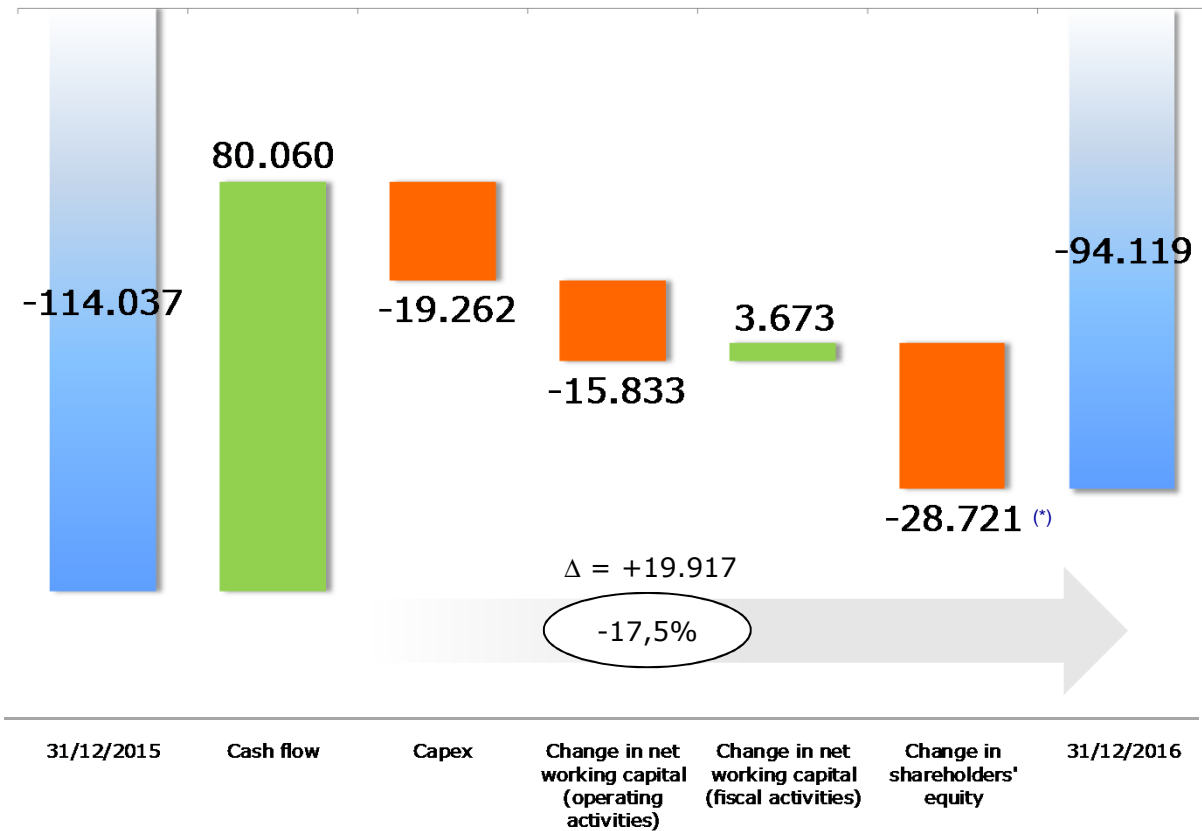
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Net financial position and cash flow (1)

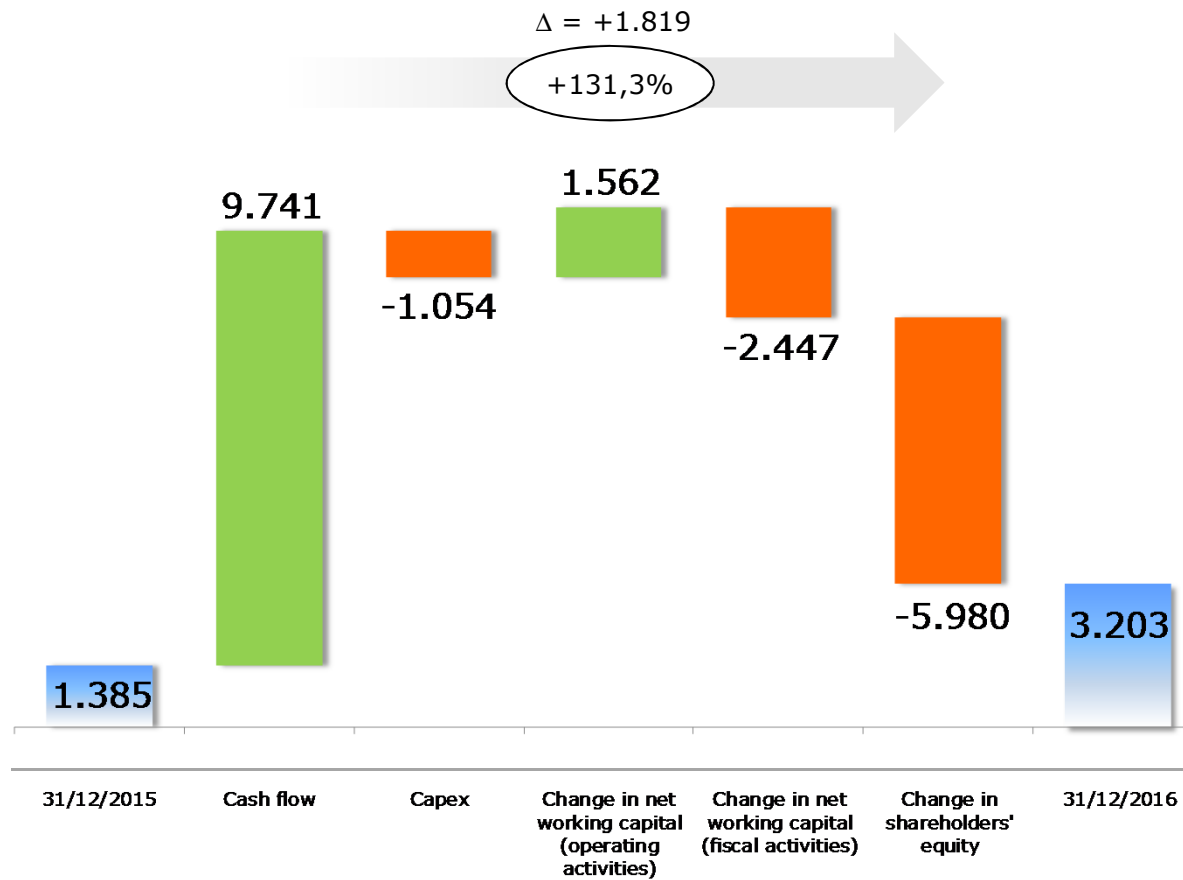
Net Financial Position and cash flow
Companies consolidated with full consolidation method
 (Thousand of Euro)



(*) Dividends distributed to Ascopiave shareholders and third parties (Euro 35,6 mln) net of dividends received by companies consolidated with net equity method (Euro 5,9 mln).

Net financial position and cash flow (2)

Net Financial Position and cash flow
Companies consolidated with net equity consolidation method (*)
 (Thousand of Euro)

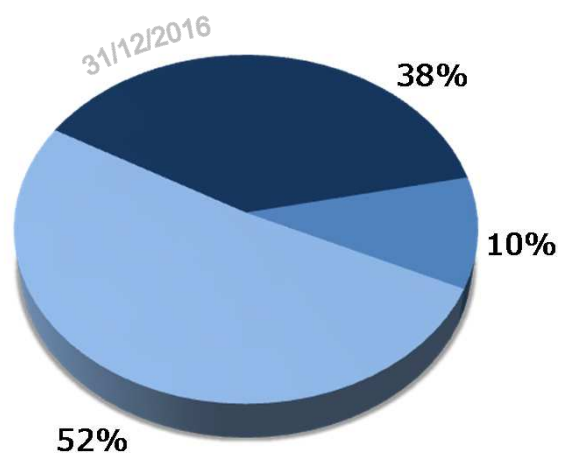


(*) Sinergie Italiane excluded.

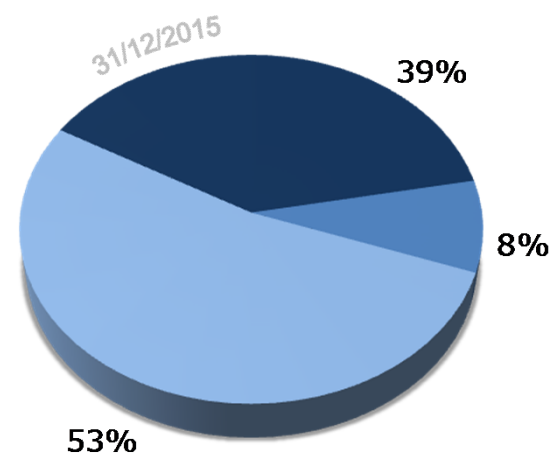
Net financial position and cash flow (3)

(Thousand of Euro) (*)	31/12/2016	31/12/2015	Var	Var %
Long term financial borrowings (>12 months)	34.541	43.829	(9.288)	-21,2%
Current position of long term financial borrowings	9.287	9.628	(341)	-3,5%
Short term financial borrowings (<12 months)	46.288	59.937	(13.649)	-22,8%
Total financial debt	90.116	113.394	(23.278)	-20,5%
Fixed rate borrowings	-	342	(342)	-100,0%
Variable rate borrowings	90.116	113.052	(22.936)	-20,3%

FY 2016 average cost of debt: 0,57% (vs 2015 rate: 0,81%)



- Long term financial borrowings (>12 months)
- Current position of long term financial borrowings
- Short term financial borrowings (<12 months)



- Long term financial borrowings (>12 months)
- Current position of long term financial borrowings
- Short term financial borrowings (<12 months)

(*) Data refers to only companies consolidated with full consolidation method.

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Dividend proposal

Dividend proposed: 0,18 Euro per share (Euro 42,2 mln)

Detachment date: 8th May 2017

Record date: 9th May 2017

Payment date: 10th May 2017

	2016	2015	2014	2013	2012
	(Proposal)				
Dividends paid (Thousand of Euro)	42.194	35.162	35.162	28.129	25.785
Group Net Income (Thousand of Euro)	53.635	43.014	35.583	38.678	27.865
Payout ratio	79%	82%	99%	73%	93%
Dividends per share (Euro)	0,180	0,150	0,150	0,120	0,110
Dividend yield (*)	7,2%	7,0%	7,6%	8,4%	9,2%
	2011	2010	2009	2008	2007
Dividends paid (Thousand of Euro)	-	23.441	21.097	19.925	19.898
Group Net Income (Thousand of Euro)	6.266	31.174	25.288	18.452	21.764
Payout ratio	0%	75%	83%	108%	91%
Dividends per share (Euro)	-	0,100	0,090	0,085	0,085
Dividend yield (*)	0,0%	6,3%	5,8%	5,7%	4,4%

(*) Dividend yield = dividends per share / average price per share in the year.

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FY 2016 consolidated results

Pieve di Soligo, 15th March 2017

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