

2009 RESULTS

- **Operating profits up:**
 - **EBITDA: EUR 95.1 million (91.0 in 2008 an increase of 4.5%)**
 - **Operating profit: EUR 44.9 million (EUR 41.6 million in 2008, an increase of 7.9%)**
- **Net debt position: EUR -407.4 million (EUR -92.0 million)**
- **The impact of the fiscal moratorium , EUR 8.9 million, reduced group net profit to EUR 10.7 million (EUR 3.1 million less than 2008). In the absence of this non-recurring effect, profit would have been EUR 19.6 million (up EUR 5.8 million, or 41.5%)**
- **The proposed dividend is EUR 0.09 per share**
- **Approval of the report on corporate governance, and checking of the independence of non-executive directors**

Trieste, 23 March 2010 – The board of directors of AcegasAps met today, chaired by Massimo Panicia, to examine and approve the report and results for 2009.

The AcegasAps group operates chiefly in regulated sectors that are less sensitive to economic cycles. In 2009 the group saw, against the background of world recession, operating profit that not only exceeded that for 2008, but was even higher than could have been forecast at the start of the year. As well as the contribution from regulated businesses, the free-market operations of Estenergy and Sinergie and the group's cost control and selective investment measures also contributed significantly to the growth in profits in 2009. Operating profit aside, AcegasAps also benefited from the positive effects of the general reduction in the cost of borrowing, which proved especially favourable in view of the phase of intensive investment which the group is in. The group suffered negative effects from the recovery of the so-called "fiscal moratorium".

The AcegasAps group's net revenue fell by EUR 4.1 million between 2008 and 2009, a drop of 0.9%. The decrease in revenue is attributable to the power division, the figure for which fell from EUR 113.4 million in 2008 to EUR 103.3 in 2009, a drop of 8.9%. Revenue for the division suffered from a fall in sales, from EUR 93.8 million in 2008 to EUR 84.1 million in 2009 – a drop of EUR 9.7 million. This was made up of a fall of EUR 3.4 million (-9.8%) in the free-market operations run by Estenergy, and a EUR 6.6 million fall (-11.3%) in the market made up of clients managed by AcegasAps Service. This fall was due both to tariff-related factors and to a general fall in consumption. Sales volumes fell by 5.4%, decreasing from 827 GWh in 2008 to 783 in 2009. In power generation, revenue fell by EUR 2.9 million as a result of the reduction in power volumes produced (-5.8 GWh) – a drop attributable to the fact that in 2009 there were fewer opportunities for profitable pricing in power generation. In distribution, revenue fell by EUR 0.9 million, from EUR 25.4 million in 2008 to EUR 24.5 million in 2009. The volumes

Investor Relations: Federico Trevisan
ftrevisan@acegas-aps.it
Office: +39-040-7793.368
Fax: +39-040-7793.233

Media Relations: Maurizio Stefani
comunicazione.pd@acegas-aps.it
comunicazione.ts@acegas-aps.it
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distributed were broadly unchanged (792 GWh in 2008 and 793 GWh in 2009 – an increase of 0.2%).

Revenue in the gas division increased by 5.0%, rising from EUR 121.7 million in 2008 to EUR 127.8 million in 2009. Although volumes fell (to 458.8 million cubic metres in 2009, from 467.7 million in 2008, a 1.9% drop), distribution activity actually increased. Net revenue from distribution grew by EUR 4.4 million (12.2%), from EUR 36.2 million in 2008 to EUR 40.6 million in 2009. Sales revenue fell by EUR 2.3 million (2.3%), from EUR 96.7 million in 2008 to EUR 94.4 in 2009, while volumes sold grew by 1.3%. A total of 412.7 million cubic metres of gas were sold in 2008, compared with 418.0 million in 2009. The fall in revenue at the same time as volumes increased is naturally linked to tariff trends connected to the fall in the prices of energy raw materials.

Revenue from the integrated water cycle grew by EUR 3.2 million (4.1%), standing at EUR 81.5 million in 2009, up from EUR 78.3 million in 2008. Volumes of water distributed were broadly flat, going from 54.2 million cubic metres in 2008 to 54.1 million in 2009. Notably, revenue grew in the Padua area where, as a result of the tariff linked to spending on maintenance and the upgrading of plants and distribution infrastructure, revenue grew by EUR 2.9 million (6.4%). Revenue in the environment division grew by EUR 3.2 million compared with 2008 (up 3.0%). Waste collection and street cleaning saw a EUR 0.7 million fall in revenue, from EUR 48.2 million to EUR 47.5 million, while waste disposal grew by a total of EUR 4.2 million, from EUR 15.2 million in 2008 to EUR 19.4 million in 2009.

The amount of waste collected fell by 6.0%, from 284,600 tonnes in 2008 to 267,600 tonnes in 2009. In the Trieste area the amount collected fell from 106,000 to 101,100 tonnes (a drop of 4.7%). In the Padua area the amount collected fell from 178,600 to 166,500 tonnes (down 6.8%). The fall in the amounts of waste collected is due to the smaller quantities of waste produced by the communities where waste collection services were operated.

During 2009, waste-to-energy plants processed a total of 225,900 tonnes of waste, compared with 228,100 in 2008 (down 1.0%). The Trieste plant processed 145,500 tonnes compared with 148,100 in 2008 (down 1.7%). The Padua plant saw significant fluctuations in operating rate, and processed 80,000 tonnes of waste even in 2009. As regards the two plants' power generation, this produced revenues of EUR 18.6 million in 2009, compared with EUR 18.3 million in 2008 (up 1.9%) thanks to improved efficiency at the Padua plant.

Revenue in the services division grew by EUR 1.8 million, from EUR 77.6 million in 2008 to EUR 79.4 in 2009. The performance in this division was driven by the subsidiary Sinergie, which continued its process of consolidation by acquiring further new clients. Sinergie's revenue thus

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grew from EUR 56.6 million to EUR 58.9 million. The public lighting division saw a fall in revenue, from EUR 10.3 million to EUR 9.7 million.

Group consolidated EBITDA stood at EUR 95.1 million, up from EUR 91.0 million in 2008. The EBITDA margin also grew, from 18.9% in 2008 to 19.9% in 2009. The EUR 4.1 million increase in EBITDA was attributable above all to the gas division (up EUR 5.8 million) and the services division (up EUR 1.2 million). While the services division benefited, as explained above, from the broadening of Sinergie's customer base and the improvement in its profitability, in the gas division the increase in EBITDA is the result both of distribution activities (up EUR 4.1 million), which benefited from the coming into force of the new tariff structure, and of Estenergy's sales (up EUR 2.9 million) which, though volumes saw only modest growth, enjoyed better gas purchasing conditions as well as contributions from various extraordinary components. It should also be pointed out that the gas division suffered a fall in EBITDA because of costs sustained in developing overseas businesses (i. e. Rilagas and Sigas).

EBITDA growth therefore suffered from increased structural costs (up EUR 3.1 million), which were mostly due to the failure of contingent assets registered in 2008, and to the effects of the adjustment of criteria for allocation of spending on a business and a corporate level.

Net operating profit stood at EUR 44.9 million, up EUR 3.3 million on 2008 (an increase of 7.9%). Depreciation and amortisation provisions went from a negative EUR 0.6 million to a positive figure of EUR 0.7 million, chiefly as a result of a satisfactory conclusion to a dispute regarding the Ponte San Nicolò landfill. Amortisation and write-downs increased by EUR 2.0 million. The increase in amortisation provisions (EUR 1.4 million) was related to the substantial investments made in recent years, especially in the water division and in environmental activities, while the increase in provisions was rendered necessary by the nature of loans and the higher-risk nature of some positions.

Net financial charges were down by EUR 4.0 million, from EUR 17.9 million in 2008 to EUR 13.8 million in 2009. The fall was chiefly due to the marked reduction in interest rates, the effect of which was partly offset by the increase in the group's average financial exposure.

Against the economic background already mentioned, the AcegasAps group's pre-tax profit increased to EUR 31.1 million, EUR 7.3 million, or 30.8%, more than in 2008.

Tax rose from EUR 8.5 million in 2008 to EUR 20.3 in 2009 (up EUR 11.7 million), of which EUR 5.9 million was attributable to the recovery effect of the so-called "fiscal moratorium". Moreover, the 2008 tax figure benefited from the deferment of taxes to the tune of EUR 2.3 million.

Group net profit stood at EUR 10.7 million, EUR 3.1 million down on the EUR 13.9 million

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registered in 2008. Without the non-recurring impact of the “fiscal moratorium”, net profit would have been EUR 19.6 million – an increase of EUR 5.8 million, or 41.5%, year on year.

FINANCIAL POSITION

the gas grid in the Zapad region and spent EUR 8 million.

During 2009 full control of Sinergie SpA and Rilagas AD was acquired through the acquisition of remaining 49% and 52% stakes respectively in the two companies.

As a result of the high level of investment during 2009, net invested capital grew by EUR 70.2 million on the 2008 figure. Net working capital also increased, from EUR 52.8 million to EUR 57.4 million (up EUR 4.6 million). This was due to the fall in commercial debt (down EUR 15.2 million), which dropped from EUR 137.3 million in 2008 to EUR 122.1 in 2009. Of this figure, EUR 6.6 million relates to the parent company and EUR 8.6 million to subsidiaries, especially Estenergy and Sinergie.

Because of the above factors, invested capital grew by 11 % (up by EUR 74.8 million) and at 31 December 2009 stood at EUR 752.3 million.

Net shareholders' equity fell by EUR 17.1 million because of the distribution of dividends and the effects of the acquisition of 49% of Sinergie, while the net debt, because of the higher financial demands made by the investments already mentioned, was up EUR 92.0 million at the end of 2009, standing at EUR 407.4 million.

OUTLOOK

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especially with regard to the possible merger with Linea Group Holding, an operation that would bring into being a multi-regional industrial business, with sales of more than EUR 1 billion, some 3,000 employees, and more than 2 million residential clients.

PARENT COMPANY RESULTS

AcegasAps SpA ended 2009 with revenue up by EUR 7.4 million, standing at EUR 274.6 million. Gross operating profit was EUR 75.3 million (up EUR 0.6 million on 2008), while net operating profit ended the year at EUR 32.2 million (up 0.4 million). With net financial charges standing at EUR 11.3 million and tax at EUR 15.5 million, net profit for 2009 was EUR 5.3 million, or EUR 7.1 million down on 2008. Without the non-recurring effect of the “fiscal moratorium”, net profit would have been EUR 14.2 million, or up EUR 1.8 million (14.8%) year on year.

As a result of the substantial volume of investments made during 2009, invested capital grew by EUR 85.8 million to just above EUR 700 million (EUR 701.0 million). Net debt followed this growth, standing at EUR 360.7 million (up EUR 88.8 million) at the end of 2009.

PAYMENT OF DIVIDENDS

AcegasAps, coupon no. 10 will be paid on 8 July 2010, the date of the coupon’s detachment being 5 July 2010.

CORPORATE GOVERNANCE AND INDEPENDENT DIRECTORS

are no real or apparent conflicts of interest: Fulvio Beltrame, Adriano Del Prete, Franco Ferrarese, Giovanni Gomiero, Massimo Malaguti, Aldo Minucci, Paolo Polidori, and Emilio Terpin.

The manager responsible for drawing up the company’s accounting documents, Massimo Forliti, declares that, in keeping with paragraph 2 of article 154 bis of the finance ministry’s single text, the information in this report reflects the company’s accounting documentation and books.

Below are the profit and loss account, balance sheet and cash flow statement of the AcegasAps group.

CONSOLIDATED INCOME STATEMENT (€ /000)	2009	%	2008	%	Change	%
Sales	436,841	91.6	437,036	90.8	(195)	0.0
Other income	40,124	8.4	44,035	9.2	(3,911)	-8.9
Total net income	476,965	100.0	481,071	100.0	(4,106)	-0.9
Materials & services bought	(291,300)	-61.1	(304,755)	-63.3	13,455	-4.4
Other operating costs	(5,732)	-1.2	(4,583)	-1.0	(1,149)	25.1
Employee costs	(84,839)	-17.8	(80,697)	-16.8	(4,142)	5.1
Ebitda	95,094	19.9	91,036	18.9	4,058	4.5
Provisions	684	0.1	(589)	-0.1	1,273	-216.1
Amortisation and write-downs	(50,883)	-10.7	(48,834)	-10.2	(2,049)	4.2
Financial income	2,262	0.5	2,868	0.6	(606)	-21.1
Financial costs	(15,435)	-3.2	(20,790)	-4.3	5,355	-25.8
Share of associates	43	0.0	(67)	0.0	110	-164.2
Share of associates accounted by the equity method	(734)	-0.2	67	0.0	(801)	-1195.5
Other income and expenditure	28	0.0	60	0.0	(32)	-53.3
Pre-tax profit	31,059	6.5	23,751	4.9	7,308	30.8
Tax	(20,255)	-4.2	(8,532)	-1.8	(11,723)	137.4
Net income from trading	10,804	2.3	15,219	3.2	(4,415)	-29.0
Income/Outcome from activities (to be) sold	---	0.0	---	0.0	---	0.0
Attributable to:						
Minorities	61	0.0	1,343	0.3	(1,282)	-95.5
Group profit/loss	10,743	2.3	13,876	2.9	(3,133)	-22.6

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CONSOLIDATED BALANCE SHEET (€ /000)	12/31/2009	12/31/2008
Assets		
Non-current assets		
Intangible assets	166,359	168,254
Goodwill	11,577	6,857
Investment in plant & machinery	557,497	486,118
Property investments	3,430	3,538
Tax reserve	14,807	13,840
Associates	14,292	15,073
Non-current financial assets	834	868
Other non-current assets	3,886	5,084
Total non-current assets	772,682	699,632
Current assets		
Cash	23,318	33,665
Stocks	9,739	10,565
Account receivables	202,776	206,357
Work in progress against orders	207	201
Current financial assets	11,829	13,874
Other current assets	26,981	26,720
	274,850	291,382
Total assets	1,047,532	991,014
Liabilities		
Profit/Loss carried forward	(3,022)	3,632
Profit/Loss for the period	10,743	13,876
Group net assets	344,448	350,143
Minorities	392	11,846
Non-current liabilities		
Employee funds	26,969	27,500
Provisions	17,067	19,136
Medium/Long term financing	257,405	263,287
Non-current financial liabilities	12,610	14,036
Liability for deferred tax	1,469	1,415
Other non-current liabilities	30,906	24,560
Totale Passivita' Non Correnti	346,426	349,934
Total current liabilities	356,266	279,091
Total liabilities	1,047,532	991,014

CASH FLOW STATEMENT (€ /000)	2009	2008
Cash & cash equivalents at start of period in the balance sheet	(33,427)	(1,140)
Cash & cash equivalents at start of period	(33,427)	(1,140)
Total profit/loss before minority interest	10,804	15,219
Depreciation, amortisation, write-downs	50,883	48,831
Net change in provisions	(684)	66
Share of results of associates booked at equity	734	(67)
Dividends received from companies not consolidated	-	-
Change in working capital	(531)	(132)
Change in working capital	(7,501)	30,428
Change in other current assets/liabilities	4,311	(7,774)
Cash flow from operations	58,016	86,571
Property, plant and equipment	(109,580)	(82,012)
Intangible assets	(12,523)	(7,689)
assets generated/absorbed by grants related assets	-	1,045
Equity interests	47	(79)
Cash flow generated (absorbed) by investment activities	(122,056)	(88,735)
Loan repayments	5,491	(11,097)
Change in other financial assets/liabilities	543	(4,311)
assets generated/absorbed by equity pertaining to the Group	-	-
Net liquid assets generated/absorbed by own shares	-	-
Dividends paid	(27,953)	(17,030)
		-
Change in cash and cash equivalents due to exchange rate movements	-	-
Cash flows from (used in) from discontinued operations	-	-
Total cash flow	(85,959)	(32,287)
Cash & cash equivalents at end of period	(119,386)	(33,427)
Cash & cash equivalents at the end of period in the balance sheet	(119,386)	(33,427)