

Centria S.r.l.

**Financial statements as of 31 December 2014 and for the
year then ended**

**Independent auditors' report
pursuant to art. 14 of Legislative Decree n. 39 dated 27
January 2010
(Translation from the original Italian text)**

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To the Quotaholders of
Centria S.r.l..

1. We have audited the financial statements of Centria S.r.l. as of 31 December 2014 and for the year then ended. The preparation of these financial statements in compliance with the Italian regulations governing financial statements is the responsibility of Centria S.r.l.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards issued by the Italian Accounting Profession (CNDCEC) and recommended by the Italian Stock Exchange Regulatory Agency (CONSOB). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

This is the first year the financial statements have been audited. The financial statements of the prior year, presented for comparative purposes as required by the law, are unaudited and, accordingly, we do not express an opinion on such statements.
3. In our opinion, the financial statements of Centria S.r.l. at 31 December 2014 have been prepared in accordance with the Italian regulations governing financial statements; accordingly, they present clearly and give a true and fair view of the financial position and the results of operations of Centria S.r.l. for the year then ended.
4. The Directors of Centria S.r.l. are responsible for the preparation of the Management Report in accordance with the applicable laws. Our responsibility is to express an opinion on the consistency of the Management Report with the financial statements, as required by the law. For this purpose, we have performed the procedures required under auditing standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion the Management Report is consistent with the financial statements of Centria S.r.l. at December 31, 2014.

Firenze, April 20, 2015

Reconta Ernst & Young S.p.A.

Signed by: Lorenzo Signorini
Partner

This report has been translated into the English language solely for the convenience of international readers.



Centria S.r.l.

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Share capital € 180.000.000 fully paid up

Companies Register of Arezzo (AR) no./VAT no. and tax code: 0216682510 – Admin. Econ. Index no. 166736

Management Report on the financial statements at 31/12/2014

Corporate Offices

Board of Directors

Chairman

Andrea Monaci

C.E.O.

Siliano Stanganini

Directors

Francesca Nuti (LPG C.E.O.)

Pietro Garofalo

General Manager

Cesare Calistri

Board of Statutory Auditors

Chairman

Luca Quercioli

Standing auditors

Caterina Fiore

Marco Tanini

Alternative auditors

Saverio Carlesi

Monia Castiglioni

Certifying auditing firm

Reconta Ernst & Young S.p.A.

The period which closed on 31/12/2014 showed a positive result of **Euro 16,191,112**

INCORPORATION OF CENTRIA RETI GAS srl

By resolution of 18 October 2013, the Estra Board of Directors approved the incorporation of **Centria S.r.l** (hereinafter also only "Centria").

The same meeting also roughly defined the assets and liabilities that will make up the business unit.

Centria was created for the precise purpose of carrying out the following activities:

- distribution of natural gas,
- distribution and marketing of LPG and
- other minor activities.

On 22 October 2013 Centria S.r.l. was incorporated with an initial share capital of Euro 10,000.00, temporarily administered by a Sole Director.

The articles of association of Centria were prepared to comply with regulatory provisions on unbundling as dictated by the AEEG and ready to cover all the activities as planned for transfer to the business unit. The business unit transfer became effective from 1 January 2014.

On 18 December the extraordinary shareholders meeting approved the business unit transfer and resolved to increase our share capital to Euro 180,000,000.00.

Centria will therefore cover all the activities of the Group in the natural gas distribution and LPG distribution and marketing sectors. The scope of the business unit transferred by E.S.TR.A. S.p.A. can be summarised as follows:

- **Fixed assets:** the transfer will mainly involve the proprietary gas and LPG networks and related plants, together with land, properties and vehicles publicly registered as pertinent to the activities conducted;
- **Customer portfolio:** all active contracts and all resources necessary to manage the contracts;
- **Payables:** these mainly refer to short and medium-term bank borrowings (loans) and trade payables;
- **Personnel and organisational structure:** employees, employee leaving indemnity and related accruals are transferred for around 250 staff;
- **Contracts:** all other service or supply contracts currently in place for the Networks and LPG business unit, to equip Centria with an organisational structure offering independence in terms of operations and profit generation capacity.

The activities are managed through three local offices (Arezzo, Prato and Siena) to guarantee closer monitoring of the area in which most of the networks are located. The registered office and headquarters will be based in Arezzo. The company is managed by a Board of Directors composed of 4 members plus the General Manager. The LPG branch and any activities other than natural gas distribution are exercised with specific assignment of powers to a C.E.O., meeting AEEGSI regulatory requirements on unbundling.

This operation is necessary for the structural and strategic reorganisation of the ESTRA Group, the main purpose of which is to create a single entity owner of the gas networks and operator of the natural gas distribution activities, which is the leading operator in Tuscany and the only one in Tuscany under 100% indirect public control, exercised by around a hundred municipal authorities mainly in the provinces of Arezzo, Siena, Prato and Florence.

Corporate purpose - Mission

Centria carries out its activity within the national context of energy companies, regulated networks and markets, with the main purpose of creating value for its shareholder and of managing the services offered with high quality and efficiency levels, to the benefit of its customers, the citizens and the country.

To reach these goals, the company constantly develops its management activity, seeking to improve service quality, paying maximum attention to the protection of health in the workplace and to environmental problems, and in pursuit of continuous improvement of its human resources, seeking opportunities for development at both area level and by the strategic diversification connected with the core business.

Centria's goal is therefore to reach maximum satisfaction of its customers, of its users and of the parties interested in developing competitiveness and profitability, strictly in respect of the laws and regulations in force and of certain fundamental principles which Centria has adopted as primary commitments, such as, for example but not only:

- to ensure continuity and reliability of the service;
- to guarantee immediacy and effectiveness in ordinary and extraordinary management and in emergencies;
- to prevent and limit environmental impact linked to its activities;
- to adopt the best technologies in the company management processes;
- to foster the skills and the motivation of the personnel.

To achieve all this, the company is engaged on optimising company processes, to ensure management according to criteria of efficiency, effectiveness and economy, also by identifying and implementing synergies with other companies of the Group, in a network-based organisational model. For this purpose, Centria seeks maximum involvement of the personnel in sharing the companies and the goals, and it is dedicated to maintaining its Integrated Management System relative to Quality, the Environment and Safety conforming to the ISO 9001:2008, ISO 14001:2004, ISO 18001:2007 and EMAS standards, pursuing continuous improvement.

Centria is constantly engaged in fostering an open and construction relationship with its customers, its users, the public authorities, the operators and the parties concerned, also through the implementation of communication campaigns designed in respect of the diverse addressees of the same, identifying suitable and effective communication channels.

This sensitivity on the part of Centria will soon be included in the company's ethical and social commitments as the "commitment of its own Policy", since the SA 8000 certificate, for the Social Responsibility of Companies, is expected to be awarded in spring 2015.

Centria's activities are performed according to the rules of functional separation for vertically integrated companies in the natural gas sector, and with respect for the principles of containing costs, of profitability and of the confidentiality of company data:

- in pursuit of improved efficiency and quality in the provision of the services;
- guaranteeing the neutrality of the management of the infrastructures, essential for the development of the unrestricted energy market;
- preventing discrimination in access to sensitive sales information;
- preventing the cross transfer of resources between segments of the supply chains.

Centria's mission, in line with that of the parent company E.S.T.R.A. S.p.A., aims to become a "*centre of excellence*", aggregating a local competitive system over a vast area, tending to constantly reinforce its

capacity to act as a “*driving force*” not only economically but also socially for the communities within which it operates.

The macro-economic situation and the national energy scenario

In 2014 the hopes for a recovery of world economies to allow for a return to the levels of the period prior to the crisis were not fulfilled, and the recovery was much slower than expected, albeit in an uneven manner. The public debt of the countries of the OECD area suffered strong pressure, and there was clear difficulty in sustaining competition at world level, with negative effects on the dynamics of growth and employment.

The macro economic forecasts for the Euro area, formulated in previous years by the Euro-system experts, which indicated a recovery of annual growth, albeit minimum, in the GDP, were rendered vain by the events which concerned the economies of the weaker countries like Greece, Ireland, Spain and Italy which strongly limited the economic prospects, in a highly uncertain context.

The energy markets therefore continued to suffer heavy repercussions of the international crisis which exploded in 2008. In 2014 the economic situation of crisis therefore continued to express its effects, influencing all the sectors of the economy, including the sector of primary public services.

The concentration of natural gas consumptions consequent to the continuance of the economic and financial crises of recent years, which reduced the growth rates of the economies, slowed down the process of the definition and improvement of the strategies aimed at guaranteeing adequate development of the energy sector in Italy and in Europe.

The economic crisis, the mild temperatures, the development of renewable sources and the lower price of coal for the generation of electricity, in 2014 confirmed the negative trend of gas consumption at European level; the consumptions of the 28 EU member countries have in fact decreased for the fourth year running, ending up at about 402 bcm (Eurogas data), showing a decrease of 11% compared to the levels of 2013.

Also regarding natural gas consumption in Italy, the year 2014 showed a decrease on the previous year, and 2014 in fact closed at just over 61.4 billion cubic metres (650 TWh - source GME), with a fall of around 11.6% compared to the figure for the year 2013 when consumption was about 70 billion cubic metres (source MISE).

Of the energy sectors, that of gas shows a competitive situation which is not yet sufficiently adequate; in fact, important infrastructure works are required on liberalisation and regulations.

In particular, gas distribution is still very fragmented from the viewpoint of administrative responsibility (more than 4 thousand concessions are in force today, held by the single town councils), and as regards the number of operators (there are more than 220 distributors at 31/12/2014); this situation is not

optimal for either the pursuit of scale economies or for competitiveness as regards sales, representing an excessive number of counterparties and a barrier to the introduction of new operators.

Partnership agreement with Multiservizi spa: further developments for the consolidation of the sub-group Edma srl

The predominant event during the year 2014 was the conclusion of the **Partnership agreement with Multiservizi spa**.

2013 saw the definition of the project for the creation, in partnership with Ancona-based Multiservizi S.p.A., of a new business entity with a view to consolidating and developing gas and electricity sales and gas distribution activities in the Adriatic area.

The business combination started in 2013 with the establishment of a new company EDMA S.r.l., 45% owned by Estra and 55% by Multiservizi with share capital of Euro 10,000.

The aggregation process continued in 2014 with the completion of extraordinary operations, some of which directly involved the company. In particular:

1. on 28/05/2014, EDMA S.r.l. founded the new.co EDMA Reti Gas S.r.l. with a share capital of Euro 10,000 and, on 27/06/2014, Centria S.r.l., with effect as of 01/07/2014, increased the share capital by the conferment of the branch represented by the gas distribution service in the towns of Rieti, Magione, Citerna and Mosciano S. Angelo, and all the equity of the said branch, for a value of Euro 12,789 thousand. The business unit owned by Centria S.r.l. was subject to an independent expert's valuation pursuant to art. 2465 of the Italian Civil Code with reference to its accounting position as of 31/03/2014. The valuation resulted in shareholders' equity of the business unit of Euro 12,789 thousand.
2. From the effective date of the transfer, established as 01/07/2014, until 31/12/2014, in order to ensure continuity and security of service in the municipalities that are part of the transferred unit, Centria has continued to manage activities on the basis of a special lease agreement with Edma Reti gas.
3. On 11/07/2014, Centria sold to EDMA S.r.l. its 49% investment in the distribution company AES Fano S.r.l. for Euro 188 thousand (and simultaneously took over loans for Euro 784 thousand) and Multiservizi sold to EDMA S.r.l. its 38.7% investment in the distribution company SIG S.r.l. for Euro 3,184 thousand;
4. on 18/11/2014 the 40.43% investment in EDMA Reti gas S.r.l. was sold to Estra spa for its nominal value of Euro 12,789,043;
5. on 13/10/2014 the shareholders Estra and Multiservizi signed a deed of amendment to the Framework Contract, by which they acknowledged that "the EDMA project is now at an advanced stage of execution, but certain circumstances that have occurred, not least the deferral until September 2015 of the date fixed by law for the call for tenders of Ancona area, make it opportune to review certain conditions of the agreement"; in particular, in the said deed of amendment to the Framework Contract the parties have agreed that: the three phases of the operation described in detail in the agreement and by which the EDMA project is to be carried out, will have to be all completed within 1 January 2016 and not within 31 December 2014;
6. in the said deed of amendment to the Framework Agreement the shareholders acknowledge that the conferment of the business unit owned by Centria S.r.l. contemplated in the second phase does not include the amount due to Centria by the Rieti Town Council, and it is therefore agreed that Centria Srl (or Estra S.p.A.) will have the faculty of conferring on the EDMA Srl capital the aforesaid receivable (or a sum of cash equal to its nominal value) within the date of the shareholders' approval of the financial

statements of EDMA Srl at 31 December 2014. For this purpose, on 29/12/2014 the Edma srl shareholders' meeting approved a capital increase of up to €. 5,000,000.00 reserved to Centria. Consequently the share capital of Edma srl reached € 74,398,228.00 with a 36.99% investment held by Gruppo Estra (Estra 30.27%, Centria 6.72%) and 63.01% held by Gruppo Multiservizi. Consistently with the Group's strategies and the agreements with the partners of the Marche region, Centria's investment in Edma srl will later be transferred to Estra spa.

Business trend connected to gas volumes and development of the activity

In 2014, Centria had the concession for the natural gas distribution service in 88 municipalities, located in 10 provinces (Arezzo, Florence, Grosseto, Lucca, Perugia, Pistoia, Prato, Siena, Rieti and Teramo) and in 4 regions of central Italy (Abruzzo, Lazio, Tuscany and Umbria).

At 31/12/2014, the municipalities in which Centria managed the natural gas distribution service are those listed below:

No	Town/City	Prov	No	Town/City	Prov	No.	Town/City	Prov
1	ABBADIA SAN SALVATORE	SI	30	CHIUSI	SI	59	POGGIO A CAIANO	PO
2	AGLIANA	PT	31	CHIUSI DELLA VERNA	AR	60	POPPI	AR
3	ANGHIARI	AR	32	CITERNA	PG	61	PRATO	PO
4	ARCIDOSO	GR	33	CIVITELLA IN VAL DI CHIANA	AR	62	PRATOVECCHIO	AR
5	AREZZO	AR	34	COLLE VAL D'ELSA	SI	63	RADICOFANI	SI
6	ASCIANO	SI	35	CORTONA	AR	64	RAPOLANO TERME	SI
7	BADIA TEDALDA	AR	36	FIGLINE VALDARNO	FI	65	RIETI	RI
8	BIBBIENA	AR	37	FOLLONICA	GR	66	SAN CASCIANO DEI BAGNI	SI
9	BUCINE	AR	38	FOIANO DELLA CHIANA	AR	67	SAN GIMIGNANO	SI
10	BUONCONVENTO	SI	39	LASTRA A SIGNA	FI	68	SAN GIOVANNI D'ASSO	SI
11	CALENZANO	FI	40	LUCIGNANO	AR	69	SAN QUIRICO D'ORCIA	SI
12	CAMPI BISENZIO	FI	41	MAGIONE	PG	70	SANSEPOLCRO	AR
13	CANTAGALLO	PO	42	MARCIANO DELLA CHIANA	AR	71	SARTEANO	SI
14	CAPOLONA	AR	43	MONTALCINO	SI	72	SCANDICCI	FI
15	CAPRESE MICHELANGELO	AR	44	MONTALE	PT	73	SESTO FIORENTINO	FI
16	CARMIGNANO	PO	45	MONTE ARGENTARIO	GR	74	SEGGIANO	GR
17	CASOLE D'ELSA	SI	46	MONTEMURLO	PO	75	SERAVEZZA	LU
18	CASTEL DEL PIANO	GR	47	MONTEPULCIANO	SI	76	SESTINO	AR
19	CASTEL FOCIGNANO	AR	48	MONTERCHI	AR	77	SIENA	SI
20	CASTEL SAN NICCOLO'	AR	49	MONTERIGGIONI	SI	78	SIGNA	FI
21	CASTIGLION FIBOCCHI	AR	50	MONTERONI D'ARBIA	SI	79	SINALUNGA	SI
22	CASTIGLION FIORENTINO	AR	51	MONTE SAN SAVINO	AR	80	SOVICILLE	SI
23	CASTELLINA IN CHIANTI	SI	52	MONTEPERTOLI	FI	81	STIA	AR
24	CASTELNUOVO BERARDENGA	SI	53	MONTEVARCHI	AR	82	SUBBIANO	AR
25	CASTIGLIONE D'ORCIA	SI	54	MOSCIANO SANT'ANGELO	TE	83	TALLA	AR
26	CAVRIGLIA	AR	55	MURLO	SI	84	TERRANUOVA BRACCIOLINI	AR
27	CETONA	SI	56	PIANCASTAGNAIO	SI	85	TORRITA DI SIENA	SI
28	CHIANCIANO TERME	SI	57	PIENZA	SI	86	TREQUANDA	SI
29	CHITIGNANO	AR	58	POGGIBONSI	SI	87	VAIANO	PO
						88	VERNIO	PO

The local distribution network managed by Centria in the aforesaid municipalities extends for a total of about **5,892 Km.**

In 2014, approximately 653.2 million cubic metres of natural gas were carried and distributed on behalf of the companies authorised to sell gas to end customers.

The monthly volumes of gas taken up and distributed in 2014 are given in the following table:

year	2014
months	[Smc]
January	110,835,206
February	87,002,215
March	81,081,803
April	45,230,698
May	34,508,026
June	26,865,702
July	26,488,322
August	18,062,048
September	27,954,581
October	35,291,490
November	62,199,541
December	97,744,157
TOTAL	653,265,803

At the end of the year the total number of Points of Delivery (POD) connected through the local gas pipeline network managed by Centria was **467,769.**

End customers connected to the network at 31/12/2014, were divided as follows:

- 74.7% came from the sale companies of the Group (Estra Energie S.r.l.);
- 25.3% came from the remaining 84 sale companies which had access to the distribution network in 2014.

Business trend of the LPG division

Estra Divisione GPL is the licensee of the LPG distribution and sale service in 48 municipalities, located in 6 provinces (Arezzo, Florence, Grosseto, Siena, Rimini and Rieti) and in 3 regions of central Italy (Emilia Romagna, Lazio, Tuscany). The LPG division operates in particular in the Shareholder Municipalities of Intesa SpA (towns of the Siena area, in the provinces of Arezzo, Grosseto, Perugia and Siena), the Shareholder Municipalities of Consiag SpA (towns of the Prato area, in the provinces of Florence) and the Shareholder Municipalities of Coingas SpA, in the province of Arezzo.

At 31/12/2014, the municipalities in which the LPG Division managed the LPG distribution and sale service are those listed below:

Prov.	Town/City	PODs active at 31/12/14	Smc 2014	Prov.	Town/City	PODs active at 31/12/14	Smc 2014
AR	Anghiari	15	1,742	SI	Gaiole In Chianti	51	7,633
GR	Arcidosso	32	3,675	AR	Loro Ciuffenna	23	578
AR	Arezzo	91	19,363		Magliano In		
SI	Asciano	60	10,870	GR	Toscana	208	35,925
AR	Badia Tedalda	76	8,028	SI	Montalcino	216	37,857
AR	Bibbiena	47	4,881		Monte		
FI	Borgo San Lorenzo	17	1,171	GR	Argentario	126	18,384
AR	Bucine	58	5,980	SI	Monteriggioni	59	26,917
SI	Buonconvento	36	4,047		Monteroni		
FI	Calenzano	101	22,345	SI	D'Arbia	201	28,935
GR	Capalbio	25	2,503	SI	Monticiano	404	59,818
AR	Capolona	11	967	GR	Montieri	215	25,836
AR	Caprese			SI	Murlo	104	10,905
AR	Michelangelo	91	6,490		Ortignano		
SI	Casole D'Elsa	218	32,586	AR	Raggiolo	133	22,283
AR	Castel Focognano	49	5,996	RN	Pennabilli	29	4487
GR	Castell'Azzara	132	16,273	SI	Poggibonsi	3	297
SI	Castelnuovo			AR	Poppi	407	37,723
	Berardenga	3	3,814	AR	Pratovecchio	82	7,422
	Castiglione Della			RI	Rieti	177	21,733
GR	Pescaia	238	26,461	SI	San Gimignano	2	99
SI	Castiglione D'Orcia	4	5,294	GR	Scansano	751	101,450
SI	Chiusdino	357	72,372	AR	Sestino	255	51,360
AR	Chiusi Della Verna	85	6,951	FI	Sesto Fiorentino	35	5,862
GR	Cinigiano	440	83,155	SI	Siena	30	4,067
	Civitella In Val Di			SI	Sinalunga	1	75
AR	Chiana	86	23,821	SI	Sovicille	57	6,204
AR	Cortona	82	21,309	FI	Vicchio	4	408
				TOTAL		5,927	906,352

The local distribution network comprised of plants managed in the aforesaid municipalities extends for a total of about 148.8 Km.

In 2014 about 9.06 million cubic metres of LPG were distributed to end customers.

The LPG tariffs, as from 2014, have been determined by AEEGSI with resolution 633/13 only for the municipalities with PODs greater than 300, therefore the tariffs are regulated only for the 5 towns with more than 300 PODs; for the rest of the towns the Centria board of directors has decided to extend the same regulated tariffs applied to the 5 towns. For 2014, as from the month of November, the discount for regular payments has been confirmed, in order to improve the competitiveness of the service and, at the same time, to encourage customers to pay regularly.

Always in 2014, in October, the new LPG supplies began on the result of the tender procedure. The call for tenders regarded the supply of all systems with tanks owned by our company, covering about 75% of the

annual volumes handled; subsequent to the result of the tender procedure the company Liquigas, which was awarded 2 of the 3 lots up for tender, allowed for the supply price to be reduced also on tanks of its own property to a price equal to that of the tender procedure + 0.005 Euro/litre for the rental of the tanks. Therefore 97% of the LPG volume purchased was influenced by the result of the tender procedure with a forecast saving of more than Euro 70,000. The

supply prices on conclusion of the tender procedures are all linked to the mechanisms of the monthly LPG price variation determined by AEEGSI, thus reducing the price variation risk to a minimum.

In addition, within the sphere of the corporate operations which led to the creation of the company Edma Reti Gas, a subsidiary of Estra, the Rieti LPG business unit was conferred on Edma Reti Gas as of 01/07/14. In any case, Centria also continued to manage the Rieti LPG business unit for the whole of 2014 by renting the said business unit.

Regulatory framework and reference tariff – Significant events occurring in the period

Regulatory framework for gas distribution tender procedures

Resolution 155/2014/R/gas of 3 April 2014 disciplined the procedure for the analysis of tender documentation which the contract awarding bodies must send to the Authority, pursuant to art. 9, section 2, of the decree of the Ministries of Economic Development and of Relations with the Regions no. 226 of 12 November 2011 (the Regulation).

According to the provision, the tender documentation must be transmitted by the contract awarding bodies to the Authority at least sixty days before expiry of the term for the publication of the call for tenders.

The same provision also requires the publication, in a special section of the Authority's internet site, of a special dashboard in which to enter the abridged information on the state of the procedural process relative to compliance with the provisions of the above-mentioned art. 9, section 2, of the Regulation.

A Ministerial Decree of 22 May 2014 approved the document of the MISE (Ministry of Economic Development): Guidelines on criteria and application methods for assessing the value of the rebate for natural gas distribution plants of 7 April 2014.

Other decrees have been published which regulate the agricultural sector, protection of the environment, and the energy efficiency of school and university premises, aimed at re-launching and developing companies, at containing the costs bearing on electricity tariffs, at the immediate definition of procedures

deriving from European legislation and at determining the value of the rebate to the out-going network manager.

In addition, sections 2 and 4 contemplate a further extension of the terms for the publication of the call for tenders relative to the first six groups, except those concerned by the earthquake of May 2012, for which the terms had already been extended by 24 months.

Various resolutions published in 2014 discipline both the methods for identifying cases with a difference of more than 10% between VIR [reimbursement value] and RAB Regulatory Asset Base: the net invested capital based on certain rules of the AEEGSI], and the operating methods for the Authority's acquisition of the VIR data, and the reference values for determining the unit benchmark costs.

With Italian Decree Law no. 192 of 31 December 2014 converted with amendments by Law no. 11 of 27 February 2015, the terms were laid down for the publication of the calls for tender of the first two groups, respectively 11 July and 31 December 2015.

The distribution sector is strongly protected by many provisions and regulations, and in fact precise provisions have been published regarding:

- tariffs
- sale quality and safety
- separation (unbundling) of departments and accounting
- gas measuring
- energy efficiency
- the Integrated Information System

Further elements of importance on the operational and management trend

In 2014 the most important event was the transfer to the company EDMA Reti Gas Srl of the management of certain municipalities, such as Rieti, Magione, Citerna and Mosciano Sant'Angelo with relative transfer of the networks and of the personnel. In fact, EDMA decided to use the entire information system of Centria and of the Estra group since, subsequent to the benchmark, the said information system was deemed more innovating and performing of all the comparative systems in the country, and useful for rendering more efficient the organisation of the work and of the company.

In 2014 the activity continued for the legal opposition of the call for tenders published by the Town council of Prato for awarding the distribution service in the municipality, the chronology of which can be found in the previous financial statement reports of the companies Estra Divisione Reti Gas and Estra Reti Gas.

The procedure concluded in January 2015 with the service definitively awarded to another operator.

Operations are in progress for the stipulation of the contract and the activities for the transfer of the service.

The company considers it strategic to participate in the next tender procedures which concern both the territories already served by Centria and on other areas to which it could be possible to extend its organisational and management system. Participation in the tender procedures will be defined according to the strategic interests of the company and those of the Estra group.

There is strong interest in the participation in such tender procedures, therefore the entire structure is involved in paying maximum attention both to the changing legislation of the sector and to the technological innovations which can make the company competitive in respect of other possible rivals.

One of the distinguishing elements of Centria is its strong roots in the territory, and in 2014, in fact, the company followed a counter trend (in spite of the result of the local tender procedure), continuing to invest in innovations, extensions, network replacements and in the systems as requested by the local administrations of the areas managed.

Lastly, on 24 December 2014 the deed was stipulated by which Centria S.r.l. bought 16 photovoltaic plants of various nominal potentials, for a total of about 420 Kw

Human resources, labour relations, training, updating and qualification

In 2014 Centria created a new organisational structure for the personnel inherited from the previous company Estra SpA, which organisational structure, in the course of 2014, turned out to be optimal for achieving the set goals, also aspiring towards the real unification of the three former corporate entities (Coingas, Consiag and Intesa).

In fact, Centria has become a single unit which manages three of the most important areas of Tuscany.

The personnel in service at 31/12/2014 amounted to 249 persons.

The state of labour relations and relations with the trade unions continues to be positive, and so much so that Centria intends to obtain SA 8000 certification (Social Accountability).

In 2014 the assessment of risks in the workplace was updated (pursuant to Italian legislative decree 81/08 and successive amendments), which involved monitoring and checking the personal protection devices which contribute to improving safety at work and to limiting the frequency and seriousness of accidents, and the procedures linked to the health protocols were also implemented, both those for personnel for whom special protection is afforded and those

for the entire staff of the company. Special attention was paid to preventing undesired events which could cause accidents.

In 2014 there were 8 accidents at work involving the same number of employees, with a total of 432 working days lost. The frequency index is 32.13 with a gravity index of 1.73 . These figures do not include two road accidents not caused by our personnel.

Institutional and professional training activities for employees continued and intensified in 2014 in order to maintain the high level of the skills and preparation of the company's personnel, ready for future tender procedures which will be a real "test bench" of the technical, managerial and administrative skills and capacities of our personnel.

Quality, Safety, Environment - Integrated Company Management Systems

Centria has certified its company processes with an Integrated Management System, conforming to the standards:

- UNI ISO EN 9001:2008 – Quality -
- OHSAS 18001:2007 - Health and Safety in the Workplace
- UNI ISO EN 14001:2004 - Environmental Protection

The field of application of the integrated systems relative to the three certification fields regards the activities of:

- Management of the methane gas distribution service.

- The provision of measuring and carrying services for the distribution of methane; planning.
- The construction, management and maintenance of methane gas distribution networks.

In 2014 other certificates of a technical nature were obtained, which will be presented when bids are tendered to demonstrate the high level of reliability reached by the company in all fields which will be managed in the future.

Precisely planned periodic visits and internal audits are carried out, approved by the Certifying Body. All company processes are checked and monitored in pursuit of constant improvement for all the applicable aspects of the provisions in force, and for improving quality standards of services, workers' safety and health, and environmental sustainability.

With regard to the environment, Centria has also obtained *EMAS registration (Eco-Management and Audit Scheme)*, on the basis of EMAS Regulation no. 1221/2009.

As already mentioned, Centria also intends to obtain SA8000 certification for Social Responsibility.

Personal data processing (Italian legislative decree 196/03)

Pursuant to art. 29 of Annex B to Italian Legislative Decree 196/03 on personal, sensitive and judicial data processing within the company, we report that the company has revised its own DPS (Documento Programmatico per la Sicurezza - the Programmed Security Document) and the entire privacy management system, both as regards the logic, organisational and procedures measures and for those implemented by the associated companies of the Group to which the processing of specific data banks is outsourced.

The document has been revised taking into account the logic of conservation of the data to be applied to articulated structures for the purpose of on-going ordered management of privacy. The document must therefore be taken as reference to allow for the reconstruction of the criteria on the basis of which choices have been made on the implementation of the legislation. The contents of the documents essentially summarize the provisions set forth by the AEEG.

On 10 February 2012, Italian Decree Law no. 5/2012 entered into force, introducing "*Urgent provisions on simplification and development*" which, under art. 45 "*Simplification regarding personal data*", has abrogated the obligation of maintaining the Programmed Security Document.

All employees have their individual credentials for using the management and information systems, by which they can access only the information regarding the sphere of their own activity. The same level of attention is given to the company's own data, to prevent access and the subtraction of data by third parties. For this purpose, the company server and information network are provided with the most advanced modern security systems, and accesses are constantly controlled and managed by specific software.

Administrative liability (Italian legislative decree 231/2001)

Centria has adopted its own company Code of Ethics and an Organisational, Management and Control Model (OMCM), in compliance with Italian Legislative Decree 231/2001, in order to prevent the offences

contemplated by the said decree. The company's Code of Ethics is published on the Internet site (http://www.estraretigassrl.it/site/codice_etico.deals)

It must be remembered that Italian legislative decree no. 231 of 8 June 2001 (hereinafter: Lgs. Decree 231/2001) has introduced the discipline of the administrative liability (for criminal offences) of legal persons.

According to this discipline, corporate entities can be held responsible - and consequently punished - for certain offences committed or attempted in the interests or to the advantage of the entity by the directors, employees or collaborators. The offences contemplated by the decree include, among others, offences against the Public Administration (extortion, corruption, embezzlement, fraud to the damage of the State, etc.), corporate crimes, manslaughter and bodily harm or grievous bodily harm committed with breach of the laws on accident prevention and industrial hygiene and occupational health, computer crimes, breach of copyright, offences against the individual's personality (e.g. child pornography), disruption of the freedom of industry and commerce, receiving and money laundering, environmental offences, and others.

The Company's liability can be excluded or mitigated if it has adopted and effectively and constantly implemented an OMCM potentially suitable to prevent such offences. The principles contained in Centria's OMCM can be found in the code of conduct (guidelines) proposed by Confindustria and the Confservizi guidelines.

The effective and constant adoption of the Model can allow not only for complying with the requests of the aforesaid discipline, but can also reinforce the internal control system for the correct and transparent execution of the activity.

The Company, in conformity with the legislation of reference, has also resolved on the institution of a **Supervisory Board** appointed to check on the effective implementation of the rules and principles contained in the Organisational Model.

The Supervisory Board's duties, as established by the Confindustria and Conservizi guidelines and by the Model approved by the Company, can be summed up as follows:

- to monitor the effectiveness of the model, involving verification of the consistency between actual behaviour and the model adopted;
- examination of the adequacy of the model, i.e. of its real (and not merely formal) capacity to prevent, in general, undesired behaviour;
- analysis of the maintenance over time of the requisites of the solidity and functioning of the model;
- to provide for the necessary dynamic updating of the model, if the analyses carried out indicate that corrections and amendments are necessary. This updating is carried out at two separate and integrated moments;
- presentation of model amendment proposals to the company bodies/departments in order to render them concretely implemented throughout the company;
- follow-up, i.e. check on the implementation and effective functioning of the proposed solutions.

Main economic data - Summary of the economic management

The company's **reclassified income statement** compared with that of the previous year is shown below:

RECLASSIFIED INCOME STATEMENT WITH ADDED VALUE	2014	%	2013	%
VALUE OF PRODUCTION	88,412,947			
EXTERNAL COSTS	-46,962,704		-1,974	
ADDED VALUE	41,450,243		-1,974	
LABOUR COSTS	-13,020,864			
GROSS OPERATING MARGIN (EBITDA)	28,429,379			
DEPRECIATION, AMORTISATION AND WRITE-DOWNS	-16,923,449			
NET OPERATING RESULT	11,505,930		-	
VARIOUS OPERATING EXPENSES	-1,786,628			
FINANCIAL REVENUES	294,526			
INCOME BEFORE FINANCIAL CHARGES (EBIT)	10,013,828			
FINANCIAL CHARGES	-3,998,645		-33	
RESULT OF ORDINARY MANAGEMENT	6,015,183		-33	
RESULT OF EXTRAORDINARY MANAGEMENT	-670,723			
RESULT BEFORE TAXES (EBT)	5,344,460		-2,007	
TAX MANAGEMENT	10,847,652			
NET INCOME	16,192,112		-2,007	

For a more precise indication of the company's income situation, the profitability indices are given in the table below:

PROFIT INDICES	at 31 Dec. 2014	at 31 Dec. 2013
Net ROE	7.83%	-25.11%
Gross ROE	2.58%	-25.11%
ROI	3.88%	-19.81%
ROS	24.67%	

Costs:

Production costs relative to operational management, sustained in the period, amount to a total of **Euro 87,684,376** and are shown below:

COSTS OF PRODUCTION	31/12/2014	31/12/2013
Raw and ancillary materials, consumables and goods for resale	11,973,685	
Purchases of outsourced services	18,780,400	1,974
Rentals and leases	14,803,767	
Personnel	13,020,864	
Depreciation, amortization and write-downs	16,923,449	
Changes in inventories of stocks, raw and ancillary materials,	-3,327,209	-

consumables and goods for resale		
Other operating expenses	15,509,420	
Allocation to provision for risks and charges		
TOTAL COSTS OF PRODUCTION	87,684,376	1,974

Revenues:

Revenues (production value) during the period amounted to **€ 97,403,678**

Breakdown of business volume in the period:

PRODUCTION REVENUES	31/12/2014	31/12/2013
Revenues from sales and services	78,651,188	
Increases in fixed assets for in-house production	12,926,220	
Other revenues	5,826,271	
TOTAL REVENUES OF PRODUCTION	97,403,678	

Main balance sheet data

The company's **reclassified balance sheet** compared with that of the previous year is shown below:

RECLASSIFIED BALANCE SHEET	2014	2013	Change
Net intangible fixed assets	4,748,233		4,748,233
Net tangible fixed assets	418,608,776	0	418,608,776
Shareholdings and other long-term investments	5,009,068		5,009,068
FIXED ASSETS	428,366,077	0	428,366,077
Inventories	3,327,209		3,327,209
Accounts receivable	10,067,715		10,067,715
Receivables from holding and group companies	10,635,054		10,635,054
Other short term receivables	15,038,298		15,038,298
Deferred charges and accrued income	548,074		548,074
CURRENT ASSETS	39,616,350	0	39,616,350
Payables to suppliers	32,255,579	1,974	32,253,605
Tax and social security liabilities	3,669,235		3,669,235
Other payables	6,952,980		6,952,980
Payables to holding and group companies	67,879,152		67,879,152
Accrued expenses and deferred income	5,828,992		5,828,992
SHORT TERM LIABILITIES OF THE PERIOD	116,585,938	1,974	116,583,964
NET WORKING CAPITAL	351,396,489	-1,974	351,398,463
Employees' severance indemnity	3,697,871		3,697,871
Other medium/long-term liabilities	72,690,301		72,690,301
MEDIUM AND LONG TERM LIABILITIES	76,388,172	0	76,388,172
INVESTED CAPITAL	275,008,317	-1,974	275,010,291
Shareholders' equity	206,700,105	7,993	206,692,112
Medium/long term net financial position	48,815,742	-9,967	48,825,709
Short term net financial position	19,492,470		19,492,470
OWN MEANS AND NET FINANCIAL DEBT	275,008,317	-1,974	275,010,291

Main financial data

The **net financial position** at 31/12/2014 is as follows:

Net financial position	2.014	2.013	Variazione
Bank deposit	31.633.454	9.967	31.623.487
Cash and cash equivalents	31.633.454	9.967	31.623.487
Short term financial assets	31.633.454	9.967	31.623.487
Payables to banks (due within 12 months)	0		0
Short-term portion of bank loans	19.492.470		19.492.470
Short-term borrowings	19.492.470	0	19.492.470
Short term debt	12.140.984	9.967	12.131.017
Payables to shareholders for loans (due after 12 months)	80.449.196		80.449.196
Receivables from banks	-9.068		-9.068
Net medium/long term debt	80.440.128	0	80.440.128
Net financial position	-68.299.144	9.967	-68.309.111

Investments

In 2014 the investment plan was continued for the company itself and for the parent company. The company increased its own investments in tangible and intangible fixed assets by € 16,249,119. Detail of the increases in fixed assets during the period is given in the Notes to the Accounts.

Research and Development

Centria, as a natural gas distributor, is one of the first 10 operators of the sector in Italy.

According to its specific activity and positioning which the company has reached, it must maintain and increase its activities linked to the territory and its role *super-partes* which it holds in respect of the vendors, taking carefully into consideration the restrictions on its activities towards the market.

Therefore, its specific goals, linked to research and development, are at present in progress and concern innovations which will be presented when bids for tender are offered, since they can represent a competitive instruments for the improved management of the service.

Research activities and attention to innovation have always featured the companies which created Centria and, as in the past, they have been continued according to an innovative approach aimed at applying to the management the best and most modern technological systems from both an operating viewpoint and an IT viewpoint, so that the company can confirm its position as an important competitor on the national scenario of the distribution sector, with the particular aim of participating in the forthcoming tender procedures.

The innovative projects will be presented in the tender procedures in which Centria will participate.

Relations with the holding company Estra spa and with the other companies of the group

In order to achieve the best synergies and scale economies among the companies of the group, it has been decided to centralise the functions of common interest, entrusting them to the company which has the resources and the best skills for the execution of the service in the interest of the group and in respect of the separation of the functions.

The following inter-company agreements between Centria and the **holding company Estra S.p.A.** have regulated the company's activity in 2014:

Service contract - for correct identification of the detailed costs of the common services to be attributed to the company's two activities (distribution and measuring), connected to resolution no. 11/07 of the Electricity and Gas Authority. For the year 2014, the total remuneration for the services provided by Estra SpA to Centria amounted to Euro 5,720,453.81. The figure also includes the services performed for the LPG division.

Service contract – relative to the *Management of the vehicle fleet* and to *Warehouse management* for the year 2014; the remuneration for the services performed by Centria, requested of Estra SpA, amounted to € 57,862 and is composed of:

- € 50,105 for the management of the vehicle fleet;
- € 7,757 for the management of the goods warehouse.

Contract for the use of outfitted areas – for the use of spaces and premises provided with the necessary equipment, the pre-existing contracts for the use of equipped areas relative to portions of the property complex and external areas, for use as offices, goods warehouses, workshops, changing rooms, car parks, etc. used by Centria. For the year 2014, the remuneration amounts to Euro 1,390,763 and includes the relative expenses, of Euro 503,794, for the building management and maintenance costs.

Pursuant to art. 2428, section 2, of the Civil Code, the main commercial agreements between Centria and E.S.T.R.A. S.p.A. (holding company), between Centria and the companies of which it holds investments, and between Centria and the companies of the Estra group and the shareholders of the parent company Estra spa are indicated below.

Company	Receivables	Payables	Costs	Revenues
ESTRA SPA	2,705,746	65,962,286	13,417,034	165,375
ESTRA ENERGIE SRL	7,584,730	149,465	711,737	54,990,167
ESTRA COM	22,197	150,875	289,785	22,021
ESTRA CLIMA SRL	110			24,566
ESTRA ELETTRICITA' SPA		32,416	201,515	
GEA	35,255			45,944
EDMA RETI GAS SRL	131,776	976,800	1,322,759	19,552
A.E.S. FANO DISTRIBUZIONE GAS SRL				19,336
CONSIAG SPA	20,471	2,859		20,471
INTESA SPA	34,553	419,451	47,509	20,040
COINGAS SPA	100,216	185,000	13,739	81,357
Total	10,635,054	67,879,152	16,004,078	55,408,829

It must also be remembered that the group has centralised treasury management, by means of the *notional cash pooling* with the holding company and other companies of the group; the payables and receivables deriving from the cash pooling mechanism are specified in each case within the receivables and payables due to and due by the holding company in respect of the relative balance at the end of the period. The centralised management agreement is to optimise the group's financial management, which is achieved by:

in the case of agreements with banks:

- an improved cash flow with external subjects;
- more favourable negotiations for the economic conditions with credit institutes, resulting in lower financial charges for the companies which adhere to the cash pooling system and higher interests on the cash surpluses;

in agreements with the Revenue Authority:

- centralisation and therefore compensation of the various debt and credit positions relative to income tax. This results in lower financial charges and limits the creation of difficult credit positions with slow recovery.

Economic agreements with the Town Councils which grant the distribution service concessions

In 2014 the Company paid the Town Councils concession fees to provide the natural gas distribution and measuring services, for a total sum of € 12,309,770 broken down as follows:

- Euro 7,103,155 to the 80 Town Councils which are the holders of the service and which are shareholders of Coingas SpA of Arezzo, Consiag SpA of Prato and Intesa SpA of Siena;
- Euro 5,132,800 to 7 Town Councils which granted the concession for natural gas distribution and measuring, awarded subsequent to public tender procedures.
- Euro 73,815 for the town councils for the LPG service.

Treasury shares/shares of parent companies

Pursuant to art. 2428, points 3 and 4, of the Italian Civil Code, the company holds no treasury shares or shares of holding companies directly or through trust companies or proxies, nor has it purchased/sold any treasury shares or shares of listed holding companies during the year, directly or through trust companies or proxies.

Information pursuant to Art. 2428, section 2, point 6-bis of the Italian Civil Code

Pursuant to art. 2428, section 2, point 6-bis, of the Italian Civil Code, we point out that the main financial instruments used by the group are:

- trade payables and receivables;
- cash and cash equivalents;
- bank loans.

Lastly, the company also deals in financial derivatives, as detailed in the Notes to the Accounts.

Company risks and risk management policies - Allocations to the provision for risks and charges

The mapping, analysis and management of company risks is carried out constantly by the company, to qualify, in terms of probability and impact, all aspects which, to some extent, can prevent reaching the company's goals.

Risks associated with the expiry of gas distribution concessions/contracts held by Centria

- *Risks relating to tenders for the award of new gas distribution concessions*

Current sector regulations state that the natural gas distribution service is awarded through tender procedures conducted for each minimum geographic area and according to pre-established times. With specific reference to the paragraph below for the Municipality of Prato, Centria manages mainly the gas distribution service in areas that are expected to launch tenders in accordance with these regulations. Though Centria is strongly rooted in its area of operations and benefits from the regime legally awarded during tender procedures to any outgoing service operator (typically the right to an indemnity/reimbursement related to the networks), following tenders that have to be launched for award of the concessions, Centria might not be able to retain one or more of its concessions, or could be awarded the concessions at conditions less favourable than now, with possible negative effects on the economic-financial position. The Group owns most of the gas distribution networks in the municipalities in which this service is provided.

Uncertainties regarding the residual life of the gas distribution concessions/contracts held by Estra and other Group companies

Referring specifically to the next paragraph for the Municipality of Prato, the tenders for the award of the service in geographic areas covered by the concessions currently held by Estra – in the case of compliance with maximum times indicated by the so-called Decree for Criteria (Decree of the Ministry for Economic Development no. 226/2011) and subsequent amendments – will be issued mainly in the next two years. Invitations for the tenders in question have not yet been issued, nor - according to available information - have

significant preliminary procedures been held for the call. For this reason it is not possible to make reliable predictions about the expiry date of the tender procedures and related court actions, or whether they will be launched and whether such tenders would result in suspension of the award of the tender. However, it would appear that assignment of the award is not imminent. Uncertainty regarding the exact timing of tender awards could nevertheless result in misalignment of the Group economic and financial flows compared to those forecast.

Uncertainties regarding the residual life of the gas distribution contract in the Municipality of Prato

The tender procedure was conducted in 2012 for award of the public gas distribution service in the Municipality of Prato, launched in accordance with regulations in force at that time which did not envisage tender procedures for each minimum geographic area. On 20/08/2012 the Municipality of Prato formally notified Estra Reti Gas S.r.l., later merged into Estra, that the tender in question had been awarded to Toscana Energia S.p.A. As the service operator and participant in the procedure, the merged company filed an appeal against this award with the Tuscany Regional Administrative Court requesting cancellation,

pending suspension, of the tender award in addition to the exclusion of Toscana Energia S.p.A. The Tuscany Regional Administrative Court accepted the incidental claim for suspended enforcement of the decisions challenged and, as a result, suspended the decisions in question. The suspension was confirmed by the State Council following an injunction appeal filed by the Municipality of Prato. Pending the finalisation of the judgement, Estra remained active in the management of natural gas distribution for the rest of the year and continues to so. As specified in the paragraph relating to events subsequent to the reporting date, on 15 January 2015 the Council of State, responding in court (Vth Chamber) to the appeal jointly proposed by Estra spa and Centria srl, definitively rejected the application. The Centria company has therefore made formal contacts with the municipality of Prato and Toscana Energie to define the legal aspects of the handover of the network and plants to the new operator. In this respect it should be noted that an interconnection agreement must be reached for the management of 27 existing interconnection points between the network of the Prato municipal territory and that of the surrounding municipalities, and that the handover of the system by the municipality to Toscana Energia can only take place after the outgoing operator has been paid the amount indicated in the tender documents. Negotiations are also starting with all stakeholders from the various aspects involved in the transition. Therefore, new conditions have emerged from which we can envisage early termination, compared to the remaining tenders, of the distribution of natural gas in the municipality of Prato, in view of a reimbursement price that, in contrast to the previous paragraph, has already been determined.

Risks associated with debt

Estra obtains its financial resources mainly through traditional banking channels and using traditional instruments such as medium/long-term borrowings, mortgages, short-term bank loans and credit facilities, and cash inflows from operations as part of trade relations with borrowers for services provided and with lenders for the purchase of goods and services. The net debt of the Group is affected by the seasonality of the business carried out and consequently undergoes significant fluctuations during the year. Debt refinancing risks are managed by monitoring loan maturities and coordinating borrowings with types of investments, in terms of the liquidity of assets in which the Group companies invest. Centria has excellent creditworthiness with the banking system. It remains implicit, however, that there is no guarantee that in future Estra and the Group will be able to obtain funding with the same methods, terms and conditions granted thus far. This situation could arise due to circumstances beyond Estra's control, such as general disruption of the reference market.

Interest rate risk

Estra and the Group are exposed to fluctuations in interest rates, especially as regards the extent of financial charges associated with borrowings. They mitigate the risk deriving from floating-rate loans through investments and the use of funds essentially indexed to short-term rates. In addition, the interest rate risk management policy pursues the aim of limiting such volatility by identifying a mix of fixed rate and floating rate medium/long-term loans and the use of IRS contracts signed with financial counterparties of primary standing and which limit interest rate fluctuations. Taking into account the active interest rate risk monitoring policies, any future rise in interest rates should not have particularly negative effects on the economic and financial position of Estra and the Group.

Foreign exchange rate risk

At present there is no exposure to risks associated with changes in foreign exchange rates that could have a significant impact on the financial position of Centria, except as regards the amount reported under commodity price risk.

Credit risk management

The company is not exposed to a credit risk greater than the average of the sector. Credit management contemplates a periodic analysis and an action of strict control on the part of the management of the positions at greater

risk. The company's customers are, in any case, companies of the Estra Group or of important groups of the national energy market, thus the credit risk relative to the activity performed within the sphere of the natural gas distribution and measuring service is reduced to a minimum.

Centria's credit risk is essentially attributable to:

- agreements with the holding company, for which the use of special hedging instruments is not deemed necessary;
- agreements with the sales companies, in virtue of the trade agreements linked to the transport of the gas, for which no particular need for hedging exists, considering the financial guarantees required by the laws in force.

The credit management procedures is deemed adequate, in any case, and is based on the periodic monitoring of the open positions of the customers and controlling the negative effects of the liquidity crisis that customers can encounter.

Liquidity Risk

Liquidity risk is defined as the risk that Centria may be unable to meet its payment obligations when they fall due. Centria's liquidity could be damaged by inability to sell products and services, unexpected cash outflows, the obligation to pay more guarantees or inability to access the capital markets. This situation may arise due to circumstances beyond Centria's control, such as a general market disruption or an operational problem affecting Centria or third parties, or even the perception among market participants that Centria or other participants market are experiencing a more severe liquidity risk. The liquidity crisis and loss of confidence in financial institutions can increase the cost of financing Centria and hinder access to some of its traditional sources of liquidity. The Finance Department is centralised by the parent company in order to optimise the identification and use of financial resources. In particular, centralisation of the financial flows within Estra both through the cash pooling system and a system for the centralisation system on current accounts of most of the

collections and payments, allows for allocating the available funds at Group level according to the needs that arise on any occasion among the individual companies. The current and forecast financial situation is constantly monitored, as is the availability of adequate credit. The relations held by the Issuer with the main Banks allow the identification of the most suitable types of loans and the best market conditions.

Provision for risks and charges - the legislative and regulatory risk

The company operates in a strongly regulated sector. The risk factors of the management activity therefore include the constant and not always predictable evolution of the legislative and regulatory context of reference for the natural gas sector. Given these risk factors, the company adopts monitoring and management policies which can mitigate, as far as possible, the effects, through liability safeguards which involve collaborating dialogue with the institutions and with the sector regulatory bodies, the active participation of category associations and of work groups established within these entities, and examination of legislative changes and the provisions issued by the sector Authority.

Some of the main areas on which legislative and regulatory changes focus are listed below:

- the evolution of legislation concerning the energy saving and efficiency targets;

- the evolution of regulatory amendments on the quality of gas distribution and measuring services for the 4th regulatory period (2013-2016) which aims to neutralise and to reduce the economic penalties deriving from the method;
- the legislation regarding the programme for the progressive replacement of the older type gas meters (resolution ARG/gas 155/08 and resolution 28/2012/R/gas).

Risks arising from the approval of new tariff systems

According to the current tariff system, the Group's revenues are partly updated in accordance with criteria predetermined by AEEGSI - The regulatory authority for electricity gas and water. We cannot exclude the industry regulatory authorities' approval of new legislation and/or regulations, which may, possibly negatively, affect the Group's revenues,.

Risks deriving from current judicial proceedings

Centria is involved in a number of civil, administrative (mainly related to AEEGSI resolutions/decisions or to public service concessions), tax and labour law proceedings (both as plaintiff and as defendant), relating to ordinary operations in the sector of natural gas distribution and LPG sales, and which are immaterial to the value of Centria. In the presence of current commitments resulting from past events, that could be of a legal or contractual nature or are the result of conduct that could lead to an obligation, Centria has made reasonable allocations to specific provisions for liabilities and charges over the years that are indicated among liabilities in the financial statements.

Risks associated with insurance cover

Centria carries out activities that may expose it to the risk of suffering or causing damage that is sometimes is difficult to predict and/or quantify. Although the administrative bodies maintain that they have stipulated insurance policies adequate to the activity performed, when events occur that have not been included in the insurance cover or such as to cause damages exceeding the insurance cover,

Centria must sustain the relative charges with consequent negative effects on the economic, equity and financial situation.

Environmental risks associated with Group activities

Centria's activities are subject to Italian and EU regulations on environmental protection and on health and safety, and every activity is performed in compliance with these regulations and with any authorisations requested and obtained. Though Centria's business activities are conducted in compliance with environmental and safety laws, it cannot be excluded however that Centria might incur costs or be held liable for environmental protection-related situations.

Significant events after the balance sheet date

Completion of the effective transfer of the services of the plants of the Prato area to the new manager

In January 2015 the decision of the Council of State was pronounced and the procedure for the definitive award of the tender contract for the urban area of Prato to the company Toscana Energia was concluded; the operations for the stipulation of the contract for the effect transfer of the service of the plants to the new manager are still in progress.

Below we give some “figures” which distinguish the operation:

- Euro 90,500,000 is the value of the tender contract of the plants which Toscana Energia will have to pay Centria
- Approximately Euro 4,7000,000 is the estimated value (estimated by both GESTIR and by the experts appointed by the Single Procedure Manager appointed by Prato Town Hall) of the works on the network that have been carried out until now and which Toscana Energia will have to pay Centria in addition to the tender contract value.
- 77,000 PODs will pass through Centria
- 52 employees will have to be transferred to the new manager to facilitate the management.

From these “figures” it is easy to understand the economic, managerial and social impact that this operation will have on the Group and on the Prato area.

The entire structure, at the highest levels, is therefore involved in developing strategies and actions to allow for the completion of the operation, which also actively involves the trade unions.

Strategic objectives and business outlook

On the basis of the results of the financial statements at the end of 2014, it is maintained that in 2015 the goals set in the guidelines and in the 2015 business plan of the Estra group can be achieved.

However, the slight recovery of the economic situation at global level must not distract attention from the Group's goals, of creating the best industrial synergies through the pursuit of efficiency and the sharing of general services.

In this context the Board of Directors and the company's management, acknowledging the results achieved, are engaged on increasing and improving the economic-corporate monitoring action which began some time ago, through the introduction of verifications to redefine budgets and targets according to the changing external conditions of the market, with criteria of economic-managerial flexibility and elasticity, in order to reach the consolidated economic and financial goals.

Centria's short term industrial scenario is fully projected towards participating in the imminent tender procedures of the sector.

The company is therefore strategically engaged on preparing everything necessary to compete in the tender procedures for distribution which, in 2015, will involve the ATEMs [minimum territorial areas] already "served" by Centria.

Participation in tender procedures of the sector requires a financial capacity of a certain "scope" which seems compatible only with the size of a few operators. Nevertheless, even the larger operators must choose their future operating spheres, especially if their presence in the country is fragmented. All

distributors must review their own strategic positioning according to their own portfolio of concessions, concentrating on the more attractive contracts within their budget restrictions.

In the present scenario, it is difficult to keep all one's concessions, and it will be necessary for many of the present operators, before entering the competitive fray involving the comparison of the offers of a tender procedure, to carry out a preliminary analysis to define the target spheres and to define a strategy. This choice will be based on many factors,, represented by physical variables (such as the number of PODs managed in each area), economic variables (RAB – *Regulatory Asset Base* - and remaining value of the plants already held in that area) and financial variables on the basis of which the return on the investments must be estimated. The return on investments in networks is highly uncertain and difficult to programme, because of the present institutional and regulatory situation.

In particular, the definition of the company's debt capacity will be a critical factor to which many assessments will be linked in a context in which access to credit and the role played by the banks seem decisive.

The result of the tender procedures appears anything but obvious. In fact, the complicated tender procedure scenario in this field which now appears before the operators contemplates the division into two separate and equally important stages: the present stage in which the companies will be requested to make choices and to develop a "game strategy" and that in which the tender procedures will be carried out in practice. The "movements" that the companies are taking will decide on the future structure of the distribution sector and the final results of competition for the market.

Centria has updated its 2015-2016 Investment Plan, relative to the natural gas and LPG distribution business.

The investments for the period 2014-2016 can be broken down into the following categories:

- Road conduits,
- Main and secondary systems,
- Road connections,
- Metering devices,
- IT systems.

According to the plan, about Euro 9.2 million will be invested in 2015. For the years 2015 and 2016 investments are planned to reach about Euro 16 million.

The quantitative and qualitative analysis of the programmed investments again confirms Centria's business logic, aimed at privileging quality, efficiency and security in the public service of gas distribution, in favour of the customers/users and citizens in general, paying special attention to facilitating and supporting the development of the economic-social fabric of the area of reference, according to the policies of the town councils which are the shareholders of the parent company.

The Board of Directors' proposals to the Shareholders' Meeting

Dear Shareholders,

The financial statements of Centria at 31 December 2014 close with a profit of Euro 16,192,112.

We thank you for the trust you have placed in us.

If you agree with the criteria followed in the drafting of the financial statements and with the valuation criteria adopted, we invite you to approve the following resolutions:

The Shareholders' Meeting

- acknowledging the Board of Directors' management report;
- acknowledging the Board of Statutory Auditors' report;
- acknowledging the Certifying Auditing Firm's report;
- having examined the financial statements at 31 December 2014, which close with a profit of Euro 16,192,112

resolves

to approve:

1. the Board of Directors' management report;
2. the balance sheet and the relative income statement and notes to the accounts for the financial period which closed on 31 December 2014, which show a profit of Euro 16, 192,112, presented by the Board of Directors as a whole and in their separate parts, with the provisions and allocations proposed;
3. to use the profit, amounting to Euro **16,192,112** as follows:
 - Euro **809,606** for the legal reserve (5.00%);
 - Euro **15,382,506** for the extraordinary reserve.

Arezzo, 07/04/2015

For the Board of Directors
The Chief Executive Officer
Siliano Stanganini

Balance sheet at 31 December 2014

ASSETS		31/12/2014	31/12/2013
B)	FIXED ASSETS:		
I	INTANGIBLE FIXED ASSETS		
1)	start-up and expansion costs	23,221	
3)	patents rights and intellectual property usage rights	1,123,538	
	fixed assets under construction and		
6)	payments on account	1,292,810	
7)	Other	2,308,664	
	Total	4,748,233	
II	TANGIBLE FIXED ASSETS		
1)	land and buildings	1,429,987	
2)	plants and machinery	402,784,591	
3)	industrial and commercial equipment	13,382,496	
4)	other assets	150,486	
	Payments on account and assets under		
5)	construction	861,215	
	Total	418,608,776	
III	LONG – TERM INVESTMENTS		
1)	Investments in:		
d)	other companies	5,000,000	
2)	Receivables:		
	Due within the next financial year		
	<u>31-Dec-2014</u> <u>31-Dec-2013</u>		
d)	from others	9,068	
	Total	5,009,068	
TOTAL FIXED ASSETS		428,366,076	
C)	CURRENT ASSETS		
I	INVENTORIES		
1)	raw materials, supplies and consumables	3,327,209	
	Total	3,327,209	
II	RECEIVABLES		
	Due after the next financial year		
	<u>31-Dec-2014</u> <u>31-Dec-2013</u>		
1)	from customers	10,067,715	
4)	from holding companies	2,705,746	
5)	from others	15,076,916	
	to associated companies	7,929,308	
	Total	35,779,685	
III	SHORT TERM INVESTMENTS		
	Total		
IV	CASH AND CASH EQUIVALENTS		
1)	bank and postal deposits	31,633,454	9,967
	Total	31,633,454	9,967
TOTAL CURRENT ASSETS (C)		70,740,348	9,967

D)	ACCRUALS AND DEFERRALS: accrued income and prepaid expenses	548,074	
TOTAL ACCRUALS AND DEFERRALS (D)		548,074	
TOTAL ASSETS		499,654,497	9,967

LIABILITIES		31/12/2014	31/12/2013
A)	SHAREHOLDERS' EQUITY:		
I	Share capital	180,000,000	10,000
II	Share premium reserve	10,510,000	
VIII	Retained earnings (losses)	-2,007	
IX	Profit (Loss) for the year	16,192,112	-2,007
TOTAL SHAREHOLDERS' EQUITY (A)		206,700,105	7,993
B)	PROVISIONS FOR RISK AND CHARGES:		
1)	for retirement allowance and similar obligations		
2)	for taxes	46,210,551	
3)	Other	1,910,383	
PROVISION FOR RISKS AND CHARGES (B)		48,120,934	
EMPLOYEE LEAVING INDEMNITY (C)		3,697,871	
D)	PAYABLES	Due after the next financial year	
		31/12/2014	31/12/2013
4)	amounts owed to banks	80,449,196	99,941,666
6)	Advances		341,472
7)	amounts owed to suppliers		32,255,577
11)	amounts owed to holding companies		65,962,286
12)	tax liabilities		3,066,977
	amounts owed to social security		
13)	institutions		602,258
14)	other payables		6,611,508
	to associated companies		1,916,866
TOTAL PAYABLES (D)		80,449,196	210,698,610
E)	ACCRUALS AND DEFERRALS		
	accrued expenses and deferred income	30,436,977	
TOTAL ACCRUALS AND DEFERRALS		30,436,977	
TOTAL LIABILITIES		499,654,497	9,967

MEMORANDUM ACCOUNTS

	31/12/2014	31/12/2013
A) GUARANTEES:		
a) Securities	9,077,898	
TOTAL MEMORANDUM ACCOUNTS	9,077,898	

Income statement at 31.12.2014

	31/12/2014	31/12/2013
A) (+) VALUE OF PRODUCTION:		
1) REVENUES FROM SALES AND SERVICES	78,651,188	
4) INCREASES IN NON-CURRENT ASSETS FROM IN-HOUSE PRODUCTION	12,926,220	
5) OTHER REVENUES		
- Other revenues	5,167,843	
- Operating contributions	658,427	
Total revenues and income	5,826,271	
TOTAL PRODUCTION VALUE (A)	97,403,678	
B) (-) PRODUCTION COSTS:		
6) FOR RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS FOR RESALE	-11,973,685	
7) FOR SERVICES	-18,780,400	-1,974
8) FOR USE OF THIRD PARTY ASSETS	-14,803,767	
9) FOR PERSONNEL		
a) wages and salaries	-9,257,250	
b) social security contributions	-3,135,822	
c) employee severance pay	-600,725	
d) retirement allowance and similar		
e) other costs	-27,066	
Total personnel costs	-13,020,864	
10) DEPRECIATION, AMORTISATION AND WRITE-DOWNS		
a) amortization of intangible fixed assets	-1,656,671	
b) depreciation of tangible fixed assets	-15,116,778	
d) write-downs of receivables included in working assets and cash equivalents	-150,000	
Total depreciation, amortisation and write-downs	-16,923,449	
11) CHANGES IN THE INVENTORIES OF RAW AND ANCILLARY MATERIALS, CONSUMABLES AND GOODS FOR RESALE	3,327,209	
14) VARIOUS OPERATING EXPENSES	-15,509,420	
TOTAL PRODUCTION COSTS (B)	-87,684,376	-1,974
(A - B) DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION	9,719,302	-1,974

		31/12/2014	31/12/2013
C)	FINANCIAL INCOME AND EXPENSES:		
15)	(+) equity investment income:		
	b) equity investments in associated companies	120,161	
16)	(+) other financial income:		
	d) income other than the above:		
	- from third parties	174,365	
17)	(-) interest and other financial expenses:		
	a) from third parties	-1,749,815	-33
	d) from holding companies	-2,248,830	
17bis)	(-) gains or losses on currency conversions		
TOTAL FINANCIAL INCOME AND CHARGES (15+16+17)		-3,704,119	-33
D)	VALUE ADJUSTMENTS ON FINANCIAL ASSETS		
TOTAL ADJUSTMENTS (18-19)			
E)	EXTRAORDINARY INCOME AND EXPENSES		
20)	(+) extraordinary income:		
	a) income	115,257	
	b) gains on disposals of fixed assets	1,350	
21)	(-) extraordinary charges:		
	a) charges	-623,349	
	b) losses on disposals of fixed assets	-163,981	
TOTAL OF EXTRAORDINARY ITEMS (20-21)		-670,723	
Result before taxes		5,344,460	-2,007
22)	(-) income taxes for the period:		
	a) current	-6,672,135	
	b) deferred	17,519,787	
Total taxes on income		10,847,652	
23)	NET INCOME FOR THE PERIOD	16,192,112	-2,007

CASH FLOW STATEMENT 31.12.2014

A. <u>Cash flows deriving from management income</u>	2014	2013	D
Profit (loss) for the year	16,192,112	(2,007)	16,194,119
Taxes on income	(10,847,652)		(10,847,652)
Interest expense (income)	3,824,280	33	3,824,247
(Dividends)	(120,161)		(120,161)
(Gains) Losses from the sale of assets	47,374		47,374
1. Profit (loss) for the year before taxes, interests, dividends and gains/losses	9,095,953	(1,974)	9,097,927
<i>Adjustments for non-monetary elements which have no counter entry in the net working capital</i>			
Allocations to provisions	773,349		773,349
Write-downs of fixed assets	16,773,449		16,773,449
Write-downs for lasting value impairment			
2. Cash flows before changes in net working capital	26,642,751	(1,974)	26,644,725
<i>Changes in net working capital</i>			
Decrease (increase) in inventories	(3,327,209)		(3,327,209)
Decrease (increase) in receivables from customers	(10,067,715)		(10,067,715)
Decrease (increase) in receivables from suppliers	(643,921)	1,974	(645,895)
Decrease (increase) in accrued income and prepaid expenses	(355,974)		(355,974)
Decrease (increase) in accrued expenses and deferred income	4,686,190		4,686,190
Other changes in net working capital	(7,635,852)		(7,635,852)
3. Cash flows after changes in net working capital	9,298,270		9,298,270
<i>Other adjustments</i>			
Interests collected	174,365		174,365
(Interests paid)	(3,411,121)	(33)	(3,411,088)
Profit (loss) on currency exchange			
(Taxes paid)			
Dividends collected	120,161		120,161
(Utilisation of provisions)	(381,864)		(381,864)
4. Cash flow after other adjustments	5,799,811	(33)	5,799,844
B <u>TOTAL Cash flow of management income (A)</u>	5,799,811	(33)	5,799,844
<u>Cash flows deriving from investment activities</u>			
<i>Tangible fixed assets</i>			
(Investments)	(12,553,291)		(12,553,291)
Disposals	(15,610,162)		(15,610,162)
	3,056,871		3,056,871
<i>Intangible fixed assets</i>	7,714,243		7,714,243
(Investments)	(2,902,057)		(2,902,057)
Disposals	10,616,300		
<i>Financial assets</i>	(9,068)		(9,068)
(Investments)	(9,068)		(9,068)
Disposals			
<i>Acquisition or sale of subsidiaries or business units net of cash and cash equivalents</i>			
<u>TOTAL Cash flows of investment activities (B)</u>	(4,848,116)		(4,848,116)

C Cash flows deriving from financing activities

<i>Loans from third parties</i>	30,671,792		30,671,792
Increase (decrease) in short term bank loans	647,467		647,467
New loans	38,216,891		38,216,891
Loan repayments	(8,192,566)		(8,192,566)
<i>Own assets</i>			
Increase of capital on payment			
Sale (purchase) of treasury shares			
Dividends (and advances on dividends) paid			
TOTAL Cash flows of financing activities (C)	30,671,792		30,671,792
Increase (decrease) in liquidity (A+B+C)	31,623,487	(33)	31,623,520
E) Liquidity at 1 January	9,967	10,000	(33)
F) Liquidity at 31 December	31,633,454	9,967	31,623,487
F-E	31,623,487	(33)	31,623,520

For the Board of Directors
Chief Executive Officer
Siliano Stanganini
signed

Centria S.r.l.

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Share capital € 180.000.000 i.v.

Companies Register of Arezzo (AR) no./VAT no. and tax code: 0216682510 – Admin. Econ. Index no.
166736

Notes to the Financial Statements for the financial period closing at 31.12.2014

FOREWORD

The company was established as a limited liability company on 22 October 2013 based on the deed drawn up by notary Renato D'Ambra which was registered in Prato under number 50666.

Pursuant to the provisions of the Italian Civil Code on financial statements and, specifically, in compliance with art. 2427 of the Italian Civil Code, the following information is given, to complete that expressed by the book values on the Balance Sheet and the Income Statement.

These financial statements for the period which closed on 31.12.2014 show a profit of Euro 16,192,112.

In 2014, the company's core business has been gas distribution and measuring, LPG distribution and marketing, and the management of plant and the networks for connection with sources and distribution.

With regard to the nature of the company's business, the events occurring after the end of the period, the cash flow statement, transactions with related parties and with subsidiaries and associated companies, information is given in the relative sections of the Management Report.

Significant events of the year

An extensive ownership and corporate reorganisation project was launched in 2012, driven by the need to allow Estra spa and the entire group to employ their maximum capacities to participate in tenders for the award of gas distribution services and to render the structure of all Group activities economically and functionally valid. The first stage of the corporate and technical reorganisation of assets involved, amongst others, the distribution companies Estra Reti Gas srl and Estra Gpl srl, for which the merger plan had been approved by the shareholders' meetings to merge the subsidiaries into the holding Estra spa with effect from 14 November 2012, with backdated effects for accounting purpose to 1 January 2012.

This reorganisation was completed during 2013 on incorporation on 22 October 2013 of Centria S.r.l., with deed stipulated by the Notary Renato D'ambra registered in Prato under number 50666, with initial share capital of Euro 10,000, fully subscribed by Estra spa and subsequent transfer as part of the share capital increase, approved by the Extra spa extraordinary shareholders meeting of 18 December 2013 and with effect from 1 January 2014, of the business unit representing all the natural gas and LPG distribution activities and services provided, including ownership of the plants involved.

The business unit was subject to an independent expert's valuation pursuant to art. 2465 of the Italian Civil Code with reference to its accounting position as of 30 September 2013. The assets involved in the transfer were mainly the following:

- "intangible fixed assets for the costs relating to award of distribution tenders in the municipalities of Rieti, Magione and Follonica and the user licences and software applications under licence relating to the gas and LPG distribution activities;
- industrial buildings used in the gas sector (stations);
- urban gas networks;
- other structural assets relating to gas distribution, such as land, compressor and pumping stations, office equipment, vehicles, meters and connections;
- financial fixed assets represented by the 24% investment in the gas distribution company AES Fano S.r.l. (and relating to shareholder loans) and by the Euro 5,000,000 receivable due from the Municipal Authority of Rieti as the amount due at the time of award of the distribution tender and reimbursed at the time of termination of the concession and handover to the incoming operator of all the plants, networks and other assets relating to the distribution service;
- employee leaving indemnity and other payables accrued to employees transferred;
- borrowings represented by advances from banks and mortgages;
- trade payables relating to gas distribution and LPG marketing and distribution activities;
- deferred tax assets on differences between the book values and tax values of assets and liabilities of the business unit transferred;
- payables for provisions for risks.

The conferment operation was neutral as regards taxation pursuant to art. 176 of the Italian Consolidated Tax Act, since Centria srl, as the transferee, took over from the transferor Estra spa the assets and liabilities of the incorporated company.

The valuation resulted in shareholders' equity of the business unit of Euro 190,500 thousand, broken down as follows:

Business unit (€/000)			
Assets		Liabilities	
Intangible fixed assets	14,211	Other risk provisions	1,520
Tangible fixed assets	415,760	Employee severance indemnity	3,702
Financial assets	5,416	Borrowings	120,031
Receivables	8,145	Other payables and deferred income	56,436
Cash and cash equivalents	657	Deferred taxes	72,000
Accruals and deferrals	0	BU net	190,500
Total assets	444,189	Total Shareholders' Equity and Liabilities	444,189

Based on this transfer value, the share capital of Centria spa was increased from Euro 10,000 to Euro 180,000,000 with a share premium of Euro 10,510,000.

Incorporation of Edma Reti Gas srl

2013 saw the definition of the project for the creation, in partnership with Ancona-based Multiservizi S.p.A., of a new business entity with a view to consolidating and developing gas and electricity sales and gas distribution activities in the Adriatic area.

The business combination started in 2013 with the establishment of a new company EDMA S.r.l., 45% owned by Estra spa and 55% by Multiservizi with share capital of Euro 10,000.

The aggregation process continued in 2014 with the completion of extraordinary operations, some of which directly involved the company. In particular:

1. On 28/05/2014, EDMA S.r.l. founded the new.co EDMA Reti Gas S.r.l. with a share capital of Euro 10,000 and, on 27/06/2014, Centria S.r.l., with effect as of 01/07/2014, increased the share capital by the conferment of the branch represented by the gas distribution service in the towns of Rieti, Magione, Citerna and Mosciano S. Angelo, and all the equity of the said branch, for a value of Euro 12,789 thousand. At the same time Multiservizi increased the capital of the company branch represented by the gas distribution service in its own areas and all the relative equity, for a value of Euro 18,836 thousand.

The business unit owned by Centria S.r.l. was subject to an independent expert's valuation pursuant to art. 2465 of the Italian Civil Code with reference to its accounting position as of 31/03/2014.

The valuation resulted in shareholders' equity of the business unit of Euro 12,789 thousand, broken down as follows:

Business unit (€/000)			
Assets		Liabilities	
Intangible fixed assets	10,616	Payables due to staff	16
Tangible fixed assets	1,860		
Other fixed assets	60		
Fixed assets under construction	268	BU net	12,789
Total assets	12,805	Total Shareholders' Equity and Liabilities	12,805

From the effective date of the transfer, established as 01/07/2014, until 31/12/2014, in order to ensure continuity and security of service in the municipalities that are part of the transferred unit, Centria continued to manage activities using a special lease agreement with Edma Reti gas.

- On 11/07/2014, Centria sold to EDMA S.r.l. its 49% investment in the distribution company AES Fano S.r.l. for Euro 188 thousand (and simultaneously EDMA S.r.l. took over loans for Euro 784 thousand) and Multiservizi sold to EDMA S.r.l. its 38.7% investment in the distribution company SIG S.r.l. for Euro 3,184 thousand.
- On 18/11/2014 the 40.43% investment in EDMA Reti gas S.r.l. was sold to Estra spa for its nominal value of Euro 12,789,043;
- On 29/12/2014 the Edma srl shareholders' meeting approved a capital increase of up to € 5,000,000.00 reserved to Centria srl. Consequently the share capital of Edma srl reached € 74,398,228.00 with a 36.99% investment held by Gruppo Estra (Estra 30.27%, Centria 6.72%) and 63.01% held by Gruppo Multiservizi. Consistently with the Group's strategies and the agreements with the partners of the Marches region, Centria's investment in Edma srl will later be transferred to Estra spa.

Effects of the recent tax provisions

The serious financial crisis called for the adoption of a series of urgent measures to stabilise the economy, contained in Italian Decree Law no. 38 of 13/8/2011. In particular art. 7 changed the discipline of the so-called "Robin Tax" originally introduced into art. 81 of Italian Decree Law no. 112 of 25/6/2008. For companies operating in the natural gas transport or distribution sector, this provision imposes a tax rate increased by 6.5% using the rules for determination of the IRES.

However, the Constitutional Court, with decision no. 10 published on 11 February 2015 in the Official Journal, declared that the addition of the Robin Tax to the IRES was illegitimate, with effect from the day following its publication, i.e. 12 February 2015. The innovative decision is effective only for the future, denying all rights to any reimbursement of sums paid previously, and abolishing the application of IRES only from 2015 on.

Consequently the abolition has not produced any effects on the amount of current taxes for the financial year 2014, and it has therefore been calculated when applicable, taking into account the surcharge. However, it has involved the adjustment of the receivables for pre-paid and deferred taxes in respect of the temporary differences for which the IRES surcharge was taken into account.

On the financial statement of Centria at 31 December 2014, this adjustment has involved, in particular, the reversal to the income statement of the deferred tax calculated subsequent to the

conferment operation and originating from the difference between the book value and the taxation value of the tangible fixed assets conferred (networks and connections).

The reversal resulted in an extraordinary positive effect on the 2014 financial statement of Euro 16,228 thousand, entered under the item deferred taxes.

Agreement pursuant to art. 4 of Italian law 28/2012

On 28/10/2014, Estra spa, on behalf of the whole group, signed an agreement with the trade unions on early retirement, pursuant to art. 4 of Italian law 28/2012, which concerned 7 employees who will leave the company within 31/07/2016.

In accordance with the accounting standard 31, the relative charges are entered under the item "extraordinary charges" of the income statement, for Euro 623,240 in the financial year 2014, being the implementation of the restructuring and reorganisation plan formally within before 31/12/2014.

Adoption of the tax consolidation

The Parent Company Estra spa has chosen to adopt the national tax consolidation, the rules for which are contained in articles 117 to 129 of Italian Presidential Decree 917/86. This optional tax regime envisages that the holding company is responsible for calculating a single taxable income for the entire Group, corresponding to the algebraic sum of net incomes of the companies covered, and consequently a single income tax payable for the Group companies.

In 2014 the consolidation scope was enlarged to include Centria srl, for the three year term 2014/2016.

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

CRITERIA ADOPTED

The following financial statements are in compliance with the provisions of Articles 2423 et seq. of the Italian Civil Code as well as, and interpreted according to, the accounting standards issued by the Italian Accounting Body (OIC), and consist of the balance sheet, income statement and the explanatory notes, prepared pursuant to Article 2427 of the Italian Civil Code, which are, pursuant to Article 2423, an integral part of the financial statements.

The O.I.C., in its new role of official "standard setter" of national accounting standards (pursuant to art.20 of Italian Decree Law 91/2014) published, between August 2014 and January 2015, within the sphere of a joint updating project, the new accounting standards applicable to the "non-IAS adopting companies" as from the financial statements of 2014.

The revised standards are the following: OIC 9 (Write-downs for lasting value impairment of tangible and intangible fixed assets), OIC 10 (Cash flow statement), OIC 12 (Composition and schedules of the financial statements), OIC 13 (Inventories), OIC 14 (Cash and cash equivalents), OIC 16 (Tangible fixed assets), OIC 17 (Consolidated financial statements and the new equity method), OIC 18 (Accruals and deferrals), OIC 19 (Payables), OIC 22 (Memorandum accounts), OIC 23 (Works in progress to order), OIC 25 (Income taxes),

OIC 26 (Transactions, assets and liabilities in foreign currency), OIC 28 (Shareholders' equity), OIC 29 (Changes in the accounting standards, changes in accounting estimates, correction of errors, extraordinary events and transactions, events occurring after the closure of the period), OIC 31 (Provisions for risks and charges and Severance indemnities) and OIC 24 (Intangible fixed assets).

The modifications introduced have not had any impact on the company's equity, financial and economic situation, most of them being the implementation of best practices already followed.

The only effects regard some reclassifications, for that matter without significance at the level of the balance sheet and the income statement. Lastly, we point out that the new OIC 26 (transactions in other currency), unlike the past, does not regard the registration of derivative instruments in currency, including those for hedging the exchange risk. In the absence of indications to this regard, the company has continued to follow the practice adopted until now, formalised in the old accounting standard 26, in as much as deemed still consistent with the general conditions and principles for the preparation of the financial statement.

The notes to the accounts contains all the information on the company's governance and coordination of other companies and the analysis of the movements in the items of the shareholders' equity, of their origin and classification.

The purpose of the notes to the accounts is to give illustrations, analyses and, in some cases to give additional data to those on the financial statements, and it contains the information required by art. 2427 of the Italian civil code and by other provisions of law. In addition, all the complementary information deemed necessary for a true and correct representation is given, even if not requested by specific provisions of law (article 2423, section 3, of the Italian Civil Code).

The Financial Statements are drawn up in units of one Euro, without decimal points in compliance with art. 16 of Italian Legislative Decree no. 213/98.

MEASUREMENT CRITERIA

The criteria used for drafting the financial statements conform to the above-mentioned legislative provisions in force, as well as, and interpreted by, the accounting standards issued by the National Councils of Chartered Accountants and Expert Bookkeepers and the documents drafted by the Italian Accounting Body which has expanded and modified the said accounting standards.

The criteria used for the period that has just closed are the same as those used for the preparation of the financial statements in the previous year, particularly insofar as the valuations and the continuity of the same principles, unless otherwise specified below.

The values of the financial statement items are estimated on the basis of the general criteria of prudence and the accruals principle, considering the company as an ongoing business.

The entries are posted giving prevalence to the economic substance of operations rather than their legal form; the values of financial assets are posted according to the moment of settlement.

Profits are included only if effectively cashed in within the closing date of the period, while risks and losses are taken into account even if discovered successively. Similar elements included under the same item are valued separately. The equity elements destined for long term use are classified as fixed assets.

The value of tangible and intangible assets with a short term use is written down by means of amortisation. The said assets and the other components of the assets are written down whenever a lasting value impairment is found; the original value is written back to the extent to which the reasons for the previous write-down are deemed no longer valid. The analytical methods for amortisation and depreciation adopted are described further below in these notes to the accounts.

During the period no exceptional cases occurred which would have required derogation from the evaluation criteria contemplated by art. 2423, section 4, of the Italian Civil Code, in as much as incompatible with the true and correct representation of the equity and financial situation of the Company and of the economic result. Similarly, no assets have been written up on the basis of the relative special laws.

The financial statement preparation requires estimates that have been made on the values of the assets and liabilities and on the relative financial statement reporting. The final results may differ from those estimates. The estimates are reviewed periodically and the effects of changes in the estimates, unless deriving from erroneous estimates, are posted on the income statement of the period in which they are necessary and opportune, if such changes have effects on in that period, and also in successive periods if the changes also influence said successive periods.

The valuation criteria adopted for the preparation of the financial statements in compliance with art. 2426 of the Italian Civil Code are the following:

Intangible fixed assets

These are recognised at their acquisition costs or the transfer cost at which they were transferred by shareholders, including ancillary expenses, and they are systematically depreciated for the period of their estimated future use, as analysed in detail below.

The start-up and expansion costs and goodwill, acquired against consideration and recognized as an effect of the allocation of the merger deficits, are recognized under assets with consent from the Board of Statutory Auditors.

The cost of research, development and advertising are generally recognized in the income statement of the year in which they are incurred.

The item "Other" includes the improvements made to third party assets. The amortisation of these costs takes place in the shorter of the period of future use of the expenses incurred and the residual useful life.

If, regardless of the amortisation already calculated, an accumulated impairment loss is recorded, the fixed asset is correspondingly devalued. If in subsequent years are less the devaluation is less than the amount forecast, the original adjusted amortisation value is restored.

Tangible fixed assets and depreciation

These are recognised at their cost of acquisition, production or transfer by shareholders and adjusted by the corresponding amortization provisions.

Fixed assets are depreciated on a straight-line basis annually, using economic and technical rates determined according to their residual useful lives, except those whose use is practically permanent, i.e. lands and civil buildings which are not accessories to the industrial investments.

When a tangible fixed asset includes components, complementary parts or accessories with a different useful lifetime, the amortisation of those elements is calculated separately from the main asset, unless it is not feasible or significant. For investments made under concession regimes, the amortization takes place in the shorter period between the future use of the expenses incurred and the period remaining on the concession.

For assets which were deployed during the year, the depreciation rates have been reduced by 50% given that the application of the rates on an accruals basis would not have resulted in significantly different depreciations during the year. Due to their low value, some fixed assets are not depreciated but directly recognized as an expense during the year.

If impairment exists regardless of the amortization already recognized, the fixed asset is written down accordingly. If in future years the reasons for the write-down cease to exist the original value is restored with only the amortization adjusted.

Tangible fixed assets to be disposed of are reclassified under the current assets and valued at the lower of either the net book value or the presumable sale value according to the market trend, and the depreciation process is suspended.

The item Lands includes, among other things, the land relative to the factories and on which they are built.

Ordinary maintenance costs are directly charged in full to the income statement. Maintenance costs that increase the useful life, the productivity or safety of the asset are added to its book value and amortized in relation to its residual possibility of use.

Loans for investments are posted, starting from the moment the conditions for granting the same are fulfilled, consistently with the write-downs of the assets to which they refer, with entry under the "accrued expenses and deferred income" and counter entry under the item "Other revenues" of the production value. If a loan is granted after the start of the writing down, the part connected to the write-down already entered on the income statement is posted under the extraordinary income.

The depreciation rates used, based on the estimated remaining useful lifetime of each asset, are the following:

	% of depreciation or useful lifetime
land and buildings	
- land	Not written down
- industrial buildings	2%
- light constructions	10 years
plants and machinery	
- methane gas tanks	20 years
- systems for general remote operations	20 years
- compression and pumping stations	20 years
- thermoelectric power stations	5%
- urban networks	50 years
- connections	40 years
- photovoltaic systems	9%
industrial and commercial equipment	

- work and workshop equipment	10%
- traditional metres	20 years
- electronic metres	15 years
- concentrators	15 years
other assets	
- office furniture and fittings	12%
- electronic machines	20%
- transport vehicles	20%
- motor vehicles	25%
other facilities	Duration of agreement

Long-term investments

Investments in subsidiaries, associated companies and other companies were recorded under long-term investments if they were long-term and strategic investments made by the Company and were valued at their purchase or subscription price, including any additional charges. The book value of shares recorded under long-term investments was in line with the lowest possible value obtainable from reasonable expectations of utilization and recoverability in future fiscal years. In the presence of permanent impairment, the book value of such investments was adjusted by means of specific write-downs. In the presence of permanent loss of value in excess of the book value of the investment, the latter was reset to zero and integrated by recording the remaining amount under Provisions for liabilities and charges up to the amount of the deficit. This lower value cannot be maintained in subsequent financial statements if the reasons for its inclusion have become void.

Capitalised investments, due to be held in the company's portfolio until maturity, are recognised at purchase cost including any accessory charges and are written down if there is proof of impairment. This lower value cannot be maintained in subsequent financial statements if the reasons for its inclusion have become void.

Receivables were recorded as fixed assets if they had a financial nature and were intended to last as assets for a medium-long term. They were stated at their nominal value.

Inventories

Inventories were recorded at the lower of either the purchase or production cost, including any ancillary costs, and the estimated sale value based on market prices.

The cost configuration adopted is that of the weighted average cost.

Any obsolete or slow-moving inventories were written down on the basis of their possible use or implementation.

Work-in-progress to order is valued on the basis of the contractual remuneration accrued with reasonable certainty, in proportion to the state of progress of the works, taking into account all the predictable contractual risks.

Receivables

The receivables posted on the financial statement represents rights to demand amounts of cash or cash equivalents from customers or other third parties and they are valued according to the presumable collection value.

The nominal value of the receivables is therefore adjusted to take into account losses forecast for impossibility of collection, invoicing adjustments, discounts and reimbursements and other reasons for lower amounts.

With reference to the losses contemplated for impossible collection, the nominal value of the receivables is adjusted by means of an impairment provision to take into account the possibility of the debtor not completely fulfilling its contractual commitments. The credit impairment provision is estimated by analysing the single receivables, determining the presumed losses for each anomalous situation already apparent or reasonable predictable, and the estimate, on the basis of experience and every other useful elements, of further presumable losses on the receivables existing at the financial statement date. The allocation to the impairment fund for receivables backed by guarantees takes into account the effects of the enforced collection of such guarantees.

Invoicing adjustments are taken into consideration in respect of the accruals principle and with prudence, by the allocation of credit notes to be issued adjusting the receivables and the corresponding revenues, or by the allocation of a specific risks provision for the return of goods or products by customers without adjusting the amount of the receivables.

Special provisions are also allocated for discounts and special prices that may be granted on collection and for other reasons for lower revenues. Financial discounts and reimbursements are registered at the moment of collection.

Trade receivables due after 12 months from the moment of their initial registration, without the application of interests or with unreasonably low interests, are entered at nominal value and the income component represented by the difference between the spot sale of the object or the performance of the service and the interest which would have been applied for deferred payment, is entered as a separate counter entry. Implicit interest income is initially posted as deferred income and entered on the income statement for the term of the deferral.

Receivables are cancelled from the financial statements when the contractual rights to the cash flows deriving from the same are extinguished or when the contractual right to such cash flows is transferred substantively together with all the connected risks. To evaluate the transfer of the risks, all the contractual clauses are taken into consideration.

When the receivable is cancelled from the financial statement, under the above-illustrated conditions, the difference between the payment and the value of the receivable (nominal value net of any impairment posted under the credit impairment provision) at the moment of the transfer is posted on the income statement as a loss, unless the transfer contract allows for recognising other economic components of a diverse nature.

The receivables transferred for which all the risks have not been substantively transferred remain posted on the financial statements and are subject to the above indicated general evaluation rules. The advance

payment of a part of the sale price agreed with the transferee is registered as a counter entry on the balance sheet as a financial payable.

Financial assets that are not investments

Equity investments

Equity investments are initially posted at purchase cost, including connected charges, and subsequently valued individually at either the lower of either the purchase cost or the presumable sale value according to the market trend. If the conditions for the adjustment are no longer entirely or partly valid due to a recovery in the market value, the equity value is written back to the cost value.

Treasury shares

Treasury shares are initially posted at purchase cost and subsequently valued, if the necessary conditions are fulfilled, at the lower sale value presumed according to the market trend. If, subsequently, the reasons for the write-down are no longer valid, the value of the shares is written back to the cost value, but no higher.

The shareholders' equity includes a reserve for treasury shares of the amount equal to the costs sustained, as contemplated by art. 2357-ter of the Italian Civil Code. Value write-downs and write-backs respectively involve the availability and the need to restore the reserve for own shares.

Debt securities

Debt securities are initially posted at purchase cost, including connected charges, and subsequently valued at either the lower of either the purchase cost or the presumable sale value according to the market trend.

Any write-down to the lower value is carried out individually for each type of security.

If the conditions for the adjustment are no longer entirely or partly valid due to a recovery in the market value, the value of the debt securities is written back to the cost value.

Cash and cash equivalents

These represent the positive balances of bank and postal deposits and cheques, as well as the cash and valuables in hand at the closure of the period.

Bank and postal deposits are posted at presumable withdrawal value, cash and duty stamps in hand are posted at nominal value, and liquidity in foreign currency is posted at the exchange rate in force at the closure of the period.

Cash pooling

The Company takes part in a centralised treasury management programme (cash pooling) carried out by Estra spa. The liquidity on the common current account (the pool account) represents a receivable due to the company which manages the cash pooling while withdrawals from the pool account are a payable towards the same.

Accruals and deferrals

Accrued income and expenses represent respectively the portion of the income and costs accrued during the period which become financially effective in successive years.

Prepaid expenses and deferred income are respectively portions of costs and revenues which are financially apparent in the period or in previous periods but which accrue in one or more successive periods.

Therefore the item contains only the part of costs and revenues common to two or more financial years, the entity of which varies according to actual or economic time.

At the end of each period, the conditions which have led to the initial registration are checked and, if necessary, the required value adjustments are made. In particular, in addition to the passing of time, for accrued income the presumable sale value is considered, whereas for prepaid expenses the existence of the future economic benefit connected to the deferred costs is considered.

Provisions for liabilities and charges

These funds were recorded to cover possible liabilities of a determined nature, whose existence was certain or probable, but whose amount or date, however, could not be determined at year end. The provisions reflect the best possible estimate based on the commitments made and the information available. The provisions for risks and charges are entered under the items of the working assets to which the operation refers (feature, accessory, financial or extraordinary), the criterion of classification by the "nature" of the costs always prevailing. Consequently, the provisions for risks and charges relative to the core and ancillary business are prevalently entered under the items of class B of the income statement, and otherwise B12 or B13. The provisions for risks and charges relative to the financial or extraordinary assets are entered respectively under the items of classes C and D of the income statement.

The general criteria of prudence and accruals have been respected in the valuation of these amounts and no generic risk provisions were made without an economic justification.

The contingent liabilities were recognized in the balance sheet and recorded under provisions if considered probable and the relative expense could be estimated with reasonable certainty.

The risks for which a liability is merely possible are indicated in the explanatory notes, while no provision is made in the provision for liabilities and charges.

Employee leaving indemnity

This is the actual amount due to employees in accordance with the law and collective bargaining agreements, considering all forms of ongoing remuneration.

The provision is the total indemnities due to employees at the date of the financial statements, net of advances paid, and is equal to the amount payable to employees if employment had terminated on that date. Following the entry into effect of Law 296 of 27 December 2006, the Employees' Severance Indemnity accrued from 1 January 2007 by the contributing companies was used as complementary social security or transferred to the treasury fund established with the INPS according to the options exercised by the employee.

Payables

These are recognised at their nominal value which is amended in the event of returns or invoicing adjustments.

Payables to shareholders for loans also include the loans from holding companies; they are not entered in the shareholders' equity because they must be repaid.

Memorandum Accounts

The memorandum accounts include the guarantees, commitments and properties of third parties in the Company's hands and the Company's property in the hands of third parties. The memorandum accounts do not include the events that are already recorded on the balance sheet, the income statement and/or the notes to the accounts, such as, for example, Company property held by third parties.

The guarantees are entered for a value equal to that of the guarantee granted or, if this is not determined, the best estimate of the risk assumed in the light of the existing situation. Commitments are posted at nominal value, whereas any commitments that cannot be quantified are explained in the notes to the accounts. Third party assets held by the Company are entered at nominal value, at current market value or at the presumed value according to existing documentation, depending on the type of the asset.

The congruity of the amounts posted in the memorandum accounts is written up at the end of each year.

Recognition of revenues

The positive and negative income components are considered according to when they accrue, regardless of the collection or payment date, excluding profit not cashed in at the end of the period and taking into account the risks and losses accrued at 31/12 even if discovered later.

Resolution 367/14/R/gas and subsequent amendments has introduced the new tariff regulation for the period 2014-2019 approving "RTDG 2014-2019" and with this the period of application of the provisions contained in the Consolidated Act of the regulation of the quality and tariffs of the gas distribution and measuring services for the six years 2014-2019.

According to the said regulation (like the previous regulation), the sales companies must apply a supra-regional obligatory tariff defined within 6 national macro areas; our company operates in 3 of these areas: the central area (Tuscany, Umbria and Marches), the south-eastern area (Abruzzo, Molise, Puglia and Basilicata) and the south-central western area (Lazio and Campania). Similarly, a tariff of reference of the provider is also contemplated, which is approved in two stages and which represents the specific costs sustained by each provider. The reference tariff comprises various components: a part is proportionate to the average costs recognised at national level (centralised operating and investment costs), and a part directly represents the investment costs sustained by the individual distributor (local investments in distribution, measuring, concentrators and centralised remote metre reading).

Starting from the revenues collected by the provider with the application of the obligatory tariff, a complex equalisation mechanism is used to attribute to each distributor the revenues (restrictions) determined by the application of its reference tariff and representing the invested capital and the management costs.

The restriction of the admitted revenues, which represents the company's effective income of the period for distribution and measuring services, is determined by the product of the reference tariff and the number of active customers at 31/12 in the period t-2 for the non-proportionate investment part and for the average customers of the year t (NUAeff) for the part proportioned to the reference tariff.

Our 2014 reference tariffs have been approved, as mentioned above, in two stages: provisional values with the estimated investments of 2013 with resolution AEEGSI 132/14/R/gas and final values with final investments of 2013 with resolution AEEGSI 90/2015/R/gas.

Pursuant to Italian legislative decree no. 164/00 relative to the liberalisation of the gas market, under art. 16.4, natural gas distribution companies must pursue energy saving targets in final utilisation and in the use of renewable sources, and for the results achieved the distributors are assigned Energy Efficiency Certificates, the annulment of which gives rise to a reimbursement from the "Cassa Conguaglio" [offsetting fund] of the Electricity Sector.

The Ministry of Economic Development in concert with the Ministries of the Environment and of Agricultural and Forestry Policies has issued Ministerial Decree 28/12/2012, which defines in detail the national targets for the period 2013-2016, the implementation methods of interventions and the criteria for assessing the results reached.

For the year 2014 the energy saving target fixed for Centria srl is 76,910 Certificates, which the Company pursues by purchases on the specific regulated Certificates market and bilateral transactions within May of the following year.

The Certificates are registered by posting the receivables due to AEEG only for the value of the certificates in the portfolio at the date of reference.

The Certificate risk provision may be established to cover the risk of expenses arising from the difference between the acquisition price of the Certificates on the market and the revenue realizable from sale to the Authority to meet regulatory obligations.

Estra Divisione GPL is the licensee of the LPG distribution and sale service in 48 municipalities, located in 6 provinces (Arezzo, Florence, Grosseto, Siena, Rimini and Rieti) and in 3 regions of central Italy (Emilia Romagna, Lazio, Tuscany). The LPG division operates in particular in the Shareholder Municipalities of Intesa SpA (towns of the Siena area, in the provinces of Arezzo, Grosseto, Perugia and Siena), the Shareholder Municipalities of Consiag SpA (towns of the Prato area, in the provinces of Florence) and the Shareholder Municipalities of Coingas SpA, in the province of Arezzo.

The LPG tariffs, as from 2014, have been determined by AEEGSI with resolution 633/13 only for the municipalities with PODs greater than 300, therefore the tariffs are regulated only for the 5 towns with more than 300 PODs; for the rest of the towns the Centria board of directors has decided to extend the same regulated tariffs applied to the 5 towns. For 2014, as from the month of November, the discount for regular payments has been confirmed, in order to improve the competitiveness of the service and, at the same time, to encourage customers to pay regularly.

The contributions of the period such as those received from customers against the cost of connection to the distribution network are recognised in the income statement in the year in which the revenue and the amount thereof is certain, provided the connection is made during the year; otherwise, the contributions are deferred and recognised in the income statement of the year in which the relative connections actually take place.

In particular, these contributions are correlated with the costs incurred for the realisation of these connections and recognized in the income statement through the accrued charges instrument, in relation to the useful life of the assets they refer to.

Investment financings are posted according to the accruals principle and are allocated to the income statement depending on the duration of the depreciation of the tangible assets which the same referred to,

recording as deferred income the portion attributable to future fiscal years and as receivables the portion already decided but not yet delivered.

Taxes on income

Current taxes are calculated on the basis of a realistic forecast of the taxable income of the period, determined according to tax legislation and applying the tax rates in force on the financial statement date.

The relative tax liability is posted on the balance sheet at nominal value, net of advances paid, withholding taxes applied and tax credit that can be offset and for which rebate is not requested; if the advances paid, the withholding tax paid and the credit exceed the taxes due, the resulting tax credit is posted.

The Company participates in the tax consolidation of the holding company Estra spa for IRES. The shareholders' equity therefore includes the receivables and payables towards the consolidating company deriving from the quantification of the tax advantages attributed and received.

Deferred and prepaid income taxes are calculated on the aggregate total of all the temporary differences existing between the value of the assets and liabilities determined according to book value criteria and the taxable value.

Deferred and prepaid income taxes are posted in the financial period in which the temporary differences emerge and they are calculated applying the tax rates in force in the year in which the temporary differences appear, if such rates have already been determined at the financial statement reference date, otherwise they are calculated on the tax rates in force at the financial statement reference date.

On the balance sheet the deferred and prepaid taxes are offset when the necessary conditions are fulfilled, and the offset balance is entered under the specific items of the current assets, if positive, and of the provisions for risks and charges, if negative.

The notes to the accounts contains a table of the temporary differences which have led to the posting of deferred and prepaid taxes, with specification of the tax rate and the changes compared to the previous period, the amounts debited or credited on the income statement or in the shareholders' equity and the items excluded from the calculation as well as the prepaid taxes entered as losses on the financial statements of the period or of previous periods and the amount of taxes not yet posted.

Guarantees, Commitments, Third-Party Assets and Risks

The risks related to guarantees given, personal or real, for third party debts have been reported in the memorandum accounts at an amount equal to the amount of the guarantee given; the amount of third party debt guaranteed at the closing date of the financial statements, if less than the guarantee given, is indicated in the notes.

The commitments were listed in the memorandum accounts at their nominal value, derived from the corresponding documentation.

As of 31 December 2014, the Company had entered into no agreements or undersigned deeds whose effects are not shown in the Balance Sheet, but which could expose the Group to risks or generate significant benefits a knowledge of which would be useful in assessing its financial and economic situation and its consolidated earnings (as per art. 2427 no. 22 ter of the Italian Civil Code).

Significant events after the balance sheet date

The facts occurring after the end of the period which modify conditions already existing at the financial statement date and which require adjustments to the values of the assets and liabilities, in compliance with the accounting principle of reference, are posted on the financial statement according to the applicable conditions, to reflect the effect that such events have on the equity and financial situation and on the economic result at the closure of the period.

The facts occurring after the end of the period which modify situations existing at the end of the period, but which require variations to the values on the financial statement, in compliance with the applicable accounting principle, in as much as relevant to the following period, are not posted on the financial statement but are illustrated in the notes to the accounts when necessary for more complete comprehension of the company's situation.

The term within which the fact must occur to be taken into account is the date on which the draft financial statement is drafted by the Directors, unless between that date and the date planned for the approval of the financial statement by the Shareholders facts occur which make the amendment to the draft financial statement necessary.

Derivative Contracts

The Company has derivative contracts hedging risk of interest rate fluctuations for medium to long term loans.

The outstanding transactions as of the reporting date, if speculative, were valued at market value as if the transaction had been renegotiated at the end of the fiscal year. Any losses were indicated in the explanatory notes and posted to the income statement through the provision for risks, while any gains, in adherence to the principle of prudence, were deferred until the time of actual realization.

Cash Flow Statement

The cash flows indicated on the statement represent an increase or decrease of the cash and cash equivalents.

The cash and cash equivalents are represented by the bank and postal deposits, cheques, and cash and valuables in hand.

The "income management" generally includes transactions connected to the acquisition, production and distribution of assets and the provision of services, as well as the other operations not included in the investment and financing activities.

The "investment activity" includes transactions for the purchase and sale of tangible, intangible and financial fixed assets and short term financial assets.

The "financing activities" include operations to obtain and repay liquidity in the form of risk capital or debt capital.

Analysis of financial statement items: Balance Sheet - Assets

FIXED ASSETS

Intangible fixed assets

The item is broken down as follows:

	Net value 31/12/2013	Conferment by Estra Spa	Eliminations	Increases	Amortisation/ depreciation	Conferment to EDMA	Net value 31/12/2014
1) Start-up and expansion costs				29,026	-5,805		23,221
3) Patent rights		333,568		1,546,958	-756,988		1,123,538
6) Intangible assets under construction				1,292,810			1,292,810
7) Other		15,632,089	-1,846,511	33,263	-893,878	-10,616,300	2,308,664
Total		15,965,657	-1,846,511	2,902,057	-1,656,671	-10,616,300	4,748,233

The transfer operations are described in the foreword.

The net value of the "other intangible fixed assets" refers to the expenses for the concessions and tender procedures in the town of Follonica.

The increases in the intangible fixed assets refer to:

- 1) start-up and expansion costs for the incorporation of Centria srl,
- 4) software for € 1,085,325 for the functioning of the central SAC system and for the residual part of the management software,
- 6) the fixed assets in progress for € 1,292,810 are relative to the capitalisation of the personnel training hours and the professional services provided by firms/professionals for increased operating capacity connected to future tender procedures of the sector.
- 7) the other fixed assets for € 33,263 are for the restructuring works of the Siena workshop.

Based on testing of the value of the intangible fixed assets recognised in the financial statements, no signs of impairment were found at the reporting date.

The following tables show, for each item, the historic costs, the write-down provisions and the changes during the period:

	Historical cost 31/12/2013	Conferment by Estra Spa	Eliminations	Increases	Conferment to EDMA	Historical cost 31/12/2014
1) Start-up and expansion costs		21,754		29,026		50,780
2) Research, development and advertising costs		1,040,048				1,040,048

3) Patent rights	2,180,350	-6,200	1,546,958		3,721,108
5) Goodwill	874,795				874,795
6) Intangible assets under construction			1,292,810		1,292,810
7) Other	19,739,761	-2,215,813	33,263	-13,693,600	3,863,612
Total	23,856,709	-2,222,013	2,902,057	-13,693,600	10,843,153

	Amort. prov. 31/12/2013	Conferment by Estra Spa	Reclassifications	Eliminations	Increases	Conferment to EDMA	Amort. prov. 31/12/2014
1) Start-up and expansion costs		-21,754			-5,805		-27,559
2) Research, development and advertising costs		-1,040,048					-1,040,048
3) Patent rights		-1,846,782		6,200	-756,988		-2,597,570
5) Goodwill		-874,795					-874,795
7) Other		-4,107,672		369,302	-893,878	3,077,300	-1,554,948
Total		-7,891,052		375,502	-1,656,671	3,077,300	-6,094,921

Tangible fixed assets

The item is broken down as follows:

	Net value 31/12/2013	Conferment by Estra Spa	Increases	Reclassifications	Amortisation/ depreciation	Conferment to EDMA	Eliminations	Net value 31/12/2013
Land and buildings		1,476,442			-47,024			1,429,418
Lightweight constructions		937			-369			569
1) Land and buildings		1,477,379			-47,392			1,429,987
Tanks		21,206			-1,325			19,881
Systems for general remote operations		1,642,481	123,338	69,177	-106,080	-68,891		1,660,024
Compression and pumping stations		4,788,158	77,566	17,020	-402,654	-39,426		4,440,663
Thermo-electrical stations		1,073,103			-67,039			1,006,063
Urban gas network		292,882,641	4,497,009	1,576,610	-5,546,645	-1,554,312	-152,093	291,703,209
Connections		92,420,954	2,477,104	38,635	-1,543,633	-325,059	-102,532	92,965,469
photovoltaic systems		15,789	2,020,258		-92,829			1,943,218
LPG connections		419,475	18,088		-13,637	-2,216	-798	420,911
Urban LPG networks		7,811,339			-201,109			7,610,230
Remote controlled LPG		36,226			-9,659			26,567
LPG tanks		1,076,290			-87,935			988,355
2) Plant and machinery		402,187,661	9,213,362	1,701,442	-8,072,546	-1,989,905	-255,423	402,784,591
Metering equipment		11,060,271	3,153,989	-28,331	-1,086,571	-154,461	-47,918	12,896,979
Other equipment		463,512	190,795		-111,259	-54,515	-3,016	485,517
3) Industrial and comm. equipment		11,523,783	3,344,784	-28,331	-1,197,830	-208,976	-50,933	13,382,496
Investments for the distribution of gas under concession		137,198	34,404		-28,017	-131,865		11,720
Electronic machines		70,891	71,047		-50,801			91,137
Furniture, office machines		23,807			-4,181	-5,937		13,689
Vehicles		64,446			-30,504			33,941

4) Other assets	296,341	105,450		-113,503	-137,802		150,487
5) Fixed assets under construction and payments on account		2,946,566	-1,671,519		-269,397	-144,434	861,215
Total	415,485,164	15,610,162	1,593	-9,431,272	-2,606,081	-450,791	418,608,776

The most important increases are relative to works for increasing connections, urban networks and the changes in the company's metres as illustrated in more detail below.

The column of increases includes not only purchases but also all the capitalised costs of the period.

The assets, even if completely written off, appear on the financial statement until they are no longer used in the production process, subsequent to sale, scrapping, loss or for other reasons.

The depreciation rates of the tangible fixed assets in 2014 amount to € 15,116,778 as shown above; the depreciation is at constant rates depending on the economic-technical lifetime as indicated in the table "Tangible fixed assets and depreciation".

Based on testing of the value of the tangible fixed assets recognised in the financial statements, no signs of impairment were found at the reporting date.

The following tables show, for each item, the historic costs, the write-down provisions and the changes during the period:

	Historical cost 31/12/2013	Conferment by Estra Spa	Reclassifications	Eliminations	Increases	Conferment to EDMA	Historical cost 31/12/2014
Land and buildings		3,099,291					3,099,291
Lightweight constructions		58,967					58,967
1) Land and buildings		3,158,257					3,158,257
Tanks		519,593					519,593
Systems for general remote operations		2,826,207	69,177		123,338	-75,132	2,943,590
Compression and pumping stations		14,159,871	17,020		77,566	-60,179	14,194,277
Thermo-electrical stations		1,340,784					1,340,784
Urban gas network		365,593,265	1,576,610	-298,568	4,497,009	-1,920,211	369,448,105
Connections		109,924,411	38,635	-102,532	2,477,104	-345,631	111,991,987
Photovoltaic systems		21,300			2,020,258		2,041,558
LPG connections		555,321		-798	18,088	-2,332	570,278
Urban LPG networks		10,679,869					10,679,869
Remote controlled LPG		96,587					96,587
LPG tanks		1,687,412					1,687,412
2) Plant and machinery		507,404,621	1,701,442	-401,899	9,213,362	-2,403,485	515,514,041
Metering equipment		27,189,487	-29,924	-83,130	3,153,989	-229,090	30,001,333
Other equipment		1,770,011		-6,294	190,795	-63,498	1,891,014
3) Industrial and comm. Equipment		28,959,498	-29,924	-89,424	3,344,784	-292,587	31,892,347
Investments for the distribution of gas under concession		379,179			34,404	-362,023	51,560
Electronic machines		669,826			71,047		740,873
Furniture, office machines		123,014				-7,711	115,303
Vehicles		1,132,345		-59,728			1,072,617
Others		564					564
4) Other assets		2,304,927		-59,728	105,450	-369,734	1,980,916
5) Fixed assets under construction and payments on account			-1,671,519	-144,434	2,946,566	-269,397	861,215
Total		541,827,303		-695,484	15,610,162	-3,335,204	553,406,777

	Depreciation prov. 31/12/2013	Conferment by Estra Spa	Reclassifications	Eliminations	Increases	Conferment to EDMA	Depreciation prov. 31/12/2014
Land and buildings		-1,622,849			-47,024		-1,669,873
Lightweight constructions		-58,029			-369		-58,398
1) Land and buildings		-1,680,879			-47,392		-1,728,271
Tanks		-498,387			-1,325		-499,712
Systems for general remote operations		-1,183,726			-106,080	6,241	-1,283,566
Compression and pumping stations		-9,371,713			-402,654	20,753	-9,753,614
Thermo-electrical stations		-267,681			-67,039		-334,720
Urban gas network		-72,712,217	1,593	146,475	-5,546,645	365,898	-77,744,895
Connections		-17,503,457			-1,543,633	20,573	-19,026,518
Photovoltaic systems		-5,511			-92,829		-98,340
LPG connections		-135,846			-13,637	116	-149,367
Urban LPG networks		-2,868,530			-201,109		-3,069,639
Remote controlled LPG		-60,361			-9,659		-70,020
LPG tanks		-611,122			-87,935		-699,057
2) Plant and machinery		-105,218,553	1,593	146,475	-8,072,546	413,581	-112,729,450
Metering equipment		-16,129,216	-1,593	35,212	-1,086,571	74,629	-17,107,539
Other equipment		-1,306,499		3,278	-111,259	8,982	-1,405,497
3) Industrial and comm. equipment		-17,435,715	-1,593	38,490	-1,197,830	83,611	-18,513,037
Investments for the distribution of gas under concession		-241,980			-28,017	230,158	-39,840
Electronic machines		-598,936			-50,801		-649,736
Furniture, office machines		-99,207			-4,181	1,774	-101,614
Vehicles		-1,067,899		59,728	-30,504		-1,038,676
Others		-564					-564
4) Other assets		-2,008,586		59,728	-113,503	231,932	-1,830,430
5) Fixed assets under construction and payments on account							
Total		-126,343,732		244,693	-9,431,272	729,123	-134,801,187

Land and buildings

The item is broken down as follows:

	Net value 31/12/2013	Conferment by Estra Spa	Increases	Reclassifications	Amortisation/ depreciation	Conferment to EDMA	Eliminations	Net value 31/12/2014
Land and buildings		1,476,442			-47,024			1,429,418
Lightweight constructions		937			-369			569
1) Land and buildings		1,477,379			-47,392			1,429,987

The changes during the period are represented by the conferment on the part of Estra S.p.A.

The following tables show, for each item, the historic costs, the write-down provisions and the changes during the period:

	Historical cost 31/12/2013	Conferment by Estra Spa	Reclassifications	Eliminations	Increases	Conferment to EDMA	Historical cost 31/12/2014
Land and buildings		3,099,291					3,099,291
Lightweight constructions		58,967					58,967
1) Land and buildings		3,158,257					3,158,257

	Amort. prov. 31/12/2013	Conferment by Estra Spa	Reclassifications	Eliminations	Increases	Conferment to EDMA	Amort. prov. 31/12/2014
Land and buildings		-1,622,849			-47,024		-1,669,873
Lightweight constructions		-58,029			-369		-58,398
1) Land and buildings		-1,680,879			-47,392		-1,728,271

Plants and machinery

The item is broken down as follows:

	Net value 31/12/2013	Conferment by Estra Spa	Increases	Reclassifications	Amortisation/ depreciation	Conferment to EDMA	Eliminations	Net value 31/12/2014
Tanks		21,206			-1,325			19,881
Systems for general remote operations		1,642,481	123,338	69,177	-106,080	-68,891		1,660,024
Compression and pumping stations		4,788,158	77,566	17,020	-402,654	-39,426		4,440,663
Thermo-electrical stations		1,073,103			-67,039			1,006,063
Urban gas network		292,882,641	4,497,009	1,576,610	-5,546,645	-1,554,312	-152,093	291,703,209
Connections		92,420,954	2,477,104	38,635	-1,543,633	-325,059	-102,532	92,965,469
Photovoltaic systems		15,789	2,020,258		-92,829			1,943,218
LPG connections		419,475	18,088		-13,637	-2,216	-798	420,911
Urban LPG networks		7,811,339			-201,109			7,610,230
Remote controlled LPG		36,226			-9,659			26,567
LPG tanks		1,076,290			-87,935			988,355
2) Plant and machinery		402,187,661	9,213,362	1,701,442	-8,072,546	-1,989,905	-255,423	402,784,591

The increases in the item plant and machinery mainly regard the capitalisation of the costs for connections, for the urban networks constructed by the company in 2014, and are related to the item increases in fixed assets for works carried out.

During the period, the photovoltaic systems at the compression and pumping stations of Coingas spa were bought for € 2,000,000.

The elimination column contains the values of the assets scrapped for replacing the road piping in the various towns, as well as the sales to Edma Reti Gas for € 105 thousand.

The following tables show, for each item, the historic costs, the write-down provisions and the changes during the period:

	Historical cost 31/12/2013	Conferment by Estra Spa	Reclassifications	Eliminations	Increases	Conferment to EDMA	Historical cost 31/12/2014
Tanks		519,593					519,593
Systems for general remote operations		2,826,207	69,177		123,338	-75,132	2,943,590
Compression and pumping stations		14,159,871	17,020		77,566	-60,179	14,194,277
Thermo-electrical stations		1,340,784					1,340,784
Urban gas network		365,593,265	1,576,610	-298,568	4,497,009	-1,920,211	369,448,105
Connections		109,924,411	38,635	-102,532	2,477,104	-345,631	111,991,987
Photovoltaic systems		21,300			2,020,258		2,041,558
LPG connections		555,321		-798	18,088	-2,332	570,278
Urban LPG networks		10,679,869					10,679,869
Remote controlled LPG		96,587					96,587
LPG tanks		1,687,412					1,687,412
2) Plant and machinery		507,404,621	1,701,442	-401,899	9,213,362	-2,403,485	515,514,041

	Amort. prov. 31/12/2013	Conferment by Estra Spa	Reclassifications	Eliminations	Increases	Conferment to EDMA	Amort. prov. 31/12/2014
Tanks		-498,387			-1,325		-499,712
Systems for general remote operations		-1,183,726			-106,080	6,241	-1,283,566
Compression and pumping stations		-9,371,713			-402,654	20,753	-9,753,614
Thermo-electrical stations		-267,681			-67,039		-334,720
Urban gas network		-72,712,217	1,593	146,475	-5,546,645	365,898	-77,744,895
Connections		-17,503,457			-1,543,633	20,573	-19,026,518
Photovoltaic systems		-5,511			-92,829		-98,340
LPG connections		-135,846			-13,637	116	-149,367
Urban LPG networks		-2,868,530			-201,109		-3,069,639
Remote controlled LPG		-60,361			-9,659		-70,020
LPG tanks		-611,122			-87,935		-699,057
2) Plant and machinery		-105,218,553	1,593	146,475	-8,072,546	413,581	-112,729,450

Industrial and commercial equipment

The item is broken down as follows:

	Net value 31/12/2013	Conferment by Estra Spa	Increases	Reclassifications	Amortisation/ depreciation	Conferment to EDMA	Eliminations	Net value 31/12/2014
Metering equipment		11,060,271	3,153,989	-28,331	-1,086,571	-154,461	-47,918	12,896,979
Other equipment		463,512	190,795		-111,259	-54,515	-3,016	485,517
3) Industrial and comm. equipment		11,523,783	3,344,784	-28,331	-1,197,830	-208,976	-50,933	13,382,496

This item includes workshop equipment and meters for gas measurement at the end customer's premises deriving from increases in the intangible assets for works carried out.

The following tables show, for each item, the historic costs, the write-down provisions and the changes during the period:

	Historical cost 31/12/2013	Conferment by Estra Spa	Reclassifications	Eliminations	Increases	Conferment to EDMA	Historical cost 31/12/2014
Metering equipment		27,189,487	-29,924	-83,130	3,153,989	-229,090	30,001,333
Other equipment		1,770,011		-6,294	190,795	-63,498	1,891,014
3) Industrial and comm.		28,959,498	-29,924	-89,424	3,344,784	-292,587	31,892,347

equipment

	Amort. prov. 31/12/2013	Conferment by Estra Spa	Reclassifications	Eliminations	Increases	Conferment to EDMA	Amort. prov. 31/12/2014
Metering equipment		-16,129,216	-1,593	35,212	-1,086,571	74,629	-17,104,354
Other equipment		-1,306,499		3,278	-111,259	8,982	-1,405,497
3) Industrial and comm. equipment		-17,435,715	-1,593	38,490	-1,197,830	83,611	-18,509,851

Other assets

The item is broken down as follows:

	Net value 31/12/2013	Conferment by Estra Spa	Increases	Reclassifications	Amortisation/ depreciation	Conferment to EDMA	Eliminations	Net value 31/12/2014
Investments for the distribution of gas under concession		137,198	34,404		-28,017	-131,865		11,720
Electronic machines		70,891	71,047		-50,801			91,137
Furniture, office machines		23,807			-4,181	-5,937		13,689
Vehicles		64,446			-30,504			33,941
Others								
4) Other assets		296,341	105,450		-113,503	-137,802		150,487

This item includes office furniture, hardware, the company's fleet of cars and lorries as well as assets relative to the concessions, deriving from increases in the fixed assets.

The following tables show, for each item, the historic costs, the write-down provisions and the changes during the period:

	Historical cost 31/12/2013	Conferment by Estra Spa	Reclassifications	Eliminations	Increases	Conferment to EDMA	Historical cost 31/12/2014
Investments for the distribution of gas under concession		379,179			34,404	-362,023	51,560
Electronic machines		669,826			71,047		740,873
Furniture, office machines		123,014				-7,711	115,303
Vehicles		1,132,345		-59,728			1,072,617
Others		564					564
4) Other assets		2,304,927		-59,728	105,450	-369,734	1,980,916

	Amort. prov. 31/12/2013	Conferment by Estra Spa	Reclassifications	Eliminations	Increases	Conferment to EDMA	Amort. prov. 31/12/2014
Investments for the distribution of gas under concession		-241,980			-28,017	230,158	-39,840
Electronic machines		-598,936			-50,801		-649,736
Furniture, office machines		-99,207			-4,181	1,774	-101,614
Vehicles		-1,067,899		59,728	-30,504		-1,038,676
Others		-564					-564
4) Other assets		-2,008,586		59,728	-113,503	231,932	-1,830,430

Fixed assets under construction and payments on account

	Net value 31/12/20 13	Conferme nt by Estra Spa	Increases	Reclassificati ons	Amortisatio n/ depreciatio n	Conferme nt to EDMA	Eliminatio ns	Net value 31/12/2014
5) Fixed assets under construction and payments on account			2,946,566	-1,671,519		-269,397	-144,434	861,215

The reclassifications for € 1.671.518 are relative to assets which have started to be used during the period, while the "eliminations" column contains the fixed assets constructed on behalf of Edma Reti Gas and sold on 31/12/2014 pursuant to the business unit rent agreement between the companies.

Long-term investments

Shareholdings

In other companies

Centria has received the conferment of the investment of AES Fano of Ancona with a value of € 24,000 representing 24% of capital of the company. During the period the said investment increased by € 48,750 after the increase of the same to 49%.

Always during the period Centria srl sold the investment in AES Fano to EDMA S.r.l. as described in more detail in the foreword.

The value of the sale was € 188,007 and the difference compared to the book value, equal to € 115,257, is posted under the item "extraordinary income".

	31/12/2003	Increases	(Disposals)	Write-ups (write- downs)	Other changes	31/12/2014
Other companies						
Edma Srl		5,000,000				5,000,000
Total		5,000,000				5,000,000

The increases relative to the investment in Edma srl refer to the underwriting of the capital increase reserved to Centria srl as described in the foreword. The investment held is equal to 6.72%.

The company partly owned has a shareholders' equity of Euro 5,201 thousand at 31 December 2014, after having reported a group result in the first financial year of business equal to Euro 2,999 thousand (Euro 201 thousand pertinent to Centria).

CURRENT ASSETS

Inventories

The inventories of raw materials are broken down below:

	31/12/2014	31/12/2013	Change	Change %
Raw materials, supplies and consumables minus: devaluation provision	3,327,209		3,327,209	
	3,327,209		3,327,209	

The item includes various materials such as pipes, meters, gears, fuel and supplies for the construction and maintenance of company plant, and € 834 thousand for the contents in the various LPG tanks.

The valuation as referred to in the introduction was made at weighted average cost.

Receivables

From customers

The balance relative to customers is as follows:

	31/12/2014	31/12/2013	Change	Change %
receivables from customers	4,716,188		4,716,188	
LPG customers	1,081,900		1,081,900	
receivables for invoices not yet issued	4,419,627		4,419,627	
minus: credit impairment provision	-150,000		-150,000	
Total	10,067,715		10,067,715	

These include mainly receivables both for invoices issued and for invoices yet to be issued, for transport fees, network services and other services, as well as invoices issued to end users for the consumption of LPG gas.

The provision for write-down of receivables has undergone the following changes during the year:

	31/12/2013	(Other changes)	(Increases)	31/12/2014
Deductible portion of the credit impairment provision			150,000	150,000
total			150,000	150,000

The allocation made during the year is considered adequate to cover the risk of non-collection on the basis of the estimates calculated by analysing the single positions and the overall risk level of the total receivables, considering that all receivables dating back to 31/12/2013 bear on the parent company.

From holding companies

	31/12/2014	31/12/2013	Change	Change %
Estra SPA	2,705,746		2,705,746	
Total	2,705,746		2,705,746	

This item mainly represents receivables with recourse due from the parent company Estra not yet cashed in on 31/12/2014, for Euro 2,477 thousand; the difference is relative to trade receivables.

From others

The balance of receivables due from others is broken down as follows:

	31/12/2014	31/12/2013	Change	Change %
Receivables from the AEEG	14,794,615		14,794,615	
Advances	101,165		101,165	
Other receivables from third parties	181,136		181,136	
Total	15,076,916		15,076,916	

Receivables due from the "Energy Authority" mainly regard the amounts due in application of the equalisation mechanism relative to the restriction of total distribution revenues (AEEGSI resolutions 553/2012/R/GAS and 328/2013/R/GAS) and for contributions relative to reaching the energy saving targets.

Other receivables from associated companies and parent company shareholders

	31/12/2014	31/12/2013	Change	Change %
Estracom	22,197		22,197	
Estra Clima	110		110	
Estra Energie	7,584,730		7,584,730	
Gergas	35,255		35,255	
Edma Reti Gas	131,776		131,776	
Aes Fano				
	7,774,068		7,774,068	
Consiag	20,471		20,471	
Intesa	34,553		34,553	
Coingas	100,216		100,216	
	155,240		155,240	
Total	7,929,308		7,929,308	

The value of the receivables due from Estra Energie mainly regard the transport fees and the natural gas network accessory services, both invoiced and not yet invoiced.

The main receivables of the other companies regard personnel on transfer, receivables relative to the sale of assets and conferment differences of Edma Reti Gas srl, and the fees debited for the Centria personnel who sit on the Gergas board of directors.

The receivables from parent company shareholders regard the re-debit to Consiag of charges for the water network works, to Coingas of the photovoltaic revenues, and to Intesa for the costs of personnel on transfer.

Cash and cash equivalents

The balance of availability is as follows:

	31/12/2014	31/12/2013	Change	Change %
Banks	31,574,060	9,967	31,564,093	
Postal accounts	59,393		59,393	
Total	31,633,454	9,967	31,623,487	

The balance represents the available cash and cash equivalents at the closure of the year.

ACCRUAL AND DEFERRALS:

The breakdown of the accrued income and prepaid expenses is as follows:

	31/12/2014	31/12/2013	Change	Change %
Prepaid expenses:				
Insurance premiums				
Loan preparatory procedures	456,505		456,505	
Energy Efficiency Certificates	51,497		51,497	
prepaid expenses	40,071		40,071	
Total accrual and deferrals	548,074		548,074	

The prepaid expenses for Energy Efficiency Certificates refer to the self-produced certificates.

Within 12 months	Within 5 years	After 5 years
199,958	344,894	3,222

In addition to what is shown analytically, the amount of the (other) prepaid expenses includes insurances for € 12,278, rental fees for € 7,824 and crossing fees for € 18,995.

Balance sheet - Liabilities

SHAREHOLDERS' EQUITY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	31/12/2013	Benfic. Result	Distributed to shareholders	Others changes	Result in the year	31/12/2014
Share capital	10,000			179,990,000		180,000,000
Share premium reserve				10,510,000		10,510,000
Retained earnings (losses)		-2,007				-2,007
Profit (Loss) for the year	-2,007	2,007			16,192,112	16,192,112
Total	7,993			190,500,000	16,192,112	206,700,105

POSSIBILITY OF USE AND OF DISTRIBUTION OF RESERVES

	Amount	Utilisation options
CAPITAL	180,000,000	B
Equity reserve:		
Share premium reserve	10,510,000	A-B-C
Profit reserves:		
Retained earnings (losses)	-2,007	A-B-C
Total	190,507,993	

KEY

A - For capital increase

B - To cover losses

C - For distribution to shareholders

PROVISIONS FOR RISKS AND CHARGES

The following table shows the movements in the year in the provision for risks and charges:

	31/12/2013	Increases	(Decreases)	Other changes	31/12/2014
for taxes			-17,519,787	63,730,338	46,210,551
provisions for future risks and charges		623,240	-256,857	1,544,000	1,910,383
Total		623,240	-17,776,644	65,274,338	48,120,934

The increase in the provision for future risks and charges has been allocated to cover the charges deriving from the agreement pursuant to art. 4 of Italian law 28/2012 as described above. The column "other changes" includes the values of the provisions received in conferment from Estra.

Provision for deferred taxes

	Conferment by Estra	Allocation	(Utilisations)	Rate applied	31/12/2014
Prepaid taxes for result premium		143,926		27.50%	143,926
Prepaid taxes on civil write-downs>taxable write-downs	5,179,428	1,164,387		27.50%	6,343,815
Prepaid taxes on early retirement provision		171,391		27.50%	171,391
Prepaid taxes on connection expenses	2,855,473		-45,967	32.62%	2,809,507
Prepaid taxes on provisions for risks	204,937		-111,942	32.62%	92,996
Other minor prepaid taxes	29,823		-29,823	32.62%	0
	8,269,662	1,479,704	-187,731		9,561,634
Deferred tax on write-ups	72,000,000		-16,227,815	27.50%	55,772,185
	72,000,000		-16,227,815		55,772,185
Total deferred taxes	63,730,338	-1,479,704	-16,040,084		46,210,551

Deferred tax is allocated to temporary differences between financial and tax revenue; it is also allocated to value adjustments made exclusively pursuant to tax legislation in order to comply with the principle of accruals.

We point out that the deferred tax liabilities, received in conferment for Euro 72 million, originated from the misalignment between the book value and the taxable value of the tangible fixed assets (networks and connections) received in conferment.

As specified in detail in the paragraph on "Effects of the recent tax provisions", this year the current tax rates were realigned taking into account the amendments pursuant to Italian law 148/2011 (the so-called Robin Tax).

Therefore the decrease of Euro 16.2 million in deferred taxes is exclusively due to the extraordinary effect of the alignment of the actual rates with those estimated in the conferment due diligence.

EMPLOYEE LEAVING INDEMNITY

The table below shows the changes in the period:

	31/12/2013	Increases	(Decreases)	Other changes	31/12/2014
Leaving indemnity		600,725	-125,007	3,222,152	3,697,871
Total		600,725	-125,007	3,222,152	3,697,871

The provision allocated represents the company's effective liability towards employees in service at the date indicated, net of advances paid, and it includes the amount conferred by Estra spa. The personnel who have been directly transferred to Centria srl have maintained the continuity of their employment relationship without interruption, maintaining their years of service accrued with the company of provenance. The other changes include the severance indemnity conferred by Estra spa for € 3,719,687, whereas the difference is the severance indemnity paid into the provisions.

PAYABLES

	31/12/2014			31/12/2013		
	Payables falling due Within 1 year	From 1 to 5 years	After 5 years	Payables falling due Within 1 year	From 1 to 5 years	After 5 years
amounts owed to banks	19,492,470	74,894,722	5,554,475			
advances	341,472					
amounts owed to suppliers	31,885,371			1,974		
amounts owed to associated companies	2,287,072					
amounts owed to holding companies	65,962,286					
tax liabilities	3,066,977					
amounts owed to social security institutions	602,258					
other payables	6,611,508					
Total	130,249,414	74,894,722	5,554,475	1,974		

Amounts owed to banks

Payables for bank loans	Conferment Estra spa	ASSUMPT.	REPAYMENTS	OTHER CHANGES	BALANCE 31/12/2014
Total	50,293,653	60,000,000	-8,609,231	-4,140,223	97,544,198

Payables to banks for € 99,941,666 include trade payables at 31/12/2014 for € 1,750,000, whereas the payable for the loan contract with BNL of € 25m has been reduced by € 4,140m since at 31/12 the amount has not been paid, and the difference regards normal management.

During the year new loans were taken out for a nominal value of € 60,000,000, while the others were conferred by E.S.TR.A. S.p.A.

The Company must also respect the financial parameters based on the results of the Centria financial statement and the consolidated financial statement for the entire duration of the contract. At 31 December 2014 the financial parameters had been respected.

Payables to suppliers

Payables to suppliers for € 32,255,577 regard normal business, for the supply of goods and services necessary to the Company for the execution of its own activity, with payment due in January/February, and they also include payables accrued for the distribution service concessions in the towns acquired through tender procedures.

The payables all refer to Italy.

Infra-group payables and payables to parent company shareholders

The payables to other companies of the group are illustrated below:

	31/12/2014	31/12/2013	Change	Change %
<u>PARENT COMPANY:</u>				
Estra SPA	65,962,286		65,962,286	
	65,962,286		65,962,286	
<u>GROUP COMPANIES</u>				
Estracom	150,875		150,875	
Estra Elettricità	32,416		32,416	
Estra Energie	149,465		149,465	
Edma Reti Gas	976,800		976,800	
Aes Fano				
<u>PARENT COMPANY SHAREHOLDERS</u>				
Consiag	2,859		2,859	
Intesa	419,451		419,451	
Coingas	185,000		185,000	
Total	1,916,866		1,916,866	

Parent Company

Payables to the parent company Estra spa refer to the sums relative to the service stipulated between the parent company and Centria, mainly for the use of outfitted space as well as the re-debit of all the payments made by Estra spa on behalf of Centria. In addition € 31,181,503 is for Cash Pooling and € 21,1250,000 is for advances/loans conferred by Estra but not yet formally conveyed.

The inter-company current accounts stipulated for the cash pooling management bear interests at a variable rate, to which a market spread is applied.

Group companies

The main payables to the companies of the group regard Edma Reti Gas for the rental fee for the business unit, Estra Com for telephony consumption, and Estra Energie for methane gas consumption. In addition, the payables to Intesa regard the remaining purchase of the Terranuova Bracciolini plants.

Tax liabilities

	31/12/2014	31/12/2013	Change	Change %
Income taxes – IRES	1,087,365		1,087,365	
Income taxes – IRAP	984,381		984,381	
Payable to the Revenue Authority for VAT	717,823		717,823	
Payable to the Revenue Authority for withholding tax	272,665		272,665	
Other tax payables	4,743		4,743	
Total	3,066,977		3,066,977	

Other payables

	31/12/2014	31/12/2013	Change	Change %
Amounts due to CCSE [Electricity Equalization Fund]	5,673,054		5,673,054	
Payables to personnel and accessory costs	842,851		842,851	
Other payables	95,603		95,603	
Total	6,611,508		6,611,508	

The payables to the CCSE are relative to the amount due to the "Cassa Conguaglio Settore Elettrico e Gas" for the purchase of white (electricity efficiency) certificates, to comply with the obligation established for 2014, posted within the limit of the contribution received for such certificates. Payables to personnel mainly regard pay in lieu of holidays and leave not taken, and production bonuses.

ACCRUAL AND DEFERRALS

The breakdown of the accrued expenses and deferred income is as follows:

	31/12/2014	31/12/2013	Change	Change %
Deferred income:				
Advances on revenues	1,654,773		1,654,773	
connection contributions	10,216,388		10,216,388	
Contributions for systems	18,565,816		18,565,816	
Total deferred income	30,436,977		30,436,977	

The "advances on revenues" regard the contributions for connections that customers have already paid in the period, but which have not yet been carried out, and the contributions paid in advance on systems. The contributions are credited on the income statement under item A5, in proportion to the remaining possibility of use of the assets to which they refer, as pointed out in the illustration of the valuation criteria.

Deferred income expiring after 5 years amounts to € 24,607,985.

MEMORANDUM ACCOUNTS

At the foot of the balance sheet, pursuant to the last section of art. 2424 of the Italian Civil Code,, the following are posted:

- performance bonds received relative to policies of companies which provide works, services and supplies, to guarantee respect for the contractual obligations towards the Company and/or connection works carried out with the Company's financial commitment, amounting to € 569,130.
- the Company's performance bonds towards the bodies that have authorised works or granted long term concessions linked to the use of public land, amounting to € 5,581,733.10
- sureties received from sales companies to guarantee the methane gas distributions service, amounting to € 5,423,743.42.

INCOME STATEMENT

The comparison of the economic data at 31/12/2014 with those at 31/12/2013 show considerable differences subsequent to the conferment by E.S.TR.A. S.p.A., with starting date on 01/01/2014, of the gas distribution and measuring business and the sale of LPG, described in the section of the notes to the accounts on the significant events during the period.

VALUE OF PRODUCTION

Revenues from sales and services

The item is broken down as follows:

	31/12/2014	31/12/2013	Change	Change %
LPG revenues	3,681,718		3,681,718	
transport revenues	73,148,577		73,148,577	
Revenues from measuring activity	1,463,132		1,463,132	
Provision of services	357,761		357,761	
	78,651,188		78,651,188	

The revenues for LPG regard sales on the liquid propane gas market as contemplated by the AEEGSI pursuant to resolution 633/12 on the LPG tariffs.

Sales in Italy regard mainly revenues from transport fees and from the measuring activity, which are typical revenues of the distribution activity in the central area (Tuscany, Umbria and Marches), of the south-eastern area (Abruzzo, Molise, Puglia and Basilicata) and of the central-south western area (Lazio and Campania) including the GS-RE-RS-UG1-UG2 components, the corresponding cost of which is posted under item B.14, various operating expenses.

The performance of services item mainly refers to revenues for the measuring activity, such as the documentation checks of 40/2004, meter reading, etc.

The geographic area concerned in the entire country.

Increases in non-current assets for in-house production

	31/12/2014	31/12/2013	Change	Change %
Purchase of goods	1,752,735		1,752,735	
Works	4,790,115		4,790,115	
Provision of services	453,195		453,195	
Materials warehouse	2,552,422		2,552,422	
Personnel	2,552,389		2,552,389	
Other charges	825,362		825,362	
	12,926,220		12,926,220	

This item comprises the capitalisation of the costs sustained for the company's investments in works performed in-house.

Other revenues

	31/12/2014	31/12/2013	Change	Change %
Revenues from the portion of the connection contributions	414,129		414,129	
Annual portion of contributions for systems	244,298		244,298	
Revenues for personnel on transfer	57,941		57,941	
Total revenues of white certificates	4,669,427		4,669,427	
Other revenues	440,475		440,475	
	5,826,271		5,826,271	

The annual portion of contributions is recognised in the income statement according to the duration of depreciation of the tangible assets to which it refers.

The white certificate revenues indicates the value of the certificates in the deposit held in the Company's name care of the Electricity Market Manager. The average price of the certificates is € 106.37.

The item other revenues and charges mainly refers to the revenues from the holding company and from associated companies for the re-debit of the costs sustained by Centria srl on their behalf, mainly for the fees for corporate office held, photovoltaic revenues and various other items.

COSTS OF PRODUCTION

For raw and ancillary materials, consumables and goods for resale

	31/12/2014	31/12/2013	Change	Change %
Energy purchased for industrial use	587,838		587,838	
Purchase of warehouse materials	8,814,721		8,814,721	
Purchase of consumables	587,834		587,834	
Purchase of goods	1,528,165		1,528,165	
Purchase of fuel for transport purposes	320,496		320,496	
Other purchases	134,631		134,631	
	11,973,685		11,973,685	

This item includes costs for consumable materials, warehouse materials, energy purchase for pre-heating and all the materials necessary for the normal conduction of the business.

It also includes propane gas purchases for € 2,235,112.

For services

The item is broken down as follows:

	31/12/2014	31/12/2013	Change	Change %
Maintenance, connection and various other expenses	6,273,048		6,273,048	
Maintenance and sundry works	225,851		225,851	
Professional fees	2,073,927	1,974	2,071,953	
Motor vehicle management costs	706,107		706,107	
EDP services and connections	438,757		438,757	
Building management, cleaning and surveillance costs	593,558		593,558	
Communications and telephony	271,906		271,906	
Personnel services	556,885		556,885	
Insurance	530,698		530,698	
Directors' fees	97,774		97,774	
Service	6,294,879		6,294,879	
Fees for certifying/auditing firms	69,243		69,243	
Energies	15,798		15,798	
Costs for services to meters	556,564		556,564	
Other services rendered	75,406		75,406	
	18,780,400	1,974	18,778,426	

Rentals and leases

The item is broken down as follows:

	31/12/2014	31/12/2013	Change	Change %
Rentals, concessions	329,319		329,319	
Expenses for concessions	12,309,770		12,309,770	
Rentals, leases, etc.	844,677		844,677	
Business unit rental	1,320,000		1,320,000	
Total	14,803,767		14,803,767	

In 2014 the Company paid the Town Councils concession fees to provide the natural gas distribution and measuring services, for a total sum of € 12,309,770 broken down as follows:

- Euro 7,103,155 to the 80 Town Councils which are the holders of the service and which are shareholders of Coingas SpA of Arezzo, Consiag SpA of Prato and Intesa SpA of Siena;
- Euro 5,132,800 to 7 Town Councils which granted the concession for natural gas distribution and measuring, awarded subsequent to public tender procedures.
- Euro 73,815 to the Town Councils for the LPG service and concessions, and fees for the authorisation of gas pipeline crossings for € 255,533; the rentals and leases regard the company's main premises and the various local premises.

The amount of € 1,320,000 for the rental of the Edma Reti Gas business unit regards the distribution of methane gas and LPG as specified more precisely in the foreword.

Cost of personnel

The item is broken down as follows:

	31/12/2014	31/12/2013	Change	Change %
Personnel services	9,257,250		9,257,250	
Social security contributions	3,135,822		3,135,822	
Employee leaving indemnity	600,725		600,725	
Other personnel costs	27,066		27,066	
Total	13,020,864		13,020,864	

The item represents the total costs for the company of the two contracts applied, that of Federgasacqua for employees and that of Confservizi for managers, and includes all the costs sustained, also the cost of holidays not taken.

Depreciation, amortization and write-downs

The write-downs reflect only the economic-technical criteria.

	31/12/2014	31/12/2013	Change	Change %
Amortization of intangible fixed assets				
Amortisation of start-up and development costs	5,805		5,805	
Amortisation of concessions, trademarks and licences	756,988		756,988	
Amortization of other intangible fixed assets	893,878		893,878	
	1,656,671		1,656,671	
Depreciation of tangible fixed assets				
Ordinary depreciation of lands and buildings	47,392		47,392	
Ordinary depreciation of plant and machinery	13,758,052		13,758,052	
Ordinary depreciation of ind. and comm. equipment	1,197,830		1,197,830	
Ordinary depreciation of other tangible fixed assets	113,503		113,503	
	15,116,778		15,116,778	
Total	16,773,449		16,773,449	

Comment on the item is given under the balance sheet assets.

Other operating expenses

The item is broken down as follows:

	31/12/2014	31/12/2013	Change	Change %
Taxes other than income taxes	105,920		105,920	
Indemnities to customers	627,715		627,715	
Insurance to cover civil liability towards civil users	304,151		304,151	
Other non-extraordinary contingencies	118,690		118,690	
Expenses for stationery, printed material and office materials	77,326		77,326	
Fees for the occupation of public land	421,626		421,626	
Purchase and production costs of white certificates	4,732,061		4,732,061	
CCSE	8,990,731		8,990,731	
Other minor charges	131,200		131,200	
Total	15,509,420		15,509,420	

The item CCSE, as already described in the item revenues from sales, regards the sector contributions for the quotas of the GS-RE-RS-UG1-UG2 components, due to the Electricity and Gas Offset Authority in compliance with resolution no. 159/08.

The purchase and production costs of the white certificates, i.e. energy efficiency certificates, are sustained to obtain energy saving certificates to fulfil the 2014 obligation.

The taxes other than income taxes represent municipal property rates, municipal services fee, electronically paid stamp duty, administrative fees; the fee for the occupation of public land, known as TOSAP, includes € 357,010 paid by the company to the town councils where the methane gas distribution network is located; the indemnities to customers represent mainly sums paid to the sale companies to pay for meter reading.

FINANCIAL INCOME AND EXPENSES

Other financial income

Equity investment income

	Dividends	Profits from negotiation	Others	Total
equity investments in associated companies	120,161			120,161
Total	120,161			120,161

The item contains the dividend received from the company AES Fano.

Income other than the above

	31/12/2014	31/12/2013	Change	Change %
from third parties				
Interests on arrears from customers	150,710		150,710	
Other financial income	23,654		23,654	
Total	174,365		174,365	

The financial income, including interests on arrears from sales companies, are due to the late payment of transport invoices.

Interest and other financial charges

INFRA-GROUP FINANCIAL CHARGES

	31/12/2014	31/12/2013	Change	Change %
from subsidiaries				
Interests	2,248,830		2,248,830	
<i>Total</i>	2,248,830		2,248,830	

The amount of € 2,248,830 regards the interests paid to the parent company for use of the cash pooling.

BREAKDOWN OF OTHER FINANCIAL CHARGES

The other financial charges are:

	31/12/2014	31/12/2013	Change	Change %
Financial charges on:				
bank payables for current account overdrafts	316,788		316,788	
payables for loans and other M/L term borrowings	1,389,722		1,389,722	
other payables	1,381	33	1,348	
bank commissions and charges	41,924		41,924	
Total	1,749,815	33	1,749,782	

EXTRAORDINARY INCOME AND EXPENSES

Extraordinary income

	31/12/2014	31/12/2013	Change	Change %
Other extraordinary income	115,257		115,257	
Total	115,257		115,257	
Gains on the disposal of tangible fixed assets	1,350		1,350	
Total	1,350		1,350	

The other extraordinary income regards the sale of the investment in the companies Aes Fano and Edma srl, as more precisely indicated in the foreword.

Extraordinary charges

	31/12/2014	31/12/2013	Change	Change %
Other extraordinary charges	623,349		623,349	
Losses on the disposal of tangible fixed assets	163,981		163,981	
Total	787,330		787,330	

The other extraordinary charges includes the allocation for the early retirement provisions, as more precisely indicated in the foreword.

Taxes for the period

The item taxes for the period, for € 17,519,787, comprises the following:

Taxes	31/12/2014
IRES	5,687,754
IRAP	984,381
Total current taxes	6,672,135
Deferred/prepaid taxes	17,519,787
Total	10,847,652

Regarding the change in deferred tax assets and liabilities please see the comments under the relative asset and liability items of the balance sheet and the paragraph "Effects of the recent tax provisions".

As commented under significant events during the year, in 2014 the company chose to adopt the national tax consolidation, the rules for which are contained in articles 117 to 129 of Presidential Decree 917/1986. This optional tax regime envisages that the holding company is responsible for calculating a single taxable income for the entire Group, corresponding to the algebraic sum of net incomes of the companies covered, and consequently a single income tax payable for the Group companies.

Reconciliation between the book value and the theoretic value of taxes

Description	rate	Value	Taxes
Result before taxes		5,344,460	
Theoretic taxes (%)	34%		
Theoretic IRES			1,817,116
Temporary amounts deductible in future years		11,301,996	3,842,679
Offset of the temporary differences of previous years		-244,621	-83,171
Differences that cannot be offset in future years		326,854	111,130
		11,384,229	
Taxable amount		16,728,689	
Effective IRES	106.42%		5,687,754

Transactions with related parties

With reference to the information required by art. 2426, no. 22-bis, of the Italian Civil Code, there are no relevant transactions with related parties not concluded at normal market conditions to be reported.

They are summed up under the 2014 costs and revenues in respect of the shareholders, subsidiaries, companies under joint control and associated companies, directly or indirectly paid or received by E.S.TR.A. S.p.A.

Costs and revenues in respect of group companies and parent company shareholders

Company	Costs	Revenues
ESTRA SPA	13,417,034	165,375
ESTRA ENERGIE SRL	711,737	54,990,167
ESTRA COM	289,785	22,021
ESTRA CLIMA SRL		24,566
ESTRA ELETTRICITA' SPA	201,515	
GEA		45,944
EDMA RETI GA SRL	1,322,759	19,552
A.E.S. FANO DISTRIBUZIONE GAS SRL		19,336
CONSIAG SPA		20,471
INTESA SPA	47,509	20,040
COINGAS SPA	13,739	81,357
Total	16,004,078	55,408,829

With reference to art. 2427 no. 15 of the Italian Civil Code, the following table shows the average number of employees broken down according to category, with comparison, for greater comprehension, of the data of the two previous years.

	AVERAGE	AVERAGE			
	31/12/2014	31/12/2014	31/12/2013	31/12/2013	31/12/2012
WHITE COLLARS	105	105			
INTERMEDIATES	148	148			
MANAGERS					
	253	253			

DIRECTORS' AND AUDITORS' FEES

With reference to art. 2427 no. 16 of the Italian Civil Code, the fees recognised to the directors are indicated below, pursuant to art. 2389 of the Italian Civil Code, and to the Auditing Firm and to the Board of Auditors:

	31/12/2014	31/12/2013	Change	Change %
DIRECTORS' FEES	97,774		97,774	
AUDITING FIRM'S FEES	69,243		69,243	
BOARD OF AUDITORS' FEES	35,983		35,983	
	203,000		203,000	

Derivative instruments

The Company stipulates derivative swap contracts to hedge price indices for volumes sold, in order to limit price risk deriving from specific gas purchase transactions at a fixed price and resale at a variable price (or vice versa) at different times. The notional values of reference for gas transactions are quantitatively pre-established.

The following table shows the derivative instruments existing at 31 December 2014 and the relative fair value:

Hedge no.	Bank	Notional residue at 31/12/2014	Market value at 31/12/2014
IRS Multiphase 0059642	MPS	983,982	-61,083
IRS 0113617	MPS	3,002,308	-215,768
IRS 0113665	MPS	750,577	-35,876
Total		4,736,867	-312,727

For the Board of Directors
 Chief Executive Officer
 Siliano Stanganini
 signed