

PRESS RELEASE

Ascopiave has been awarded, on an interim basis, the tender relating to the purchase of shares belonging to Pasubio Group S.p.A., a company operating in the distribution of natural gas in 22 Towns in Veneto, with over 88.000 clients

The Town of Schio, the contracting authority for bids governing the sale of 100% of the share capital belonging to Pasubio Group S.p.A., yesterday resolved on temporarily awarding the tender to Ascopiave S.p.A..

Pasubio Group S.p.A. is the holding company of a group operating in the distribution of natural gas in 22 Towns in the provinces of Vicenza and Padua, with a client base of nearly 88.000 users.

On the basis of estimates drawn by Ascopiave regarding the aggregate figures pertinent to the Group, the 2015 consolidated revenues of Pasubio Group S.p.A. amounted to € 12.6 million (€ 12.7 million in 2014), Ebitda was € 4.7 million (€ 4.4 million in 2014), net operating margin stood at € 2.7 million (€ 2.1 million in 2014) and net profit was € 1.5 million (€ 0.7 million in 2014).

The Group's shareholder's equity, as at 31st December 2015, amounted to € 21.1 million, presenting a net financial indebtedness (adjusted to factor in accounts payable relating to concession fees owed to the respective issuing Towns and falling under pre-2015 fiscal periods) to the tune of € 6.9 million.

The concessions managed by the Group were mostly awarded (20 out of 22) on the basis of tenders pursuant to Legislative Decree n. 164/2000 (the so-called Letta Decree); they will expire between 2018 and 2024 (over 70% of clients fall under those concessions expiring in December 2024).

The economic conditions offered by Ascopiave S.p.A. have the following main features:

- 1) the purchase of the entire 100% share capital of Pasubio Group at an equity value of € 16.3 million;
- 2) a commitment by Pasubio Group to disburse to some issuing Towns (and its current shareholders) a one-off supplementary fee amounting to € 5.1 million;
- 3) a commitment by Pasubio Group to disburse to the said Towns, commencing 2017, the annual concession fees as originally envisaged i.e. prior to the amendments in force between the parties;
- 4) a commitment by Pasubio Group to make an anticipated payment to the said Towns corresponding to the annual concession fees relating to the years 2017 and 2018.

Focusing on 2016 figures, Ascopiave estimates that the higher annual fees that will be paid due to the commitment stated in point 3) above, will lead to higher costs and a consequent drop in operating results over the next years, to the tune of approximately € 1.6 million per year.

The bid features a price adjustment in relation to the variation in the net financial position, from 31st December 2015 to the share transfer date.

Furthermore, Ascopiave's bid provides guarantees with regard to the upkeep of current employment levels, an improvement in the company's staffing and the reinforcement of headcount in local offices.

"The outcome of the tender – Fulvio Zugno, Chairman, Ascopiave, said – represents a dual success for the Group. Side-by-side organic growth, we are continuing our expansion strategy on external lines, in this case further reinforcing our presence in Veneto. The enhancement of our territorial identity has always been an asset for our company and has enabled us to stay near our clients, despite the nation-wide presence of our Group".

"The success of the operation – Roberto Gumirato, General Manager, Ascopiave, said – is another significant step ahead for our company. The Pasubio Group operation represents further progress in the Natural Gas Distribution Business, over a territory where we already operate and can attain additional efficiencies. Moreover, the Group's local presence can act as a facilitator of structure integration".

Ascopiave, in the event of the final official award and successful completion, will finance the purchase by resorting to debt financing.

Ascopiave will keep the market updated with regard to the time frame and the successful completion of the final award.



The Ascopiave Group operates in the natural gas sector, mainly in the segments of distribution and sale to end users. Thanks to its broad customer base and the quantity of gas sold, Ascopiave is currently one of the main operators in the industry at a national level.

The Group owns concessions and direct assignments for the management of distribution activities in over 200 Towns, supplying the service to a market segment of more than 1 million inhabitants, through a distribution network which spreads over 8.800 kilometres.

The sale of natural gas is performed through different companies, some under joint control. Overall, in 2015, the companies of the Group sold over 1 billion cubic meters of gas to end users.

Ascopiave has been listed under the Star segment of Borsa Italiana since 12th December 2006.

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