

Italgas acquires from CPL Concordia 7 gas concessions in the South of Italy

Milan, 30 November 2017 – Italgas has signed today a binding agreement with CPL Concordia for the acquisition of a portfolio of 7 gas concessions in Southern Italy, for a total of 16 municipalities.

The overall valuation of the portfolio (enterprise value) has been set at 13 million Euros. At the closing of the transaction the price will be paid entirely in cash, net of debt. Completion is expected by March 2018 and is subject to certain pre-closing requirements.

In particular, the agreement covers the acquisition by Italgas of the following items:

- 3 concessions for the methanisation of Barano, Lacco Ameno and Casamicciola on the island of Ischia;
- one concession for the methanisation of the island of Procida;
- one concession for the methanisation of the Calabria Basin 12 composed of 10 municipalities in the province of Reggio Calabria;
- 2 concessions for the methanisation of the municipalities of Favara and Siculiana in the province of Agrigento.

Among the 7 concessions acquired, some are currently under construction and others will be developed in a short term; one of them - the one relating to the island of Procida - is close to coming on stream.

The total investment for the construction of the networks amounts to 95 million Euro, partly financed by public contributions. To date works already carried out amount to approximately 28 million Euro (gross of subsidies).

Once completed, the infrastructure will have a total length of more than 400 kilometres and will serve a potential pool of approximately 32,000 new customers.

The transaction is part of a larger context of collaboration between the two companies aimed at enhancing their respective assets and expertise in the construction and management of gas distribution networks and plants.