



PRESS RELEASE

ASCOPIAVE: Memorandum of understanding signed with Veritas of Venice to acquire control of Vesta3.

The agreement calls for industrial partnerships and synergies in the energy sector, renewable resources, and industrial waste disposal.

The Ascopiave group has signed a memorandum of understanding with Veritas to develop a series of important industrial partnerships aimed at exploiting synergies created by each company's specific set of skills, beginning with the commercial development of the natural gas and energy markets.

Protagonist to the agreement will be VESTA3, a subsidiary of Veritas that operates in the energy sector.

Under the agreement signed with Ascopiave, the group, which is based in Pieve di Soligo, Italy, will acquire control of VESTA3 following the latter's incorporation of SpimEnergia, valuing the resulting company at an enterprise value (EV) of €3.5 to €4 million, and will then support the new organization during a process of rapid expansion of its supply of natural gas, starting with the province of Venice.

The entry conditions have yet to be formally defined and will be disclosed after the deal has closed.

The agreement is of great strategic value since it represents a further step in the current process of aggregation of multi-utility companies in north-eastern Italy, in which Ascopiave is playing the role of aggregator and point of reference for the distribution and sale of natural gas in the area in question.

Another sector currently being analysed for a future partnership is that of energy management and the production of energy from renewable sources. In detail, this sector includes the installation of solar panels, the rationalization of power consumption, trigeneration, district heating, and so forth.

Another important aspect of the agreement between Veritas and Ascopiave concerns the industrial processing of waste. The Veritas group owns an integrated waste disposal centre in Fusina that is one of the most important platforms in Europe: it allows waste to be processed in a sustainable manner and drastically reduces the usage of dumps. As a matter of fact, in 2006 only 7% of the waste generated in the Municipality of Venice (largely inert materials and waste from third-party processes) ended up in a dump.

This is made possible by the fact that at the Fusina centre the organic portion is turned into compost (an excellent fertilizer used in vegetable and flower-growing, while the dry portion, i.e. the part left over after the various recyclable materials have been sorted out, becomes



combustible waste, part of which is mixed with coal and then burned at the nearby Fusina thermoelectric power plant.

Last year, out of 85,000 tonnes of combustible waste produced, 28,000 were sold to Enel, which used the fuel to generate electrical power. This resulted in savings on disposal costs, protection of the environment, and a reduced use of dumps.

Under this agreement, Ascopiave and Veritas, in addition to expanding the sectors in which they operate, are preparing to play an important part in proposals to combine Veneto's public service companies.

The Ascopiave Group operates in the natural gas sector, chiefly in distribution and sale to end customers. Ascopiave directly manages distribution. It currently holds direct licenses and consignments for providing service in 154 municipalities located in the Veneto, Friuli Venezia Giulia, Emilia Romagna and Lombardy regions of Italy. Ascopiave owns the distribution network it manages, which extends over 6,300 kilometres and serves a pool of users of more than 970,000 residents. Ascotrade, a subsidiary of Ascopiave, is responsible for the sale of natural gas and serves more than 340,000 end customers in over 200 municipalities. The Ascopiave Group also operates in other sectors related to its core business, such as heat management and the sale of electricity. The Company has been listed in the STAR division of the Italian Stock Exchange since 12 December 2006.

Veritas (short for "Veneziana Energia Risorse Idriche Territorio Ambiente Servizi") began operations on 1 July 2007 and is Veneto's leading multi-utility by residents served in the sectors of environmental hygiene and the integrated water cycle. It provides services to 25 municipalities and more than 672,000 residents (75% of the province of Venice and 15% of the Veneto region), in addition to the more than 23 million tourists who flock to Venice and the surrounding areas each year.

Veritas, with more than 1,900 employees, €300 million in sales projected for 2007, and 100% public capital, operates in the environmental and integrated water services sector, sells and distributes power through its subsidiaries, provides collective urban, local and industrial services, and is involved in the integrated management of cemetery and funeral services, wholesale markets, and the recovery of polluted areas.

VESTA3, created in 2003, markets and provides natural gas, electrical power, and energy management services in the province of Venice. It provides natural gas to families, small and medium enterprises, and large-scale industry, and is the number-two operator in the Municipality of Venice. In 2006 more than 27.5 million cubic metres of natural gas were sold (22.3 million in the first half of 2007) to 7,500 clients (8,303 during the first six months of 2007), for total sales of €10 million (€7.7 million to 30 June 2007).

Over the coming months, prior to the sale of the majority of its shares to Ascopiave, VESTA3 will purchase and then merge by absorption with SPIM ENERGIA, a company that operates in the sale of natural gas in the Municipality of Mogliano Veneto. At the end of 2006, SPIM ENERGIA had sold over 18.6 million cubic metres of gas to 10,920 customers.



The company provides electrical power to small and medium enterprises: it has increased its number of customers from 195 in 2006 (9 million kWh/year in portfolio) to 638 in the first six months of 2007, with a portfolio of 67.8 million kWh/year.

VESTA3 is also involved in the field of rational power usage, with two solar generators in the Municipality of Marcon and others currently under construction.

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