



## **PRESS RELEASE**

### **ASCOPIAVE: growth in the natural gas sector through the subsidiary, Ascotrade.**

Ascopiave – one of the leading Italian operators in distribution and sale (through Ascotrade) of natural gas, listed on the STAR segment of the Italian stock exchange – and BIM Gestione Servizi Pubblici S.p.A - a company owned in equal shares by 67 municipalities in the Veneto – have reached an agreement that includes transferring to Ascotrade the business unit of Bimetano Servizi (a subsidiary of BIM Gestione Servizi Pubblici) involved in sale of gas in the province of Belluno.

"This operation," stated the Chairman of Ascopiave, Gildo Salton, "is part of the growth strategy presented during stock market listing and allows Ascotrade to substantially increase its revenues and expand its customer portfolio."

Franco Roccon, Chairman of BIM Gestione Servizi Pubblici, commented that the agreement represented confirmation that "the operation with Ascotrade is the next step in a process initiated six years ago. It aims to build strong ties with the territory and develop the investments made in the interest of partners and users."

The going concern serves 28,000 users with a volume of 89 million m<sup>3</sup> of gas sold and revenues of € 27 million (2005 data).

Concurrent with the transfer, the operation also foresees that Ascotrade shareholders resolve to raise the share capital (effective 1 January 2007) reserved to Bimetano Servizi by a nominal € 110,000.00 with issue of 110,000 new shares of par value of € 1 each for a total amount of € 6,200,000.00, of which € 6,090,000.00 as share premium.

The share capital increase and transfer of the business unit are expected to be executed by 28 December 2006. After conclusion of the operation and pursuant to execution of the operation to reduce the capital of Ascotrade, Bimetano Servizi will hold an 11% stake in the share capital of Ascotrade.

"The entrance of Bimetano Servizi in the shareholder structure of Ascotrade," stated Gildo Salton, "is appropriate to its role in bringing together businesses that operate in the natural gas distribution and sale sector, which Ascopiave group continues to play in the Veneto and in surrounding areas."

Today's agreements also foresee Ascopiave and Bimetano Servizi signing a shareholders' agreement relating to Ascotrade, in which the parties undertake that one director of the Board and one alternate statutory auditor will be appointed by Bimetano Servizi for the entire duration of the agreement.

Bimetano Servizi and BIM Gestione Servizi Pubblici have also agreed to refrain from selling gas in the Veneto region for a period of five years.

Ascopiave and Ascotrade are being counseled in the scope of this operation by Bonelli Erede Pappalardo law offices as Legal Advisors. The Sartor law offices have provided Ascotrade S.p.A. with the *Fairness Opinion* on the increase in share capital to serve the transfer. Also today, the extraordinary session of the Ascotrade S.p.A. shareholders' meeting approved the reduction of the share capital from € 21,600,000 to € 890,000; the operation takes place for € 20,710,000, with cancellation of 20,710,000 ordinary shares of the company, to be achieved



by reimbursing € 16,750,000 to Ascopiave S.p.A., and € 3,960,000 with constitution of an unrestricted reserve.

The post-reduction amount of € 890,000 is more than sufficient for the operating needs of the Company.

The operation will give Ascotrade sufficient share capital to meet its operating needs and to play the role of catalyst of alliances and mergers with other parties operating in the natural gas sales sector that the Company intends to form in the Veneto where development plans include growth by expansion.

*Ascopiave is one of the leading Italian operators in distribution and sale of natural gas (through its subsidiary, Ascotrade S.p.A.). Its 6,300-km network serves over 300,000 customers concentrated in one of the wealthiest areas of Italy: 155 municipalities in 12 provinces in the Veneto, Friuli Venezia Giulia, Emilia Romagna and Lombardy, with a user base of 970,000 residents.*

*The Company is listed on the STAR segment of the Italian stock exchange since 12 December 2006.*

*At 30 September 2006, the Company earned consolidated revenues of € 224.1 million, posting a rise of 26.3% versus the same period in 2005 and earning operating results of € 20.8 million (net of a prudent allocation of € 4.3 million to cover the potential effect of the price of gas not rising apace with commodities costs) and net profit of € 11.6 million, higher with respect to the € 10.7 million at 30 September 2005. According to the accounting data, reclassified to meet international IFRS accounting standards, the Gruppo Ascopiave generated revenues in 2005 of € 279.3 million, earning operating results of € 45.1 million and net profit of € 24.5 million.*

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