

## Press Release

### **Italgas and Hera sign a binding agreement for the transferral to Italgas of 100% of Medea S.p.A.**

*Thanks to this operation, Italgas will further reinforce its presence in Sardinia while Hera continues its process of rationalising Group subsidiaries*

*Bologna, 21 December 2017* – Italgas and Hera signed today a binding agreement for transferral to Italgas of 100% of Medea S.p.A.. The company has the concession for gas distribution and sale in the city of Sassari.

Medea's overall enterprise value has been set at € 24.1 million. At the closing of the transaction, the price will be paid entirely in cash, net of debt.

The transaction is expected to be concluded within the first few months of 2018 and is subject to a number of pre-closing requirements.

Medea serves roughly 13,000 customers, all residents in the urban area of Sassari, with annual gas volumes distributed amounting to over 5 million cubic meters. The company's potential pool is of approximately 30,000 users. The network, which in the future may be converted to natural gas, extends for over 190 km and is currently fuelled by LPG through a storage and production plant located on the outskirts of the city.

Paolo Gallo, CEO of Italgas, has commented as follows:

*"The agreement reached today is in line with the objectives set out in our Strategic Plan and, alongside the recent operation involving Ichnusa Gas, further strengthens the presence of Italgas in Sardinia. We have already planned 200 million euros of investments for the next few years, with the aim of providing the island with modern gas distribution networks in view of the more concrete prospect of the construction of the infrastructures that will bring natural gas to the Region".*

Stefano Venier, CEO of the Hera Group, has stated:

*"This transaction is part of a broader process of rationalising the Hera Group's investments and concentrating on its reference territories. Our thanks go to the Sassari customers and administration for their fruitful collaboration during these years. In any case, we are pleased to sell Medea to a fully reliable counterpart with strategic interests in the Region".*