



The Antitrust Authority has approved the acquisition by 2i Rete Gas of the distribution assets of Gas Natural in Italy (223 concessions, 460 thousand customers and a 7,300-km network); now the parties can move to the closing of the transaction

Milan, 29 January 2018 – Today, the Antitrust Authority has issued a resolution approving the acquisition by 2i Rete Gas of the natural gas distribution assets and operations under the Gas Natural Fenosa Group in Italy.

The agreement signed on 13 October 2017 made the closing of the transaction conditional on 2i Rete Gas obtaining the approval from the Antitrust Authority which, in November, had initiated an investigation concerning 12 ATEM (the minimum territorial areas of the tenders in the natural gas distribution sector) out of 24 in which the target company (Nedgia S.p.A.) operates.

The authorisation provided for both structural measures, i. e. the disposal of some assets, in 2 (BA2 and FG1) out of the 12 ATEM under investigation and a set of diversified behavioural commitments in 6 of these areas (FR2, IS, SA3, CT1, CT2 and AG).

The behavioural measures have been proposed by the 2i Rete Gas through a close dialogue with the Antitrust Authority, which produced evolutionary and innovative solutions also deemed suitable by the same Authority to enhance the competitive environment of the tenders in the territorial areas concerned and to identify profiles that concretely define their structure in view of the call for tenders.

These measures, all aimed at increasing contestability in tenders in the ATEM involved, concern the deferral of the payment of the residual industrial value (the so-called VIR) relating to the plants of 2i Rete Gas and/or the target company by the successful tenderer or, as an alternative to the deferral, the payment of a compensation, the anticipation of the expiry of the concessions financed, the transfer to the successful tenderer of a lower number of persons and the signing of a service agreement aimed at facilitating the transfer of the plants to any new contractor.

The structural measures, as intended by the Antitrust Authority, aim to set up an entity able to participate in the tender and, therefore, the potential buyers will have to be selected from among operators who currently do not hold relevant market positions in the two ATEM affected by the disposal of assets and who meet certain requirements for network management.

The Authority's provision therefore establishes the procedure for the disposal by means of a transparent, competitive and duly publicised selection process, in which qualified professionals will be admitted to the tender.

“We are satisfied with the depth interlocution with the Antitrust Authority which has allowed us to define innovative measures that are also considered suitable for market tests. The provision by the Authority has acknowledged that the transaction will promote competition in the relevant geographical area of the Sicily Region” commented Michele De Censi, CEO of the 2i Rete Gas

Group “and has limited the disposal commitments to the two ATEM in Apulia, where the market may also evaluate the alternatives of the proposed behavioural commitments”. “Now we will focus on the closing, which will take place in a few days” added De Censi “and right after that, we will get to the heart of the integration process of Nedgia and Gas Natural Italia into our Group”.

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