

Purchase contract signed: EnBW and Eni jointly acquire Gasversorgung Sueddeutschland GmbH (GVS)

Strong Alliance for the German Gas Market - Fair Partner for Local Authorities and Town Gas Companies

Karlsruhe, Germany (ots) - EnBW Energie Baden-Wuerttemberg AG and Eni SpA are buying 62.22% of Gasversorgung Sueddeutschland GmbH (GVS) in a joint-venture. On Thursday evening, the relevant purchase contracts were signed between the Land of Baden-Wuerttemberg, which had until then held a 25% stake in the equity of GVS, as well as six local authority shareholders, who owned a total of 37.22% of GVS, and the purchasers EnBW and Eni. Option agreements were entered into with two shareholders, who together hold 4.38% of GVS shares.

The joint-venture of EnBW and Eni is also planning to buy the 22.4% stake in GVS owned by Neckarwerke Stuttgart AG (NWS), which is a subsidiary of the EnBW group. That would take the joint-venture's stake in GVS up to 95.62%. All the contracts are subject to approval by the relevant competition authorities - which the parties to the contract expect to receive during the summer.

At the signature of the contract, EnBW Board Member Pierre Lederer confirmed the intention to make GVS an active player in the liberalized gas market in Germany. Due to the pooling of the strengths of EnBW (partnership concept, understanding of local authorities and marketing competency in Germany) and Eni (procurement and transport competency as well as fall-back on its own gas supplies), a strong alliance has been created for Germany. Eni, EnBW and GVS will be a fair and competent partner for the local authorities and municipal gasworks.

"We are very pleased to have finalised the acquisition of Gasversorgung Sueddeutschland today with our partner EnBW", said the Chief Executive Officer of Eni, Vittorio Mincato. "For Eni this is an important step for the expansion of the gas business in a market of the size of Germany. It is the fourth-largest transaction that we have carried out successfully; after our entry into the Portuguese market, where we acquired 33.34% of GALP, after the commercial agreements in Spain, where deliveries have already started of 1.5 billion cubic metres of gas per year for a period of over 10 years, and after the agreement for supply of up to 16 billion cubic metres of gas per year to Turkey, which will be delivered jointly with Gazprom via the newly-completed Bluestream pipeline".

Gasversorgung Sueddeutschland GmbH (Stuttgart) supplies about 750 towns and villages directly or indirectly via its 1,881 kilometre-long pipeline network. In the 2000/2001 financial year, GVS had sales of 74,223 GigaWatt/hours (GWh), generating revenue of approximately 1.7 billion euro.

Eni SpA (Rome), one of the world's leading energy companies, had turnover of 48.9 billion euro in the 2001 financial year, resulting in an annual profit of 7.8 billion euro. In the gas business, Eni has a pipeline network that is larger than that of almost any company, spanning several continents, with its own exploration and production sites, guaranteed sources of supply and transport networks.

The EnBW Group, with over 4.5 million energy customers, annual turnover of 7.9 billion euro and an annual profit of 272 million euro (2001) is one of the fastest-growing companies in Germany and the liberalised European energy markets.

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