



Transaction Terms

Purchase price	Not disclosed
Purchased stake	100%
Acquisition closing	May 2008

Gaz Sud planned and existing network



Description

- Gaz Sud is a natural gas distributor and supplier in Romania. The Company distributes natural gas in several locations around Bucharest, the fastest growing residential, commercial and industrial region in Romania.
- Gaz Sud has been growing fast while enjoying a local monopoly position, allowing to attract prospective industrial clients, which relocate their production facilities to the areas covered by Gaz Sud.
- Gaz Sud owns six concessions and has applied for seven more, extending distribution network by approximately 400 km till 2013.
- In 2007 Gaz Sud distributed and sold 30 million m³ of gas, with 2008 projections expected to exceed 40 million m³. The Company's sales exceeded EUR 10m and EBITDA 4m in 2007.

Acquisition Rationale

- PPF Investments considers the acquisition of Gaz Sud as an unique opportunity to enter fast-growing Romanian gas distribution market and to build a foundations of a gas supplier/trader.
- The Company can be used as a an optimal platform to consolidate the market through acquisitions of other gas distribution companies operating in Ilfov County.
- Gaz Sud can sell natural gas to any eligible customer in Romania. Hence, the Company will significantly expand its natural gas supply business a via acquisition of medium size industrial clients.