



Press Release

ERG Renew expands in the Italian wind market

Genoa, 22 June 2010 – ERG Renew has reached an agreement with IVPC S.a.s., leading Italian operator in the sector of power generation from wind energy sources, for the purchase of a 100% equity interest in IVPC Power 5 S.r.l.. The company owns two wind farms, including one in Molise (40 MW), which became commercially operational in January 2010, and one in Puglia (62 MW), which started commercial operation during the current month of June, adding an overall installed capacity of 102 MW to ERG Renew's existing 208 MW, with an annual electricity output, when fully operational, estimated at around 220 GWh.

The value of the acquisition, intended as asset value (excluding net working capital), is Euro 224 million, corresponding to approximately Euro 2.2 million per MW, of which approximately Euro 175 million is funded through an ongoing non-recourse project financing granted by a group of primary Italian and international banks.

Majority shareholder ERG S.p.A. has confirmed its commitment to guarantee financial backing for the transaction, by granting a specific subordinated loan, with regard to the cost of acquiring IVPC Power 5's equity. This transaction comes within the scope of the process underway to consolidate the Company's industrial and financial structure which, as already announced, envisages a capital increase to be carried out as soon as suitable market conditions occur.

The transaction closing, subject to approval from the Antitrust Authority and acceptance of the change in control by the financing institutions concerned with the project financing, is expected to take place no later than the end of July.

Through this transaction, ERG Renew would achieve, by the end of 2013, an installed capacity of 530 MW, compared with 428 MW indicated in the 2010/2013 plan announced on 3 March 2010.

Pietro Giordano, Chairman of ERG Renew, commented: "We are extremely pleased about this transaction, which allows us to acquire two newly constructed wind farms, already operational, with a producibility in terms of hours per year that is over 25% more than the average for Italian plants, and entirely financed. This will enable us to notably increase the company's presence in the Italian wind market, from a capacity of 144 MW to a total of over 245 MW, and thereby to achieve an important milestone in our announced strategy for growth and creation of value for shareholders."

Exclusive financial advisor for this transaction was UniCredit Group, the firm Bonelli Erede Pappalardo acted as legal advisor and Ernst & Young acted as transaction advisor for accounting and fiscal aspects.

This press release, concerning the agreement reached with IVPC S.a.s. for the acquisition of a 100% stake in the company IVPC Power 5 s.r.l., issued at 3.55 p.m. (CEST) on 22 June 2010, has been drawn up in compliance with CONSOB regulation no.11971/1999. It has been published on the website of Borsa Italiana S.p.A. (www.borsaitaliana.it) and on the Company's website, www.ergrenew.it.

Contacts:

ERG Group Press Office: Alessandra Mariotti - tel. +39 06 50092328, cell. +39 335 8053395
e-mail: stampa@erg.it

ERG Renew Investor Relations: Emanuela Delucchi - tel. +39 010 2401806
e-mail investor.relations@ergrenew.it