



Press Release

ERG and IREN : Execution of framework agreement for the marketing of electricity.

The agreement provides for an electricity supply contract between ERG and IREN Mercato

As part of the operation IREN Mercato will also acquire ERG's business division for the marketing and sale of electricity

Genoa, 10 November 2011 – ERG and IREN, via its subsidiary IREN Mercato, have today signed a binding Framework Agreement providing for a contract to be drawn up for the supply by ERG to IREN Mercato of a total 2 terawatt-hours (TWh) per year of electricity for a period of six years. The selling price will be indexed to the wholesale electricity market price. The agreement signed with ERG will enable IREN Mercato to integrate its annual portfolio of electricity supply destined above all for end-user consumption.

The Framework Agreement also provides for the purchase by IREN Mercato of ERG's business division for the marketing and sale of electricity to a pool of over 15,000 business and mid-business customers, thereby ensuring continuity. The price that IREN Mercato will pay to ERG under the transaction, net of trade receivables, has been set at Euro 3.3 million.

Both contracts will be perfected during the coming month of December and will be effective from 1 January 2012, subject to prior approval by the Antitrust Authority.

Alessandro Garrone, ERG's Chief Executive Officer, commented: "we are very satisfied with the agreement signed today with IREN, which will allow us to optimise and consolidate our industrial presence in the electricity business, via process simplification and focus on the management of productive assets, increasing the value of commercial goodwill. Moreover, we are confident that the complementarity of ERG and IREN, already the cornerstone of this agreement, can potentially offer further major synergies for the two Groups."

Roberto Bazzano, Chairman of IREN, commented "we view the agreement with ERG as extremely positive, since it allows Iren to enhance its presence in the industrial and retail market, particularly as regards areas complementary to those historically served.

At the same time the agreement guarantees, also for such purpose, stable electricity supplies over the long term at balanced conditions.

We are looking forward to the profitable development of the cooperation with ERG, with whom we share objective synergies".

This press release, concerning the execution of a framework agreement with IREN Mercato in the field of electricity marketing, issued at 3.45 pm (CET) on 10 November 2011, has been prepared pursuant to the Regulation implementing Legislative Decree no. 58 of 24 February 1998, adopted by CONSOB under resolution no. 11971/1999, as amended and supplemented. It has been published by Borsa Italiana S.p.A.(www.borsaitaliana.it) and on the Companies' websites, www.erg.it and www.gruppoiren.it .

ERG Contacts:

Press Officer: **Alessandra Mariotti** - tel. +39 010 2401364 mobile + 39 335 8053395 e-mail: stampa@erg.it

Corporate Finance, Control and Investor Relations Manager: **Paolo Merli** - tel. + 39 010 2401376 - e-mail: pmerli@erg.it

Investor Relations: **Matteo Bagnara** - tel. + 39 010 2401423 - e-mail: ir@erg.it – www.erg.it

IREN Contacts:

Media Relations

Selina Xerra - Tel. + 39 0521.1919910, Cell. + 39 335.7723476, e-mail: selina.xerra@gruppoiren.it

Barabino & Partners Tel. +39 02 72023535, Giovanni Vantaggi + 39 328 8317379, Donata Astengo +39 349 7725787

Investor Relations

Giulio Domma - Tel. + 39 0521.248410, e-mail: giulio.domma@gruppoiren.it - investorrelations@gruppoiren.it