

## ENEL GREEN POWER, GENERALI AND TERRAE FINALISE AGREEMENT FOR THE DEVELOPMENT OF BIOMASS

- *The Enel Group renewable energy company and the insurance-financial group close the acquisition of a 15% stake each in the capital of Terrae.*
- *The partners will promote the development of projects for power generation from locally-sourced biomass.*

**Rome, June 6<sup>th</sup>, 2011** – Enel Green Power and Generali have finalised an agreement with Terrae, a company devoted to reconverting and leveraging the beet and sugar industry, and ANB - National Association of Beet Growers, for each to acquire a 15% stake in Terrae.

The transaction thus places 30% of the share capital of the company, whose objective is to promote and develop projects for power generation from locally-sourced biomass.

The acquisition of the holdings follows the signing of an agreement between the partners for the joint promotion of projects in power generation from biomass, thereby bringing together three essential components under one entity: the agricultural sector, for the production of biomass; the industrial sector, for power generation, and the financial sector, to provide financial support for the investments.

The entrance of Enel Green Power as a Terrae shareholder and industrial partner will give it a direct channel to the agro-energy industry, generating significant synergies in the supply of biomass, and direct access to the agronomic know-how of sector associations and consortia applied to biomass crops.

The agreement also gives Enel Green Power a controlling stake in the special purpose companies that will be established to develop larger-scale industrial initiatives.

The Terrae business plan mainly focuses on the construction and operation of biomass power generation plants based on industry agreements, while providing for the possibility of undertaking projects involving other renewable technologies, including experimental initiatives.

Terrae will continue the process of placing its remaining shares, corresponding to 18% of the share capital. ANB retains a 41% stake, confirming the key role of the agricultural sector in Terrae's strategy for sourcing biomass as a raw material for electricity generation.

As emphasised by Chairman Federico Vecchioni, *"Terraes is a concrete, innovative example of integration between agriculture and the energy industry, and gives operators in the agro-industrial sector the opportunity to diversify and contain production costs."*

*"The closing of this agreement demonstrates Enel Green Power's intention to develop locally-sourced agricultural biomass",* stated Francesco Starace, CEO and General Manager of EGP. *"We are already working on the business plan, which focuses the development of small and medium-sized plants well distributed across the country and supplied from local biomass producers. We believe that local sourcing will contribute to the development of the areas around plants and ancillary industries by encouraging both the cultivation of more energy-effective crops and the exploitation of waste materials created by existing production activities."*