



## Press Release

### ERG sells shareholding in TotalErg

*ERG completes its industrial transformation process and strengthens financial capacity for further growth in renewables.*

**Genoa, 3 November 2017** - ERG S.p.A. and Total Marketing Services S.A. have today signed a binding agreement with the api Group for the sale of a 100% equity interest in TotalErg S.p.A., a company operating in oil product distribution and refining. The transaction perimeter includes approximately 2,600 retail service stations, the Rome logistic hub and 25.16% of the Trecate refinery.

The transaction, for which the closing is scheduled to take place by 31 January 2018, is subject to approval by the Antitrust and completion of the spin-off of the TotalErg S.p.A. business unit operating in the lubricant sector in favour of Total Italia S.r.l.. Regarding the latter ERG S.p.A. and Total Marketing Services S.A. have, again today, signed a binding agreement providing for Erg S.p.A.'s sale to the Total group of its (51%) stake in the said company. We also mention that, on 10 August 2017, TotalErg S.p.A. already finalised the sale to the Ambienta sgr S.p.A. fund and to Aber S.r.l. of its subsidiary Restiani S.p.A., which operates in the heating services sector, and on 5 October 2017, the sale to UGI Italia S.r.l. of its subsidiary Totalgaz Italia S.r.l., a company operating in the LPG distribution business.

The total sum payable to ERG S.p.A. for the transaction's equity value amounts to 273 million Euro. This figure includes extraordinary dividends distributed by TotalErg S.p.A. totalling 71 million Euro (of which 20 million Euro paid on 11 May 2017 and the remainder on 26 October 2017) and a deferred component of approximately 36 million Euro, settled by way of a vendor loan agreement signed with api S.p.A., repayable in five and a half years.

**Luca Bettonte, ERG's Chief Executive Officer**, commented: *"We are extremely satisfied with the outcome of this important transaction, which marks the ERG Group's definitive exit from the OIL industry. The transaction, which has reached conclusion after more than a year of intense and complex work, allows us to maximise the value of our equity investment as part of the process to consolidate the Downstream sector in Italy. This sale, consistent with our strategy and our role as producers of green energy, allows us to further strengthen financial capacity, with a view to continuing our growth path in renewables."*

ERG S.p.A. has been assisted in the sale transaction by HSBC (financial advisor), DLA Piper (legal advisor), Ernst & Young (accounting & tax advisor).

*This press release, issued at 6.25 PM (CET) on 3 November 2017, is available to the public on the Company's website ([www.erg.eu](http://www.erg.eu)) in the section "Media/Press releases", at the offices of Borsa Italiana S.p.A. and on the eMarket Storage authorised storage mechanism ([www.emarketstorage.com](http://www.emarketstorage.com)).*

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