

IREN Group: the Board of Directors has approved the results at 31st March 2017 with further growth performance.

The first quarter of 2017 continues the positive trend reported in the last quarters, marking a double-digit increase in all the key operating indicators: revenues grew by 18% due to several factors including the significant increase in electricity sales to end customers (+70%) and in the production of the same commodity (+9%); EBITDA reported a growth of about 11% and net profit increased by 38%. Such a positive economic performance is accompanied by a 35 million euros decrease in net debt, in line with the downward trend, on a like-for-like basis, recorded in the last 24 months.

- **Revenues at 1,046.7 million euros (+18.1% compared to 886.2 million euros at 31/3/2016)**
- **Ebitda at 265.0 million euros (+10.8% against 239.1 million euros at 31/3/2016)**
- **Ebit at 174.4 million euros (+13.1% against 154.3 million euros at 31/3/2016)**
- **Group net profit at 100.6 million euros (+38.0% against 72.9 million euros at 31/3/2016).**
- **Net Financial Position at 2,422 million euros, down by approximately 35 million euros compared to 31 December 2016.**

Reggio Emilia, 11 May 2017 - The Board of Directors of IREN S.p.A. today approved the consolidated results at 31 March 2017.

*“IREN continuous growing is confirmed by the excellent results reported at the beginning of the year” - **declared Paolo Peveraro, Chairman of the Group**– “efficiency in processes and the effectiveness and rapidity of the decisions have allowed us to exploit a number of opportunities offered by the sector scenario. This performance, combined with the investments plan outlined in the business plan at 2021, allow IREN to keep searching for growth opportunities and to produce significant socio-economic benefits in the territories in which it operates.”*

*“The double-digit growth of all economic indicators” – **commented Massimiliano Bianco, CEO of the Group** – “is even more significant if read in conjunction with the excellent performances reported in 2015 and 2016. This shows both the soundness of the strategic choices made and the capacity and punctuality in implementing them. In relation to these quarterly results, growth was driven by the energy sector through the exploitation of a number of extraordinary and unlikely recurring scenario conditions. The results of regulated and quasi-regulated sectors are positive, as well, thanks to the achievement of significant synergies linked to the “Performance Improvement” project, the important efficiency program launched at the end of 2015 and still ongoing and evolving. Also worth mentioning is the*

[Gruppo Iren](#)

[Pictures](#)

[Investor Relations area](#)

[Iren Overview](#)

Investor Relations

Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppouren.it

Media Relations

Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppouren.it

Barabino & Partners

Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it

approximately 35 million euros decrease in net debt that would have been greater, about 63 million euros, on a like-for-like basis.

IREN GROUP: CONSOLIDATED RESULTS AT 31 MARCH 2017

Consolidated revenues in the first quarter of 2017 stand at 1,046.7 million euros, up 18.1% against 886.2 million euros in the analogous period of the previous year. This increase is mainly linked to a strong growth in commodity prices: in particular, the electricity price in the Italian Power Exchange which reported a 45% growth in this quarter.

EBITDA is 265.0 million euros, up 10.8% against 239.1 million euros in the first quarter 2016. This performance, with contributions from all the sectors, is driven by the energy value chain, thanks to the ability of the Group in utilising the flexibility of its generation plants portfolio and in implementing an effective hedging policy which made it possible to exploit significant opportunities offered by the energy scenario. As far as the network-based business is concerned, the important synergies achieved in the period, in line with the business plan target, were partially offset by a number of negative non-recurring elements. Finally, the contribution of the Waste sector was also significant, thanks to a more efficient waste collection system and an improved saturation of the disposal plants.

EBIT stands at 174.4 million euros, up 13.1% compared to 154.3 million euros at 31 March 2016. The excellent performance obtained at operating profit level more than counterbalances the greater amortization and depreciation charges due mainly to the change in scope of consolidation attributable to Atena and the residual concession of Società Acque Potabili, the latter purchased at the beginning of 2017.

Group net profit stands at 100.6 million euros, a strong increase (+38.0%) compared to 72.9 million euros reported in the first quarter of the last year. The significant performance in EBIT along with an improvement in financial charges and lower taxes (due to the decrease in IRES from 27.5% to 24.0%) underpin this significant growth.

Net financial position at 31 March 2017 is equal to 2,422 million euros, down 35 million euros compared to 31 December 2016, and it benefits from a robust cash flow which easily covered the investments for the period and the seasonal increase in net working capital.

Gross technical investments in the period amount to 46.5 million euros.

IREN GROUP: MAIN RESULTS BY BUSINESS AREA

(millions of euros)	31/03/2017	31/03/2016	Var. %
Revenues	1,046.7	886.2	18.1%
Electricity and district heating	340.8	236.5	44.1%
Market	810.1	747.0	8.5%
Networks (electricity, gas, and water infr.)	194.9	191.7	1.7%
Waste	135.3	127.4	6.2%

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
investor.relations@grupporen.it

Media Relations
Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@grupporen.it

Barabino & Partners
Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it

(millions of euros)	31/03/2017	31/03/2016	Var. %
Services and other	27.7	16.4	69.5%
Netting and adjustments	-462.1	-432.7	6.8%
Gross Operating Profit	265.0	239.1	10.8%
Electricity and district heating	99.7	80.3	24.1%
Market	54.2	53.0	2.2%
<i>Electricity</i>	2.8	15.7	-82.3%
<i>Gas and Heat</i>	51.4	37.3	37.7%
Networks	74.3	72.3	2.8%
<i>Electricity networks</i>	18.0	16.5	8.8%
<i>Gas networks</i>	17.6	17.7	-0.7%
<i>Water networks</i>	38.8	38.1	1.7%
Waste	37.7	31.0	21.6%
Services and other	-0.8	2.5	(*)
Operating Profit	174.4	154.3	13.1%
Electricity and district heating	68.0	51.4	32.2%
Market	42.9	42.6	0.7%
Networks (electricity, gas, and water infr.)	40.8	43.5	-6.2%
Waste	24.1	15.4	56.9%
Services and other	-1.3	1.4	(*)

(*) VARIATION OF MORE THAN 100%

ENERGY (ELECTRICITY AND DISTRICT HEATING)

Revenues of the sector amount to 340.8 million euros against 236.5 million euros reported in the first three months of 2016 (+44.1%). The significant increase is attributable primarily to the commodity price trend in the Italian Power Exchange (+45,1%) together with higher volumes of electricity produced.

EBITDA of the sector is at 99.7 million euros, up by 24.1% compared to what was reported at 31 March 2016. This performance continues the trend already reported in 2016 and is mainly linked to a significant increase in profitability in the thermoelectric/co-generative sector. It derives from active management of the Group's plants which has made it possible to exploit the opportunities offered by a particularly positive energy scenario (unlikely to recur in the future). The high electricity price had a positive impact also on the hydroelectric sector, offsetting lower volumes produced due to scarce rainfall/snowfall in the period.

In the first three months of 2017, total **electricity** produced was 2,749 GWh, 9.2% up on 2,517 GWh in the previous year.

The main contribution to this result comes from the thermoelectric/co-generative sector, with an electricity production of 2,541 (+12.2%) offsetting the lower hydroelectric productions, equal to 207 Gwh, (-17.7%) due to lower water availability.

Heat production for district heating stands at 1,259 Gwh, a slight growth (2.9%) compared to 2016 figures, thanks to a +3.6% increase in heated volumes, which reached 85 million cubic meters.

At 31 March 2017 **gross investments** amounted to 5.9 million euros, mainly devoted to the cogeneration production sector.

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppoiren.it

Media Relations
Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners
Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it



MARKET

Revenues of the Market sector stand at 810.1 million euros, up by 8.5% on 747.0 million euro reported in the first quarter 2016: this stemmed primarily from the above-mentioned trend in commodity prices and from higher volumes of electricity and gas sold.

EBITDA of the sector is 54.2 million euros, a slight increase (+2.2%) compared to 53.0 million euros reported at 31 March 2016. The main contribution to this performance comes from the gas sales sector that benefitted from lower purchase costs thanks also to the utilization of gas storage. The electricity sales sector, instead, was impacted by a commodity price trend that, overall favoured the entire Group's energy value chain, but disadvantaged the specific sector because of the increase in commodity purchase prices with volatility conditions unlikely to recur in the residual nine months of the year. In addition, there is particular attention towards final clients, which have increased by around 87,000 in the last 12 months, allowing the customer-base to reach 1.6 million.

Electricity directly sold in the first quarter of 2017 was 3,028 GWh, down on 3,955 GWh sold in the same period in 2016 due to the lower quantities sold in the Power Exchange, partially offset by greater volumes (+70%) sold, instead, to final Clients that guarantee higher margins.

1,050 million cubic meters of **gas** were sold, a 12.5% growth on 934 million cubic metres sold in the previous year.

At 31 March 2017 **gross investments** amounted 4.3 million euros.

NETWORKS (ENERGY AND WATER INFRASTRUCTURE)

Revenues in the sector amount to 194.9 million euros, a slight reduction compared to 191.7 million euros reported in the first quarter 2016.

EBITDA stands at 74.3 million euros, up on the 72.3 million euros at 31 March 2016. The achievement of significant synergies along with the enlargement of the scope of consolidation (ATENA and residual water concession of Società Acque Potabili) has more than offset the effect of a number of positive non-recurring elements which characterized the first quarter 2016 and higher costs for the purchase of "white certificates" in the energy infrastructure sector.

In 2016 the Group distributed 1,089 GWh of **electricity**, 574 million cubic metres of **gas** and 44 million cubic metres of **water**.

At 31 March 2017, gross investments in the sector amount to 29.4 million euros for the modernization of the gas and electricity networks and for the construction of the infrastructures as provided for in the "Piani d'ambito" (Territorial plans).

Investor Relations

Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppoiren.it

Media Relations

Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners

Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it



WASTE

In the Waste sector, **revenues** totalled 135.3 million euros, up by 6.2% on the figure reported in the first quarter 2016 of 127.4 million euros. The increase derives from several elements linked both to the scenario, such as the increase in the electricity price, and to strategic factors, such as higher volumes of special waste treated (+18%).

EBITDA of 37.7 million euros, strongly up (+21.6%) compared to 31.0 million euros at 31 March 2016, is mainly due to the above-mentioned phenomena, in addition to which we had the achievement of important synergies and efficiencies in the municipal waste collection and an improved saturation of the waste disposal plants.

Approximately 461,000 tons of waste were treated in the period.

At 31 March 2017, gross investments made in the sector amount to 3.4 million euros mainly devoted to the implementation and development of the “door-to-door” sorted waste collection system and to the maintenance of various plant.

CONFERENCE CALL

The results at 31 March 2017 will be illustrated today, 11 May 2017 at 16,00 (Italian time), during a conference call to the financial community, also broadcast through web casting in listen-only mode on the www.gruppoiren.it website in the investor relations section.

The Manager in charge of drawing up the corporate accounting documents, Mr, Massimo Levrino, hereby declares, pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act, that the accounting information presented herein corresponds to the accounting documents, records and registers.

The Financial Report at 31 March 2017 will be made available to the public as provided for by the law, at the company's headquarters (Via Nubi di Magellano, 30 – Reggio Emilia) at Borsa Italiana S.p.A, and they will be published on the website www.gruppoiren.it.

The financial statements of IREN Group S.p.A. (not subject to audit) are set out below

Investor Relations

Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppoiren.it

Media Relations

Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners

Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it

IREN GROUP: CONSOLIDATED INCOME STATEMENT AT 31/03/2017

(Thousands Euro)

	31.03.2017	31.03.2016	Var. %
Revenues			
Revenues from goods and services	1,011,993	837,515	20.8
Change in contract work in progress	1,479	368	(*)
Other revenues and income	33,276	48,342	(31.2)
Total Revenues	1,046,748	886,225	18.1
Operating expenses			
Costs for raw materials, consumables, supplies and goods	(383,667)	(303,847)	26.3
Services and use of third-party assets	(294,762)	(245,180)	20.2
Other operating expenses	(17,476)	(14,005)	24.8
Capitalized expenses for internal work	6,276	6,562	(4.4)
Personnel expenses	(92,077)	(90,611)	1.6
Total Operating Expenses	(781,706)	(647,081)	20.8
Gross Operating Profit (EBITDA)	265,042	239,144	10.8
Amortization, depreciation, impairment and provisions			
Amortization/depreciation	(76,369)	(70,567)	8.2
Provisions and impairment	(14,232)	(14,311)	(0.6)
Total amortization, depreciation impairment and provisions	(90,601)	(84,878)	6.7
Operation Profit (EBIT)	174,441	154,266	13.1
Financial Income			
Financial Income	7,996	5,806	37.7
Financial expense	(28,542)	(36,096)	(20.9)
Net Financial Income	(20,546)	(30,290)	(32.2)
Share of profit (loss) of associates accounted for using the equity method	4,884	(356)	(*)
Impairment losses on investments	-	-	-
Profit before tax	158,779	123,620	28.4
Income tax expenses	(50,947)	(45,874)	11.1
Profit for the period from continuing operations	107,832	77,746	38.7
Profit from discounted operations	-	-	-
Profit for the period	107,832	77,746	38.7
Attributable to:			
- owners of the Parent	100,638	72,947	38.0
- non-controlling interests	7,194	4,799	49.9

(*) Variation of more than 100%

Investor Relations
 Giulio Domma
 Tel. + 39 0521.248410
 investor.relations@gruppoiren.it

Media Relations
 Paolo Colombo
 Tel. + 39 011.5549175
 Cell. + 39 348.2206005
 paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners
 Tel. +39 02 72023535
 Giovanni Vantaggi + 39 328 8317379
 g.vantaggi@barabino.it

IREN GROUP: RECLASSIFIED STATEMENT OF FINANCIAL POSITION AT 31/03/2017

(Thousands Euro)

	31.03.2017	31.12.2016	Var. %
Non-current assets	5,241,777	5,220,438	0.4
Other non-current assets (liabilities)	(153,227)	(148,513)	3.2
Net Working Capital	222,973	170,991	30.4
Deferred tax assets (liabilities)	65,078	61,412	6.0
Provisions and employee benefits	(567,051)	(561,622)	1.0
Assets (Liabilities) held for sale	2,498	2,498	-
Net invested capital	4,812,048	4,745,204	1.4
Shareholders' Equity	2,390,192	2,288,097	4.5
<i>Non-current financial assets</i>	<i>(51,624)</i>	<i>(49,950)</i>	<i>3.4</i>
<i>Non-current financial indebtedness</i>	<i>2,966,786</i>	<i>2,967,471</i>	<i>(0.0)</i>
Non-current net financial indebtedness	2,915,162	2,917,521	(0.1)
<i>Current financial assets</i>	<i>(884,513)</i>	<i>(860,245)</i>	<i>2.8</i>
<i>Current financial indebtedness</i>	<i>391,207</i>	<i>399,831</i>	<i>(2.2)</i>
Current net financial indebtedness	(493,306)	(460,414)	7.1
Net financial debt	2,421,856	2,457,107	(1.4)
Own funds and net financial indebtedness	4,812,048	4,745,204	1.4

(*) Changes of more than 100%

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppoiren.it

Media Relations
Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners
Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it



IREN GROUP: CONSOLIDATED STATEMENT OF CASH FLOWS AT 31/03/2017

migliaia di euro

	31.03.2017	31.03.2016	Var. %
A. Opening Net Financial Debt	(2.457.107)	(2.169.369)	13,3
Cash flow from operating activities			
Profit (loss) for the period	107.832	77.746	38,7
Adjustment for non-financial elements	163.944	167.339	(2,0)
Benefits to employees	(1.914)	(3.445)	(44,4)
Net change in provision for risk and other changes	(6.639)	(4.633)	43,3
Change in other non-current assets and liabilities	4.714	(4.604)	(*)
Other changes	(4.515)	694	(*)
Taxes paid	-	-	-
B. Cash flows from operating activities before changes in NWC	263.422	233.097	13,0
C. Cash flows from changes in NWC	(124.501)	(111.089)	12,1
D. Cash flows from/(used in) operating activities (B+C)	138.921	122.008	13,9
Cash flows from/(used in) investing activities			
Investments in intangible assets, property, plant, equipment and investment property	(46.554)	(41.256)	12,8
Investments in financial assets	(15.145)	(31)	(*)
Proceeds from the sale of investments and changes in assets held for sale	486	1.509	(67,8)
Change in consolidation perimeter	(13.064)	(424.401)	(96,9)
Dividends received	599	4.850	(87,6)
E. Total cash flow from/(used in) investing activities	(73.678)	(459.329)	(84,0)
F. Free cash flow (D+E)	65.243	(337.321)	(*)
Cash flow from/used in financing activities			
Dividends paid	-	-	-
Interests paid	(7.619)	(7.721)	(1,3)
Interests received	3.854	93	(*)
Change in fair value of hedging derivatives	(9.508)	(18.223)	(47,8)
Other changes	(16.719)	(18.578)	(10,0)
G. Total cash flows from/(used in) financing activities	(29.992)	(44.429)	(32,5)
H. Change Net Financial Debt (F+G)	35.251	(381.750)	(*)
I. Closing Net Financial Debt (A+H)	(2.421.856)	(2.551.119)	(5,1)

(*) Variation of more than 100%

Investor Relations

Giulio Domma
Tel. + 39 0521.248410
investor.relations@gruppoiren.it

Media Relations

Paolo Colombo
Tel. + 39 011.5549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners

Tel. +39 02 72023535
Giovanni Vantaggi + 39 328 8317379
g.vantaggi@barabino.it