

Fitch improves its rating of IREN by a notch, assigning it a BBB rating (*investment grade*) with a stable outlook

Reggio Emilia, 20 December 2017 – The Fitch rating agency has today announced that it has assigned a BBB rating with stable outlook to IREN Group, improving by a notch the BBB- rating expressed in 2015 and then confirmed in 2016. In addition, Fitch confirmed the senior unsecured rating at BBB.

The above-mentioned rating improvement is related to several factors, among which:

- the structural growth in Group's profitability, with a 2017 expected EBITDA of approximately 820 million euros, plus its ability to generate cash;
- the achievement, in recent years, of significant synergies with results exceeding market expectations;
- the full integration of a number of medium-size companies, as part of an important territorial consolidation activity;
- the reduction in the cost of debt together with the early achievement of the financial flexibility targets, with an expected 2017 NFP/EBITDA ratio lower than 3.0x

In addition, Fitch expects IREN's leverage to remain consistent with the 'BBB' rating across the period of the business plan (2017-2022).

The rating improvement comes at the end of an important financial rebalancing programme carried out by the Group, which in the last three years has led to:

- a steady decrease in the NFP/EBITDA ratio (which moved from 3.7x in 2017 to an expected 3.0x by the end of 2017) and in the average cost of debt (currently around 3.2%)
- the use of market-based instruments for debt refinancing through the issue of 1.5 billion euros of bonds in three years (the last issue was in the form of "green bonds").
- the implementation of several liability management operations.

Paolo Peveraro and Massimiliano Bianco, respectively Chairman and CEO of the IREN Group, jointly declared: *"The one-notch improvement in the Fitch rating represents a further confirmation not only of the soundness of IREN's strategic choices made in the last three years but also of the ability of the Group in effectively and timely implementing them, with achieved results often exceeding market expectations. IREN will be similarly committed to meeting the challenging targets included in the latest business plan, recently presented to the financial community"*

To consult the Fitch press release, please refer to the following link <https://www.fitchratings.com/site/pr/1034323>

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