

IREN S.p.A.: the Board of Directors has approved the integration project between Group IREN and AMIU S.p.A., the implementation of which is subject to its approval on the part of the Municipal Council of Genoa

Reggio Emilia, 30th March 2017 – Today, the Board of Directors of IREN S.p.A. has approved the integration project between Group IREN and AMIU S.p.A., the implementation of which is primarily subject to its approval on the part of the Municipal Council of Genoa.

This approval follows the interest expressed by the Group on 30th September 2016 in the exploratory notice published by the Municipality of Genoa on 8th August 2016.

The objective of the operation is to create a partnership enabling the optimization of AMIU S.p.A.'s business plan, launching the investments plan, improving the current sorted waste collection, recovery and recycling performance in order to achieve the targets established by the regulations in force, and the development of new business lines.

In particular, with this operation IREN will help AMIU to make the priority investments set out the business plan, that is, relating to primary equipment and plant: (i) Waste disposal plant Scarpino 3; (ii) Mechanical Biological Treatment plant (iii) anaerobic bio-digestion of the organic fraction. The total amount for these priority investments is equal to 93 million euros to be made in the first three years of the business plan out of a total capex amount of 150 million euros over 10 years.

Furthermore, the business plan indicates all the operations needed to close the Scarpino 1 and 2 plant, a provision established by the IEA (Integrated Environmental Authorization) in order to concretely and finally solve the environmental issues related to Scarpino plant.

The aggregation project will be carried out through a capital increase reserved for IREN to be subscribed in two subsequent phases which will be subject to the occurrence of a number of conditions precedent. Following these two phases of the capital increase, which will fund the realization of the business plan, Group IREN will own a controlling interest in AMIU's share capital. The operation will be carried out as follows:

- In the first phase, IREN can proceed with a 5.35 million euro capital increase, acquiring 49% of AMIU's share capital on the basis of an estimate of AMIU's equity value of 5.57 million euros; if the concession (which, as of today, expires in 2020) is extended, IREN will be required to make an additional payment of 11.8 million euros, to take into account the higher estimated value of the company's equity of 17.85 million euros following the extension of the concession.
- In the second phase, IREN can proceed, subject to a number of conditions, with a further 22.58 million euro capital increase (including the share premium) owning at the end 69% of AMIU's share capital.

[Gruppo Iren](#)

[Pictures](#)

[Investor Relations area](#)

[Iren Overview](#)

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



iren

PRESS RELEASE

Overall, the operation – if fully completed, including the extension of the concession – would result in a capital increase of 27.93 million euros (to be added to the above-mentioned share premium of 11.8 million euros for a maximum amount of 39.73 million euros). To further support AMIU's business plan, Group IREN will grant a loan up to 25 million euros to AMIU.

This operation, which will be completed in line with market multiples, confirms IREN Group's role as a consolidator in its reference areas, with a 600,000 increase in inhabitants served in the waste cycle sector, in addition to the 2.1 million inhabitants currently served and a 300,000-tonnes growth in municipal waste collection (equal to 1.2 million tonnes in 2016).

AMIU, controlled by the Municipality of Genoa, is the company that mainly manages the municipal waste sector in the same municipality. The labour force is composed of slightly less than 1,600 employees; the EBITDA of the company at 31 December 2015 was approximately 17 million euros and the NFP at the same date was approximately 36 million euros.

The first phase of the above-mentioned project should be completed by the first half of 2017 and the second phase in 2018.

The above-mentioned operation, as it has as counterparties AMIU Genova/Comune di Genova is to be considered as a transaction with related parties according to art. 3.1 of the Internal Regulation for the transaction with related parties. Taking into account the quantity/quality elements characterising the operation, it has been qualified as a major significance operation according to art. 9 of the Regulation for the transaction with related parties.

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