

PRESS RELEASE

The IREN S.p.A. Shareholders' Meeting approved the 2014 Financial Statements. Dividend of 0.0523 euro per share. The new Board of Statutory Auditors was appointed for 2015-2017

Reggio Emilia, 28 April 2015 – Iren S.p.A.'s Ordinary Shareholders' Meeting today approved the Financial Statements of the Company for the year 2014 and resolved to distribute a dividend of 0.0523 euro per share, confirming the proposal of the Board of Directors on 13 March 2015.

In 2014, the Iren Group maintained substantially stable operating results, even under bearish market conditions and with the ongoing economic crisis contributing to the considerable downward pressure on energy-product demand and prices. In this context, the stability of the operating results, together with the progressive consolidation of its own activities in the reference areas and the launch of organisational changes focused on efficiency and integration, allow for an optimistic and confident outlook on the company's ability to meet the challenges of the coming years.

Consolidated revenues amounted to 2,901.8 million euro in 2014, down (-14.0%) from 3,372.7 million euro the previous year, confirming the trend which has characterised the energy sector in general. This is due both to a reduction in the volumes of gas and heat sold (as a result of the exceptional winter and autumn climate pattern) and to the reduction in energy commodity prices.

EBITDA amounted to 622.7 million euro and was adversely affected for approximately 15 million euro by the dramatic effect of the balance between the capital gain linked to the real estate fund established in 2012 and the cost for the voluntary-redundancy incentive plans. The EBITDA adjusted for this figure stood at 637.9 million compared to 652.3 in 2013.

This decline, essentially due to the downward economic and operating trends in the energy chain (climatic factors, regulators and market), was partially offset by a recovery in margins recorded mainly in the integrated water service and in the environment sector. This highlights a good balance between the unregulated and regulated activities managed by the Group, with a slight predominance of the latter (55%) relative to the former in terms of EBITDA generation. Worthy of note is the growth in an important indicator such as the EBITDA margin, which increased from 19.3% on 31 December 2013 to the current 21.5%, due to the important synergies attained.

The **EBIT** amounted to 325.4 million euro, largely in line with the 331.0 million euro recorded in 2013. This result includes a lower share of provisions and the issuing of some funds that offset the increase in depreciation, specifically relating to new plants formerly owned by Edipower which were taken over by the Group at the end of 2013.

The new IFRS 11 came into effect from 1 January 2014. This standard prescribes the accounting treatment for joint ventures, no longer allowing proportional consolidation as applied by the Iren Group up until 31 December 2013. As a result of this, the following companies are no longer included in the scope of consolidation: Olt, SAP, AES and Iren Rinnovabili, which will now be accounted for using the equity method. Subsequent to the above, it was considered opportune to prepare, besides the draft financial statements drawn up in accordance with the international accounting standards in force, specific (restated) statements which represent and detail, for each line in the income statement and statement of financial position, the district heating business of the city of Turin, managed mainly through the joint venture AES SpA. These restated statements, besides providing information substantially in keeping with that provided before the new IFRS 11 came into force, better reflect the strategic significance of the district heating business and the role played by the Group in the management and development of district heating in the city of Turin. Confirmation of this is to be found in the agreement signed with Italgas on 9 April 2014, which includes the unbundling of AES SpA and the transfer of the business pertinent to district heating to the Iren Group, with effect from 1 July 2014. For the reasons provided above, the comments on the Iren Group's economic and financial performance and capital at 31 December 2014 refer to these restated statements published in the Consolidated Financial Statements and contained in a summarised format in the press release relating to the approval of the Draft Financial Statements by the Board of Directors of Iren S.p.A.

Investor Relations

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

Media Relations

Paolo Colombo
Tel. + 39 0115549175
Cell. + 39 348.2206005
paolobartolomeo.colombo@gruppoiren.it

Barabino & Partners

Tel. +39 010 2725048
Roberto Stasio +39 335 5332483
Giovanni Vantaggi + 39 328
8317379

Net profit amounted to 68.9 million euro but, when adjusted for the non-recurring negative effects mainly attributable to deferred taxes following the declaration of the unconstitutionality of the “Robin Hood tax”, it stands at 99.7 million euro.

In 2013, it amounted to 88.6 million euro. As well as reflecting the operating results for the period, the net profit was negatively impacted by lower capitalised interest and a negative contribution of companies consolidated using the equity method.

On 31 December 2014, **net financial debt** amounted to 2,286 million euro. Net of about 90 million euro related to investments in industrial holdings, the value is largely in line with the 2,192 million euro recorded on 31 December 2013. Several extraordinary operations were concluded during the financial year, including the public takeover bid of the Acque Potabili companies and the purchase of additional shares in TRM V S.p.A., Tecnoborgo S.p.A. and Amiat S.p.A. (the latter will start to have a visible impact on the consolidated income statements from 2015).

Please note that the application of accounting standard IFRS 11 and the recalculation of the previously specified economic and financial data reduce the net financial debt at 31 December 2013 by 333 million euro, with a consequent improvement in the debt/EBITDA ratio.

Gross investments during the period amounted to 349.1 million euro.

The **dividend** of 0.0523 euro for each ordinary and savings share will be paid on 24 June 2015 (ex-dividend date 22 June 2015 and record date 23 June 2015).

The 2014 Annual Financial Report, the 2014 Corporate Governance Report and the 2014 Remuneration Report, as well as the additional documentation provided for by law, are filed at the registered office (Via Nubi di Magellano, 30 – Reggio Emilia – Italy) and at Borsa Italiana S.p.A., and published on the company website www.gruppoiren.it.

APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS

The term of office of the Board of Statutory Auditors expired with the approval of the financial statements for the year ended 31 December 2014. For the period 2015-2017, the Shareholders' Meeting appointed, on the basis of lists submitted by

- Finanziaria Sviluppo Utilities S.r.l. and 73 public shareholders from the provinces of Reggio Emilia, Parma and Piacenza (List number 1)
- OLDEQUITER S.P.A. (List number 2)
- Shareholders (List number 3):
 - Anima SGR S.p.A., manager of the funds: Anima Geo Italia and Anima Italia;
 - Arca SGR S.p.A., manager of the fund Arca Azioni Italia;
 - Ersel Asset Management SGR S.p.A., manager of the fund Fondersel PMI;
 - Eurizon Capital S.G.R. S.p.A., manager of the funds: Eurizon Azioni Italia and Eurizon Azioni PMI
 - Italia;
 - Eurizon Capital SA, manager of the fund Eurizon EasyFund – Equity Italy;

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- Fideuram Investimenti S.G.R. S.p.A., manager of the fund Fideuram Italia;
- Fideuram Asset Management (Ireland) Limited, manager of the funds: Fideuram Fund Equity
- Italy and Fonditalia Equity Italy;
- Interfund SICAV, manager of the fund Interfund Equity Italy;
- Legal & General Investment Management Limited – Legal & General Assurance (Pensions Management) Limited;
- Mediolanum Gestione Fondi SGRpA, manager of the funds: Mediolanum Flessibile Italia and
- Mediolanum Flessibile Sviluppo Italia;
- Mediolanum International Funds Limited – Challenge Funds – Challenge Italian Equity;
- Pioneer Asset Management S.A. manager of the funds: Pioneer Fund Italian Equity and Pioneer
- Investment Management SGRpA, manager of the fund Pioneer Italia Azionario Crescita,

two Standing Auditors, Emilio Gatto and Annamaria Fellegara, and one Supplementary Auditor, Giordano Mingori, taken from the list number 1; one Standing Auditor who was appointed Chairman of the Board of Statutory Auditors, Michele Rutigliano and one Supplementary Auditor, Giorgio Mosci taken from the list number 3.

All members of the new Board of Statutory Auditors meet the independence requirements provided for by regulatory and legal provisions.

The Board of Statutory Auditors will remain in office until the date of approval of the financial statements for the year that will end on 31 December 2017.

APPOINTMENT OF A DIRECTOR OF THE BOARD OF DIRECTORS

The Iren S.p.A. Shareholders' Meeting proceeded with the appointment of Massimiliano Bianco as a Director of the Board of Directors following successful co-optation pursuant to Article 2386 of the Italian Civil Code. Director Massimiliano Bianco will remain in office until the date of approval of the financial statements for the year ended on 31 December 2015.

The minutes of the shareholders' meeting will be filed and made available to the public within the terms established by law.

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