

COMUNICATO STAMPA

IREN's Board of Directors approves the guidelines for the definition of a binding agreement for the reorganization of Edison Group.

Reggio Emilia, 4th November 2011 – The Board of Directors of IREN, held today, has examined and approved the guidelines – developed in recent days in Paris between representatives of Delmi, IREN and EDF – for the definition of a detailed agreement for the reorganization of Edison Group.

The key points of the envisaged transaction from an industrial point of view are:

- demerger of Edipower with attribution of thermal power plants and the Tuscano plant to Edison and attribution of the Mese and Udine hydroelectric plants to Iren and A2A which will set-up a special purpose vehicle (66,6% A2A and 33,3% IREN) to manage such plants;
- Delmi's call option on 250 MW of Edison's wind farm capacity at fair value, exercisable in three years and payable in Edison shares evaluated at fair value;
- Delmi's (or its designees') call option on Edison's minority stakes in the companies owning the Trento and Bolzano hydroelectric plants, exercisable in one year.

The main steps of the Edison Group reorganization are:

- demerger of Transalpina di Energia (TdE), with assignment to each of EDF and Delmi half of TdE's assets and liabilities. Following the demerger, EDF and Delmi would hold, respectively, approximately 50% and 31% of Edison's common shares;
- execution of a new shareholders' agreement between EDF and Delmi, providing for Delmi's governance rights for protection of its investment (including with respect to related parties' transactions). The chairman of Edison will be Italian; put option granted by EDF to Delmi on 100% of Delmi's stake in Edison: 25% at a price determined through a formula based on Edison's EBITDA and an EBITDA multiple derived from a sample of comparable Italian listed companies, exercisable in 3 years and the remaining 75% of Delmi's stake in Edison, or lower percentage resulting from the exercise of the call on wind assets, at fair value, exercisable in 3/5 years, in the event that there is no improvement in the liquidity of the trading market for Edison shares, and, in any case..

Implementation of the transactions to be entered into by Edison will need to be approved by Edison's corporate bodies in accordance with applicable law.

Completion of the transaction remains subject to confirmation from CONSOB that the price for a mandatory tender offer, if any, on Edison shares will not be higher than the prior twelve months' average of Edison's share price.

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IREN's Board of Directors has authorized the Executive Committee to continue negotiations on the basis described above, recommending to maintain and develop the industrial relations between Delmi and Edison.

In case of approval of the aforementioned guidelines by Delmi's Board of Directors, Delmi itself and EDF will further extend the shareholders' agreement – now extended until November 4, 2011 – until November 30, 2011 in order to conclude binding agreements in accordance with the above-mentioned guidelines.

The transaction will increase the capacity of Iren Group in the hydroelectric sector, with the right to withdraw its own share of electricity produced from the the Mese and Udine plants, strengthening its eco-friendly vocation.

The Mese and Udine hydroelectric plants have, in fact, an installed capacity of 640 MW with concessions expiring in 2030.

The reorganization of Edison Group will also allow the industrial development of Delmi to which 250MW of wind assets could be transferred. Furthermore, Edison will experience a significant growth in its CCGT installed capacity with better industrial prospect which both IREN and the other Delmi shareholders will benefit of.

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