

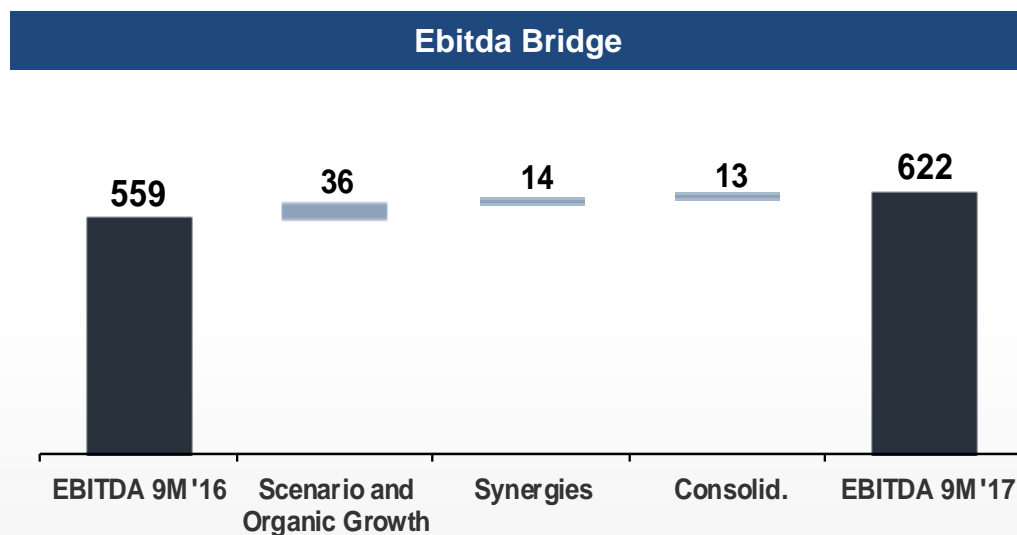


14th November 2017

2017 – 9M Results

9M 2017: Double digit growth in all the operating KPIs.

KPIs					
	m€	9M '16*	9M '17	Δ	Δ%
Revenues		2,228	2,614	386	17.3%
Ebitda		559	622	63	11.3%
Ebit		281	341	60	21.4%
Net profit		126	180	53	42.3%
Tech. Capex		157	200	43	27.8%



- **Revenues +17.3%:** Growth in revenues linked mainly to higher commodities prices (PUN +38.5%).
- **Ebitda +11.3%:** 80% of the total growth is attributable to synergies and organic growth while 13m€ derive from the transactions completed in 2016 (mainly Atena, SAP and REI).
- **Ebit +21.4%:** reflects the good operating results which more than offset higher D&A, linked to the change in scope of consolidation.
- **Net profit +42.3%:** Good operating results reflected in the bottom line, including lower financial charges and lower taxes (lower IRES percentage effect).
- **Tech. Capex +27.8%:** Strong increase in particular in network-based business, in line with expectations.

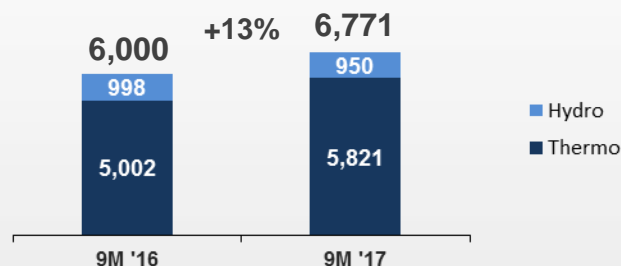
GENERATION AND DH – Positive results confirmed.

- Strong growth in operating performance thanks to the capacity of the Group to exploit its balanced generation fleet and the scenario conditions.
- **Generation sector** confirms and slightly improve the increase in profitability thanks to higher spark-spreads and margins from ancillary services.
- **Hydroelectric sector's** 5% lower production (due mainly to run-of-the-river plants) was more than offset by higher PUN.
- **Heat sector:** higher volumes mainly linked to the increase in volumes heated (+4mcm).

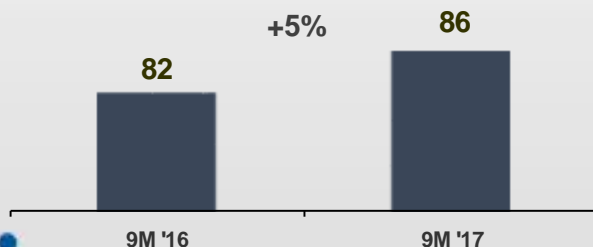
Outlook: Q4 results will be linked to the electricity scenario (extraordinarily positive in 2016) and to climate trend.

	m€	9M '16	9M '17	Δ	Δ%
Revenues		547	755	208	38%
Ebitda		140	178	38	27%
Ebit		52	88	36	71%
Gross Capex		25	38	13	49%

ELECTRICITY PRODUCTION (GWh)



DH VOLUMES HEATED (MCM)



HEAT PRODUCTION (GWht)



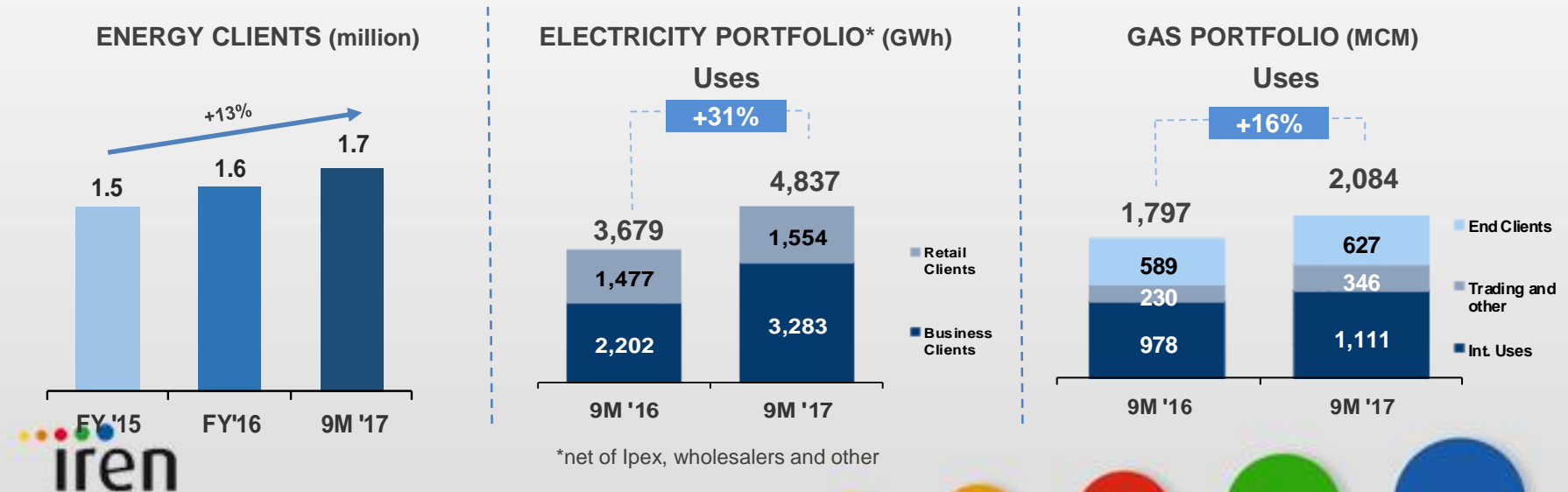
MARKET – Negative scenario still affecting the electricity sector.

The higher than expected growth in PUN (+38%) halved the electricity sector margin, confirming the trend already reported in the first half of the year. This element was partially offset by:

- Active client management and client-base growth: **+31% electricity volumes sold to end Clients.**
- Strong results in gas sector thanks to use of stored gas bought during 2016 summer season at favorable price.

	m€	9M '16	9M '17	Δ	Δ%
Revenues		1,467	1,689	222	15%
Ebitda		97	85	-12	-13%
	<i>Electricity</i>	44	20	-24	-55%
	<i>Gas&Heat</i>	53	65	12	23%
Ebit		53	47	-6	-12%
Gross Capex		12	15	3	22%

Outlook: Electricity scenario stabilization and slightly worse gas market conditions are expected in the last part of the year.



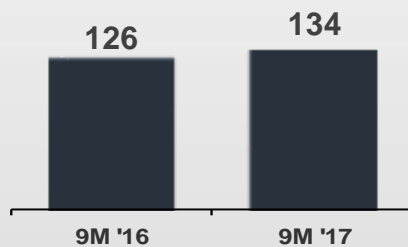
NETWORKS – synergies, consolidation and balances for previous years drove the growth

- **Energy networks:** Achieved synergies, in line with expectations, more than offset higher costs for “white certificates”.
- **Water networks:** Strong increase in EBITDA is linked mainly to the change in scope of consolidation (Atena and SAP), higher allowed revenues and balances from previous years (approximately 10m€).

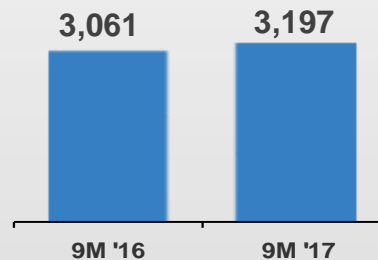
	m€	9M '16	9M '17	Δ	Δ%
Revenues		591	668	77	13%
Ebitda		220	242	22	10%
	<i>Electricity</i>	51	53	2	4%
	<i>Gas</i>	56	60	4	7%
	<i>Water</i>	113	129	16	14%
Ebit		125	142	17	14%
Gross Capex		97	120	23	24%

Outlook: Q4 ordinary growth drivers will be substantially the same reported in the first nine months of the year.

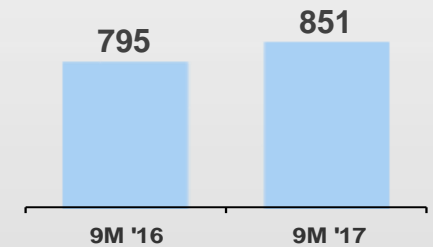
WATER DISTRIB. (MCM)



Electricity DISTRIB. (Gwh)



Gas DISTRIB. (MCM)



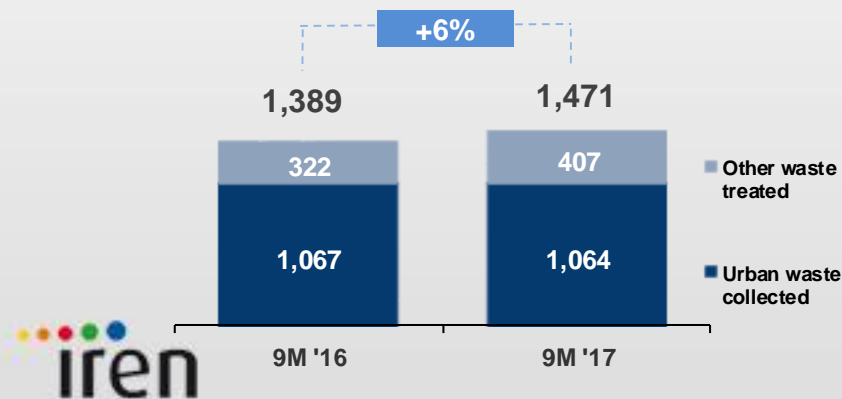
WASTE – Further improvement in organic growth.

- **Higher margins** coming from WTE (higher saturation and persistent high drove the significant growth in the sector).
- **REI**, the new landfill in Collegno (Turin) for special waste came on stream in May. Year-end expected total contribution equals to 4-5 million euros

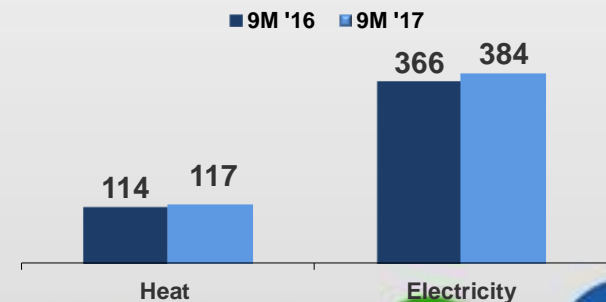
	m€	9M '16	9M '17	Δ	Δ%
Revenues		382	408	26	7%
Ebitda		96	116	20	21%
Ebit		45	62	17	37%
Gross Capex		13	13	0	3%

Outlook: WTE plants capacity are and will be substantially saturated in 2017.

Waste (Kton)



WTEs - Electricity and Heat sold (GWh)

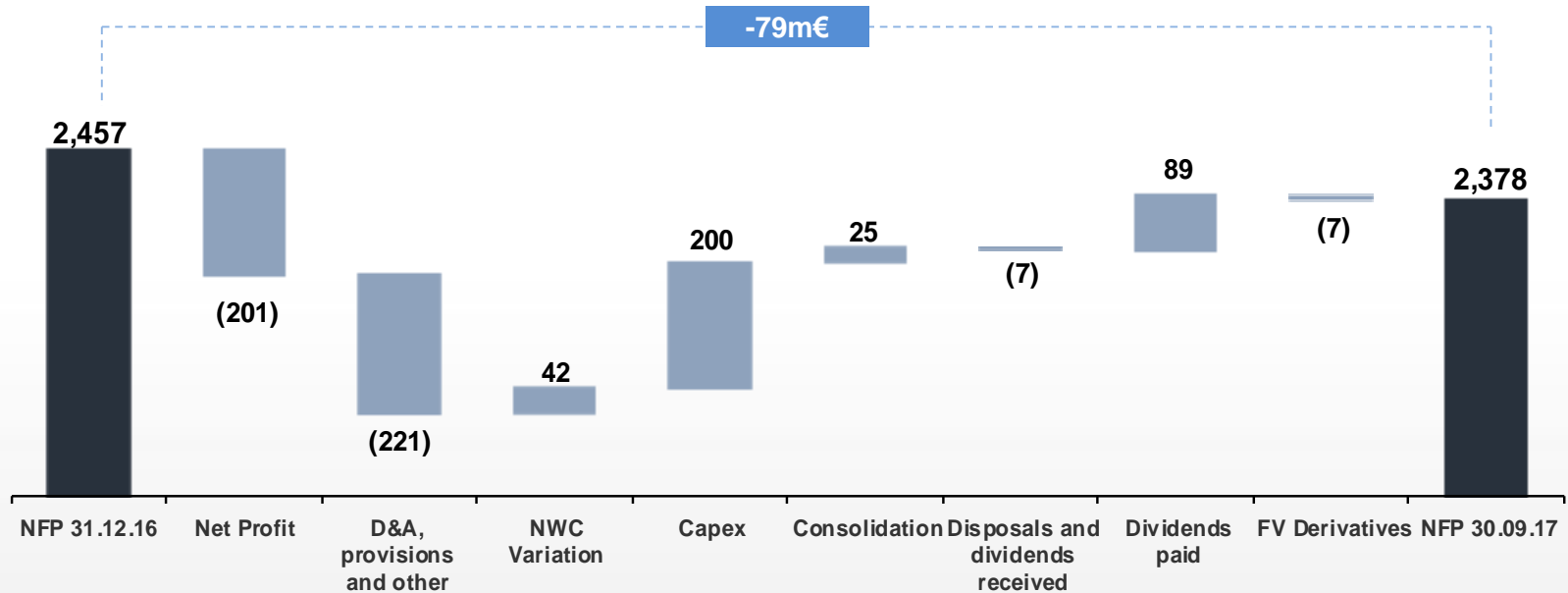


From EBITDA to Net Profit.

	9M '16*	9M '17	Δ	Δ%
EBITDA	558.9	622.2	63.3	11.3%
	<i>D&A</i>	-233.5		
	<i>Provisions</i>	-48.0		
EBIT	280.6	340.6	60.0	21.4%
	<i>Financial charges</i>	-62.4		
	<i>Other financial costs</i>	2.6		
	<i>Companies cons with e.m.and adj.</i>	13.0		
EBT	218.1	293.9	75.8	34.7%
	<i>Taxes</i>	-92.6		
	<i>Minorities</i>	-21.7		
Group net profit	126.2	179.6	53.4	42.3%

- **Higher D&A** linked mainly to ATENA and SAP consolidation.
- **Provision in line with expectations** (2016 3Q was impacted by a negative one-off)
- **Lower financial charges** thanks mainly to lower cost of debt.
- **Lower other financial costs** due to the FV of derivatives and lower actualization charges.
- **Lower non-recurring adjustment in equity investments** consolidated with equity methods (Salerno Energia Vendite) vs. 9M 2016 (TRM).
- **Lower tax-rate** (approximately 32%) thanks to structural decrease in IRES.
- **Higher minorities** due to better results in our subsidiary (TRM, IREN Acqua etc.)

Cash-flow and NFP Bridge.

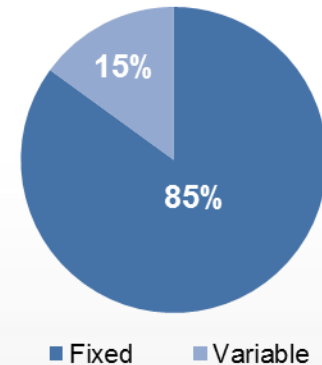


- Continuous debt reduction (-79m€ in the first nine months of the year) thanks to the robust operating cash-flow generation.

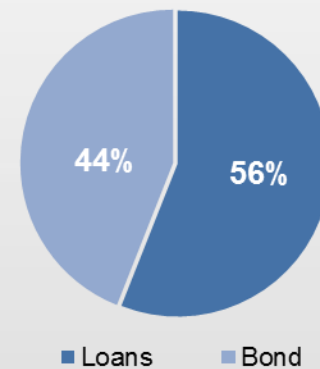
Interest rate and debt structure.

- 85% of gross debt at fixed interest rate.
- Average long-term debt duration of about 4.8 years (5.8 years including the Green Bond and the liability management operations).
- Slight reduction in cost of debt (3.2% vs. 3.4% in 9M 2016)
- IREN's debt is formed of:
 - 44% bonds*
 - 32% EIB loans
 - 24% other loans

Gross debt interest rate



Debt structure





Annexes



Market Scenario.

	9M '16	9M '17	$\Delta\%$
Gas Demand (<i>bcm</i>)	48	52	8%
TTF <i>€/000 scm</i>	139	176	26%
PSV <i>€/000 scm</i>	159	198	24%
Energy Demand (<i>Twh</i>)	232	234	1%
PUN (<i>€/Mwh</i>)	37.0	51.3	38.0%
CO2 <i>€/Ton</i>	5.7	5.3	-7%
Green Cert. Hydro (<i>€/Mwh</i>)	100.1	107.3	7%

Balance Sheet.

	9M '17	FY '16*
<i>Net fixed assets</i>	5,245	5,233
<i>Net Working Capital</i>	213	171
<i>Funds</i>	-548	-562
<i>Other assets and liabilities</i>	-110	-88
Net invested capital	4,800	4,754
<i>Group Shareholders' equity</i>	2,422	2,297
<i>Net Financial Position</i>	2,378	2,457
Total Funds	4,800	4,754

DISCLAIMER

The Manager in charge of drawing up the corporate accounting documents and the Chief Financial Officer of IREN S.p.A., Mr. Massimo Levrino, hereby declares, pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act (Legislative Decree No 58/1998), that the accounting information contained in this presentation is consistent with the accounting documents, records and books.

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