

**IREN S.p.A.: the General Shareholders meeting has approved the 2017 annual report and the dividend proposal, standing at 7 euro/cent, 12% higher on what distributed in 2017.**

**The new Board of Statutory Auditors was appointed for 2018-2020**

*Reggio Emilia, 19 April 2018* - The General Shareholders' meeting of IREN S.p.A. approved, today, the 2017 Annual Report, the 2017 Management Report, the first section of the 2017 remuneration report and the proposal for the allocation of the 2017 net profit, equal to € 166,957,057.47 as follows:

- € 8,347,852.87, equal to 5% of the net profit of the year, to the legal reserve;
- € 91,065,196.39 as a dividend to Shareholders, corresponding to 0.07 €/share for each of 1,300,931,377 ordinary shares, including no. 24,705,700 ordinary shares, subscribed by the ACAM Shareholders following the capital increased reserved to them, resolved upon by the Board of Directors of the company on 29<sup>th</sup> December 2017 in partial exercise of the delegation of powers granted in accordance with art. 2443 of the Italian Civil Code by the General Meeting of Shareholders on 9<sup>th</sup> May 2016; The dividend will be paid starting from 20<sup>th</sup> June 2018, detachment date 18<sup>th</sup> June 2018 and record date 19<sup>th</sup> June 2018;
- the residual amount, equal to € 67,544,008.21 to the proper reserve for retained earnings.

The above confirms what was proposed by the Board of Directors on 7th March 2018

**IREN GROUP: CONSOLIDATED RESULTS AT 31 DECEMBER 2017**

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The performance achieved in 2017 confirms the positive trend of the last three years and they represent the best results ever in the history of Iren. Specifically, EBITDA stands at 820 million euros, an increase greater than 7% net of the extraordinary factors occurring in 2016 and 2017. In addition, there has been a constant improvement in net profit (+32% compared to the previous year and +245% compared to 2014) and in the proposed dividend (+12% compared to the previous year and +34% compared to 2014) which demonstrate the Group's ability to transform efficiency and development into tangible advantages for its Shareholders. The trend in net financial position is particularly positive, showing an improvement of 85 million.

**Consolidated revenues** in 2017 stand at 3,697.1 million euros, up 12.6% compared to 3,283.1 million euros in the previous year. This increase is linked to a significant increase in volumes and commodity prices already recorded in the first nine months of the year.

**Ebitda** is 820.2 million euros, +0.7% compared to 814.2 million euros recorded in the previous year. This result derives from a number of non-recurring elements occurring in 2017 and, specifically, the capital gain linked to the sale of a turbine for the production of electricity for around +14 million euros and a provision for the new layoff scheme for -34

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**iren**

## PRESS RELEASE

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million. From an operating point of view, the good performance is down to the structural improvement in the profitability of the networks business unit (+5%) thanks also to the achievement of significant synergies and in the Waste sector (+24%), mainly due to higher saturation of the waste disposal plants that have allowed for a higher recovery of energy. With regards to the energy supply chain, the overall result has been affected by the absence of the extremely favourable scenario conditions which, instead, characterised 2016.

**Ebit** stands at 420.3 million euros, slightly down (-1.5%) compared to 426.6 million euros at 31 December 2016. This is mainly due to the greater depreciation connected largely with the extension, from May 2016, of the scope of consolidation including Atena and the residual concessions of Società Acque Potabili, the latter acquired at the beginning of 2017.

**Group Net Profit** is 237.7 million euros, a strong increase (+32.2%) compared to 179.8 million euros recorded in 2016. This growth is linked to the improved financial management, due also to the lower costs of liability management, to improved results of the companies consolidated with the equity method and to lower tax cost.

**Net Financial Position** at 31 December 2017 is 2,372 million euros, down by around 85 million euros compared to 31 December 2016 and benefits from a robust cash generation which easily covers the strongly increasing investments and the payment of dividends for the year 2016 for around 90 million euros.

**Gross technical investments** in the period amount to 357.3 million euros, a significant increase on 2016 (+32%).

The Annual Financial Report 2017, the Report on corporate governance and ownership structure 2017, the Remuneration Report 2017 and other documentation provided for by law, have been filed at the company's registered office (Via Nubi di Magellano, 30 – Reggio Emilia) and at Borsa Italiana S.p.A. and published on the company's website [www.gruppoiren.it](http://www.gruppoiren.it). The dividend of 0.07 euro per ordinary share will be paid starting from 20th June 2018 (detachment date 18th June 2018 and record date 19th June 2018).

### **APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS**

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The term of office of the current Board of Statutory Auditors expired with the approval of the Annual Report at 31 December 2017. For the three-year period 2018-2020 the Shareholders' Meeting appointed the new Board of Statutory Auditors, on the basis of the two lists submitted (see the attachment for further details)

The appointment concerned two Standing Auditors, Cristina Chiantia and Simone Caprari, and one Supplementary Auditor, Marco Rossi, 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, Donatella Busso taken from the list number no. 2.

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 2020.

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### **ATTACHMENT: INDICATION ON THE LISTS FOR THE APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS**

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#### **LIST NO. 1**

- Presented by the Shareholders Finanziaria Sviluppo Utilities S.r.l. and the Municipality of Reggio Emilia (the latter also as agent of no. 64 public entities Shareholders located in the provinces of Reggio Emilia, Parma and Piacenza, members of the Shareholders' agreement undersigned on 9<sup>th</sup> May 2016) owners of n. 649,758,474 shares equal to 50.9125% of the shares with voting rights.

#### **LIST NO. 2**

- Presented by the Shareholders:
  - Amundi Asset Management SGRpA manager of the funds: Amundi Sviluppo Italia and Amundi Risparmio Italia;
  - Aletti Gestielle SGR manager of the fund: Fondo Gestielle Pro Italia;
  - Anima SGR S.p.A. manager of the funds: Anima Crescita Italia, Anima Geo Italia, Anima Italia and Anima Iniziativa Italia;
  - Arca Fondi SGR S.p.A. manager of the funds: Arca Economia Reale Bilanciato Italia 30 and Arca Azioni Italia;
  - Ersel Asset Management SGR S.p.A. manager of the fund Fondersel PMI;
  - Eurizon Capital SGR S.p.A manager of the funds: Eurizo Progetto Italia 40, Eurizon Progetto Italia 70, Eurizon PIR Italia 30, Eurizon Progetto Italia 20, Eurizon Azioni Italia, Eurizon PIR Italia Azioni and Eurizon Azioni PMI Italia;
  - Eurizon Capital S.A. manager of the funds: Eurizon Fund – Equity Italy and Eurizon Fund – Equity Small Mid Cap Italy;
  - Fideuram Asset Management (Ireland) – Fideuram Fund Equity Italy and Fonditalia Equity Italy;
  - Fideuram investimenti SGR S.p.A. manager of the funds: Fideuram Italia, Piano Bilanciato Italia 30, Piano Bilanciato Italia 50 and Piano Azioni Italia;
  - Interfund Sicav Interfund Equity Italy;
  - Legal & General Assurance (Pensions Management) Limited;
  - Mediolanum Gestione Fondi manager of the fund Mediolanum Flessibile Sviluppo Italia;
  - Mediolanum International Funds – challenge funds – Challenge Italian Equity;
  - Planetarium Fund Anthilia Silver;
  - UBI SICAV comparto Italian Equity and UBI Pramerca SGR manager of the funds: UBI Pramerca Mito 25 and Mito 50;

owners of no. 36,539,261 shares equal to 3.056% of the shares with voting right

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