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IREN Group: The Board of Directors approved the results as at 31 December 2010.

Growth was confirmed for all indicators in 2010:

- **Revenue of Euro 3,381 million (+3%)**
- **Gross Operating Profit (EBITDA) of Euro 603 million (+7%).**
- **Operating Profit at Euro 339 million (+9%)**
- **Net profits of Euro 178 million (+23%)[(**)].**

Gross dividend proposal of Euro 0.085 per share.

Reggio Emilia, 24 March 2011 – Today, the Board of Directors of IREN S.p.A. approved the consolidated results[(*)] of the IREN Group and the draft financial statements of IREN S.p.A. for the 2010 financial year.
In a market scenario that showed its first signs of recovery during 2010, with growth in the domestic gas (+7%) and electrical energy (+2%) demand compared to 2009, the overall weakness continued in the current economic situation which is still below 2008 levels, also in the energy sector.
Despite this scenario, the IREN Group recorded growth in all indicators in 2010, due to the contribution guaranteed by all sectors, achieved particularly in the last quarter, confirming the validity of investment choices, which will develop further in the next financial years, and the solidity of our business portfolio which ensures a limited risk profile thanks to a balanced combination of regulated and open market activities and the production characteristics of our plant systems.

IREN GROUP: CONSOLIDATED RESULTS FOR 2010

The **Consolidated revenues** of 2010, totalling Euro 3,381 million, increased over the Euro 3,273 million of 2009 (+3%) thanks to the contribution provided by all business areas, particularly the regulated sectors, and the increase in volumes of gas and heat sold.

The **gross operating profit (EBITDA**) has grown by 7% and came out at Euro 603 million compared to Euro 564 million in 2009, with an impact of 18% on revenues, thanks to the growth in both free market and regulated activities.
The result mainly benefits from improved operating performances, achieved particularly in the last quarter, in the Energy infrastructures, Environment, Market and Generation of electrical energy and heat sectors, synergies strengthened by the Group during the year,

[(**)] The comparison was made with the 2009 adjusted net profit, of Euro 145 million, which does not include the extraordinary effect of the fiscal moratorium which affected the 2009 net profit, bringing it to Euro 42 million.
[(*)] All results (from 2009 and 2010) reported herein are pro-forma, since the Iren Group was founded on 1 July 2010.

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and operating factors that were different from the previous year, such as the sale of ETS certificates and waste treatment service settlements due to evasion recovery initiatives.

The **operating profit** (**EBIT**), totalling Euro 339 million, also increased (+9%) over the Euro 312 million posted in the previous year, despite the effect of higher amortisations related to growth in investments.

The **Group's net profit** came out at Euro 178 million, a strong increase over Euro 42 million in 2009, affected by the extraordinary cost linked to the recovery of state support (known as the "fiscal moratorium"). Net of that exceptional item, the result of Euro 145 million increased by 23% thanks to improving operational results and financial and fiscal management ("Tremonti-*ter*" facilitation).

As at 31 December 2011, **net financial indebtedness** was Euro 2,260 million (Euro 2,056 million as at 31 December 2009), with a 51.9% impact on invested capital, in line with this figure at the close of 2009.

Net investments for the year amounted to Euro 536 million, compared to Euro 454 million in 2009 (+18%) and they were mainly employed in the Generation of electrical energy and heat, Energy infrastructures and Integrated water service sectors.

IREN GROUP: MAIN RESULTS BY BUSINESS AREA

(millions of Euro)	2010	2009	Changes %
Revenue	**3,381**	**3,273**	**+3%**
Generation of electrical energy and heat	687	672	+2%
Energy infrastructures	428	399	+7%
Market	2,865	2,823	+1%
Integrated Water Service	434	398	+9%
The environment	222	212	+5%
Services and Other	104	102	+2%
Netting and adjustments	(1,359)	(1,333)	+2%
Gross Operating Profit	**603**	**564**	**+7%**
Generation of electrical energy and heat	172	168	+2%
Energy infrastructures	214	192	+11%
from electricity networks	*79*	*73*	*+8%*
from gas networks and systems	*91*	*78*	*+18%*
from district heating	*44*	*41*	*+7%*
Market	49	44	+11%
Electrical energy	*10*	*13*	*-23%*
Gas and heat	*39*	*31*	*+26%*
Integrated Water Service	108	106	+2%
The environment	45	38	+18%
Services and Other	15	16	n.a.

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(millions of Euro)	2010	2009	Changes %
Operating profit	**339**	**312**	**+9%**
Generation of electrical energy and heat	99	98	+1%
Energy infrastructures	142	120	+18%
Market	31	31	-
Integrated Water Service	38	41	-7%
The environment	18	14	+29%
Services and Other	11	8	n.a.

GENERATION OF ELECTRICAL ENERGY AND HEAT

Revenues in the Generation of electrical energy and heat sector amounted to Euro 687 million, an increase (+2%) over the Euro 672 million of 2009 due to higher electrical energy (+10%) and heat (+12%) production from co-generation, which more than offset the lower hydroelectric production (-21%), which was mainly caused by lower water levels and the planned unavailability of the Valle Orco plants and repowering activities at the Pont Ventoux plant.

The sector's **gross operating profit** came out at Euro 172 million, posting a 2% increase compared to 2009, thanks to higher electrical energy and heat volumes produced by the co-generation plants, the consequent contribution of green certificates and the sale of ETS certificates; these factors more than offset the lower volumes produced by the hydroelectric business.

During the year, 5,461 GWh of **electrical energy** was produced, an increase over the 5,339 GWh of 2009, thanks to the strong contribution of co-generation production (4,446 GWh) which, due to the higher plant efficiency, did not record decreases even in conditions of weak demand and surplus offer.
Hydroelectric production came out at 1,016 GWh, compared to 1,280 GWh in 2009, due to the already cited lower water levels and the planned unavailability of some plants for maintenance and repowering activities.

Heat production totalled 2,754 GWht, an increase of 12% compared to 2009, mainly due to the growth in volumes connected to the district heating service (+3 million cubic metres) and the weather trend.

During 2010, **investments** of around Euro 181 million were made, mostly to build the new "Torino Nord" co-generation plant, linked to the extension of district heating, to renew the Valle Orco hydroelectric plant system, and to build a hydroelectric plant in the province of Reggio Emilia, as well as to complete a photovoltaic park in Puglia.

MARKET

Revenues in the Market sector came to Euro 2,865 million, an increase over Euro 2,823 million in 2009, mainly due to the increase in volumes of gas sold.

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The sector's **gross operating profit** was Euro 49 million, growth (+11%) over Euro 44 million in 2009 thanks to higher volumes of gas sold (+8%) and better natural gas procurement conditions, which positively offset the effects generated by lower volumes of electrical energy sold (-9%), by the decrease in profitability on tolling contracts, and by the performance of the energy scenario.

During 2010, the Group sold 11,645 GWh of **electrical energy** on the market, compared to 12,841 GWh in 2009 (-9%) due to the reduction in Stock Exchange activities (-12%) and sales to wholesalers (-21%) resulting from unfavourable market conditions. The contraction (-5%) in volumes sold to end customers, instead, was caused both by the reduction in volumes managed in the higher protection segment and a movement of customers to targets with lower annual average consumption, although there was a slight increase (+1%) in the number of customers.
The Group sold 1,946 million cubic metres of **gas**, an increase (+9%) over the 1,777 million cubic metres in 2009 due to commercial development, which increased the customer base by over 3%, working against the natural decrease resulting from the deregulation of the market, and the favourable weather trend.

The Group sold 60% of its electrical energy from internal production (of which 12% was from Edipower, through a tolling agreement, and 3% was from Tirreno Power), with 3% growth compared to 2009, and the remaining 40% was produced by third parties.
The contribution of gas procurement, through Plurigas and Sinergie Italiane, fulfilled 61% of the Group's overall needs, in line with 2009, while the remaining portion was procured through third parties.

ENERGY INFRASTRUCTURES

Revenues in the Energy infrastructures sector - which includes the electricity, gas and district heating networks and the regasification terminal being built in Livorno - amounted to Euro 428 million, an increase (+7%) over Euro 399 million in 2009.

The **gross operating profit** grew by 11%, coming out at Euro 214 million compared to Euro 192 million in 2009, particularly due to the contribution of gas distribution (+18%), mainly due to tariff increases and tariff settlements. The growth in the electricity distribution operating margin was also positive (+8%), as it benefitted from the tariff trend, the reporting of profits related to the equalisation system and the service continuity bonus. The positive result in the district heating area (+7%) is mainly due to an increase in volumes served.

During 2010, the Group distributed 4,282 GWh of **electrical energy** (+1%) and 2,202 million cubic metres of **gas** (+8%). The district heating volumes grew by 5% to over 66 million cubic metres, for 2,840 GWh of **heat** distributed.

Investments in the Energy infrastructures sector for the period amounted to around Euro 171 million, particularly intended for the development of the off-shore regasification terminal in Livorno, the gas distribution network in the main areas served (Genoa, Parma, Reggio Emilia and Turin), the replacement of electronic electrical energy meters, the construction of new HV/MV substations and the expansion of the district heating network in Piedmont and Emilia-Romagna.

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INTEGRATED WATER SERVICE

The Integrated water service sector posted **revenues** of Euro 434 million, 9% growth compared to Euro 398 million in 2009, both due to the tariff plans resolved by the applicable ATO and due to the higher revenues related to investment capitalisation processes.

The **gross operating profit** totalled Euro 108 million (+2%) compared to Euro 106 million in 2009, due to the combined effect of updating the tariff plans resolved by the Genoa, Parma, Piacenza and Reggio Emilia ATOs, which involve consistent investment schemes, the reduction in consumption and higher costs linked to extraordinary transactions related to the subsidiary Mediterranea delle Acque.

During 2010, the Group sold 188 million cubic metres of **water** compared to 193 million cubic metres in 2009 (-2%).

Investments made in the sector throughout the period amounted to approximately Euro 105 million, used to build the infrastructures contemplated in the area plans, for the development of distribution networks, sewerage networks and water treatment systems.

THE ENVIRONMENT

In the Environment sector, 2010 **revenues** equalled Euro 222 million, a 5% growth compared to Euro 212 million in 2009, mainly due to the adaptation of tariff plans by the District Authorities in the areas served.

The sector posted a **gross operating profit** of Euro 45 million (+18%), growing compared to Euro 38 million in 2009, mainly due to tariff settlements related to evasion recovery activities, the production of electrical energy from waste-to-energy systems and the updating of Area Plans which more than offset the lower revenues that impacted the last quarter, generated by the disposal of CIP6 incentives regarding the Piacenza plant and higher operating costs linked to the extension of widespread waste collection methods.

Throughout 2010, the Group processed around 1,005,468 metric ton of **waste**, an increase of 8% compared to 934,806 metric tons in 2009. Thanks to the dissemination of new collection procedures, waste separation reached 55.4% in the area served, an increase of 2.1% over 2009.

Investments made in the sector for the year amounted about to Euro 47 million, mainly intended to build waste disposal plants, and in particular the Parma Integrated Environmental Cluster of plants, as well as the equipment, resources and environmental stations equipped for collection services.

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SERVICES AND OTHER

The Services sector posted **revenues** of Euro 104 million, against Euro 102 million in the same period in 2009.

In 2010, the sector's **gross operating profit**, which includes Group netting and adjustments, came out at Euro 15 million, compared to Euro 16 million in 2009.

FORECAST DEVELOPMENTS

In accordance with the information now available and the forecasts for the current year, 2011 is expected to be characterised by an unstable geo-political scenario and a slightly improved macro-economic scenario, even though the weakness experienced in 2010, which influenced the demand for electrical energy and gas, is expected to continue. The Iren Group expects to consolidate activities due to the progressive contribution of investments carried out.
However, Iren Group results will be influenced by developments in the energy scenario, applicable regulations and the seasonality of the sectors in which it works, particularly in relation to weather trends.
In 2011, investments set forth in the Group's industrial plan will continue, including: the new 400 MW co-generation plant in the northwest area of Turin, that will start the production in last quarter of 2011, the regasification terminal in Livorno and the waste-to-energy plant in Parma, wich will be working in 2012.

DIVIDEND AND SHAREHOLDERS' MEETING

The Board of Directors also approved the proposal to the shareholders’ meeting, called for 30 April 2011 (first call), and if necessary, for 6 May 2011 (second call), to distribute a dividend of Euro 0.085 per share, which shall be approved for payment on May 26th 2011 (detachment date: 23 May 2011). The dividend confirms the amount distributed in 2009 and, in relation to the listings of 23 March, has a dividend yield of 7.1%.
Furthermore, the Board of Directors called the extraordinary shareholders' meeting, where some changes to the Articles of Association shall be proposed in order to comply with the requirements of Italian Legislative Decree no. 27/2010 (record date and shareholders' rights) and the requirements of article 2391 *bis* of the Italian Civil Code on the topic of transactions with related parties.

CONFERENCE CALL

The 2010 results will be illustrated on 25 March at 10:30 a.m. (time zone CET), during a conference call to the financial community, broadcast through web casting in listen only mode, on the site www.gruppoiren.it in the Investor Relations section.

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The Manager in charge of drawing up the corporate accounting documents, Massimo Levrino, hereby declares, pursuant to paragraph 2 of article 154bis of the Consolidated Finance Act, that the accounting information presented herein corresponds to the accounting documents, records and books.
The Report on Operations, the draft 2010 Annual Report, the 2010 Consolidated Annual Report, the Statutory Auditors' Report and the Independent Auditors' Reports will be made available to the public at the company's headquarters (Via Nubi di Magellano, 30 – Reggio Emilia) and through the NIS circuit at Borsa Italiana, and will be published on the website www.gruppoiren.it, as provided for by the law.

Here below are the income statement, statement of financial position and statement of cash flows for the Iren Group and the Enìa Group, which have not be subject to an audit.

IREN, formed from the merger between Iride and Enìa, is one of the main Italian multiutility companies and provides utilities in the provinces of Genoa, Turin, Reggio Emilia, Parma and Piacenza.
With a multibusiness portfolio characterised by an important presence in all industrial businesses (electrical energy, gas, water, waste, district heating and renewable energies) and a good balance between open-market and regulated activities, IREN is the third multiutility company in Italy based on revenue and EBITDA.

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IREN GROUP: PRO FORMA CONSOLIDATED INCOME STATEMENT

(Thousands of Euro)	2010 pro-forma	2009 pro-forma
Revenue		
Revenue from goods and services	3,130,702	3,056,411
Change in contract work in progress	1,344	574
Other revenue and income	248,832	215,854
Total revenue	**3,380,878**	**3,272,839**
Operating expense		
Purchase of raw materials, consumables, supplies and goods	(1,620,894)	(1,616,779)
Services and use of third-party assets	(848,752)	(778,073)
Other operating expense	(75,722)	(97,111)
Capitalised expenses for internal work	29,967	44,262
Personnel expense	(261,985)	(261,471)
Total operating expense	**(2,777,386)**	**(2,709,172)**
Gross Operating Profit	**603,492**	**563,667**
Amortisation, depreciation and provisions		
Amortisation/depreciation	(204,177)	(191,877)
Provisions	(60,692)	(59,447)
Total amortisation, depreciation and provisions	**(264,869)**	**(251,324)**
Operating profit	**338,623**	**312,343**
Financial income		
Financial income	25,826	36,129
Financial expense	(86,657)	(162,552)
- of which non-recurring	-	*(64,312)*
Net financial income	**(60,831)**	**(126,423)**
Share of profit (loss) of associates accounted for using the equity method	13,114	11,662
Impairment losses on investments	(440)	(4,642)
Profit before tax	**290,466**	**192,940**
Income tax expense	(106,177)	(149,073)
- of which non-recurring	-	*(38,749)*
Profit for the period from continuing operations	**184,289**	**43,867**
Profit from discontinued operations	1,740	6,077
Profit for the year	**186,029**	**49,944**
attributable to:		
- owners of the Parent	177,580	42,432
- non-controlling interests	8,449	7,512

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IREN GROUP: PRO FORMA RECLASSIFIED STATEMENT OF FINANCIAL POSITION

(Thousands of Euro)	31.12.2010	31.12.2009 pro-forma
Non-current assets	4,566,148	4,295,911
Other non-current assets (liabilities)	(118,920)	(127,776)
Net working capital	137,040	113,829
Deferred tax assets (liabilities)	27,241	9,185
Provisions and employee benefits	(325,267)	(324,121)
Assets (Liabilities) held for sale	55,528	8,980
Net invested capital	**4,341,770**	**3,976,008**
Equity	2,081,620	1,920,312
Long-term financial assets	*(88,388)*	*(279,153)*
Medium and long-term financial indebtedness	*1,829,263*	*1,870,294*
Medium and long-term net financial indebtedness	1,740,875	1,591,141
Short-term financial assets	*(521,828)*	*(249,645)*
Short-term financial indebtedness	*1,041,103*	*714,200*
Short-term net financial indebtedness	519,275	464,555
Net financial indebtedness	2,260,150	2,055,696
Own funds and net financial indebtedness	**4,431,770**	**3,976,008**

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IREN GROUP: PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS

(Amounts in thousands of Euro)	2010 pro-forma	2009 pro-forma
A. Opening cash and cash equivalents	**56,905**	**121,833**
Cash flow generated by operating activities		
Profit for the period	186,029	51,260
Adjustments:		
Amortisation and depreciation of intangible and tangible assets	204,177	191,877
Net variation in post-employment and other employee benefits	(2,804)	(1,836)
Net variation in provision for risk and other charges	3,950	31,409
Loss from the sale of discontinued operations net of tax effects	(1,740)	(6,077)
Variation in deferred tax assets and liabilities	(18,056)	(20,020)
Variation in non-current assets (liabilities)	(8,856)	6,972
Dividends received	(6,787)	(6,220)
Portion of result of associates	(13,114)	(11,662)
Net impairment losses (reversals of impairment losses) on investments	440	4,642
B. Operating cash flow before NWC variations	**343,239**	**240,345**
Variation in inventories	6,048	285
Variation in trade receivables	(83,805)	217,682
Variation in tax assets and other current assets	22,464	(54,240)
Variation in trade payables	44,167	(34,151)
Variation in tax liabilities and other current liabilities	(12,085)	(5,550)
C. Cash flow generated by NWC variation	**(23,211)**	**124,026**
D. Operating cash flow (B+C)	**320,028**	**364,371**
Cash flows from (for) investing activities		
Investments in tangible and intangible assets	(557,957)	(483,661)
Investments in financial assets	(7,707)	(7,595)
Proceeds from the sale of investments, changes in consolidation scope and assets held for sale	50,565	12,208
Transfer of discontinued operations net of cash disposed of	-	11,445
Dividends received	6,787	6,220
Other variations in financial assets	(3,245)	(128)
E. Total cash flows from investing activities	**(511,557)**	**(461,511)**
F. Free cash flow (D+E)	**(191,529)**	**(97,140)**
Cash flow from financing activities		
Dividends paid	(110,589)	(112,387)
Other changes in equity	97,664	(4,732)
Variation in financial receivables	10,073	(94,603)
Variation in financial payables	281,588	243,934
G. Total cash flow from financing activities	**278,736**	**32,212**
H. Cash flow for the period/year (F+G)	**87,207**	**(64,928)**
I. Closing cash and cash equivalents (A+H)	**144,112**	**56,905**

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