PRESS RELEASE

PRESS RELEASE

IREN Group: the Board of Directors approves the results at 30th September 2014(*).

- **Revenues of 2,071.4 million euros (2,416.7 million euros at 30th September 2013)**
- **Gross Operating Profit (Ebitda) of 484.3 million euros (482.8 million euros at 30th September 2013)**
- **Operating Profit (Ebit) of 282.7 million euros (274.5 million euros at 30th September 2013)**
- **Net Profit of 88.8 million euros (99.4 million euros at 30th September 2013)**
- **Net financial debt of 2,281 million euros.**

Turin, 12th November 2014 - The Board of Directors of IREN S.p.A. today approved the consolidated results at 30 September 2014.

"Iren Group thanks to its balanced business portfolio and to the operating synergies – the Chairman Francesco Profumo said on behalf of the Board of Directors – *achieved an improvement in profitability, including Ebitda and Ebit, even facing such an unfavourable scenario, which characterized the first part of the year, affecting revenues. Significant is the improvement in net profit in the last quarter."*
"Besides the achievement of these positive results – added Francesco Profumo – *the recognition of the OLT offshore LNG terminal as an asset of national strategic interest and consequently the recognition of "guaranteed revenue" and the success obtained by the bond reflecting the interest and trust of lenders in the Company are further sources of satisfaction."*

IREN GROUP: CONSOLIDATED RESULTS AT 30 SEPTEMBER 2014

Consolidated **Revenues** in the first nine month of 2014 amounts to 2,071.4 million euros, a 14.3% fall compared to the 2,416.7 million euros reported in the same period in 2013, in line with the sector and the last quarters trend, mainly due to a reduction in gas and heat volumes sold linked to the mild winter season, and due to a drop in the electricity price (-20%) which reached its lowest ever level in July.

Gross operating profit (Ebitda) stands at 484.3 million euros and, despite the reduction in revenues, is slightly up (+0.3%) compared to the 482,8 million euros in the first nine months of 2013, not only confirming, but even improving on the positive trend showed in the first quarter of the year. The positive balance, then, between the excellent results obtained in the regulated sectors, primarily the Integrated water service and Integrated waste cycle areas, and the ones achieved in the energy sector (heavily impacted by external and market factors), led to a rise in the Ebitda margin to 23.4% (20% in the first nine months 2013).

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
giulio.domma@gruppoiren.it
investor.relations@gruppoiren.it

Media Relations
Selina Xerra
Tel. + 39 0521.248267
Cell. + 39 335.7723476
selina.xerra@gruppoiren.it

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

Moreover, the EBITDA is positively affected by operating synergies achieved and a 21 million euros capital gain, deriving from the Real Estate Fund set up in 2012, already reported at the close of the first half of the year.

Operating profit (EBIT) totalled 282.7 million euros, a growth compared to the 274.5 million euros reported in the first nine months of 2013. The operating profit reflects the EBITDA trend and, in addition, benefits from lower provisions which more than offset the increase in depreciation and amortization linked largely to the new plants entering the Group's perimeter.

Net profit from stands at 88.8 million euros, a -10.7% drop compared to the 99.4 million euros reported at 30 September 2013 but a strong recovery on the first half of the year. This performance is mainly influenced by the operating results and by the effects of the companies consolidated with the equity method.

Net financial debt at the end of the first nine months 2014 stood at 2,281 million euros, a slight growth compared to the 2,192 million euros at 31 December 2013 mainly due to the capex for the acquisition of a further 24% stake in TRM V S.p.A. and 49% in Tecnoborgo S.p.A, to the public takeover for Società Acque Potabili, in addition to the distributed dividend, even if the cash-flow generated was positive. Worth noting is that the already-mentioned application of the IFRS 11 accounting principle and the restatement of the financial and economic data led to a 333 million euros reduction in Net financial debt at 31 December 2013, with a consequent improvement in the Debt/EBITDA ratio.

Gross investments for the period amounted to 234.3 million euros.

(*) The new IFRS 11, which governs the accounting treatment of joint ventures, came into force from January 1 2014, and no longer allows the proportional consolidation of joint ventures as applied by the Iren Group until 31 December 2013. As a consequence, the following companies have exited from the consolidation perimeter: Olt, SAP, AES and Iren Renewables, which are now consolidated using the equity method. Further to the above, it is, however, considered appropriate to provide, in addition to the financial statements prepared in accordance with international accounting standards in force, specific statements (defined as "restated") in order to represent and detail, for each line of the income statement and balance sheet, the district heating business in the city of Turin which is principally managed through the jointly controlled company, AES SpA. These restated statements, in addition to providing information broadly consistent with the information provided before the entry into force of the new IFRS 11, better reflect the strategic importance 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, as confirmed by the agreement entered into with Italgas on 9th April 2014, which provides for the demerger of AES SpA and the transfer to the Iren Group of assets relating to the district heating with effect from July 1, 2014. For the reasons stated above, the comments on the economic and financial trend of Iren Group for the first half 2014 refer to these restated statements.

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
giulio.domma@gruppoiren.it
investor.relations@gruppoiren.it

Media Relations
Selina Xerra
Tel. + 39 0521.248267
Cell. + 39 335.7723476
selina.xerra@gruppoiren.it

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

IREN GROUP: MAIN RESULTS BY BUSINESS AREA

(millions of Euros)	9M 2014	9M 2013	Var. %
Revenues	**2,071.4**	**2,416.7**	**-14.3%**
Electricity and district heating	571.7	707.6	-19.2%
Energy infrastructures	241.3	238.4	1.2%
Market	1,654.1	2,204.4	-25.0%
Integrated water service	333.9	311.4	7.2%
Waste management	169.4	158.4	7.0%
Services and other	75.6	62.8	20.4%
Netting and adjustments	-974.6	-1,226.3	-23.0%
Gross Operating Profit	**484.3**	**482.8**	**0.3%**
Electricity and district heating	140.9	178.9	-21.3%
Energy infrastructures	106.8	114.8	-7.0%
from Electricity networks	*51.6*	*61.2*	*-15.7%*
from Gas networks and plants	*55.2*	*53.6*	*3.3%*
Market	56.3	73.2	-23.1%
Electrical energy	*15.9*	*-1.0*	*n.s.*
Gas and Heat	*40.4*	*74.2*	*-45.5%*
Integrated water service	118.4	88.8	33.4%
Waste management	38.9	26.5	47.0%
Services and Other	23.0	0.5	n.s.
Operating profit	**282.7**	**274.5**	**+3.0%**
Electricity and district heating	80.9	123.2	-34.4%
Energy infrastructures	74.5	80.6	-7.5%
Market	27.5	28.0	-1.8%
Integrated water service	65.9	38.9	69.3%
Waste management	14.9	7.6	95.6%
Services and Other	19.0	-3.9	n.s.

ELECTRICITY AND DISTRICT HEATING

Revenues from the Electricity and District Heating sector totalled 571.7 million euros compared to 707.6 million euros in the first nine months 2013 (-19.2%), mainly as a result of lower production of electricity and heat and the fall in the electricity price (PUN -20%).

Gross operating profit (Ebitda) for this sector amounts to 140.9 million euros compared to 178.9 million euros reported at 30 September 2013. The difference between the results in the two periods taken into consideration is the same as the one reported in the first half of the year. This performance has been affected by the same factors impacting revenues: the economic slowdown, together with the increase in renewable energy production and the exceptionally mild winter season led to a significant reduction in the electricity price and a decrease in heat volumes sold. In addition, there was a reduction in heat sale tariffs as a consequence of the AEEGSI resolution, relating to the calculation of the natural gas sale tariff. These negative elements were partially mitigated by the positive performance in hydroelectric sector, by the steady growth in district heated volumes and by the recognition of receivables linked to the Emission Trading System assigned to the so-called "new-entrant" plants and already reported in the first half of the year.

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
giulio.domma@gruppoiren.it
investor.relations@gruppoiren.it

Media Relations
Selina Xerra
Tel. + 39 0521.248267
Cell. + 39 335.7723476
selina.xerra@gruppoiren.it

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

In the first nine months of 2014, **electricity** volumes generated amounted to 4,197 GWh, down on the 5,243 GWh reported in the same period of 2013, due mainly to lower cogeneration production and to extraordinary maintenance services; this was partially offset by the production of the Turbigo plant, which entered the Group's perimeter from November 2013, and by higher hydroelectric production.

In particular, hydroelectric generation stood at 1,114 GWh, marking a significant growth (+10.9%) thanks to the contribution of the hydroelectric plant of Tusciano which entered the Group plant portfolio starting from November 2013, while cogenerative/thermoelectric production stood at 3,083 GWh compared to 4,239 Gwh in the same period of 2013.

Heat production stood at 1,620 GWht, down 18.7% compared to first nine months 2013 as a consequence of the climatic conditions, while the heated volumes were more than 79 mcm (+3.3%).

At 30 September 2014 **gross investments** amounted to 51.5 million euros, mostly towards extraordinary maintenance interventions on cogeneration plants and the development of the district heating network.

MARKET

Market segment **Revenues** stood at 1,654.1 million euros compared to 2,204.4 reported in the first nine months of 2013. Again in this case, external factors such as the negative macro-economic scenario and the extremely mild winter season are the main reasons for the fall in volumes sold, heavily affecting revenues.

The **Gross operating profit (Ebitda)** for this segment, of 56.3 million euros, was lower compared to the 73.2 million reported in the first nine months of 2013. In particular, the good results in electricity sales (+17 million euros), benefitting from the ending of the Edipower tolling contract in the last part of 2013, were more than offset by the poorer performance of gas sale sector, which was impacted not only by the above-mentioned external items but also by the AEEGS Resolution No. 196/13 on the CCI (Wholesale Marketing Component) calculation. The third quarter of the year will be the last to show a relevant discontinuity linked to this resolution, which came into full effect from October 2013.

In the first nine months of 2014 the Group directly marketed 7,875 GWh of **electricity**, a fall of 17.1% compared to the same period of 2013, mainly because of lower cogeneration production. Furthermore, 1,479 million cubic metres of **gas** were sold in the first nine months 2014, dropping 31.6% compared to the 2,164 million cubic metres at 30 September 2013, mainly due to the climate trend.

At 30 November 2014 **gross investments** amounted to 7.3 million euros.

ENERGY INFRASTRUCTURES

Revenues in the Energy infrastructures segment totalled 241.3 million euros, substantially in line with the 238.4 million euros in the first nine months of 2013.

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
giulio.domma@gruppoiren.it
investor.relations@gruppoiren.it

Media Relations
Selina Xerra
Tel. + 39 0521.248267
Cell. + 39 335.7723476
selina.xerra@gruppoiren.it

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

Gross operating profit (Ebitda) amounted to 106.8 million euros, around 8 million euros down on the 114.8 million euros reported at 30 September 2013. The margin contraction in the electricity networks sector is due to the combined effects of extraordinary negative elements linked to previous years impacting on the period and the absence of positive extraordinary elements which characterised the first six months of 2013. The gas networks sector, on the other hand, reports a slight growth (3.3%), mainly linked to the economic recognition of the efforts in achieving compulsory energy efficiency targets

In the first nine months of 2014 the Group distributed 2.880 GWh of **electricity,** lower compared to the same period of 2013 (-8.1%) and 730 million cubic metres of **gas**, down by 22.3%.

Gross investments in the sector amounted to 42.7 million euros, largely devoted to the modernizing of the gas networks particularly through the installation of cathodic protection systems, the replacement of grey cast iron pipes, the installation of electronic gas meters and the construction and updating of electricity substations.

INTEGRATED WATER SERVICE

In the first nine months of 2014 the integrated water service segment posted **Revenues** of 333.9 million euros, up by +7.2% on the 311.4 million euros of the same period of 2013, due mainly to the tariffs update in compliance with the new method established by the AEEGSI for 2014-2015, to tariff adjustments linked to the application of the 2012-2013 Tariff Temporary Method and to the further granting of energy efficiency certificates linked to the implementation of plants aimed at reducing electricity consumptions.

Gross operating profit (Ebitda) stood at 118.4 million euros (+33.4%) compared to 88.8 million euros in the first nine months of 2013. The increase in EBITDA, which confirms the positive trend reported in the last quarters, is principally a result of the positive revenues trend and of the non-repeatability of the contingent liability (relating to the reimbursement of costs further to the 2011 referendum) reported in the first half of 2013.

At 30 September 2014 Group IREN sold 108 million cubic metres of **water,** down by 4% compared to the same period 2013.

Gross investments made in the period totalled 48.0 million euros, mainly used for the construction of infrastructures as provided for in the "*Piani d'ambito*" (Territorial plans), for the development of distribution networks, sewerage networks and for treatment systems.

WASTE MANAGEMENT

Waste management sector **Revenues** at 30 September 2014 amounted to 169.4 million euros, a 7.0% increase compared to the 158.4 million euros reported at the same date in 2013. The increase in revenues was driven by a number of factors confirming an improvement in all the sub-segments of the sector, which is benefitting, principally, from the coming on stream of the new Integrated Environmental Hub in Parma from which the growth in electricity and heat volumes produced mainly derives. In addition the sector was positively affected by the optimization process related to the revision and recovery of waste collection and disposal fees and by an improvement in commercial performances in the special waste sector.

The segment reported a **Gross operating profit (Ebitda)** of 38.9 million euros, marking a 47.0% increase compared to 26.5 million euros in the first nine months of 2013. The growth is substantially a reflection of the positive results reported in revenues, together with the contribution of achieved operating synergies in waste collection and disposal.

In the reference period, the Group treated approximately 796,000 tonnes of **waste** compared to 739,000 tonnes in the same period of 2013 (+7.7%). Specifically, the growth in the collection of special waste, already reported in 2013, is substantially confirmed (+25.6%).
Thanks to the spread of new waste collection methods introduced, differentiated collection exceeded 63% in the territory served, growing by around three percentage points compared to 30 September 2013.

Gross Investments in this segment amounted to 14.4 million euros, devoted mainly to the completion of the Integrated Environmental Centre in Parma and towards actions supporting the development of the “door to door” sorted waste collection system.

BUSINESS OUTLOOK

The macro-economic scenario in the Euro area in the first half of 2014 shows a practically flat or slightly negative GNP, contrasting with the 1 point percentage growth in the US and 0.8% growth in the UK. In particular, the second quarter of the year has been negative both for Germany and for France, but as far as Italy is concerned, Moody’s has revised down its growth estimates from +0.5% to -0.1%. With regards to the fourth quarter of the year, the restrictive fiscal policy still present in many member countries of the UE, the stagnation in the labour market and the consequent low available income will lead to a persistent weakness in household consumption. As far as Italy is concerned, the above-mentioned scenarios provide for a trend fluctuating from slight recession to extremely limited growth, depending on the lending capacity of banks to avoid interrupting the ordinary investments cycle, and on the effective implementation of planned reforms in the current political and institutional phase, with particular reference to the public administration debts reimbursement plan in favour of enterprises, to measures linked to the labour market and to actions aiming to increase taxpayers’ spending capacity. The competitive scenario will remain challenging, without any sign of recovery in commodity prices in the short-term. In such a macroeconomic context, IREN Group’s short-term strategy focuses on margins protection (also through the pursuit of significant operating synergies), the consolidation of the presence of the Group in regulated sectors, as well as a strict control of its financial stability and the optimization of its investments portfolio, with particular attention on selected development opportunities. The operating synergies performance will be positively impacted by the demographic rebalance plan in Iren’s human resources which provides for new job positions for young people on the basis of a voluntary retirement incentive plan for employees eligible for retirement by 2018.

SIGNIFICANT EVENTS OF THE PERIOD

100 MILLION EUROS PRIVATE PLACEMENT ISSUE WITH A 5 YEAR MATURITY

On 11th February 2014 Iren S.p.A. successfully completed the issue of a Private Placement for a total of 100 million euros with a five year maturity and a 3% per year coupon. The bonds, listed on the Irish Stock Exchange, were fully subscribed by Morgan Stanley and are reserved to institutional investors for trading. The operation follows the first bond placement completed in 2013.

RE-OPENING OF THE PRIVATE PLACEMENT OPERATION CARRIED OUT 14TH OCTOBER 2013, WITH A 50 MILLION EUROS INCREASE

On 19 March 2014 Iren S.p.A completed a tap issue of the IREN 4.37% bonds issued 14th October 2013, expiry date 14th October 2020. The bonds, listed on the Irish Stock Exchange, are intended solely for institutional investors. The transaction added 50 million euros to the original issue of 210 million euros (including the amount raised through the tap issue on 29th of October 2013) at the same maturity and coupon terms as the original issue but with a lower yield (below 4%).

TAKE-OVER BID FOR ACQUE POTABILI

On 24 September 2014 the General Meeting of the Shareholders of Acque Potabili S.p.A. approved the project for the merger by incorporation of Acque Potabili in Sviluppo Idrico.
The aim of the project is to delist the ordinary shares of Acque Potabili from the *Mercato Telematico Azionario,* a regulated market managed by Borsa Italiana, to achieve the reorganisation of Acque Potabili activities and a cost saving associated with the elimination of the costs deriving from the above listing. The integration with Sviluppo Idrico, in particular, aims at overcoming the limits of a fragmented management of concessions currently carried out by Acque Potabili, through an integrated management of its own concessions together with the concessions currently managed autonomously by IAG and SMAT. As a result of the Merger, all the ordinary shares of Acque Potabili will be eliminated and exchanged with ordinary shares of Sviluppo Idrico. Specifically, to affect the exchange, Sviluppo Idrico will increase its own share capital by a maximum of Euro 5,633,096 through the new issue of a maximum of 5,633,096 ordinary shares, as well as the elimination without exchange of all the ordinary shares of Acqua Potabili owned by Sviluppo Idrico.
The Board of Directors of the companies participating in the Merger have established the exchange ratio as follows: 0.212 Sviluppo Idrico ordinary shares of a nominal value of Euro 1.00 each for 1 Acque Potabili ordinary share of value Euro 0.10 each. There are no cash adjustments. The Merger will give the shareholders of Acque Potabili who have not given their approval for the Merger the right to withdraw their shares in whole or in part.
In this regard, it should be noted that the liquidation value of the Acque Potabili ordinary shares in relation to which the aforementioned right of withdrawal is exercised has been calculated, in compliance with the provisions of art. 2437-ter, paragraph 3 of the civil code, making exclusive reference to the arithmetic average (calculated by Borsa Italiana S.p.A.) of the closing prices of the six months previous to the date of publication of the convocation of the Extraordinary Meeting of the Shareholders of Acque Potabili called for 24 September 2014. The effectiveness of the withdrawal will be subject, in all events, to the effectiveness of the Merger scheduled for January 1, 2015.

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
giulio.domma@gruppoiren.it
investor.relations@gruppoiren.it

Media Relations
Selina Xerra
Tel. + 39 0521.248267
Cell. + 39 335.7723476
selina.xerra@gruppoiren.it

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

PRESS RELEASE

AES Torino de-merger.

On the 1st of July 2014 Iren Energia acquired the direct ownership of the business related to district heating distribution sector in the Municipalities of Turin, Moncalieri, Nichelino, in addition to the Parma, Piacenza and Reggio Emilia networks already held in the Municipalities of Genova, Parma, Piacenza and Reggio Emilia. The acquisition derives from the agreement signed on the 9th of April 2014 between Iren Energia and Italgas (a company fully owned by Snam) aimed to the split between district heating and natural gas distribution activities carried out by AES Torino (51% Iren Energia, 49% Italgas).

The separation between gas distribution and district heating activities took place through the non-proportional demerger of AES Torino, effective from the 1st of July 2014, the acquisition by Iren Energia of the business relating to the distribution of district heating and the exit of the latter from the AES share capital of holds the entire share capital of AES. With the completion of the agreement, Iren Energia is again the holder of the district heating network of the towns of Turin, Moncalieri, Nichelino, which, with 56 million cubic meters of volumes heated, (equal to approximately 60% of inhabitants), is the most extended network in Italy and it consolidates its leadership in Italy in the district heating sector with more than 79 million of cubic meters served. The demerger of AES Torino is one of the cases of exclusion provided for transactions with related parties by the Consob Regulation and by the procedure adopted by Iren Group in this regard.

Exercise of the call option on TRM V S.p.A.

On the 29th of April 2014 the Board of Directors of Iren S.p.A approved the exercise of the call option from F2i Ambiente S.p.A on a 24% stake in TRM V SpA, a company in which Iren Group already owns a 25% stake and that controls TRM SpA, company which had received the award to design, build and manage the waste to energy plant in the south area of the province of Turin. The transaction took place on the May 9, 2014 at a price of approximately 35.7 million euros.

2013 Financial Statement approval and Dividend distribution

On the 18th of June 2014 Iren's General Shareholders meeting approved the 2013 annual finance report and decided for a 0.0523 euro per share dividend distribution, paid on the 26th June 2014.

Issue of a 300 million euros bond on the European market

On the 3rd of July Iren SpA, the issue of a 300 million euros bond through public placement on the Eurobond market was completed. The bonds, listed on the Irish Stock Exchange, have a seven-year maturity and a 3.0% per year coupon. The Eurobond issue was received with great interest by Italian e foreign institutional investors, reaching orders corresponding to 2.5 times oversubscription. The notes, with a minimum denomination of 100.000 Euro, have a reoffer price of 99.225%. The re-offer yield is 3.125%. The Euro bond issue further improves the debt profile of Iren Group through a lengthening in the average maturity and a reduction in the average cost of debt.

75million euro Unicredit loan

On the 28th of July, Iren S.p.a signed a 75 million euros, 4 year-maturity loan contract with Unicredit to partly refinancing a credit line with the same bank institution.

THE OLT REGASIFICATION PLANT RECOGNIZED AS A STRATEGIC INFRASTRUCTURE FOR THE SAFETY OF THE NATIONAL ENERGY SYSTEM

Following the Decree issued by the Minister of the Economic Development in the last days, which has accepted the request to renounce to the third party access exemption, the regasification plant owned by the company OLT Offshore LNG Toscana (in which Iren Group has a 46.79% stake) has been defined an essential and indispensable infrastructure for the safety of the National Gas System.

CONFERENCE CALL

The results at 30 September 2014 will be illustrated tomorrow, 13 November 2014 at 10.30 (Italian time) during a conference call to the financial community, also transmitted in web casting in listen-only mode on the website www.grupporien.it, Investor Relations section.

The Manager in charge of drawing up the corporate accounting documents, Mr, Massimo Levrino, hereby declares, pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act, that the accounting information presented herein corresponds to the accounting documents, records and registers. The Financial Report at 30 September 2014 will be made available to the public as provided for by the law, at the company's headquarters (Via Nubi di Magellano, 30 – Reggio Emilia) at Borsa Italiana S.p.A, and they will be published on the website www.gruppoiren.it
The financial statements of IREN Group S.p.A. (currently subject to audit) are set out below.

IREN is one of the leading multi-utility companies in Italy, established from the merger between Iride and Enìa, and provides public utility services in the Provinces of Genoa, Turin, Reggio Emilia, Parma and Piacenza,
With a multi-business portfolio and leading presence in all the industrial areas (electrical energy, gas, water, waste, district heating and renewable energy) in addition to a good balance between open market activities and regulated activities, IREN ranks fourth among the multi-utility companies, on a national basis in terms of Revenues.

Investor Relations	**Media Relations**	
Giulio Domma	Selina Xerra	Barabino & Partners
Tel. + 39 0521.248410	Tel. + 39 0521.248267	Tel. +39 010 2725048
giulio.domma@gruppoiren.it	Cell. + 39 335.7723476	Roberto Stasio +39 335 5332483
investor.relations@gruppoiren.it	selina.xerra@gruppoiren.it	Giovanni Vantaggi + 39 328 8317379

PRESS RELEASE

IREN GROUP: CONSOLIDATED INCOME STATEMENT AT 30/09/2014

(Thousands Euro)	30.09.2014 (Restated)	30.09.2013 (Restated)	change %
Revenues			
Revenues from goods and services	1.869.723	2.282.874	(18,1)
Change in contract work in progress	80	(562)	(*)
Other revenues and income	201.625	134.340	50,1
- *Of which non recurrent*	*21.044*	-	
Total revenues	**2.071.428**	**2.416.652**	**(14,3)**
Operating expenses			
Costs for raw materials, consumables, supplies and goods	(720.818)	(1.093.229)	(34,1)
Services and use of third-party assets	(621.964)	(608.572)	2,2
Other operating expenses	(54.088)	(59.597)	(9,2)
Capitalised expenses for internal work	14.669	17.624	(16,8)
Personnel expenses	(204.934)	(190.089)	7,8
Total operating expenses	**(1.587.135)**	**(1.933.863)**	**(17,9)**
Gross Operating Profit (EBITDA)	**484.293**	**482.789**	**0,3**
Amortisation, depreciation, impairment and provisions			
Amortisation/depreciation	(179.700)	(152.599)	17,8
Provisions and impairment	(21.902)	(55.702)	(60,7)
Total amortisation, depreciation impairment and provisions	**(201.602)**	**(208.301)**	**(3,2)**
Operating profit (EBIT)	**282.691**	**274.488**	**3,0**
Financial income			
Financial income	20.205	20.770	(2,7)
Financial expense	(96.914)	(86.919)	11,5
Net financial income	**(76.709)**	**(66.149)**	**16,0**
Share of profit (loss) of associates accounted for using the equity method	(12.152)	8.889	(*)
Impairment losses on investments	(21)	(10.039)	(99,8)
Profit before tax	**193.809**	**207.189**	**(6,5)**
Income tax expense	(91.652)	(99.223)	(7,6)
Profit for the period from continuing operations	**102.157**	**107.966**	**(5,4)**
Profit from discontinued operations	-	-	-
Profit for the period	**102.157**	**107.966**	**(5,4)**
attributable to:			
- owners of the Parent	88.758	99.384	(10,7)
- non-controlling interests	13.399	8.582	56,1

(*) Variation of more than 100%

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
giulio.domma@gruppoiren.it
investor.relations@gruppoiren.it

Media Relations
Selina Xerra
Tel. + 39 0521.248267
Cell. + 39 335.7723476
selina.xerra@gruppoiren.it

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

IREN GROUP: RECLASSIFIED STATEMENT OF FINANCIAL POSITION AT 30/09/2014

(Thousands Euro)	30.09.2014 (Restated)	31.12.2013 (Restated)	change %
Non-current assets	4.537.163	4.525.762	0,3
Other non-current assets (liabilities)	(154.770)	(135.501)	14,2
Net working capital	209.571	151.369	38,5
Deferred tax assets (liabilities)	129.844	121.995	6,4
Provisions and employee benefits	(445.286)	(473.695)	(6,0)
Assets (Liabilities) held for sale	491	995	(50,7)
Net invested capital	**4.277.013**	**4.190.925**	**2,1**
Equity	1.995.632	1.998.762	(0,2)
Long-term financial assets	*(63.332)*	*(79.424)*	*(20,3)*
Medium and long-term financial indebtedness	*2.235.477*	*1.853.608*	*20,6*
Medium and long-term net financial indebtedness	2.172.145	1.774.184	22,4
Short-term financial assets	*(539.231)*	*(454.902)*	*18,5*
Short-term financial indebtedness	*648.467*	*872.881*	*(25,7)*
Short-term net financial indebtedness	109.236	417.979	(73,9)
Net financial indebtedness	2.281.381	2.192.163	4,1
Own funds and net financial indebtedness	**4.277.013**	**4.190.925**	**2,1**

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
giulio.domma@gruppoiren.it
investor.relations@gruppoiren.it

Media Relations
Selina Xerra
Tel. + 39 0521.248267
Cell. + 39 335.7723476
selina.xerra@gruppoiren.it

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

IREN GROUP: CONSOLIDATED STATEMENT OF CASH FLOWS AT 30/09/2014

(Thousands Euro)	30/09/2014 (Restated)	30/09/2013 (Restated)	change %
A, Opening cash and cash equivalents	**50.221**	**26.681**	**88,2**
Cash flow generated by operating activities			
Profit for the period	102.157	107.966	(5,4)
Adjustments:			
Amortisation and depreciation of intangible and tangible assets	179.700	152.599	17,8
(Capital gains) capital losses and other changes in equity	(25.127)	(2.031)	(*)
Net variation in post-employment and other employee benefits	742	1.120	(33,8)
Net variation in provision for risk and other charges	(33.325)	(23.790)	40,1
Variation in deferred tax assets and liabilities	(7.749)	(355)	(*)
Variation in non-current assets (liabilities)	19.269	(34.007)	(*)
Dividends (net of elisions)	(1.030)	(1.165)	(11,6)
Portion of result of associates	12.152	(8.889)	(*)
Net impairment losses (reversals of impairment losses) on investments	837	10.755	(92,2)
B, Operating cash flow before NWC variations	**247.626**	**202.203**	**22,5**
Variation in inventories	10.971	(10.435)	(*)
Variation in trade receivables	193.490	289.406	(33,1)
Variation in tax assets and other current assets	(67.464)	30.492	(*)
Variation in trade payables	(300.664)	(336.374)	(10,6)
Variation in tax liabilities and other current liabilities	105.465	79.766	32,2
C, Cash flow generated by NWC variation	**(58.202)**	**52.855**	**(*)**
D, Operating cash flow (B+C)	**189.424**	**255.058**	**(25,7)**
Cash flows from (for) investing activities			
Investments in tangible and intangible assets	(175.490)	(158.582)	10,7
Investments in financial assets	(58.823)	(723)	(*)
Proceeds from the sale of investments and changes in assets held for sale	23.778	5.156	(*)
Dividends received	7.061	8.730	(19,1)
Other financial activities	**(203.474)**	**(145.419)**	**39,9**
E, Total cash flows from investing activities	**(14.050)**	**109.639**	**(*)**
F, Free cash flow (D+E)			
Cash flow from financing activities			
Cash out for dividends	(73.642)	(76.070)	(3,2)
New long term financing	525.000	258.000	(*)
Repayment of long term financing	(530.330)	(186.683)	(*)
Variation in financial receivables	161.259	(164.485)	(*)
Variation in financial payables	(87.132)	58.910	(*)
G, Total cash flow from financing activities	**(4.845)**	**(110.328)**	**(95,6)**
H, Cash flow for the period/year (F+G)	**(18.895)**	**(689)**	**(*)**
I, Closing cash and cash equivalents (A+H)	**31.326**	**25.992**	**20,5**

(*) Variation of more than 100%

Investor Relations
Giulio Domma
Tel. + 39 0521.248410
giulio.domma@gruppoiren.it
investor.relations@gruppoiren.it

Media Relations
Selina Xerra
Tel. + 39 0521.248267
Cell. + 39 335.7723476
selina.xerra@gruppoiren.it

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