

IREN Group: An agreement with the Vercelli Municipality initiating territorial consolidation has been signed

The agreement with the Vercelli Municipality represents a “first step” towards a new IREN which, through the introduction into the Group of important local businesses working in areas in which Iren has always operated, aims at becoming an aggregator and driver of development in its reference territories.

Vercelli 21st December 2015 – Iren and the Vercelli Municipality has today signed a framework agreement underpinning the Atena development project, with the objective of fostering its important role in the north-eastern part of Piedmont.

The extraordinary shareholders’ meeting of Atena and Atena Patrimonio have today also approved the merger project of the two companies, the associated share capital increase required to fund the significant investment plan for the coming years and the amendments to the articles of association related to the changes in corporate governance.

IREN, strongly committed to supporting the development of Atena in the territory, has undertaken to subscribe the whole capital increase (in the event there are no participants in the public procedure that the Municipality of Vercelli will launch and subject to obtaining Antitrust clearance), purchasing both all the option rights and the further shares offered by the Municipality of Vercelli for the amount of approximately 60 million euros (of which 50 million euros from the share capital increase), thereby increasing its stake from 22.7% (following the above-mentioned merger) to 60%. In the event that the public procedure has a positive outcome, IREN reserves the right to exercise its pre-emption right awarded to it by the company’s Articles of Association in force.

The development plan envisages 100 million euros of investments: in the energy network sector, with participation in the next public tender for renewal of the gas distribution concession in the Vercelli ATEM; in the water sector, with an increase in network efficiency and the adoption of smart-metering systems; in the waste sector with the development of a “home-collection” system which will increase the sorted waste collection percentage and the development of plants devoted to the recovery of the collected material, and in the energy efficiency sector through the development of innovative solutions and energy saving projects (Smart building, LED, energy audit)

The centrality of the Client, Citizens and all the Stakeholders will be a key aspect, involving the creation of a new strategy based on sustainability values and on the offer of new integrated and innovative services able to satisfy all the new demands of Clients.

A new investment and operating management model will be set up, based on technological innovation, continuous performance improvement and on the attainment of important savings deriving from belonging to the IREN Group.

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IREN and the Vercelli Municipality's joint objective, finally, is the strengthening of Atena, intensifying its role as a growth driver in the North-eastern part of Piedmont, thanks also to the creation of synergies and partnerships with other utilities operating on the territory.

*"The operation approved today by the Shareholders' meetings is aimed at relaunching Atena as a major industrial player in its territory" – **Francesco Profumo, Chairman of the Group** declared, who then added - "Atena will be an integral part of IREN's strategies, and thanks to the share capital increase, will be able to sustain an ambitious development plan with a high innovation component, allowing for real prospects of sustainable employment growth"*

*"As announced during the presentation of the Business Plan last June" – **Massimiliano Bianco, CEO of the Group** declared - "the Group is strongly committed to being a leading player in its reference area in the rationalization and consolidation process involving local companies in which public entities own a stake, supported also by the Government. Atena represents a first step towards this development target and IREN intends to carry on the territorial aggregation process in 2016 aimed at strengthening and improving the efficiency of the sectors in which it operates."*

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