

IREN S.p.A.: the General Shareholders meeting has approved the 2016 annual report and the dividend proposal, standing at 6.25 euro/cent, 14% higher on what distributed in 2016 and exceeding the business plan targets.

Reggio Emilia, 20 April 2017 - The General Shareholders' meeting of IREN S.p.A. approved today the 2016 Annual Report, the 2016 Management Report, the first section of the 2016 remunerations report and the proposal for the allocation of the 2016 net profit, equal to € 88,256,759.48 as follows:

- € 4,412,837.97, equal to 5% of the net profit of the year, to the legal reserve;
- € 79,764,104.81 as a dividend to Shareholders, corresponding to 0.0625 €/share for each of 1,195,727,663 ordinary shares and of 80,498,014 preferred shares with payment from 21st of June 2017, detachment date 19th June 2017 and record date 20st June 2017;
- the residual amount, equal to € 4,079,816.70 to the extraordinary reserve.

The above confirms what was proposed by the Board of Directors on 16th March 2017

IREN GROUP: CONSOLIDATED RESULTS FOR THE YEAR ENDING 31 DECEMBER 2016

2016 was characterised by the Group's ability to actively exploit the opportunities offered by a more favourable energy scenario than expected, by the achievement of important synergies and by the development deriving from the consolidation of TRM Torino and ATENA Vercelli in accordance with the strategic guidelines set out in the business plan approved last October. All operational indicators show a double-digit percentage growth with a net profit increase of over 47%. In addition to this particularly positive trend, there is the reduction of the net debt/EBITDA ratio to 3.0x, a result achieved two years earlier than the business plan target.

Consolidated revenues for 2016 stand at 3,283.0 million euros, up 6.1% against 3,094.1 million euros in the previous year. This increase, linked mainly to the inclusion in the consolidation perimeter of TRM and ATENA, is accompanied by a growth of around 3 percent in the EBITDA margin (an important profitability indicator), moving from 22% to 25%.

EBITDA is 814.2 million euros, up 20.1% against 677.8 million euros in 2015. Both the regulated and unregulated sectors have contributed to these positive results. The energy value chain benefitted from operating and strategic choices that made it possible to exploit a particularly positive scenario, particularly in the last part of the year. The network-based businesses, instead, have been positively impacted by the ability of the Group to exploit significant synergies through the implementation of the new business model and important efficiency initiatives outlined in the business plan. Half of the 31 million euro savings achieved in 2016 are, in fact, attributable to regulated sectors. The growth deriving from

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external factors was particularly significant, accounting for around 53 million euros of the total growth and relates chiefly to the waste sector thanks to the full consolidation of TRM (the company managing the WTE plant in Turin). The contribution achieved through consolidation also includes ATENA (the Vercelli multi-utility company active in the regulated and unregulated business).

EBIT stands at 426.8 million euros, up 23.1% compared to 346.8 million euros at 31 December 2015. The excellent results obtained at operating profit level more than counterbalance the greater amortization and depreciation charges due mainly to the full consolidation of TRM and to higher provisions, mainly because of the absence of the release of a number of provisions which characterized 2015.

Group net profit stands at 174.0 million euros, a strong increase (+47.2%) compared to 118.2 million euros in 2015. The positive EBIT performance, together with a value adjustment of the TRM equity investment further to the acquisition of a controlling stake in the company, underpin this high growth and offset the greater financial costs deriving from the full consolidation of TRM and from a number of liability management operations.

Net financial position at 31 December 2016 is equal to 2,457 million euros, down 147 million euros compared to 31 December 2015, net of the increase of around 435 million euros relating to the extension in the scope of consolidation (TRM and Atena). Particularly satisfying, furthermore, is the achievement of a NFP/EBITDA ratio of 3.0x two years earlier than business plan expectations. This ensures greater financial flexibility for exploiting possible future growth options.

Gross technical investments in the period amount to 270.0 million euros.

During 2016 several M&A operations were completed: the acquisition of a controlling interest in TRM S.p.A. (the company managing the WTE plant serving the metropolitan Turin area) and in Atena S.p.A. (the multi-utility company in Vercelli – Piedmont). In addition to this, the acquisition of 100% of REI S.r.l., owner of a landfill for special waste close to Turin and the acquisition of a number of minority stakes in other companies in IREN's reference area. This is consistent with the objective of the Group, as outlined in the Business plan, to consolidate its role of aggregator and driver of development.

The Annual Financial Report 2016, the Report on corporate governance and ownership structure 2016, the Remuneration Report 2016 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.

The dividend of 0.0625 euros per ordinary and preferred share will be paid starting from 21st June 2017 (detachment date 19th June 2017 and record date 20th June 2017).

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