11th of April 2013

2012 – FY Results

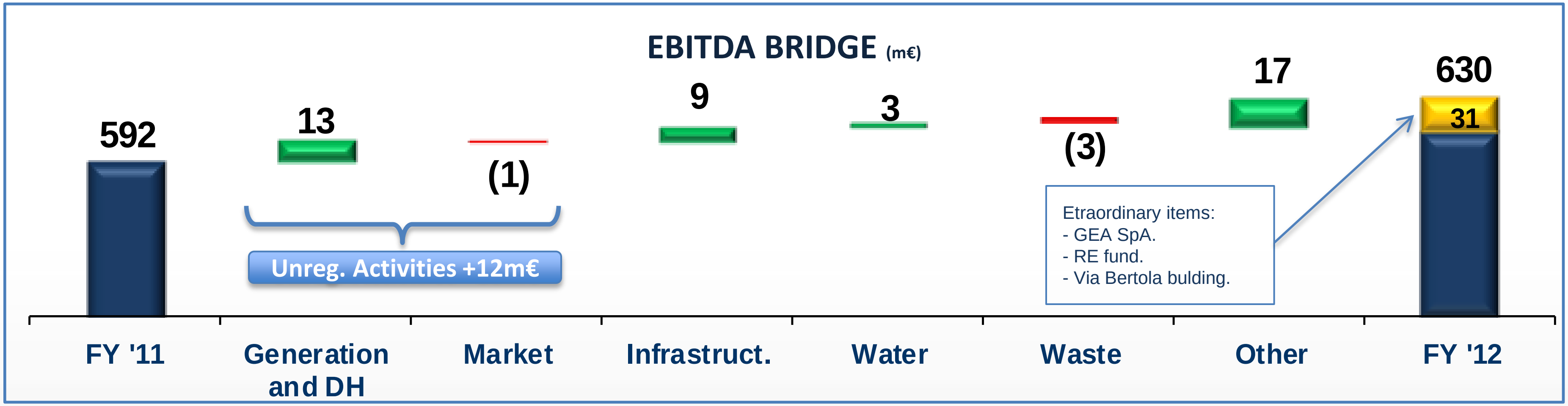
FY 2012 – All the key indicators are positive.

EURm	FY '11	FY '12	Δ	Δ %
REVENUES	3,521	4,328	*+807.2*	*+22.9%*
EBITDA	592	630	*+37.5*	*+6.3%*
EBITDA Adj.	592	599	*+6.9*	*+1.2%*
EBIT	309	341	*+32.3*	*+10.5%*
NET PROFIT	-111	153	*n.a.*	*n.a.*
NET CAPEX*	466	286	*-180.3*	*-38.7%*
NFP	2,653	2,555	*-97.7*	*-3.7%*

- **Revenues up by 22.9%:** The strong increase in revenues is mainly due to higher commodity prices and to higher energy volumes sold.
- **EBITDA +6.3%:** The significant growth in EBITDA was driven mainly by an excellent performance in unregulated activities and some one-offs (Sale of Via Bertola Building, sale of GEA/Gesam stakes, Real Estate Fund) Net of the latters the EBITDA would have stood at 599m€ (+1.2% vs. 2011).
- **EBIT +10.5%:** The positive results in EBITDA and lower D&A in hydroelectric sector more than offset higher bad debt provisions, prudentially made by the Company due to the persistence of the economic slowdown.
- **Net profit:** Top line results, lower tax-rate and a 16m€ IRAP reimbursement positively affected the Net profit.
- **Net Investments down by 38.7%:** The strong decrease reported is in line with the planned cut in capex, and it underlines the approach of the end of IREN's strategic investment cycle.
- **NFP -3.7%:** A remarkable decrease in NFP and in Debt/EBITDA ratio confirms the efforts of the Group in keeping working capital and debt under control..

**Net of capex for the AMIAT/TRM operation (~60m€)*

EBITDA BRIDGE - Increase in EBITDA driven by Generation and DH.



- **EBITDA bridge - Key Elements:**
  - Positive performance in unregulated activities, thanks mainly to higher hydroelectric volumes (in countertrend compared to national production) sold at higher prices, together with the repayment for Telessio's stranded costs and good results in gas sales more than offset the negative results reported in electricity sale, mainly linked to Edipower tolling contract.
  - Good results in infrastructures determined by stable operating results and the disposal of the stake in GEA S.p.A.
  - Slight growth in Water cycle margins thanks mainly to tariff increase.
  - Drop in Waste is due mainly to positive non-recurrent revenues reported in 2011 (3m€), and to the shutdown of the WTE in Reggio (may 2013).
  - The positive discontinuity in Other business unit derives from a number of capital gains reported in 2012 (RE Fund, sale of the Building located in Via Bertola in Turin).

GENERATION AND DH - Brilliant performance in hydro and DH distribution more than offset the squeeze in margins in cogen.

FY ’12 vs. FY ’11

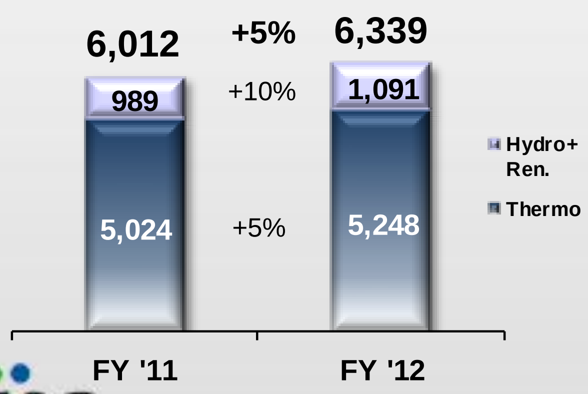
- **Higher volumes and profitability in Hydro.** IREN’s hydro production stood at 1,075 Gwh (+10% IREN vs -8% at national level) thanks also to the contribution of the fully repowered Valle Orco plant.
  Telessio’s positive impact (stranded costs repayment) is worth 16€m.

- **Drop in electricity Cogen** due to lower spark-spread and lower profitability on MSD market.

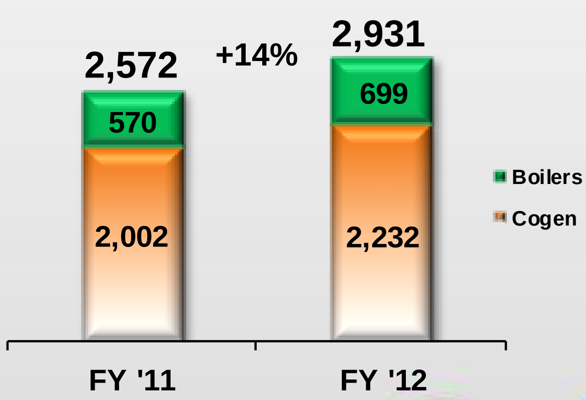
- **Strong improvement in DH** thanks to the growth in distribution networks (+4mcm vs. 2011) and favorable winter season. The DH distribution networks sector shifted from Energy infrastructures business unit to Generation and DH.

	FY '11	FY '12	Δ€m	Δ%
Revenues	840	983	143	17%
EBITDA	197	210	13	7%
EBIT	93	129	36	39%
Gross CAPEX	198	69	(129)	-65%

ELECTRICITY PRODUCTION (GWh)



HEAT PRODUCTION (GWht)



MARKET - Very good performance in gas sector thanks to a flexible commercial policy.

FY ’12 vs. FY ’11

Gas and Heat Sales: The positive trend reported in the first 9M 2012 continues thanks both to an optimized procurement portfolio which exploited market liquidity, to trading policy and to an increase in volumes.

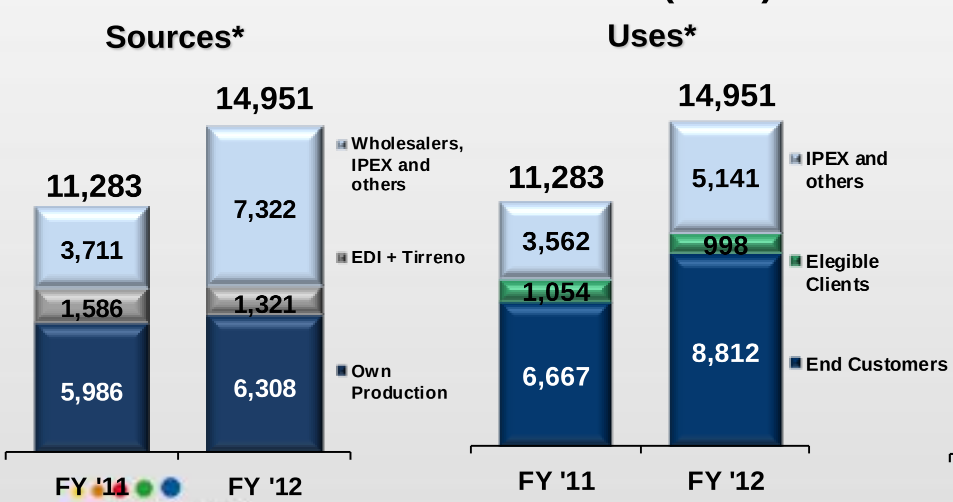
Electricity sales: The higher stake in Edipower combined with the tolling agreement penalized the sector due to current (-17m€ YoY) and future (-20m€) negative margins (IAS 37 compliant).

Market expansion: steady increase (+6%) in the electricity client-base.

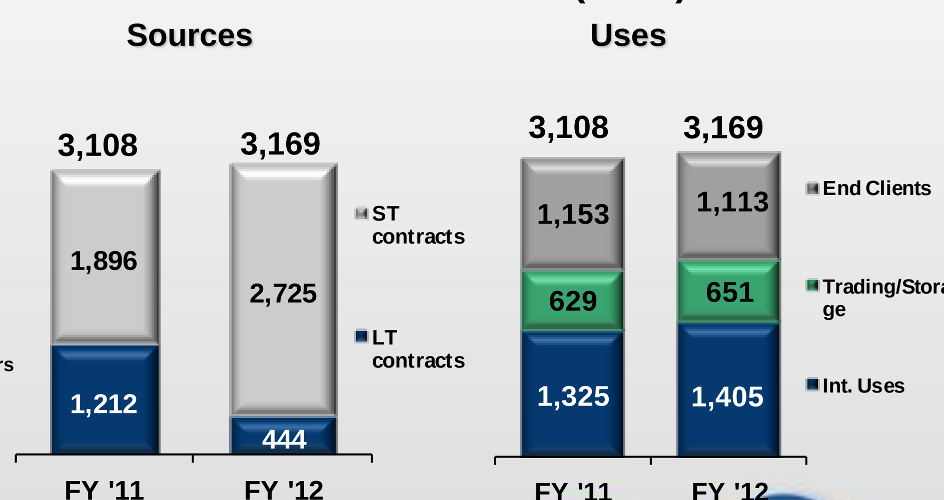
	FY '11	FY '12	Δ€m	Δ%
Revenues	**3.072**	**4.052**	**980**	**32%**
EBITDA	**53**	**52**	**0**	**0%**
Electricity	*-4*	*-28*	*-24*	*n.a.*
Gas & Heat	*57*	*80*	*23*	*41%*
EBIT*	**35**	**14**	**(21)**	**-61%**
Gross CAPEX	**5**	**8**	**3**	**50%**

*The fall in EBIT is due to higher prudential provisions.

ELECTRICITY PORTFOLIO (GWh)



GAS PORTFOLIO (MCM)



*net of “pass-through Ipex volumes”

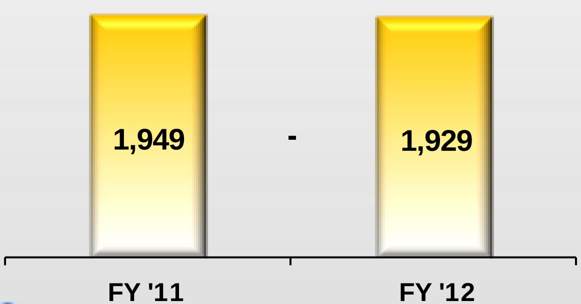
ENERGY INFR. - Positive performance in a stable scenario.

FY ’12 vs. FY ’11

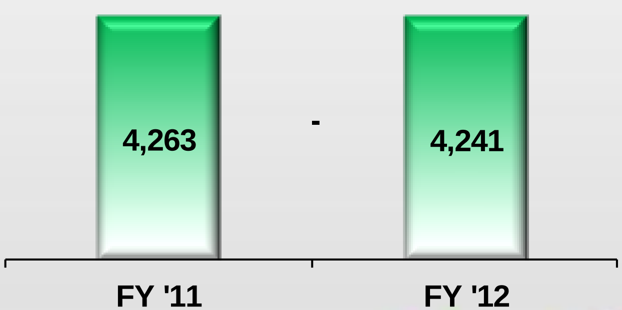
- **Gas networks:** Positive results based on higher revenues, synergies and the disposal of the IREN’s stake in GEA S.p.A (+11m€)
- **Electricity networks:** Profitability was negatively affected by the equalization for previous years (-5m€).

	FY '11	FY '12	Δ€m	Δ%
Revenues	**383**	**385**	**2**	**1%**
EBITDA	**171**	**179**	**8**	**5%**
Electricity	*76*	67	*(9)*	*-12%*
Gas	*95*	*112*	*17*	*18%*
EBIT	**120**	**126**	**6**	**5%**
Gross CAPEX	**100**	**102**	**2**	**2%**

GAS DISTRIBUTED (MCM)



ELECTRICITY DISTRIBUTED (GWh)



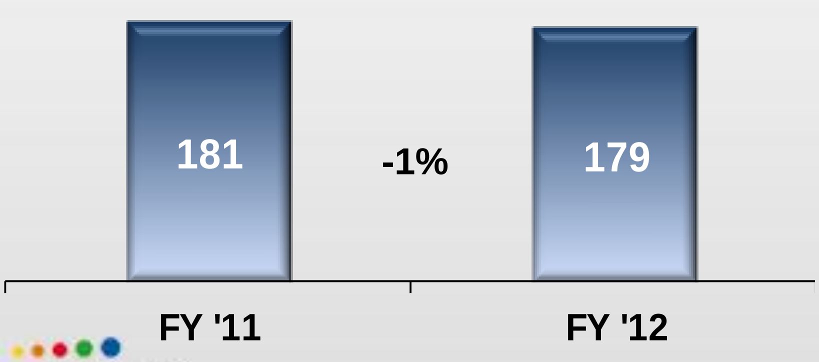
WATER – Good results in a clearer regulatory framework.

FY ’12 vs. FY ’11

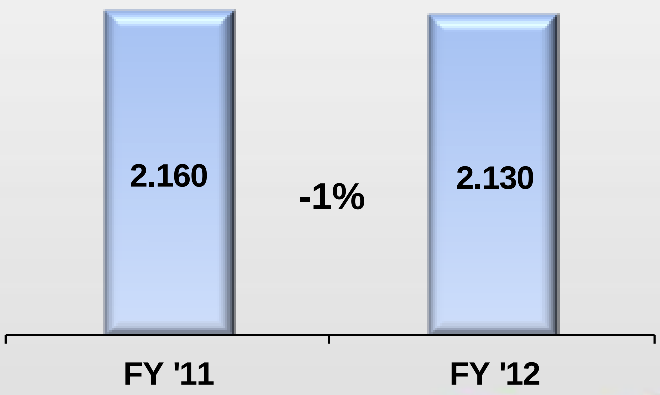
- **Stable Revenues:** Tariff increase in all the ATOs partially offset the negative effect of IFRIC 12 and lower volumes distributed.
- **Growth in EBITDA** thanks to tariff increase and synergies, which more than offset higher electricity costs for pumping.

	FY '11	FY '12	Δ€m	Δ%
Revenues	438	432	(6)	-2%
EBITDA	113	116	3	3%
EBIT	36	40	4	10%
Gross CAPEX	95	74	-20	-21%

WATER SOLD (MCM)*



INHABITANTS SERVED (‘000)*

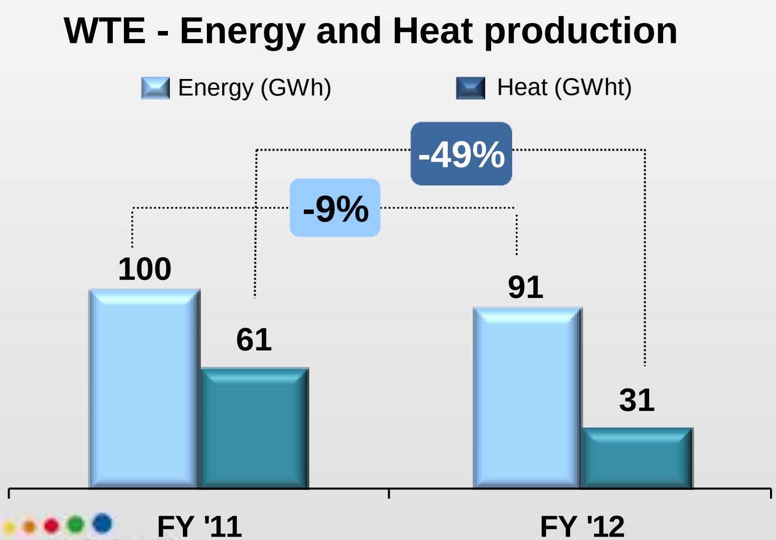


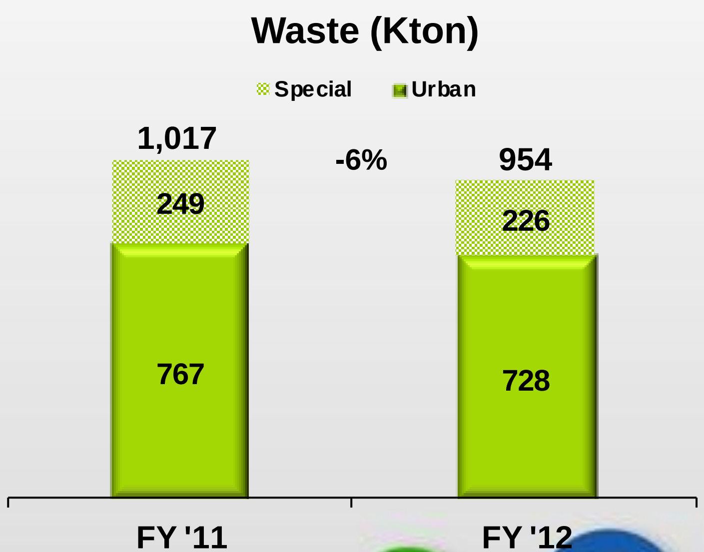
WASTE: Tariff increase did not completely offset lower electricity and GC volumes.

FY ’12 vs. FY ’11

- **Slight decrease in revenues:** net of the change in consolidation perimeter (deconsolidation of Undis Servizi) revenues would have been almost stable.
- **Decrease in EBITDA** is mainly attributable to a positive non-recurrent element reported in 2011, to lower energy and Green certificates produced (dismantling of WTE in Reggio) and to lower revenues from sorted-waste materials.
- Sorted waste percentage very close to 60%.

	FY '11	FY '12	Δ€m	Δ%
Revenues	217	211	(6)	-3%
EBITDA	42	39	(3)	-7%
EBIT	15	16	1	7%
Gross CAPEX	70	61	-9	-14%





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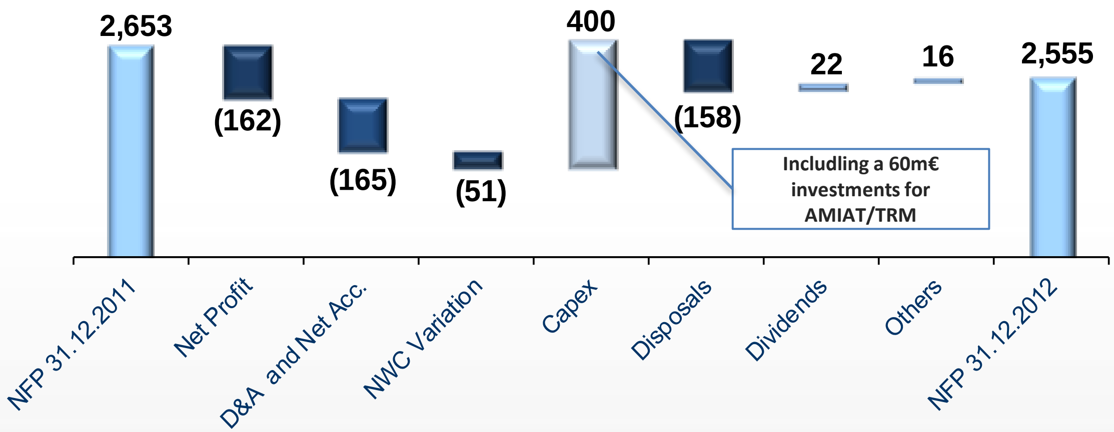
From EBIT to Net Profit.

	FY '11	FY '12	Δ%
EBIT	**308,6**	**340.9**	**+10.5%**
Financial charges	***(69.9)***	***(103.1)***	
Companies consolidated with E.M.	***(3.8)***	***+9.7***	
Adj. in participations	***(224.3)***	***(0.1)***	
EBT	**10.6**	**247.4**	**n.a.**
Taxes	***(113.0)***	***(85.3)***	
Minorities	***(8.5)***	***(9.6)***	
Group net profit	**(110.9)**	**152.5**	**n.a.**

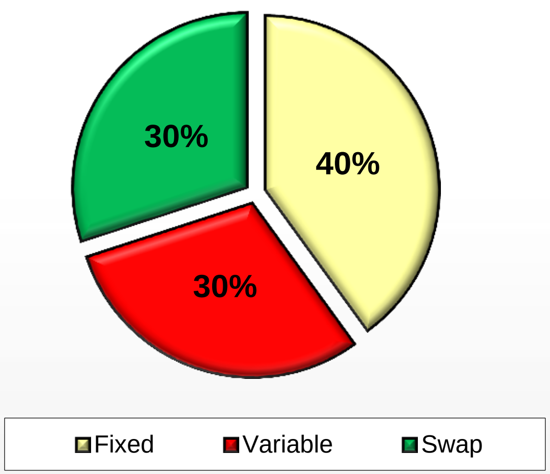
- **Increase in financial charges** caused by higher interest rate and debt.
- **16m€ IRAP reimbursement** for previous years.

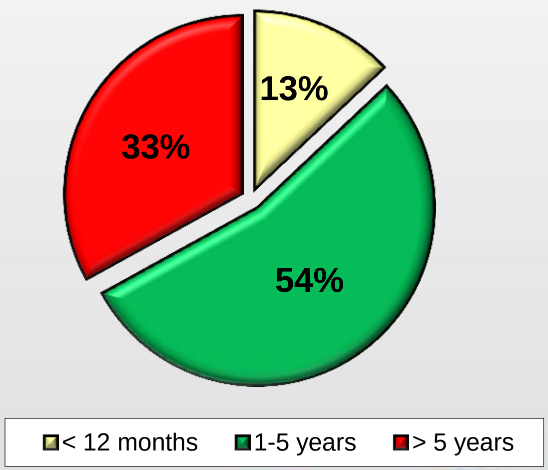
CASH-FLOW & DEBT STRUCTURE.

NFP Bridge 31.12.2012



Interest rate* and Debt Structure**





- ~100m€ improvement in NFP compared FY 2011 and ~70m€ compared to 9M 2012, thanks mainly to a remarkable improvement in NWC management (in spite of a strong increase in revenues) and to the cut in capex, in line with budget.
- Average long-term debt duration of about 4.8 years (vs. 4.1 in the first 9M 2012).
- 30% of net debt at variable interest rate.
- FY 2012 average cost of debt stood at 3.82%, (vs. 3.36% in 2011).

(*)related to net financial position (**)related to LT Debt

Annexes

Market Scenario.

- **In 2012 Brent average price** stood at 111.3 $/bbl, substantially stable compared to 2011.
- **USD/€ exchange rate** was 1.28, dropped by 8% YoY.

- **Gas demand fell by** 4%, mainly because of the drop in thermoelectric usage (approx -12%).

- **Energy demand negative trend continues, with a 3% decrease**. (far lower compared to the pre-crisis level -4.2%).
- **The 2012 average pool-price** stood at 75.5 €/MWh with a growth in the region of 5%.

	FY '11	FY '12	Δ %
Brent USD / bbl	111.3	111.7	-
USD / €	1.39	1.28	-8%
Brent € / bbl	80.0	86.9	9%
Gas Demand (bcm)	77.4	74.3	-4%
PSV €/000 scm	299	295	-1.4%
CCI, €/000 mc	327	401	23%
Energy demand (Twh)	334.6	325.3	-3%
PUN (€ /MWh)	72.2	75.5	5%
CO2 (€ /Ton.)	13.0	7.4	-43%
Green Cert. Hydro (€ /MWh)	82.3	80.3	-2%

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Balance Sheet.

€ m	31.12.2012	31.12.2011
Net fixed assets	4,735	4,653
Net Working Capital	235	288
Funds	(457)	(417)
Other assets and liabilities	(4)	(27)
Net invested Capital	4,509	4,497
Net Financial Position	2,555	2,653
Group shareholders' equity	1,954	1,844
Total Funds	4,509	4,497

DISCLAIMER

The Manager in charge of drawing up the corporate accounting documents and the Chief Financial Officer of IREN S.p.A., Mr. Massimo Levrino, hereby declares, pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act (Legislative Decree No 58/1998), that the accounting information contained in this presentation is consistent with the accounting documents, records and books.

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