



THE SHAREHOLDERS' MEETING OF 2i RETE GAS APPROVES 2015 FINANCIAL STATEMENTS

Milan, April 21st 2016 – The Ordinary Shareholders' Meeting of 2i Rete Gas S.p.A., chaired by Mrs. Paola Muratorio, approved today the financial statements of the company and the consolidated financial statements as of 31.12.2015 and approved the distribution of a dividend of 85 million euro, proposed by the Board of Directors on March 18th 2016.

Financial highlights

- **Revenues:** €693 million (-0,2%)
- **Adjusted EBITDA:** €393 million (+8,5%)
- **Adjusted EBIT:** €238 million (+12,9%)
- **Net income:** €88 million (+633,3%)
- **Adjusted net income:** €126 million (+54,8%)
- **Investments:** €198 million (+14%)
- **Adjusted net financial position:** €1,950 million

Operating highlights

- **Active concessions:** 1,940
- **Active redelivery points:** 3,819,104 (+0,1%)
- **Gas distributed (natural gas and LPG) in millions of cubic metres:** 5,409 (+8,7%)
- **Distribution networks managed in Km:** 57,667 (+0,6%)

Michele Enrico De Censi, CEO and Managing Director of 2i Rete Gas, made the following comments on the results:

“The 2015 results confirm the positive operational and financial management, with a further improvement compared to the previous year.

During 2015 2i Rete Gas S.p.A. has also carried on for the massive replacement of traditional meters in favor of electronic ones, a real breakthrough in the world of gas distribution. This key project is financed through a loan signed in December 2015 with the European Investment Bank at favorable interest rates.

The generated cash flows enable us to maintain a net debt of less than €2 billion and to distribute a dividend of €85 million with a payout of 68% on adjusted net income.

As for the future, the company carefully looks at the launch of procedures for ATEM tenders, significant opportunity to extend served areas and grow in size.”

In 2015, **Revenues** of 2i Rete Gas S.p.A., net of the items offset directly in costs, amounted to €693 million, of which €11 million of special items. The **Adjusted revenues** are reduced to €682 million (€691 million in 2014). The decrease is mainly due to lower revenues for energy efficiency certificates (due to fewer purchases in the year compared to the previous year).

Operating costs, equal to €303 million, include special items of €14 million related to the contribution costs associated with the closure of the Gas Fund. The **Adjusted operating costs** in 2015 amount to €289 million (€329 million in 2014). The decrease is due to a significant efficiency in the operating structure, in addition to lower costs for energy efficiency certificates mainly due to lower volumes purchased during the year.

Adjusted EBITDA amounted to €393 million, an increase of €31 million, equal to 8.5%, compared to 2014.

Adjusted EBIT amounted to €238 million, an increase of €27 million, equal to 12.9%, compared to 2014, with an increase in amortisations due to higher investments made in recent years.

Net income in 2015 amounted to €88 million including the adjustment of the deferred taxes resulting from the abolition of the “Robin Hood Tax” and reduction of the IRES rate to 24% from 2017 as established in the 2016 Stability Law. The **Adjusted net income** amounted to €126 million, with an increase of €44 million compared to 2014 (+54.8%). In addition to the increase of EBIT, the improvement is due to the reduction of financial charges compared to 2014 (- €30 million), thanks to lower interest expense as a result of the debt restructuring completed during 2014, despite the income tax increase.

During 2015 2i Rete Gas S.p.A. made **Gross investments** of €198 million (€174 million in 2014) mainly due to higher investments for the installation of electronic meters.

Adjusted net financial position at 31.12.2015 amounted to €1,950 million, a decrease compared to 31.12.2014 (- €68 million). This reduction reflects the positive effects of core business activities despite the increase of investments and the dividend paid of €65 million.

Adjusted net financial position / Adjusted EBITDA ratio fell to 5.0x in 2015 compared to 5.6x of the end of 2014.

The consolidated annual financial report as of 31.12.2015 will be made publicly available on the website of the company www.2iretegas.it.

The following table illustrates the main financial figures of the consolidated financial statements.

€ million	31.12.2015	31.12.2014	Change	% change
Revenues (*)	693	694	(1)	-0.2%
Adjusted revenues (*)	682	691	(9)	-1.3%
Operating costs (*)	303	333	(29)	-8.8%
Adjusted operating costs (*)	289	329	(40)	-12.1%
EBITDA	390	362	28	7.7%
Adjusted EBITDA	393	362	31	8.5%
EBIT	235	211	25	11.7%
Adjusted EBIT	238	211	27	12.9%
Net income	88	12	76	633.3%
Adjusted net income	126	81	44	54.8%
Investments	198	174	24	13.8%
Net financial position	1,931	1,993	(62)	-3.1%
Adjusted net financial position (**)	1,950	2,017	(68)	-3.4%

(*) Only for the purposes of the reclassified income statement, revenues from the construction of distribution network infrastructures entered in accordance with IFRIC 12 "Service concession arrangements" and recognized in an amount equal to the related costs incurred (€170 and €145 million respectively in 2015 and 2014), they are exposed to direct reduction of their cost items.

(**) Debt adjustment due to transaction costs of financing (€19 million and €24 million respectively in 2015 and 2014) under IAS 39 is not considered.

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