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PRESS RELEASE

FINANZIARIA CITTÀ DI TORINO HOLDING S.P.A. ANNOUNCES SUCCESSFUL PLACEMENT OF EUR 150 MILLION SECURED BONDS DUE 2020 EXCHANGEABLE INTO THE SHARES OF IREN S.P.A

With reference to the press release issued earlier today, Finanziaria Città di Torino Holding S.p.A. (the “**Issuer**”), a wholly-owned subsidiary of Comune di Torino (the “**Municipality**”), today announces the successful placement of EUR 150 million secured bonds, exchangeable into the ordinary shares (the “**Ordinary Shares**”) of Iren S.p.A. (the “**Company**”), subject to the conversion of the Savings Shares as described below (the “**Bonds**”) (the “**Offer**”). The Offer of the Bonds was authorised by a resolution of the shareholders’ meeting of the Issuer passed on 18 November 2015.

The Bonds have a maturity of 5 years with a fixed coupon of 0.625% per annum, payable annually in arrear. The final maturity is on 30 November 2020 (the “**Maturity Date**”). The exchange premium has been set at 30% over the reference share price of EUR 1.4334, being the volume weighted price of the Ordinary Shares on Borsa Italiana between launch and pricing.

The Municipality will enter, on the Closing Date, into a letter of guarantee (“*Lettera di Garanzia*”) in relation to the Bonds, whereby, upon insolvency (“*insolvenza*”) of the Issuer (but not otherwise), the Municipality will undertake to service any and all outstanding obligations of the Issuer under the Bonds.

The Bonds will constitute direct, unconditional, unsubordinated obligations of the Issuer and will benefit from an Italian law pledge in favour of, among others, the trustee of the Bonds over the Exchange Property.

The Bonds will be issued at 100% of their principal amount in the denomination of EUR 100,000 per Bond and, unless previously exchanged, redeemed or purchased and cancelled, will be redeemed at 100% of their principal amount on the Maturity Date, subject to the Issuer’s option to deliver all or part of the Exchange Property (as defined below) to the holders of the Bonds (the “**Bondholders**”) and pay in cash, if applicable, the amount (the “**Cash Top-up Amount**”) by which the principal amount of the Bonds exceeds the value, during a specified period, of the Exchange Property to be delivered (the “**Share Settlement Option**”). Intesa Sanpaolo S.p.A. has provided the Issuer with a binding and irrevocable credit commitment subject to customary conditions under which Intesa Sanpaolo S.p.A. will provide a line of credit to the Issuer in an amount equal to the Cash Top-up Amount, up to a maximum of EUR 150 million, at the Issuer’s option and request at any time from 30 November 2019 (the 4th year anniversary) up to the Maturity Date.

The Bondholders will have the right to exchange each Bond into a *pro rata* share of the applicable exchange property (the “**Exchange Property**”) at any time during the period from (and including) the Closing Date and up to (and including) 45 days prior to the date fixed for redemption of the Bonds. The initial Exchange Property will comprise 80,498,014 savings shares of the Company (the “**Savings Shares**”) currently held by the Issuer. Upon exchange, the Issuer on behalf of the Bondholders will request the Company to convert the Savings Shares into Ordinary Shares at par value, as outlined in the Articles of Association of the Company (the “**Conversion of the Savings Shares**”). Such conversion is subject to the exchanging Bondholder not being a connected party to the Municipality (as described in the Terms and Conditions of the Bonds) and not holding more than 5% of the issued and outstanding Ordinary Shares of the Company, as represented by such Bondholders in the exchange notice.

The Bonds may be redeemed at the option of the Issuer in whole but not in part at their principal amount plus accrued interest (i) on or after 21 December 2017, subject to the value of the *pro rata* share of the Exchange Property attributable to each EUR 100,000 principal amount of Bonds on each of not less than 15 consecutive trading days ending not earlier than the seventh trading day prior to the optional redemption notice shall have exceeded EUR 125,000, or (ii) at any time if 85% or more of the aggregate principal amount of the Bonds originally issued shall have been previously redeemed, exchanged or purchased and cancelled.

Proceeds of the Bonds will be used by the Issuer for the repayment of all or substantially all of the maturing financing facility provided by Intesa Sanpaolo S.p.A. and for general corporate purposes.

Settlement of the Bonds is expected to take place on or about 30 November 2015 (the “**Closing Date**”).

The Issuer will be subject to a lock-up ending 90 days after the Closing Date in respect of the Savings Shares and Ordinary Shares of the Company that it holds directly or indirectly.

The Bonds are expected to be listed on the Third Market (MTF) of the Vienna Stock Exchange on or prior to the Closing Date.

The placement of the Bonds was arranged by Banca IMI acting as the Global Coordinator and Joint Bookrunner alongside BNP Paribas as the Joint Bookrunner. MPS Capital Services acted as a Co-Lead Manager in relation to the Offer.

Banca Intermobiliare acted as an advisor to the Issuer in relation to the Offer.

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Turin, 23 November 2015

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