



# FOURTH QUARTER 2014 RESULTS

12 MARCH 2015

LUCA BETTONTE, CEO

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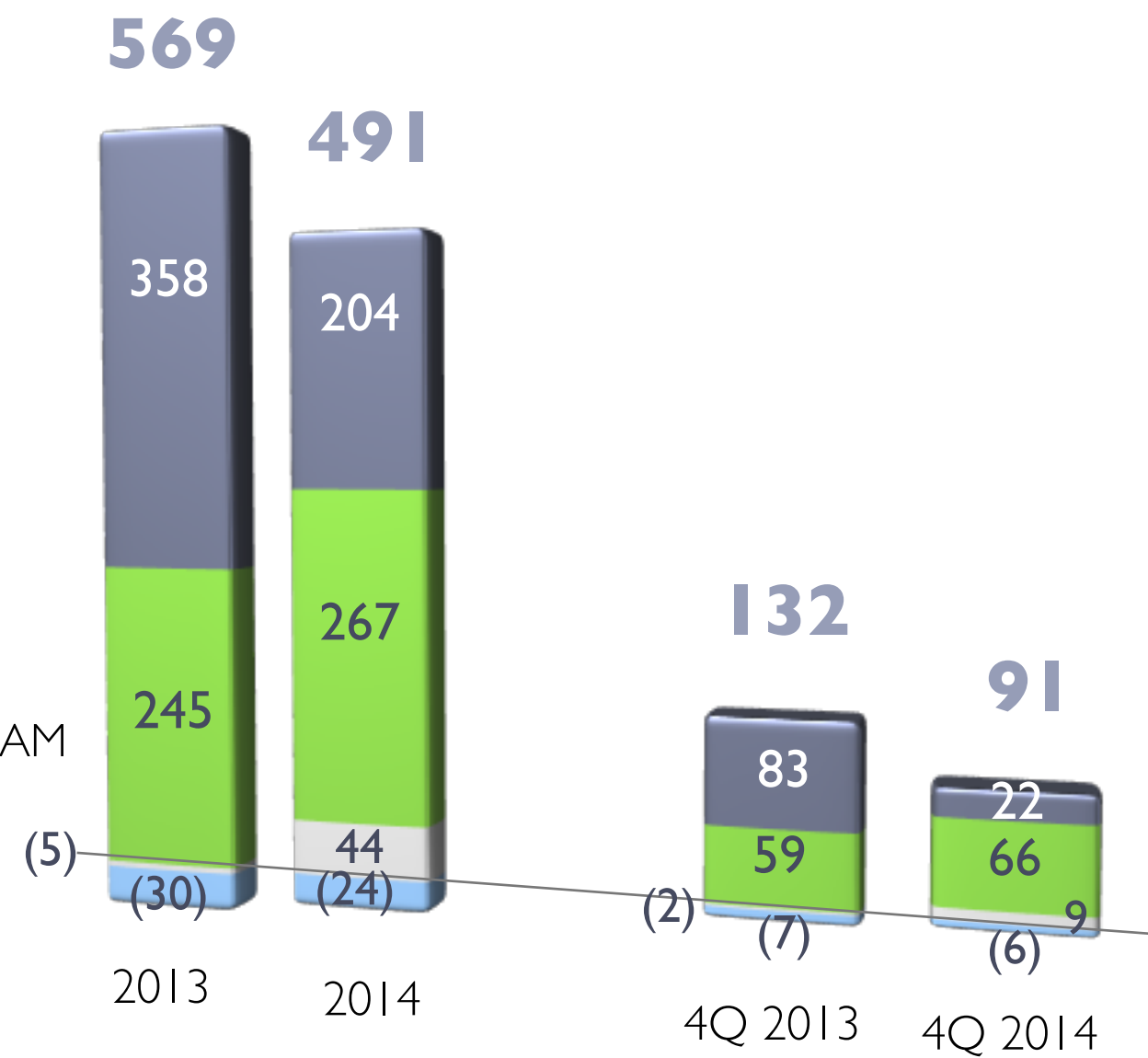
# AGENDA

- 4Q 2014 Highlights
  - ✓ Key Figures
  - ✓ 2014 Main Achievements
- Results Review
  - ✓ Business Environment
  - ✓ 4Q 2014 Group EBITDA
  - ✓ Results by Segments
- Key Financials
  - ✓ Profit & Loss
  - ✓ Investments
  - ✓ Cash Flow Statement
- 2015 Guidance and Conclusions
- Appendix

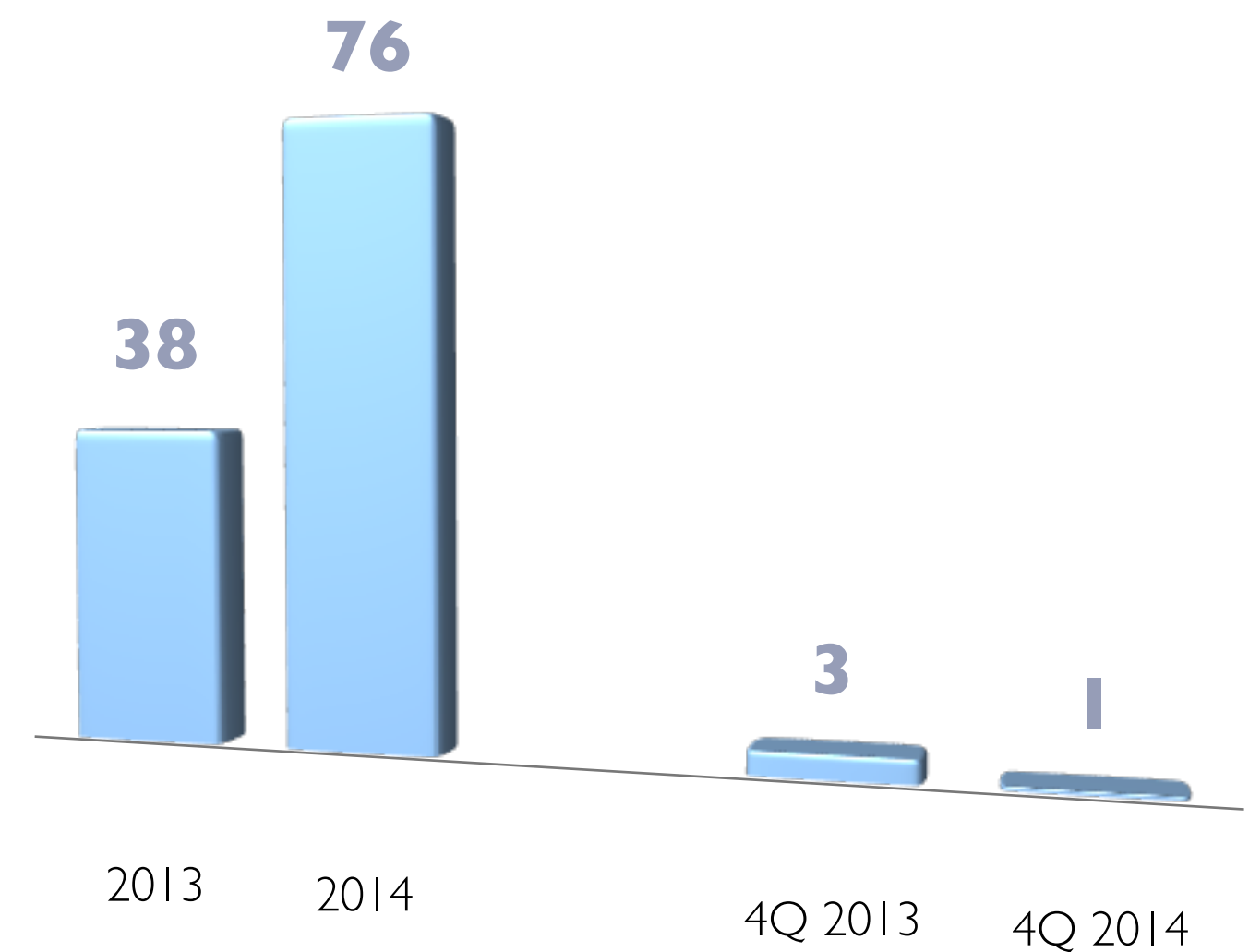


# HIGHLIGHTS: KEY FIGURES

RC Ebitda Adj (€ mn)

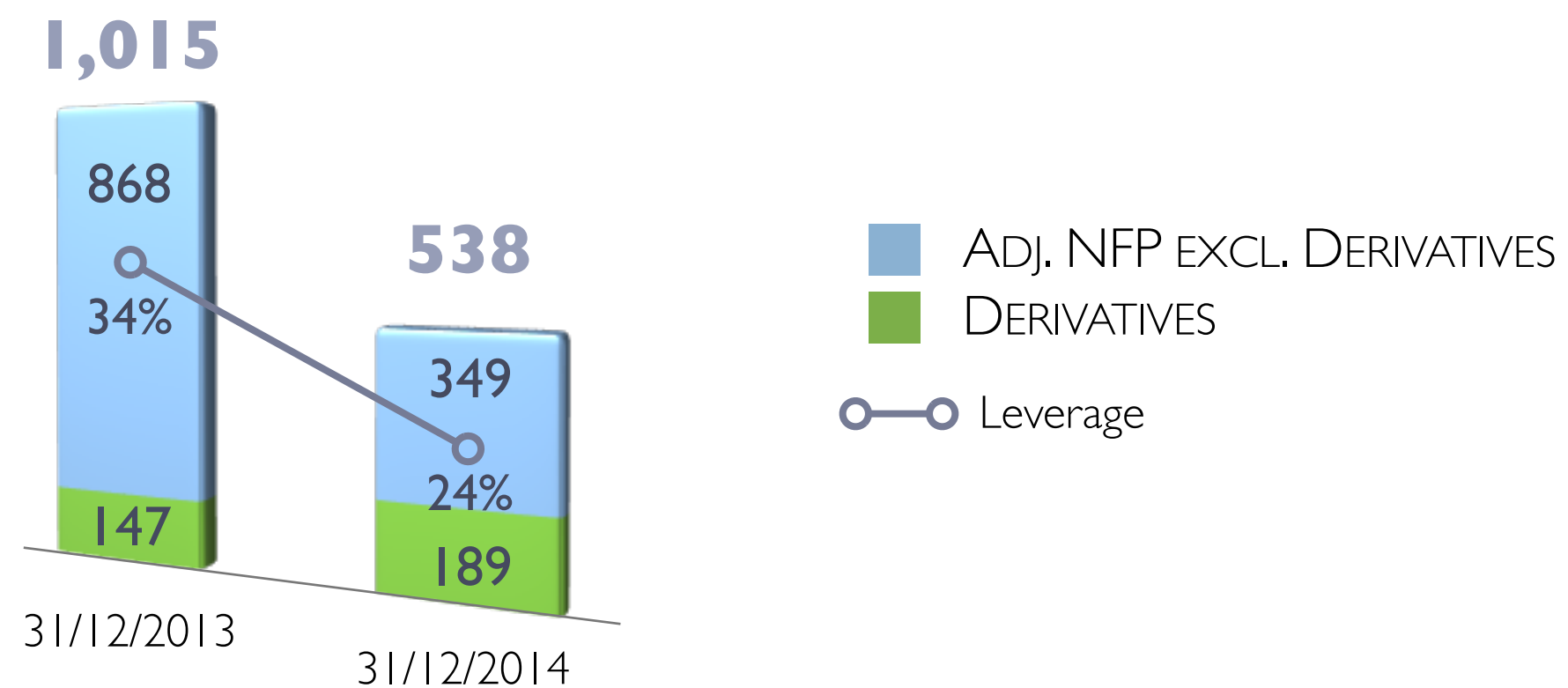


RC Net Profit (€ mn)



- POWER
- RENEWABLES
- INTEGRATED DOWNSTREAM
- CORPORATE

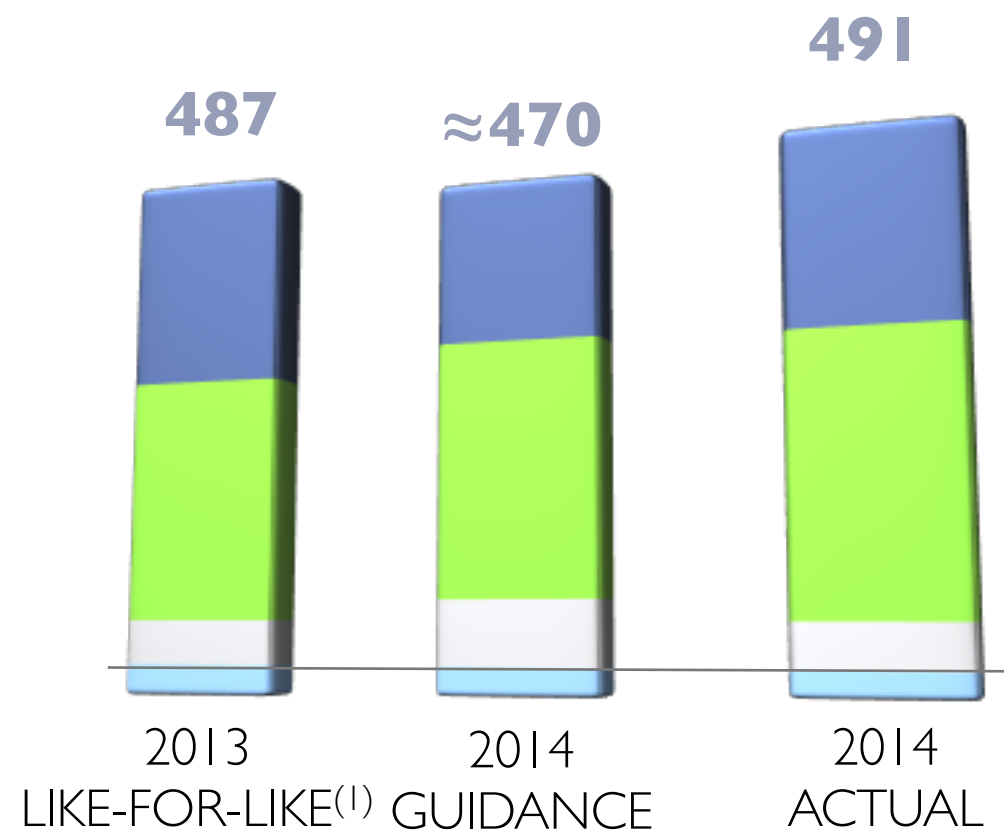
Adj NFP (€ mn)



**Strong reduction in NFP thanks also to CIP6 early termination**

# IMPROVEMENT VS. GUIDANCE

RC Ebitda Adj (€ mn)

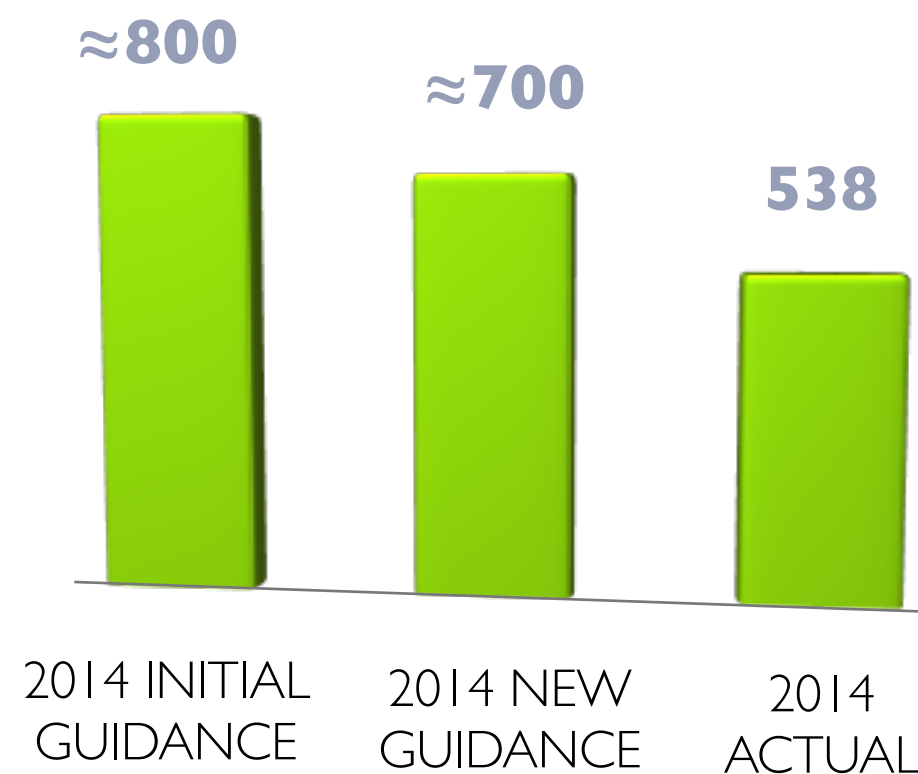


■ POWER ■ RENEWABLES ■ ID ■ CORPORATE

## EBITDA:

- ✓ Slight growth on a like-for-like basis
- ✓ Results beat guidance, due to strong Renewables and Power, along with corporate cost reduction

Adj NFP (€ mn)



## NFP:

- ✓ Lower NFP due to strong cash generation (including M&A)

## Better operating performance and strong reduction in NFP

<sup>(1)</sup> 2013 EBITDA re-stated to take into account ISAB Energy only for IH and excluding Coastal Refining for the full year

# 2014 MAIN ACHIEVEMENTS AND RECENT DEVELOPMENTS

## Renewables

- Unicredit enters in ERG Renew share capital with a 7.14% stake
- Raised Project Financing for €167mn for Gebeleisis and Topolog wind farms in Romania and Palazzo San Gervasio in Italy
- 80MW in Poland under construction, expected to enter into operation by 2015

## Power

- Agreement for disposal of ISAB Energy, and exit from CIP6:
  - June 2014: acquisition of ISAB Energy minorities from GDF Suez for €153mn
  - June 30, 2014: ISAB Energy disposal to LUKOIL for a cash-in of €26mn
  - August 2014: exit from CIP6 convention for a cash-in of €515mn

## Oil

- EOS disposal as of December 29, 2014 for a cash-in of €30mn
- Exit from oil Supply & Trading activities as of January 1, 2015

# RESULTS REVIEW

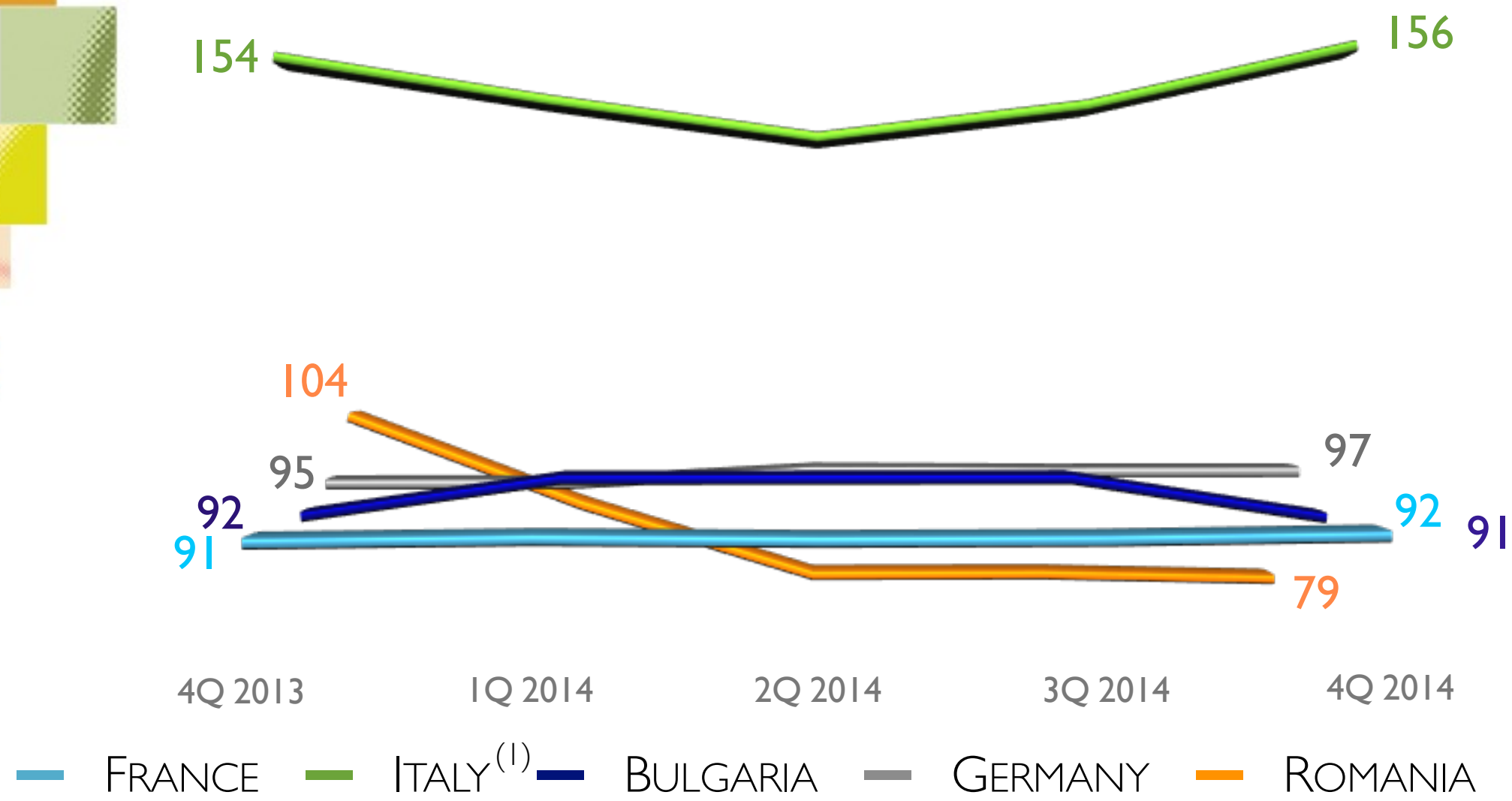
PAOLO MERLI

CFO

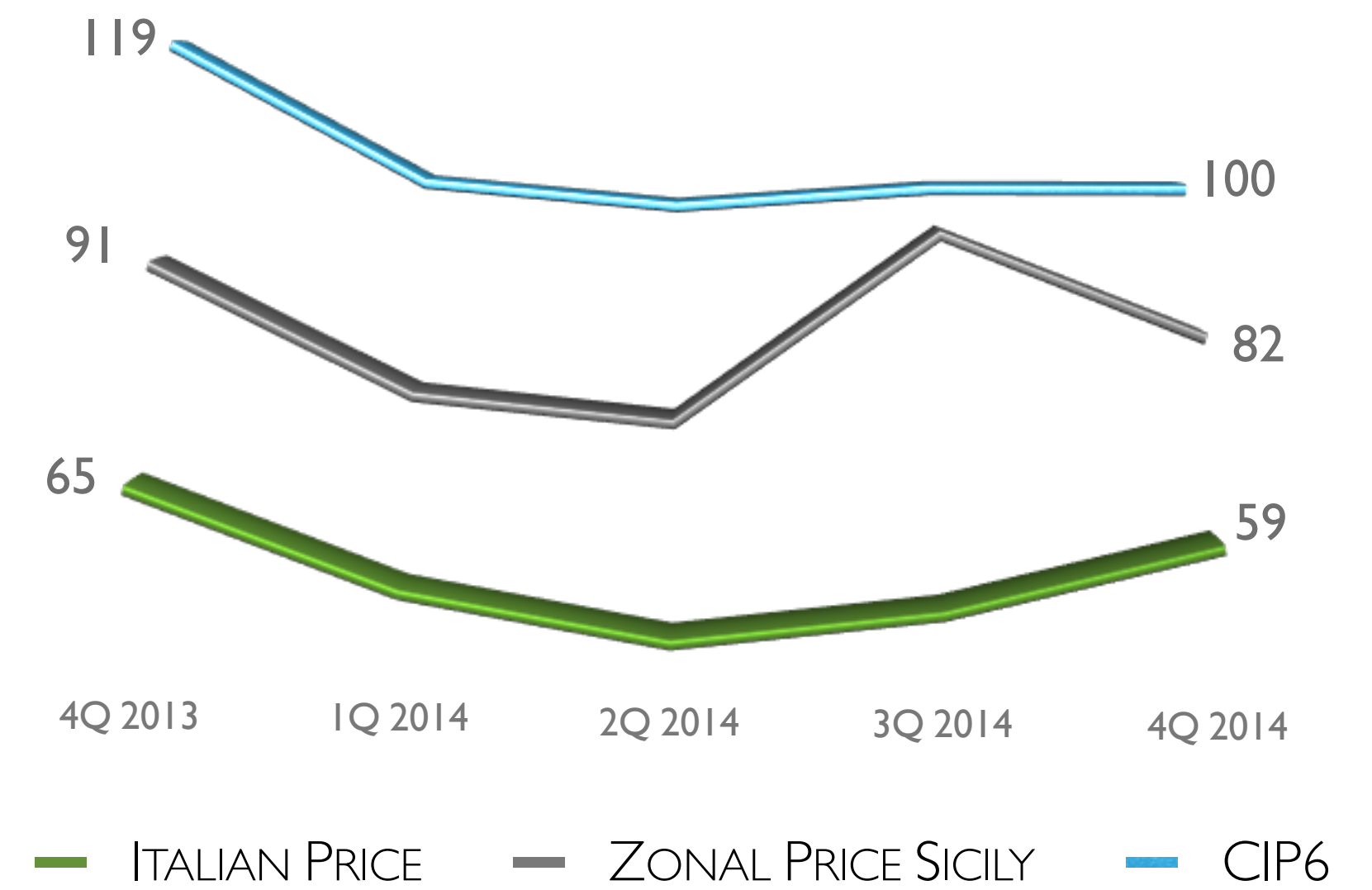


# BUSINESS ENVIRONMENT

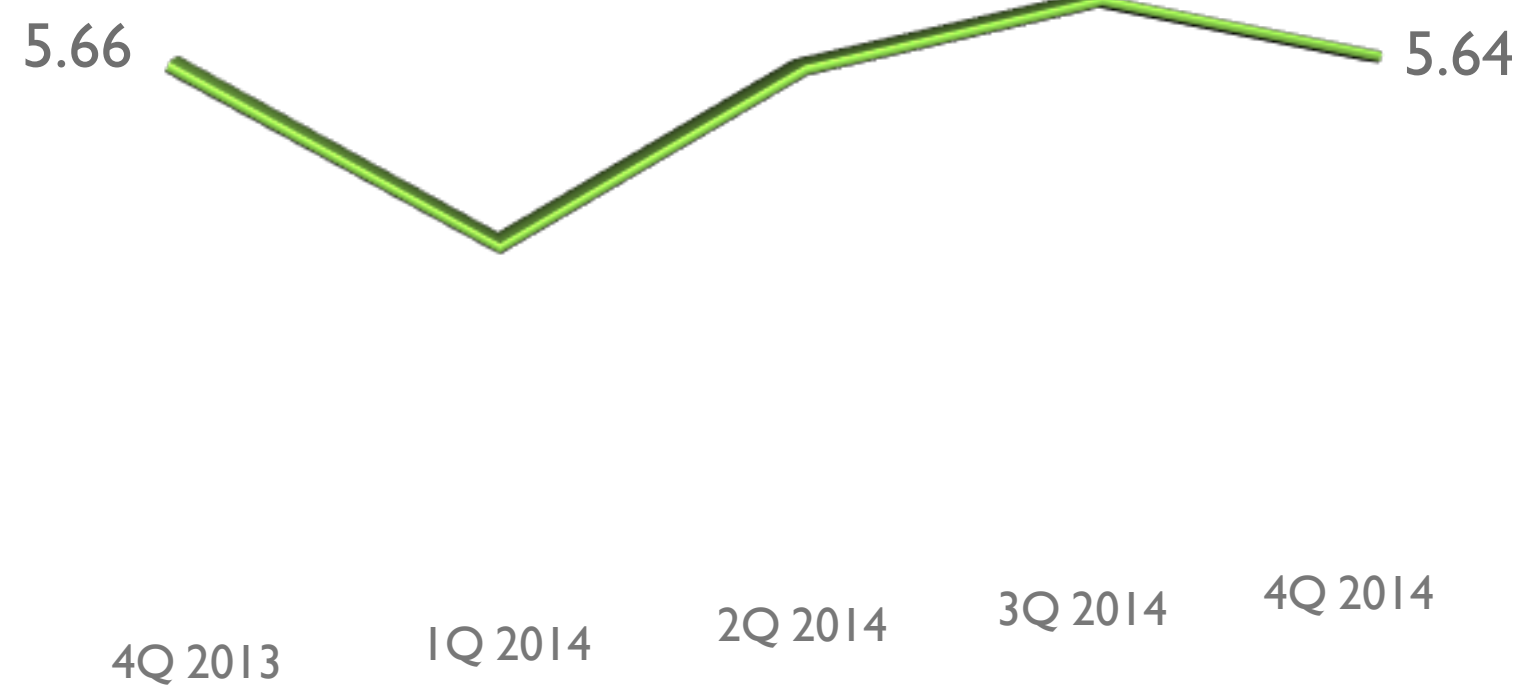
Renewables: Electricity Prices (€/MWh)



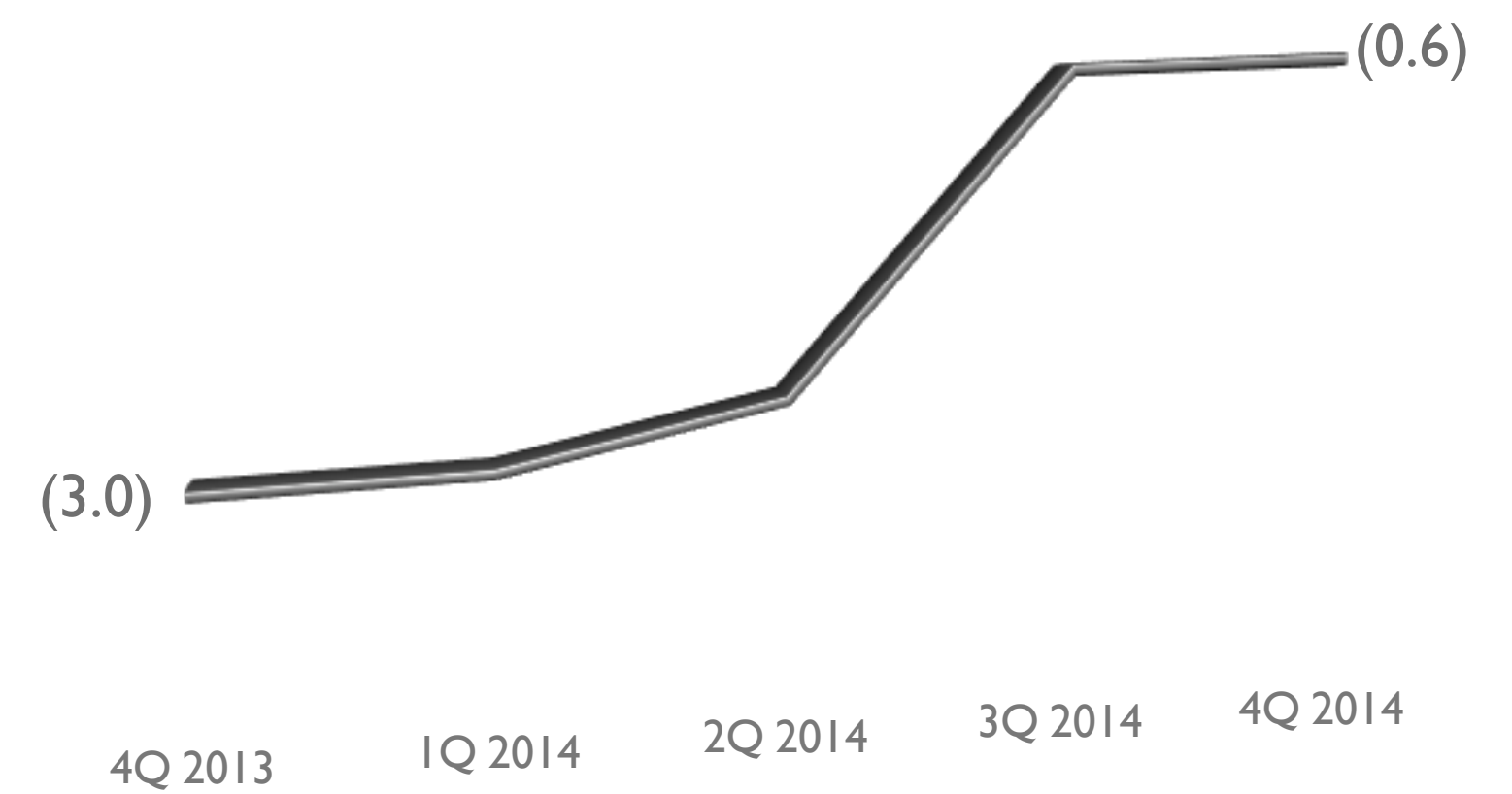
Electricity Prices (€/MWh)



Industry Retail Fuels Volumes (M tons)



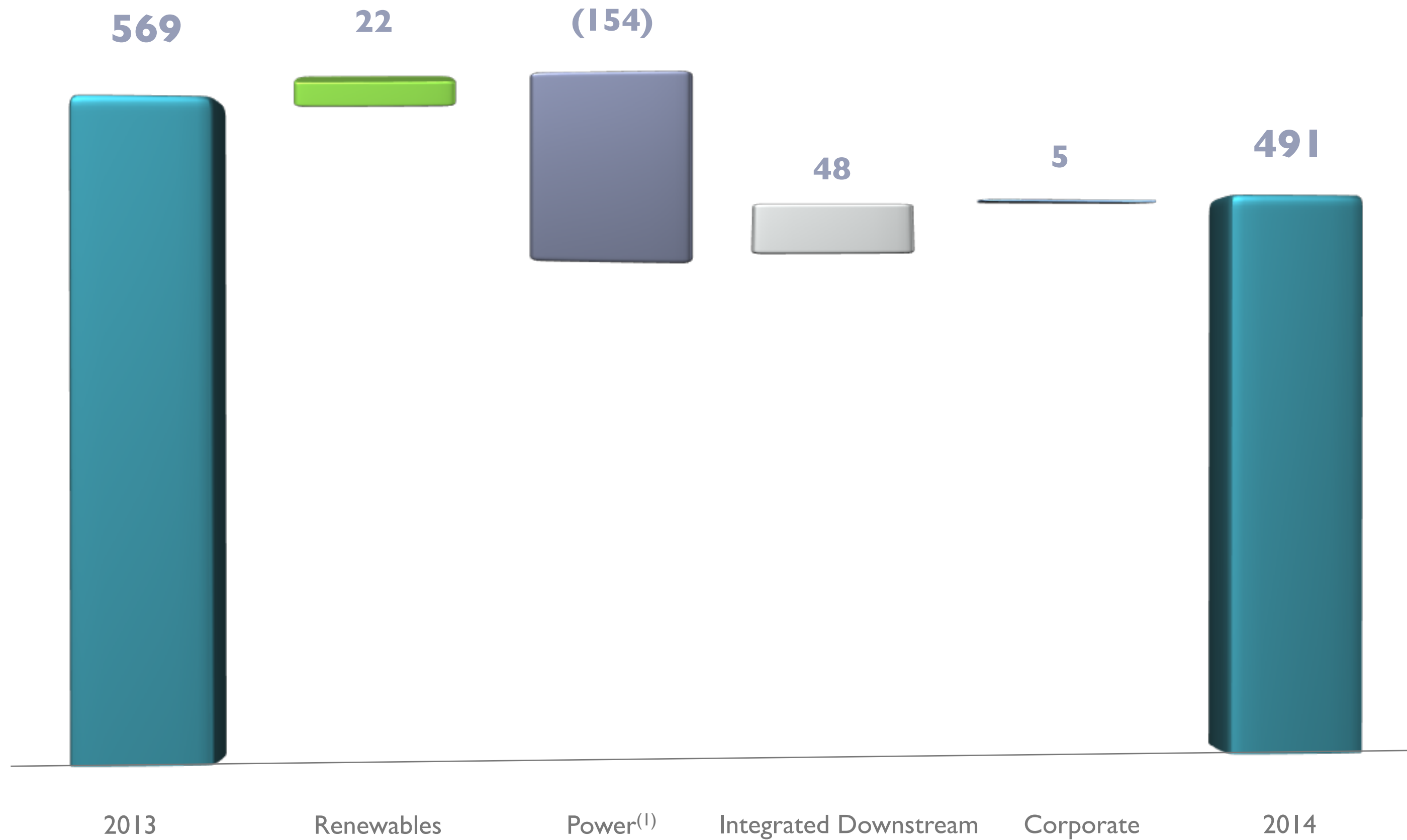
EMC Margin (\$/bbl)



<sup>(1)</sup> Italian price is theoretical price based on National Average Electricity Price (PUN) + GC



# FY 2014 GROUP EBITDA



## Improved results in Renewables

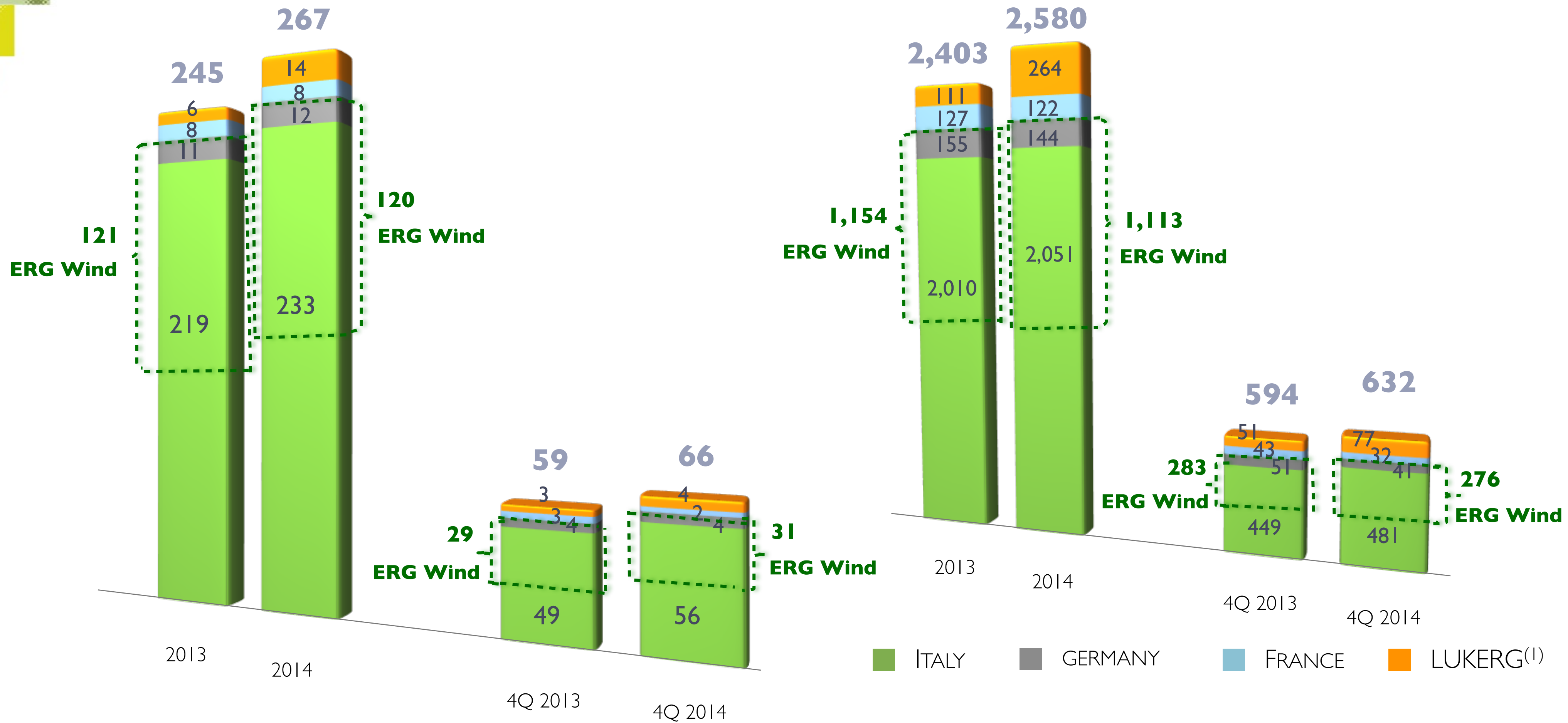
## Decrease in Power figures due to ISAB Energy plant disposal

<sup>(1)</sup> ISAB Energy EBITDA in FY13 was at €253.9mn, while in FY14 it is at €104.5mn due to ISAB Energy disposal as of July 1, 2014

# RENEWABLES RESULTS

RC Ebitda (€ mn)

Volumes (GWh)



**Higher production both in Italy and abroad**

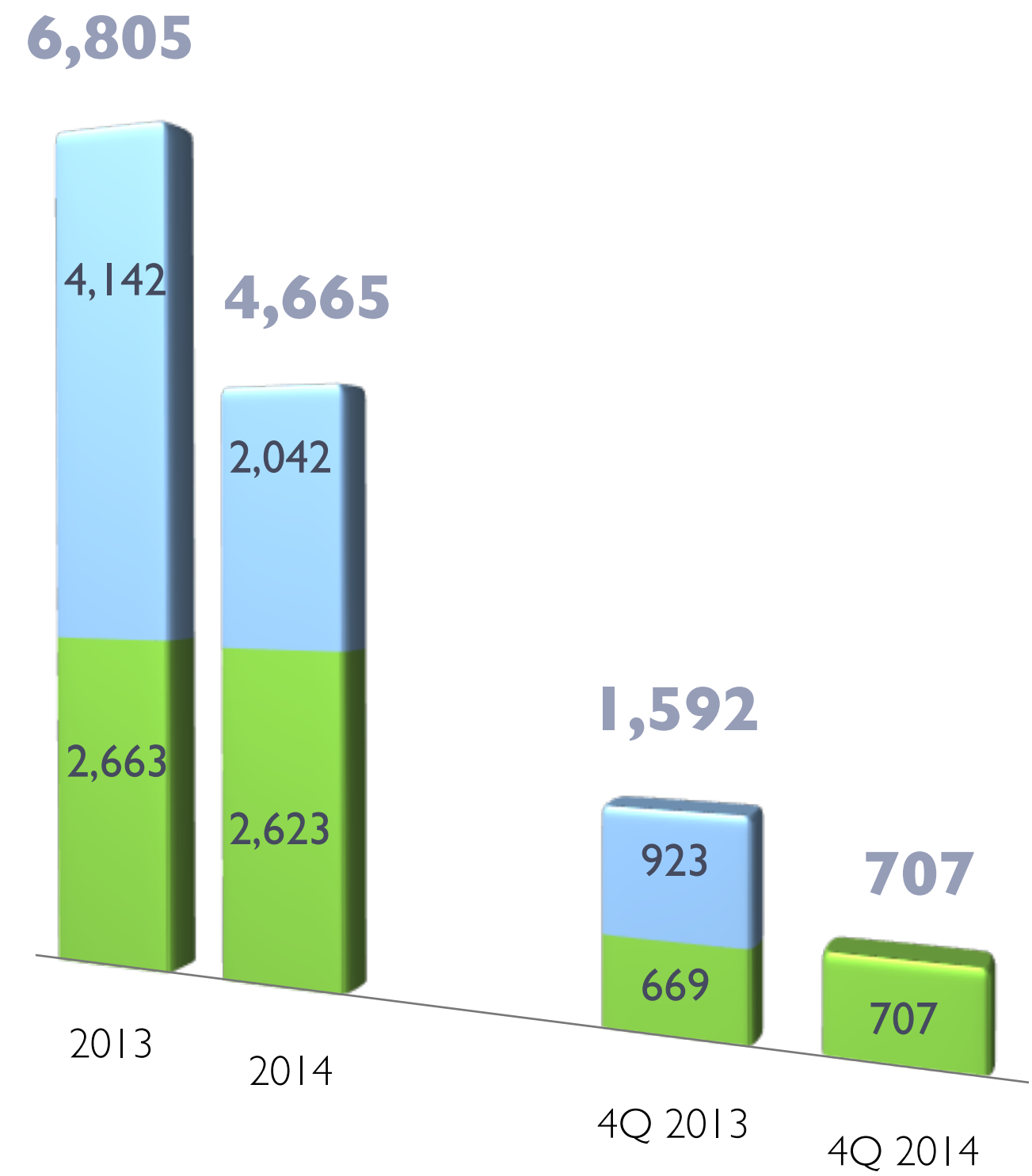
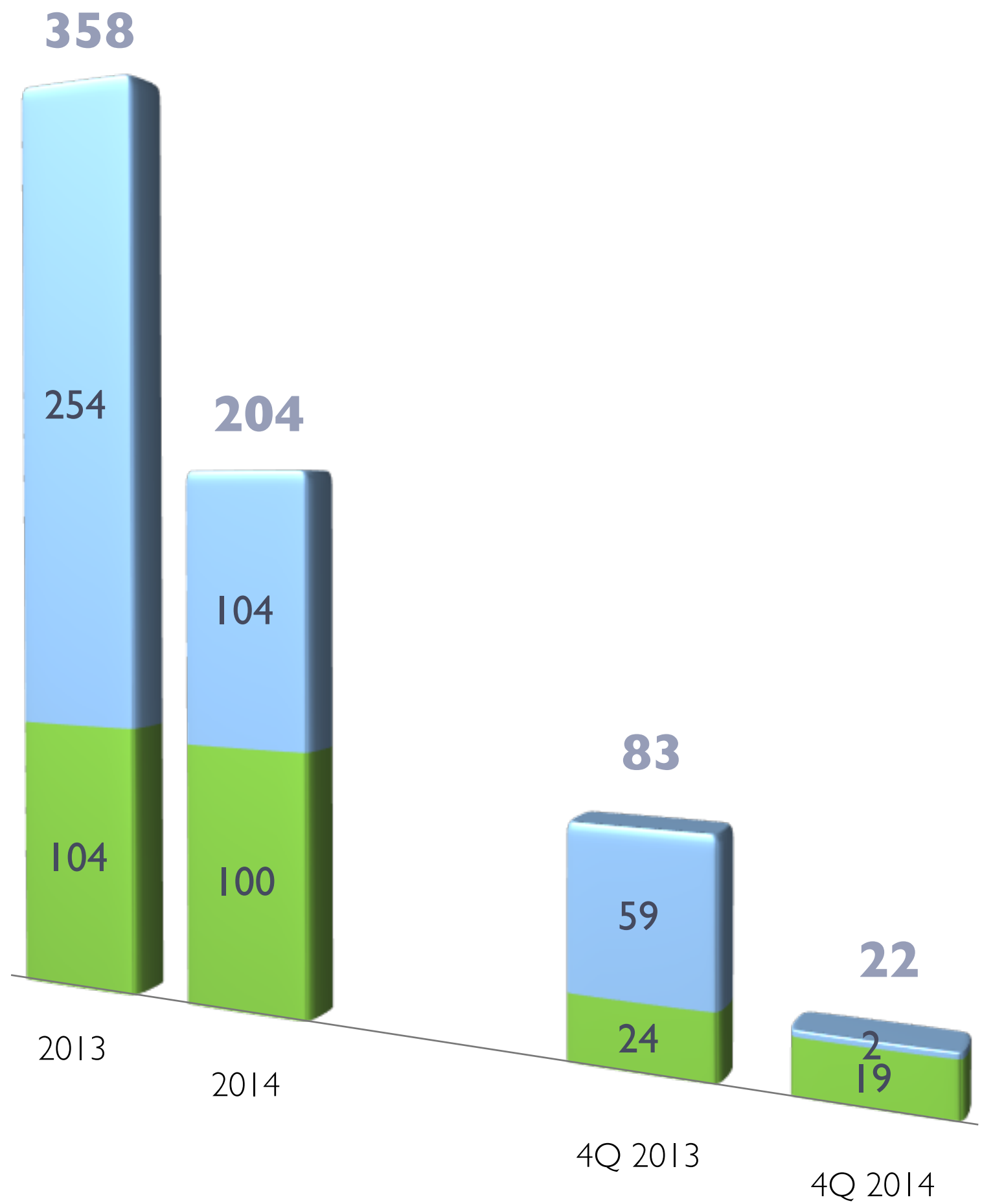
<sup>(1)</sup> LUKERG: ERG's stake = 50% in Bulgaria and Romania

# POWER RESULTS

ISAB ENERGY  
ERG POWER

RC Ebitda (€ mn)

Volumes (GWh)



**Strong ERG Power results**

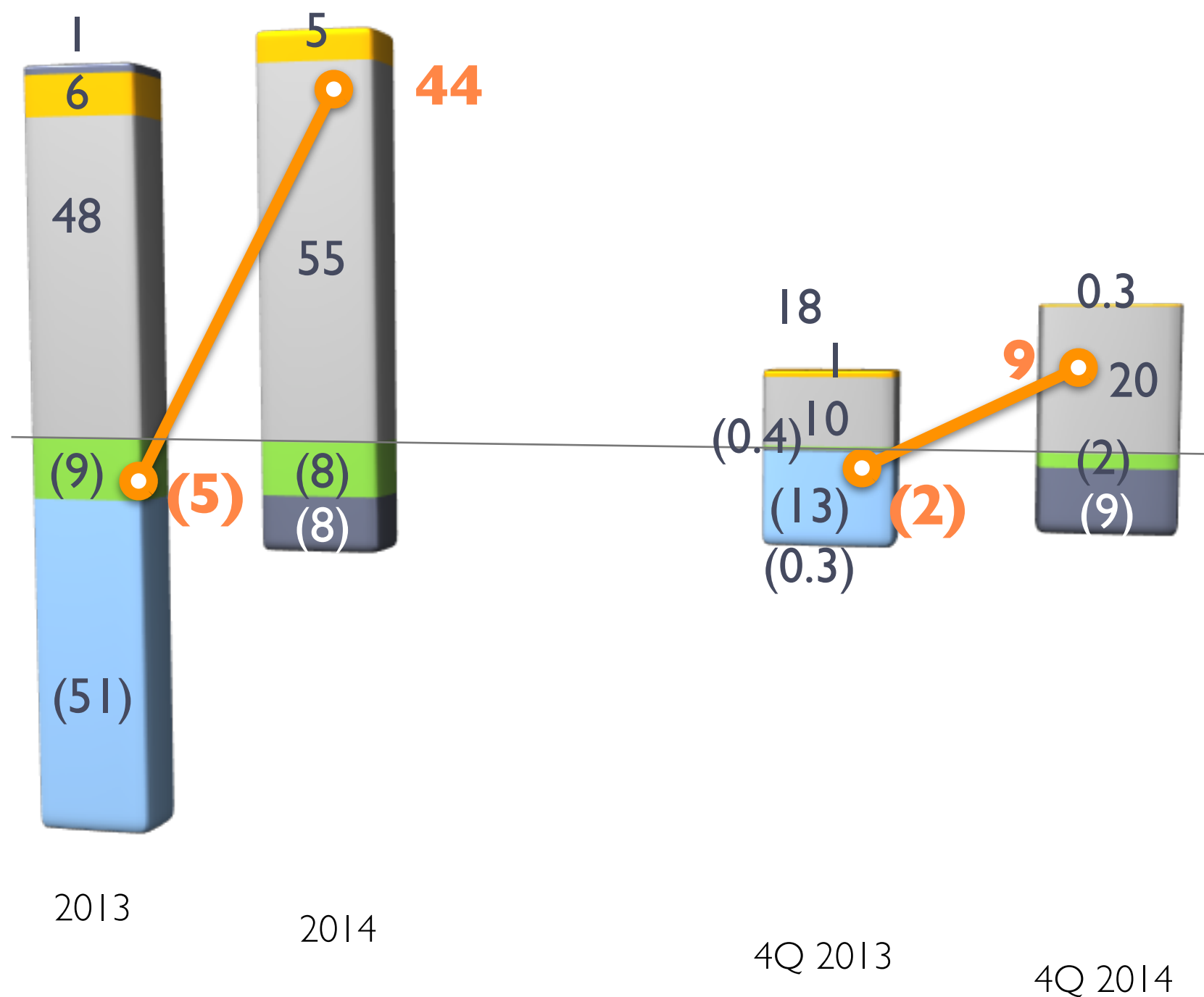
**ISAB Energy plant disposal effective as of July, 1**



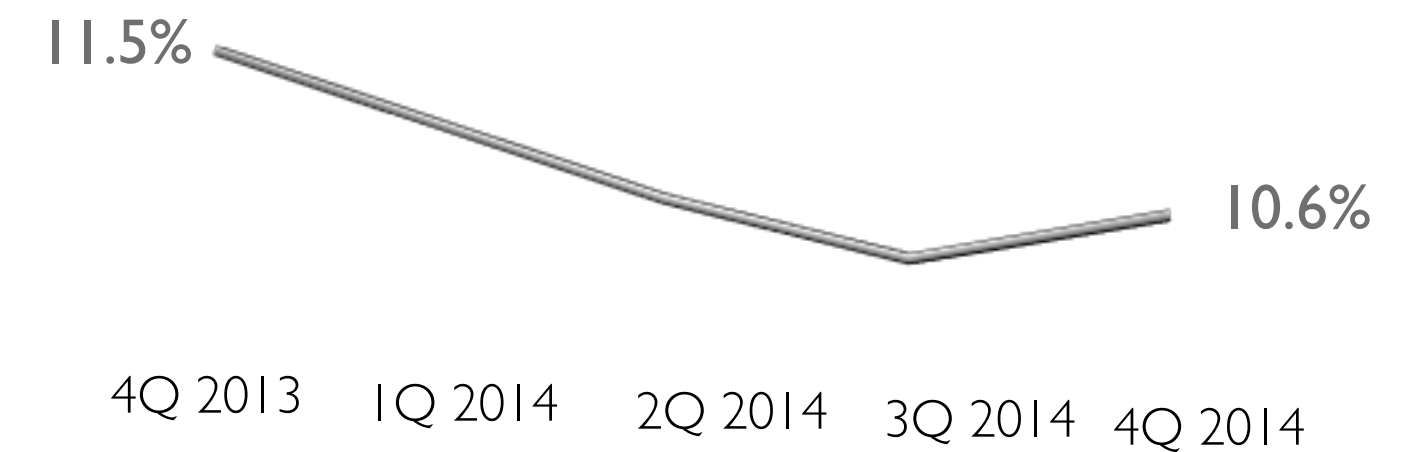
# INTEGRATED DOWNSTREAM RESULTS

- COASTAL REFINING
- ERG SUPPLY & TRADING
- EOS
- TOTALERG MARKETING
- TOTALERG REFINING <sup>(1)</sup>
- TOTAL INTEGRATED DOWNSTREAM

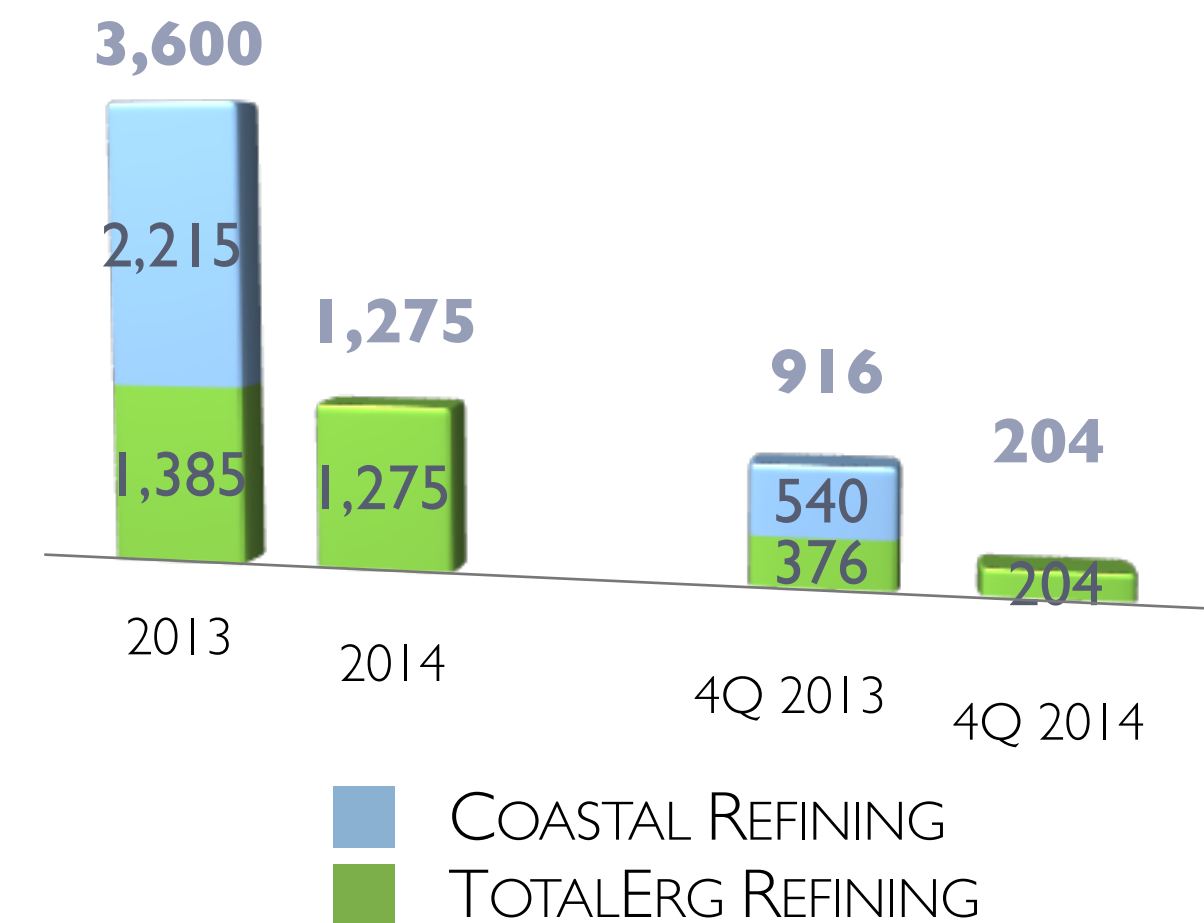
RC Ebitda (€ mn)



TOTALERG Market Share (%)



Refining: processed Volumes<sup>(2)</sup> (k tons)



## Improved margins at TotalERG offset by operating loss in Trading

(1) TotalERG Refining EBITDA includes Logistics  
 (2) Volumes relate to 100% of TotalERG stake in Sarpom (24%)

# KEY FINANCIALS



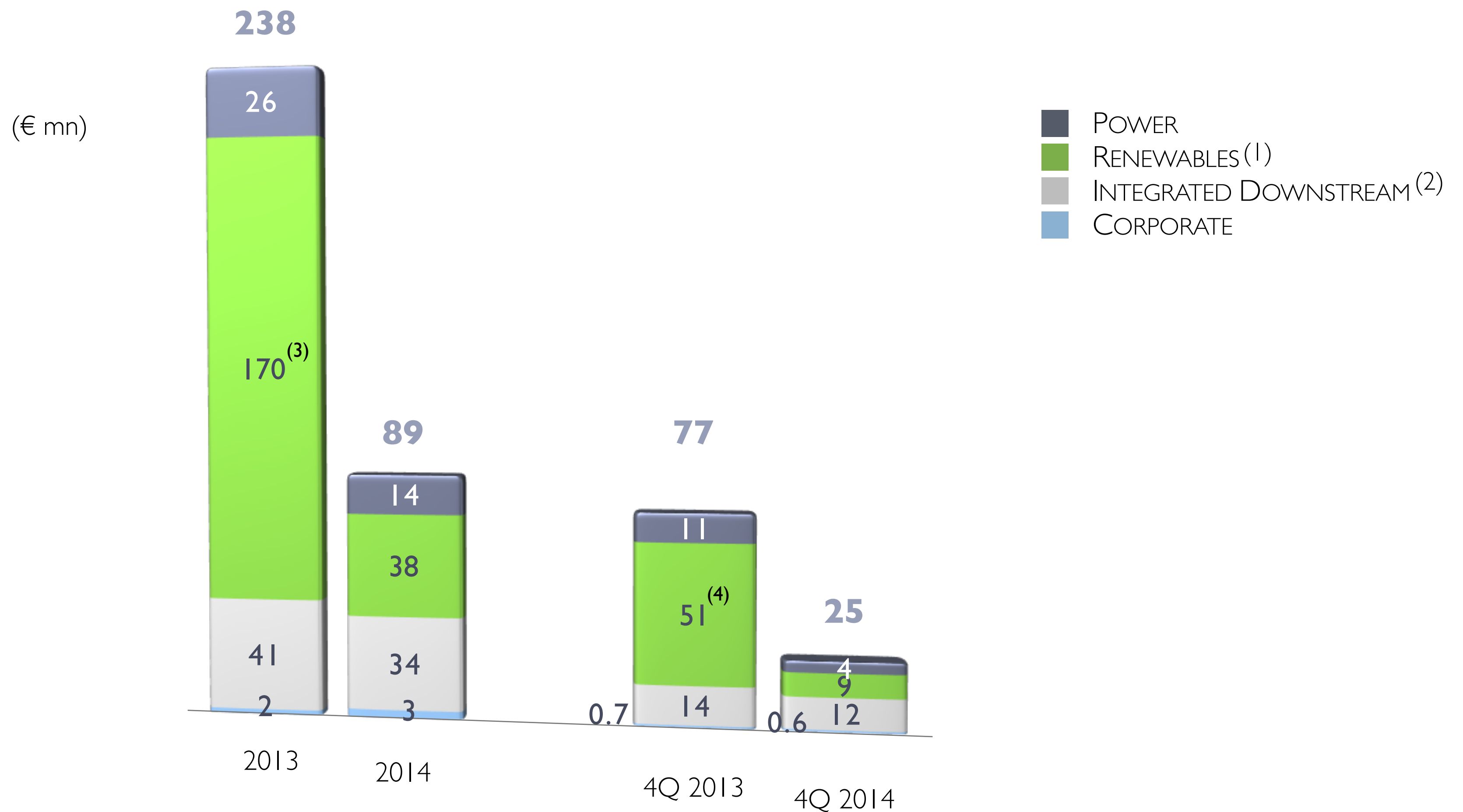
## PRO-FORMA REPLACEMENT COST P&L

2014	2013	Euro millions	4Q 2014	4Q 2013
491	569	<b>RC Adjusted EBITDA</b>	91	132
(241)	(291)	<i>Amortization and depreciation</i>	(60)	(76)
<b>249</b>	<b>278</b>	<b>RC Adjusted EBIT</b>	<b>31</b>	<b>56</b>
(81)	(88)	<i>Net financial income (expenses)</i>	(22)	(23)
2	4	<i>Net income (loss) from equity investments</i>	(0)	0
<b>170</b>	<b>194</b>	<b>RC Results before taxes</b>	<b>9</b>	<b>33</b>
(70)	(100)	<i>Income taxes</i>	(9)	(18)
<b>101</b>	<b>94</b>	<b>RC Results for the period</b>	<b>0</b>	<b>15</b>
(25)	(56)	<i>Minority interests</i>	0	(13)
<b>76</b>	<b>38</b>	<b>RC Net profit</b>	<b>1</b>	<b>3</b>

Note: figures based on NO GAAP measures



# ADJUSTED INVESTMENTS



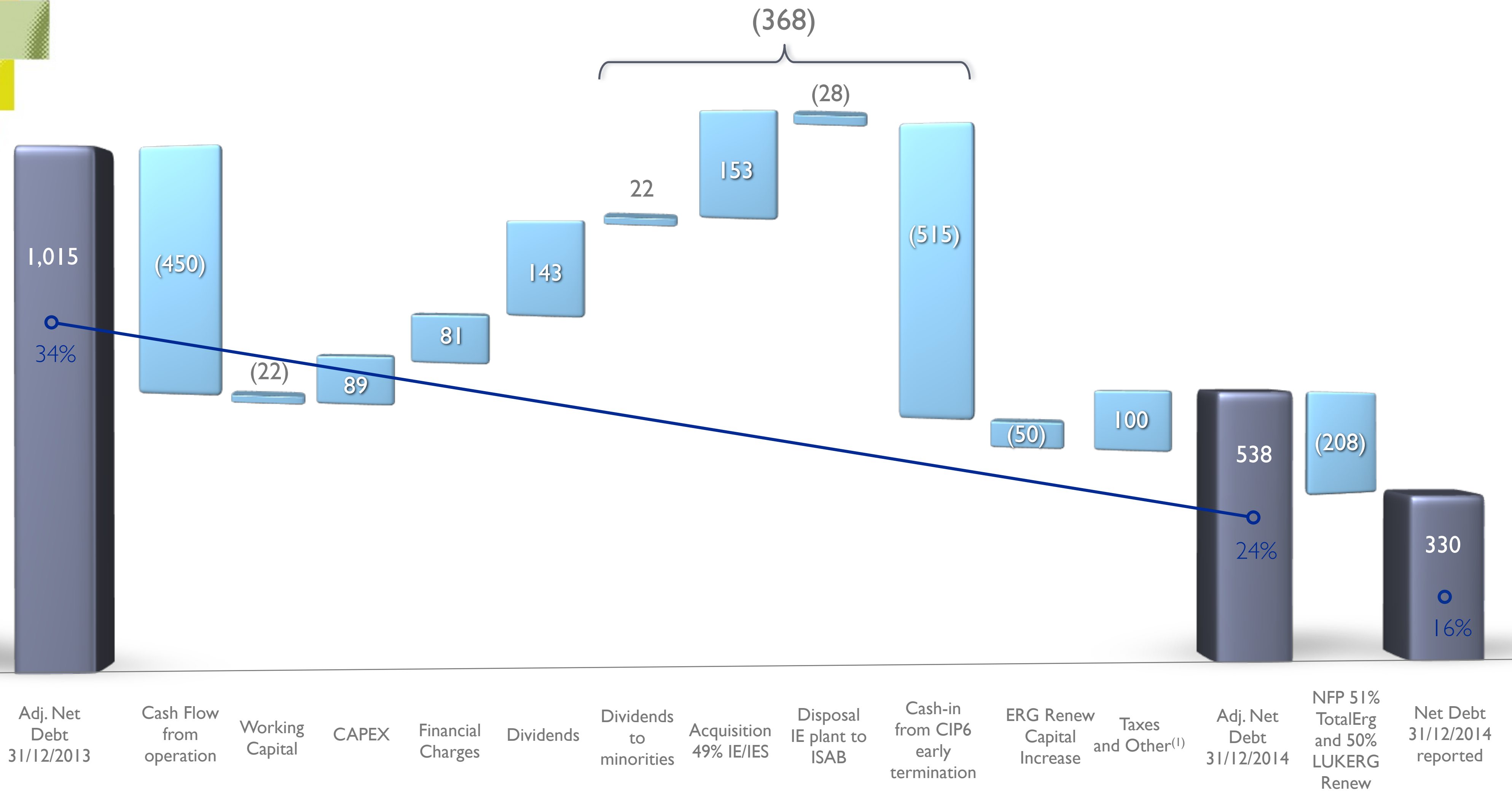
(1) Renewables adjusted for LUKERG Renew (50%)

(2) Integrated Downstream adjusted for TOTALERG (51%)

(3) It includes investment for the acquisition of Gebeleisis (ca. €55mn) and Hrabrovo (ca. €9mn) wind farms, plus ERG Renew O&M (ca. €10mn)

(4) It includes investment for the acquisition of ERG Renew O&M (ca. €10mn)

# FY 2014 ADJUSTED CASH FLOW STATEMENT



○—○ Leverage

<sup>(1)</sup> Including EOS Disposal for €(4)mn

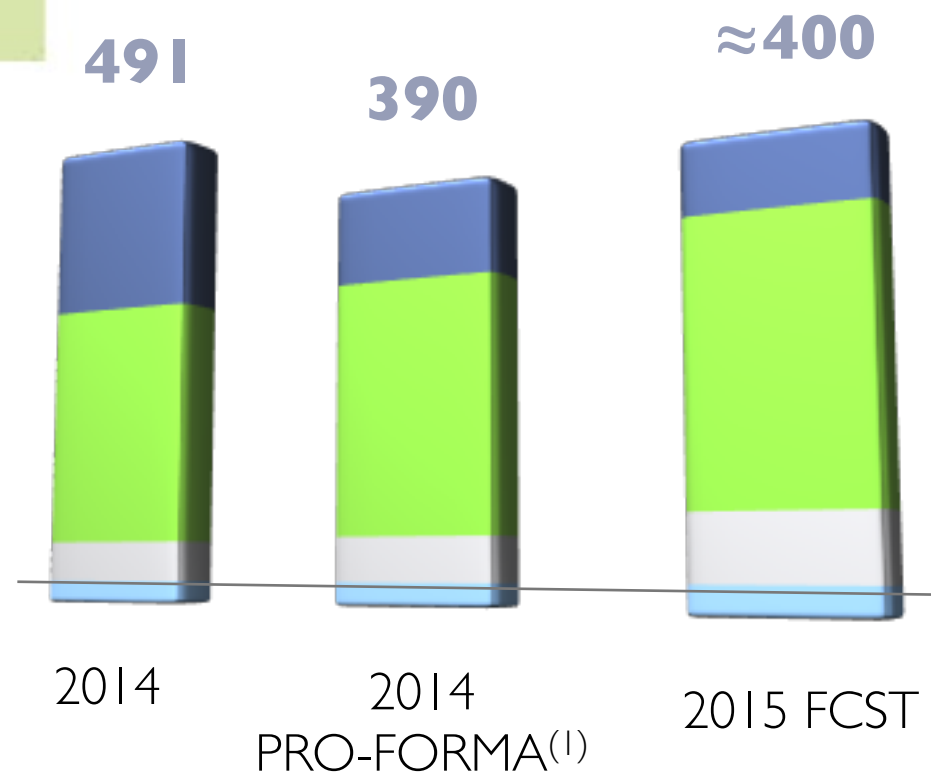
# 2015 GUIDANCE AND CONCLUSIONS

LUCA BETTONTE

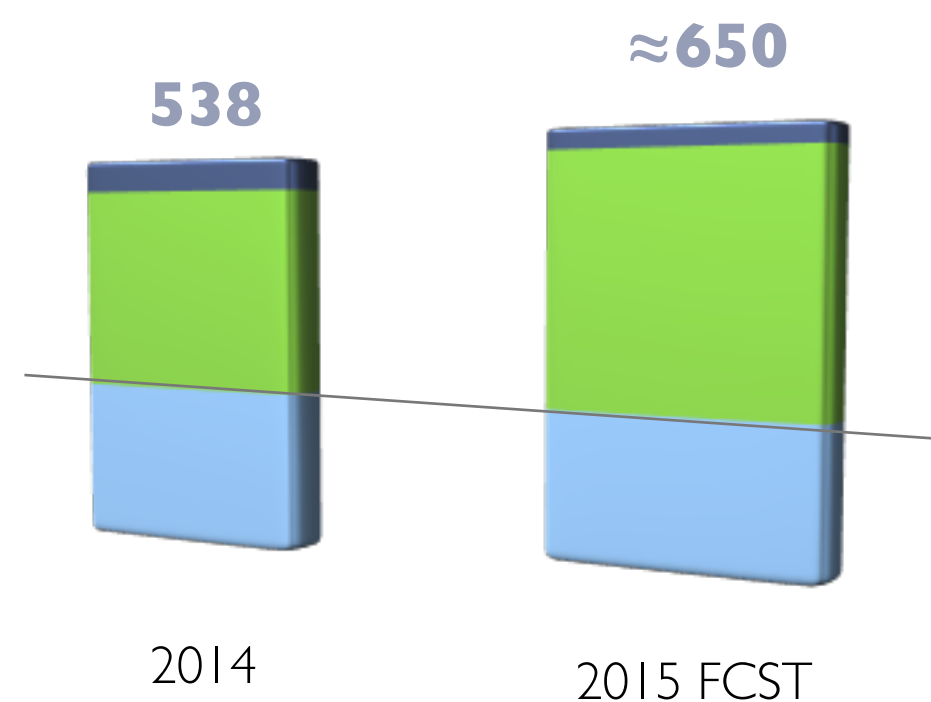
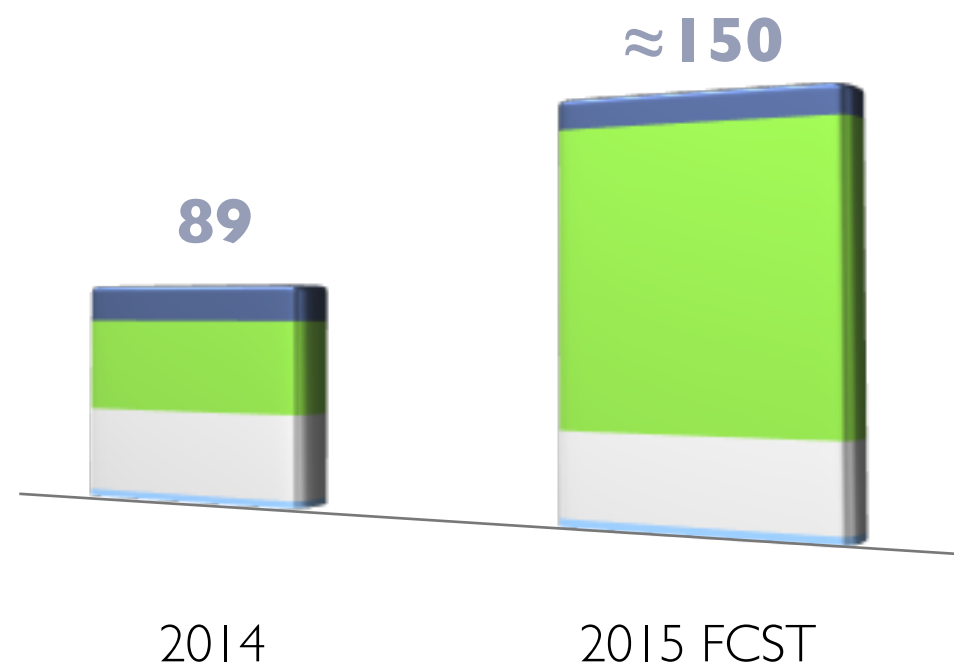
CEO



# 2015 GUIDANCE



■ POWER ■ RENEWABLES ■ ID ■ CORPORATE



■ LIQUIDITY ■ PF ■ OTHER AT MLT

## EBITDA:

- ✓ EBITDA reduction mainly due to the exit from CIP6
- ✓ Slight growth on a like-for-like basis driven by Renewables

## CAPEX:

- ✓ CAPEX driven by development in Wind
- ✓ New Business Plan under definition

## NFP:

- ✓ Higher CAPEX
- ✓ Tax settlement on ISAB Energy transaction

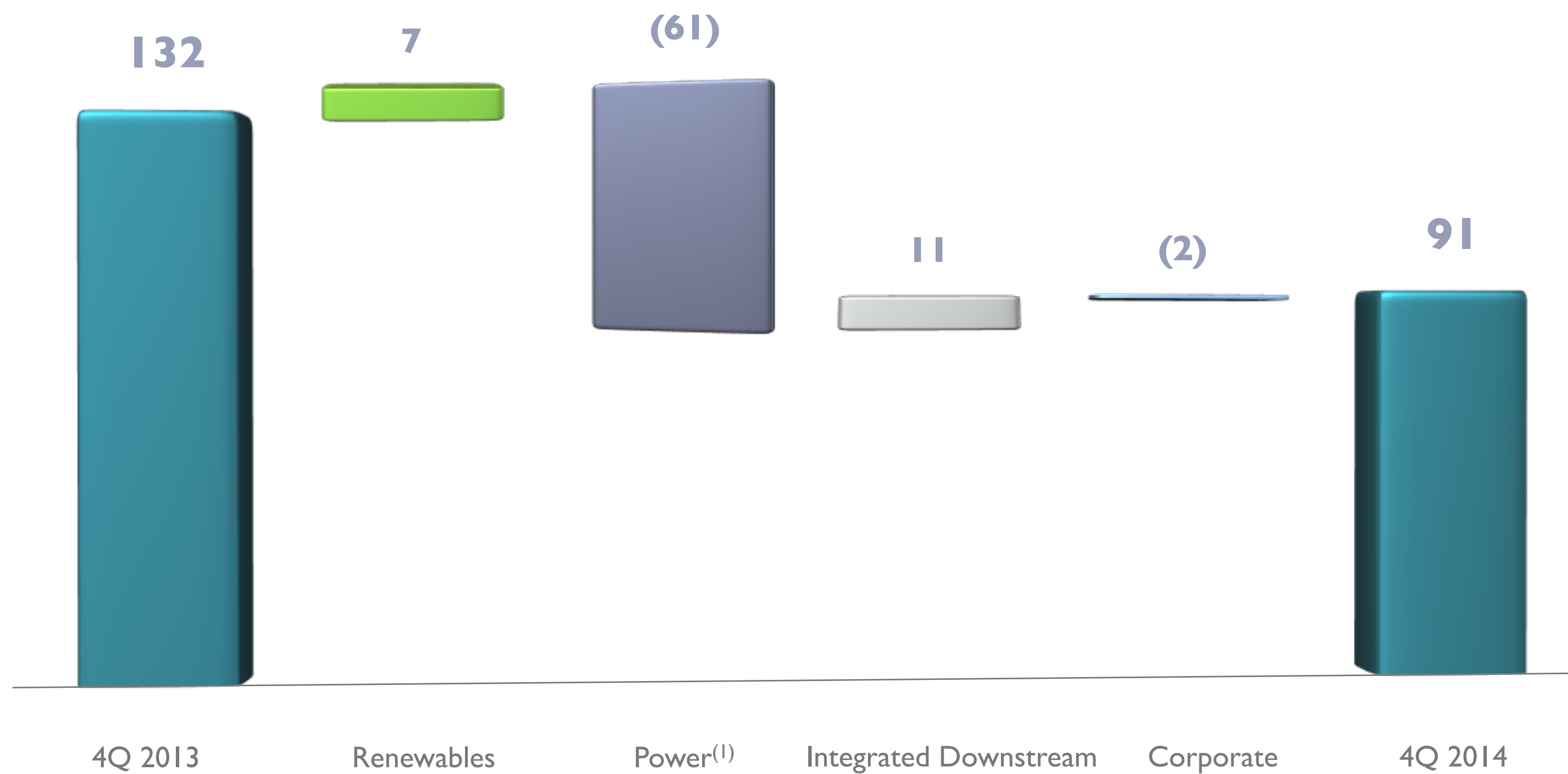
**Group's transformation still ongoing**

<sup>(1)</sup> 2014 Pro-forma EBITDA excluding ISAB Energy, ERG Supply & Trading and EOS

# APPENDIX



# 4Q 2014 GROUP EBITDA



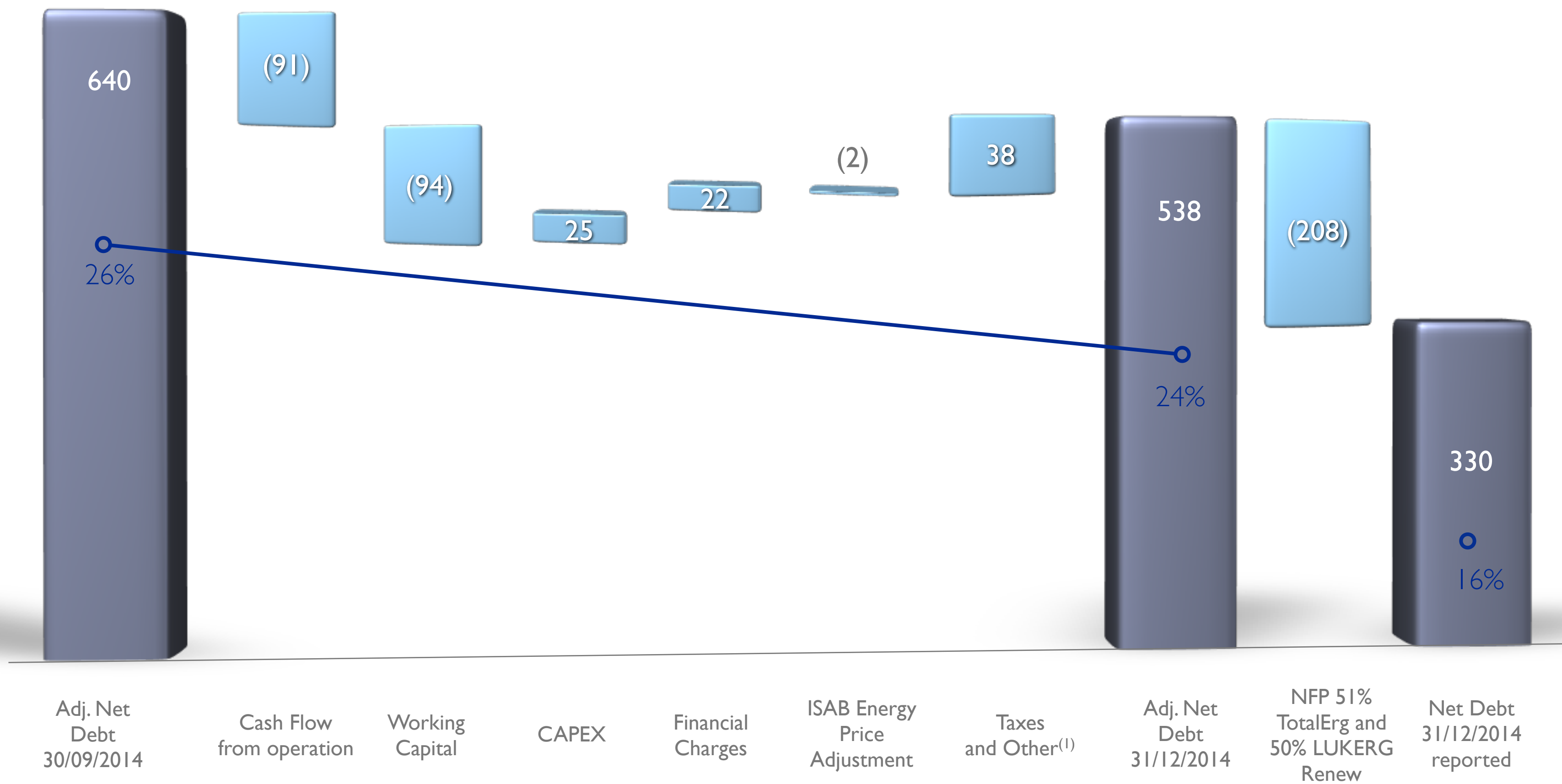
## Improved results in Renewables

## Decrease in Power figures due to ISAB Energy plant disposal

<sup>(1)</sup> ISAB Energy EBITDA in 4Q13 was at €59mn, while in 4Q14 it is at €2mn



# 4Q 2014 ADJUSTED CASH FLOW STATEMENT



○—○ Leverage

<sup>(1)</sup> Including EOS Disposal for €(4)mn

# FY AND 4Q 2014 RESULTS

	2014	2013	Euro millions	4Q 2014	4Q 2013	
	4,350	10,368	Adjusted Revenues	1,081	2,843	
	491	569	RC EBITDA Adjusted	91	132	
↑	267	245	- Renewables	66	59	↑
↓	204	358	- Power	22	83	↓
↑	44	(5)	- Integrated Downstream	9	(2)	↑
↑	(24)	(30)	- Corporate	(6)	(7)	↑

## RENEWABLES: KEY FIGURES (1/2)

2014	2013		4Q 2014	4Q 2013
<b>1,341</b>	<b>1,340</b>	<b>Installed capacity (end-period, MW)</b>	<b>1,341</b>	<b>1,340</b>
		<i>of which:</i>		
1,087	1,087	- Italy	1,087	1,087
86	86	- Germany	86	86
64	64	- France	64	64
27	27	- Bulgaria <sup>(1)</sup>	27	27
77	76	- Romania <sup>(1)</sup>	77	76
<b>2,580</b>	<b>2,403</b>	<b>Electricity Production (GWh)</b>	<b>632</b>	<b>594</b>
		<i>of which:</i>		
2,051	2,010	- Italy	481	449
144	155	- Germany	41	51
122	127	- France	32	43
67	57	- Bulgaria <sup>(1)</sup>	22	17
196	54	- Romania <sup>(1)</sup>	55	34

<sup>(1)</sup> ERG 's stake = 50%



## RENEWABLES: KEY FIGURES (2/2)

2014	2013	Euro millions	4Q 2014	4Q 2013
<b>RC EBITDA:</b>				
233	219	Italy	56	49
12	11	Germany	4	4
8	8	France	2	3
14	6	LUKERG <sup>(1)</sup>	4	3
		<i>of which:</i>		
4	4	- Bulgaria <sup>(1)</sup>	2	1
10	2	- Romania <sup>(1)</sup>	3	2
<b>267</b>	<b>245</b>	<b>Total RC EBITDA</b>	<b>66</b>	<b>59</b>
<b>(137)</b>	<b>(126)</b>	<b>Depreciation</b>	<b>(39)</b>	<b>(32)</b>
<b>130</b>	<b>119</b>	<b>RC EBIT</b>	<b>27</b>	<b>27</b>

<sup>(1)</sup> ERG 's stake = 50%

## ISAB ENERGY: KEY FIGURES

2014	2013		4Q 2014	4Q 2013
2,042	4,142	Sales (GWh)	0	923
251	653	Sales (€ mn)	2	171
104	254	RC EBITDA (€ mn)	2	59
78	202	RC EBIT (€ mn)	1	44
100	119	CIP6 tariffs (€/MWh)	100	119
61	173	EBITDA IT GAAP (€ mn)	1	45

# ERG POWER: KEY FIGURES

2014	2013	Euro millions	4Q 2014	4Q 2013
2,623	2,663	Electricity Production (GWh)	707	669
100	104	RC EBITDA	19	24
(27)	(28)	Depreciation	(6)	(7)
73	76	RC EBIT	14	17



# INTEGRATED DOWNSTREAM: KEY FIGURES

2014	2013	Euro millions	4Q 2014	4Q 2013
44	(5)	<b>Adjusted RC EBITDA</b>	9	(2)
47	39	- TOTALERG (51%)	18	10
5	6	- ERG Oil Sicilia	0	1
(8)	1	- ERG Supply & Trading	(9)	(0)
n.a.	(51)	- Coastal Refining	n.a.	(13)
(48)	(83)	<b>Adjusted Depreciation</b>	(13)	(22)
(5)	(87)	<b>Adjusted RC EBIT</b>	(4)	(24)
34	41	<b>Investments</b>	12	14
10.7%	11.3%	<b>TOTALERG retail market share<sup>(1)</sup></b>	10.6%	11.5%

<sup>(1)</sup> Estimated market share referring to 100% of TOTALERG

# INVESTMENTS

2014	2013	Euro millions	4Q 2014	4Q 2013
38	170 <sup>(1)</sup>	Renewables <sup>(2)</sup>	9	51 <sup>(4)</sup>
14	26	Power	4	11
34	41	Integrated Downstream <sup>(3)</sup>	12	14
3	2	Corporate	1	1
<b>89</b>	<b>238</b>	<b>Adjusted Total</b>	<b>25</b>	<b>77</b>

(1) It includes investment for the acquisition of Gebeleisis (ca. €55mn) and Hrabrovo (ca. €9mn) wind farms, plus ERG Renew O&M (ca. €10mn)

(2) It includes ERG quota of investments made by LUKERG Renew

(3) It includes ERG quota of investments made by TOTALERG

(4) It includes investment for the acquisition of ERG Renew O&M (ca. €10mn)