



SECOND QUARTER 2015 RESULTS

7 AUGUST 2015

LUCA BETTONTE, CEO

DISCLAIMER

This document contains certain forward-looking information that is subject to a number of factors that may influence the accuracy of the statements and the projections upon which the statements are based.

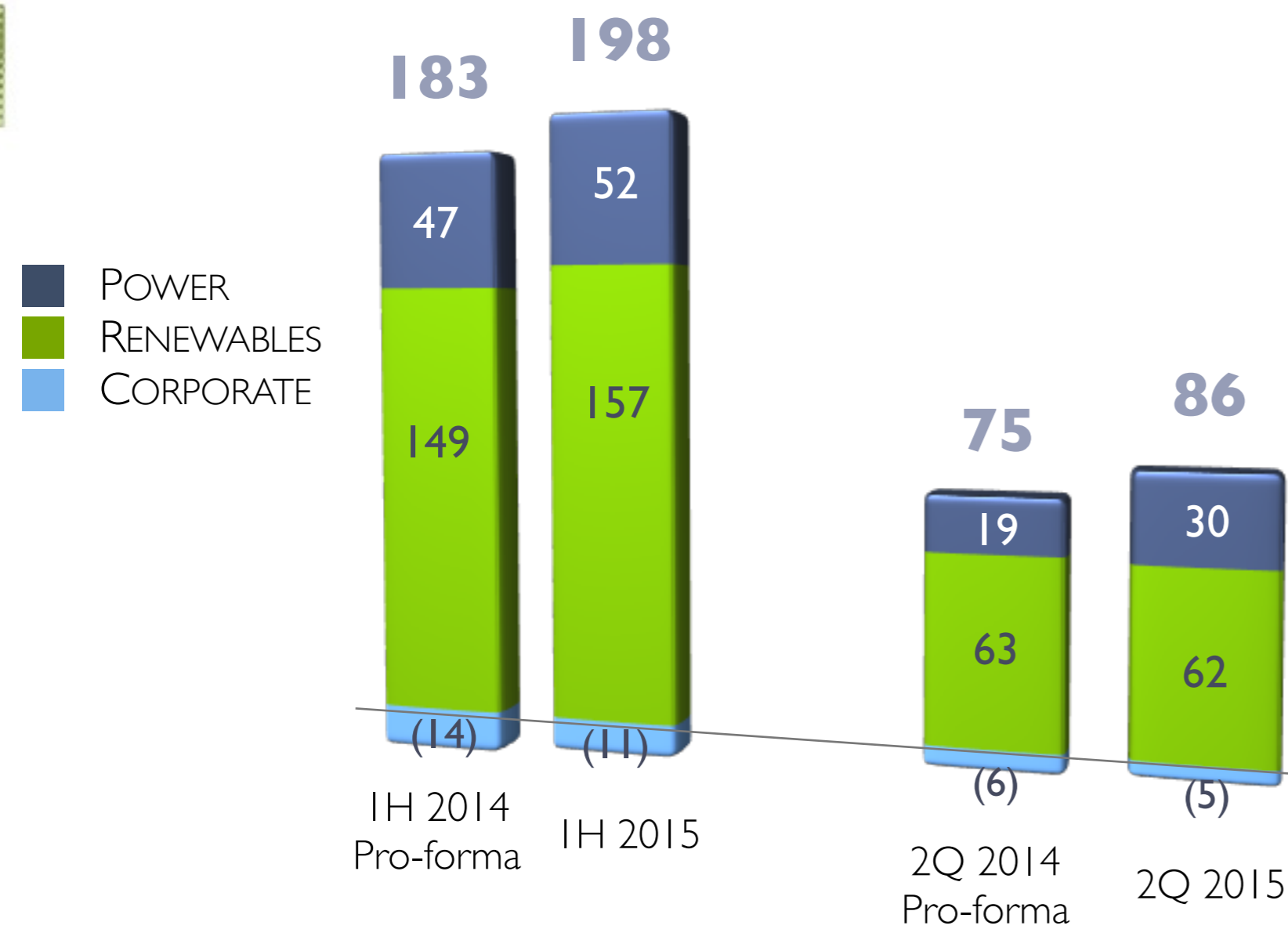
There can be non assurance that the projections or forecasts will ultimately prove to be accurate; accordingly, the Company makes no representation or warranty as to the accuracy of such information or the likelihood that the Company will perform as projected.

AGENDA

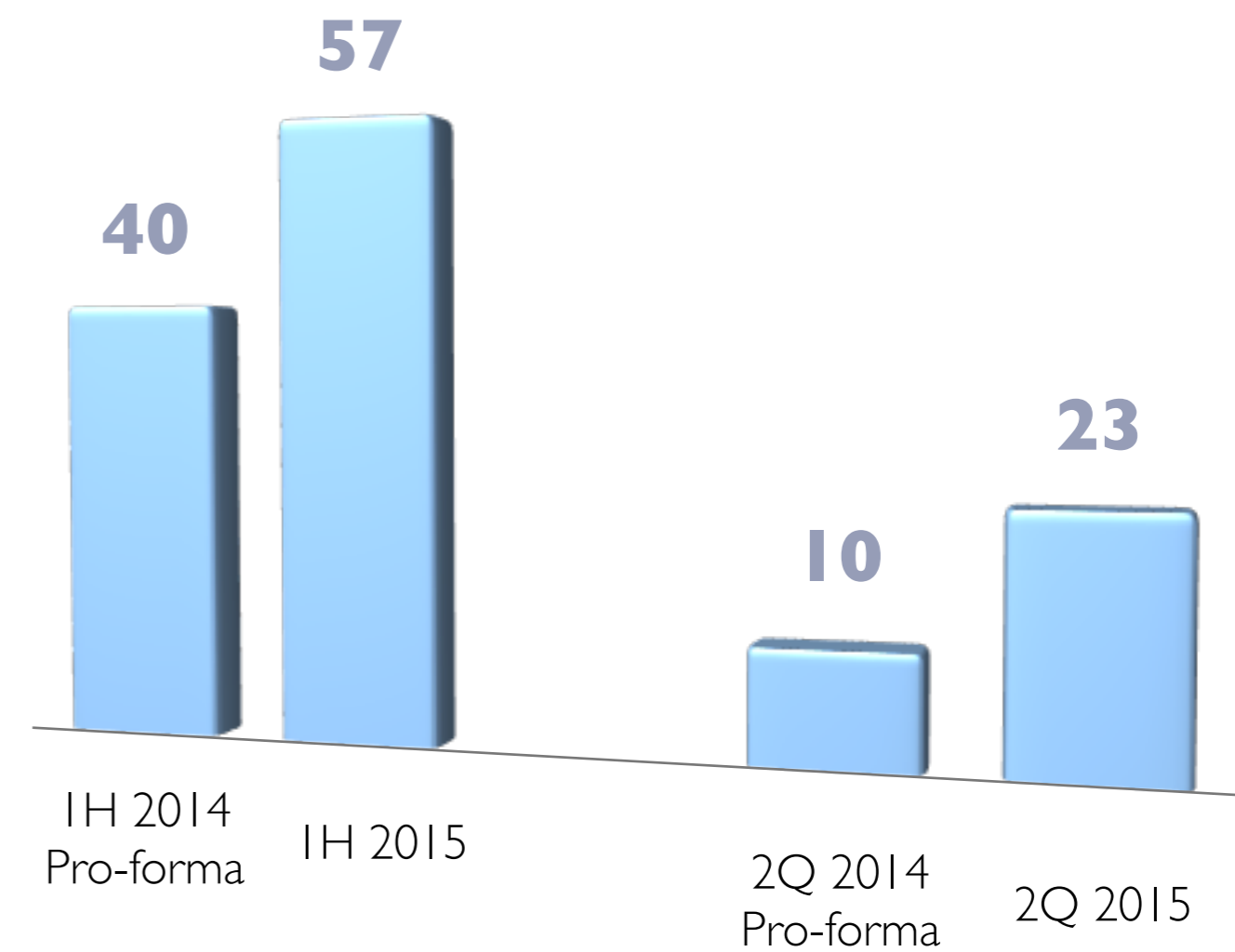
- 2Q 2015 Highlights
- Acquisition of Hydro Business
- Other Developments in 2Q 2015
- Results Review
 - ✓ Business Environment
 - ✓ 2Q 2015 Group EBITDA
 - ✓ Results by Segments
- Key Financials
 - ✓ Profit & Loss
 - ✓ Investments
 - ✓ Cash Flow Statement
- 2015 Guidance and Conclusions
- Appendix

HIGHLIGHTS: KEY FIGURES

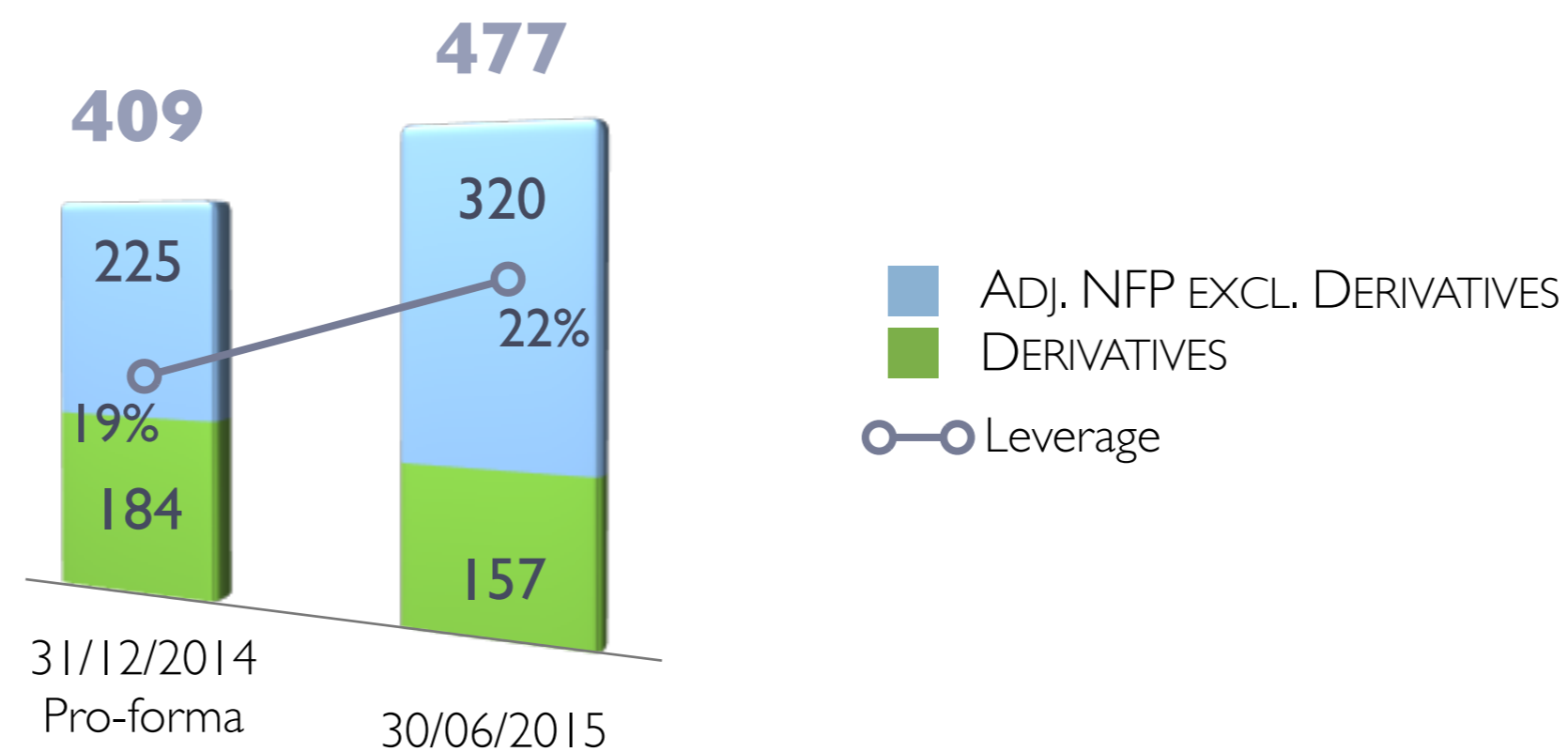
RC Ebitda Adj (€ mn)



RC Net Profit (€ mn)



Adj NFP (€ mn)



Strong set of results

ACQUISITION OF HYDRO BUSINESS

ACQUISITION OF HYDRO BUSINESS - KEY FIGURES

Key Transaction Terms

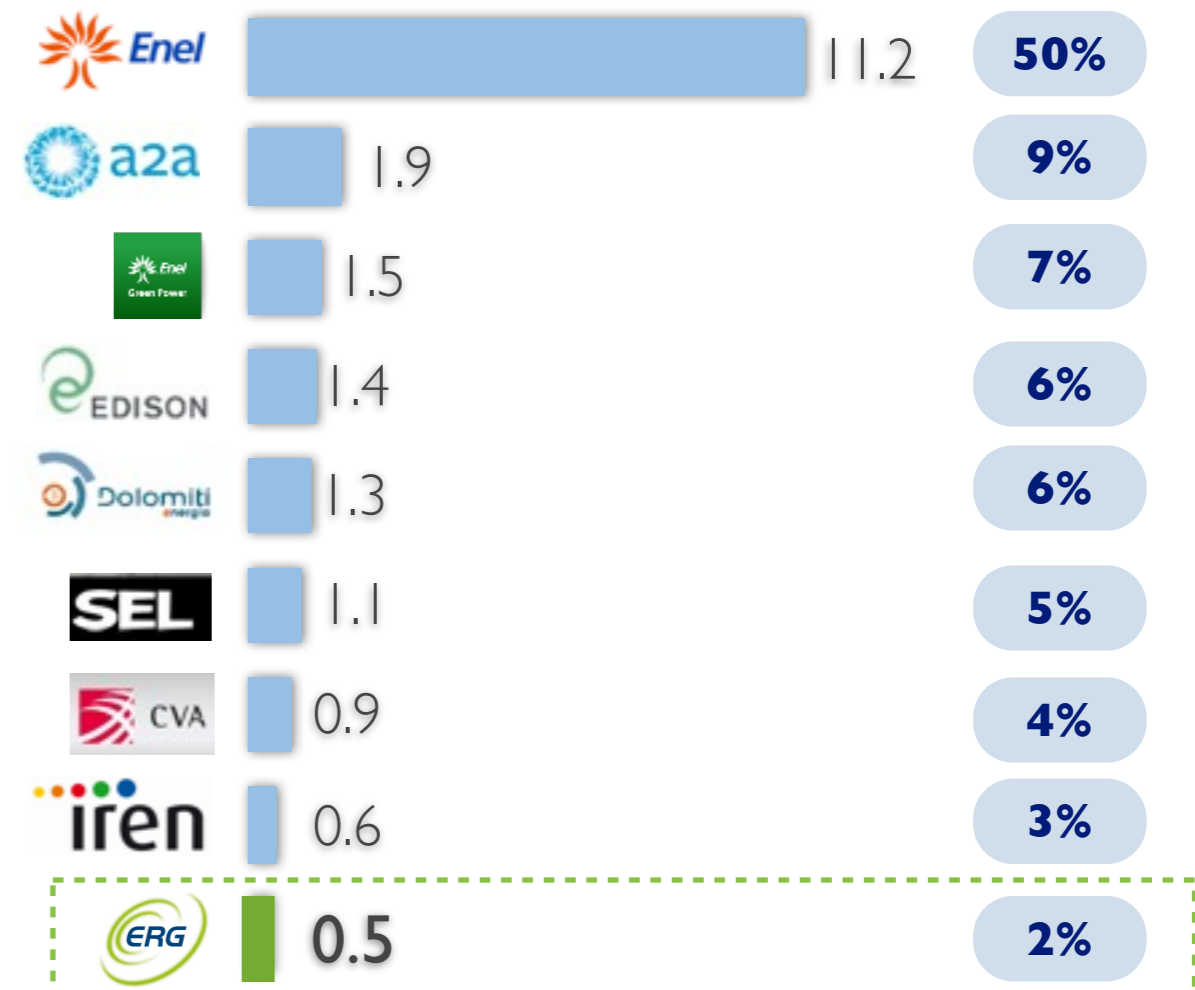
- On August 6, 2015 ERG signed an agreement with E.ON. Italia to acquire through its subsidiary ERG Power Generation 100% of the Hydro business of E.ON. Produzione
- Price on a debt/cash free basis of ca. €0.95bn

527MW Hydro capacity

- 16 Hydro generation plants, 7 dams, 3 reservoirs and 1 pumping station for a total of 38 generation units, of which 21 reservoirs
- 2014 production: 1.8TWh
- Annual average production expected of 1.4TWh (based on last 30 years average)
- Repowering completed in 2013 for more than 70% of capacity for an investment of ca. €200mn
- Ca. 40% with GCs, with average maturity in 2024
- End of concession: 2029

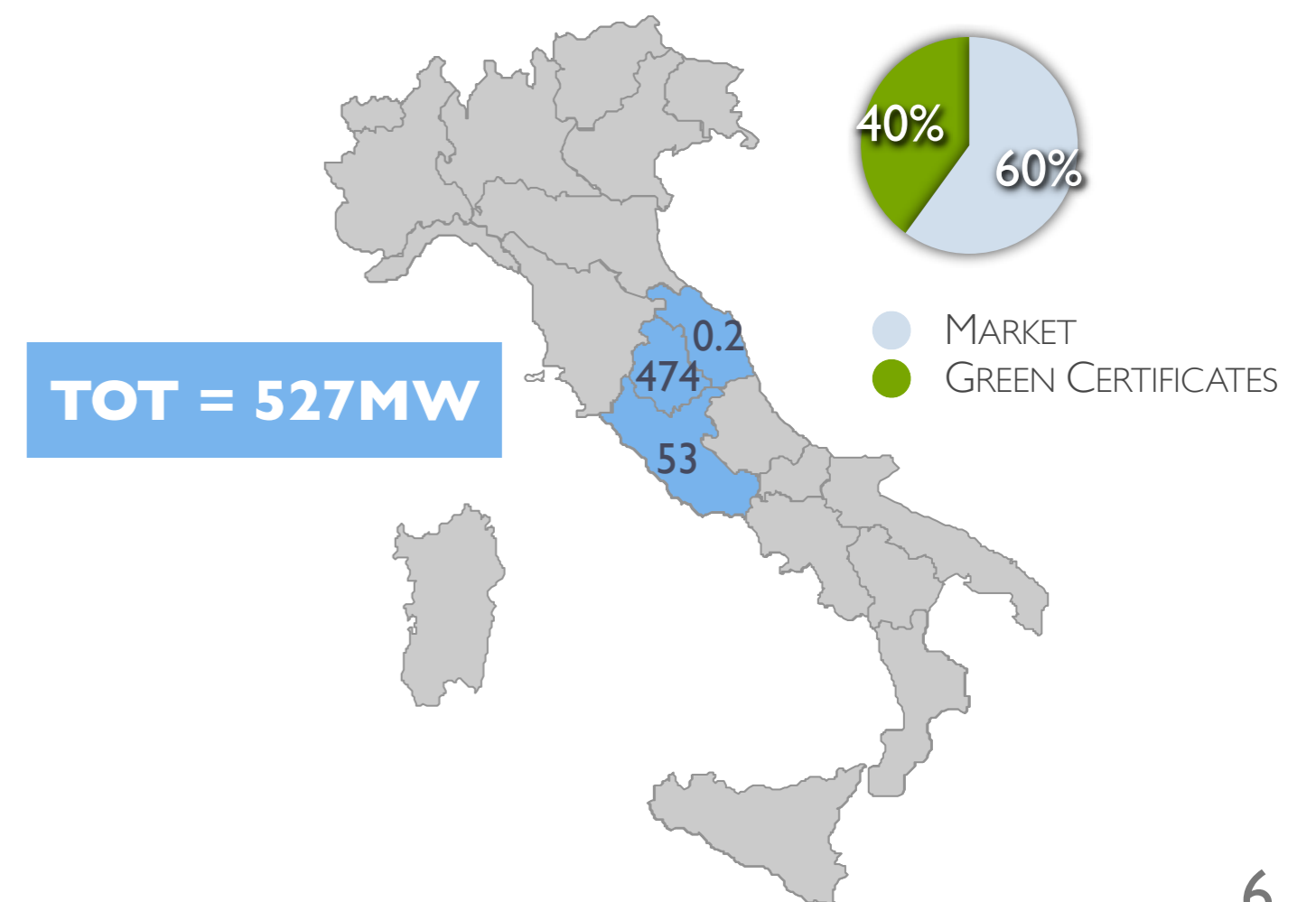
Positioning

Installed hydro capacity in Italy (GW)



Source: last company available data as at April 2015.

ERG 9th operator in Italy



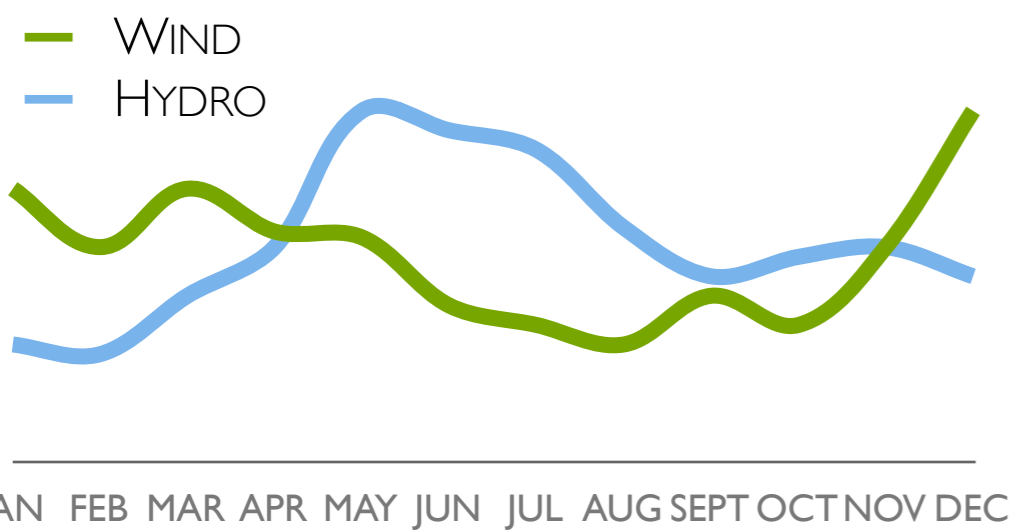
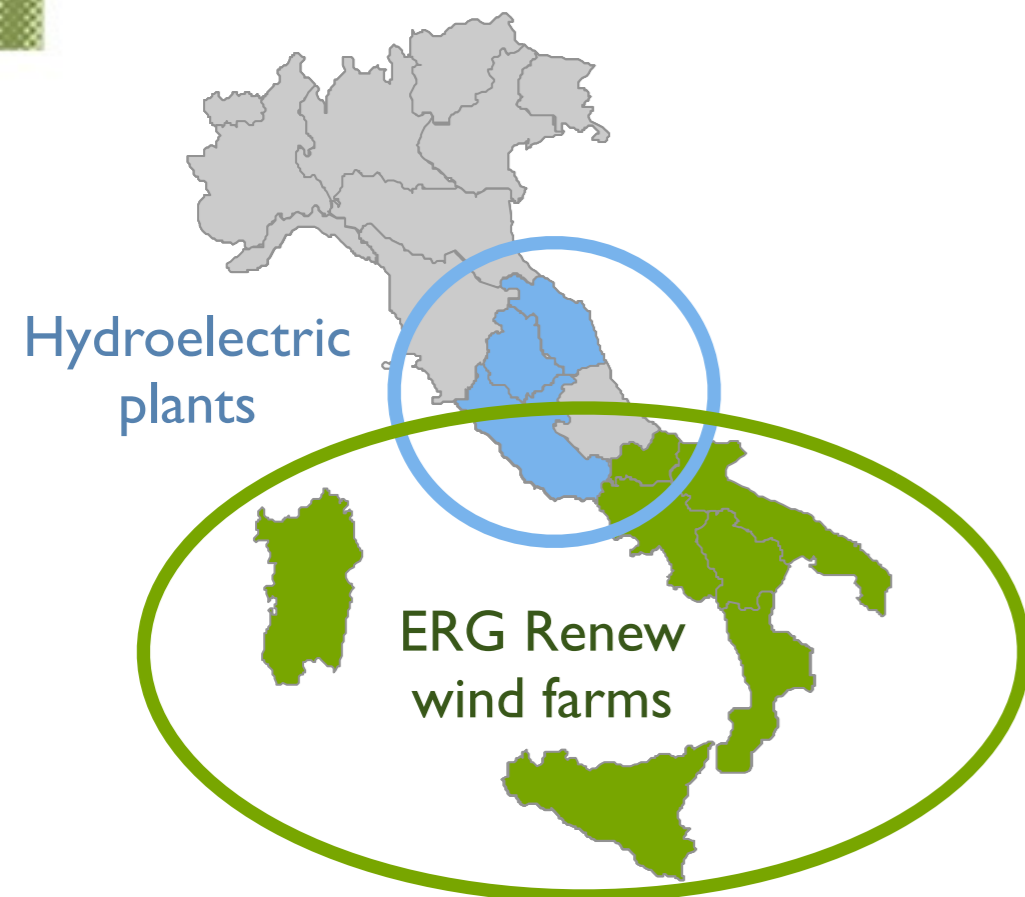
ACQUISITION OF HYDRO BUSINESS - FINANCING

- ✓ **€700mn corporate acquisition loan**
- ✓ **Pool of 7 international banks involved**
- ✓ **at very competitive cost conditions** (leveraging on current financial markets)



ACQUISITION OF HYDRO BUSINESS - RATIONALE

Asset Positioning and Production Profile



Balancing of ERG Generation Portfolio

- Complementary seasonality between Hydro and Wind generation

High complementarity between Wind and Hydro generation

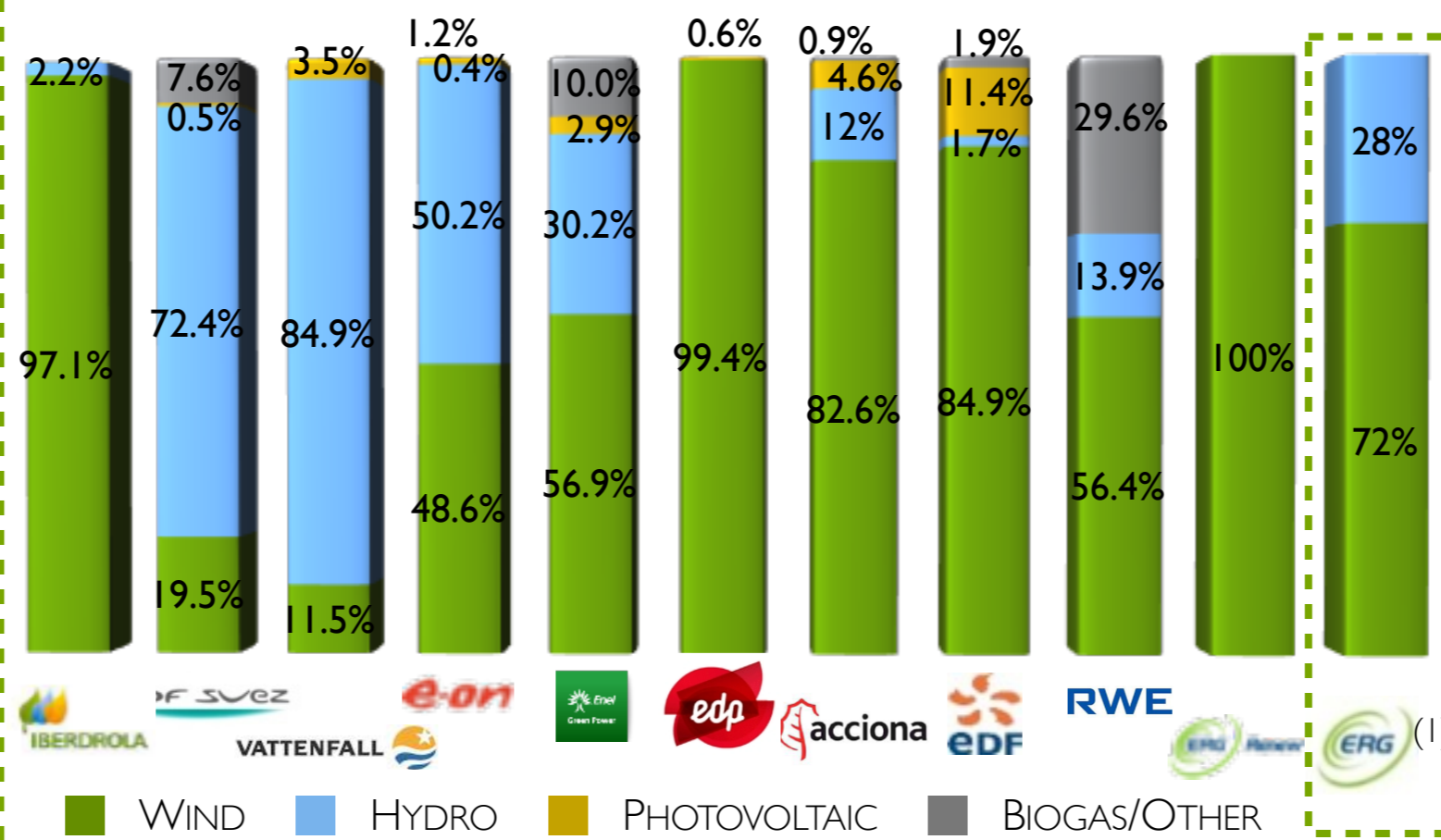
(1) It includes ERG Renew wind capacity and E.ON. Produzione Hydro capacity (527MW)

(2) It refers to ERG Group installed capacity at the end of December 2014 plus E.ON. Produzione Hydro capacity

(3) It refers to ERG Group production at the end of 2014; production for E.ON. Produzione Hydro capacity is based on last 30 years average

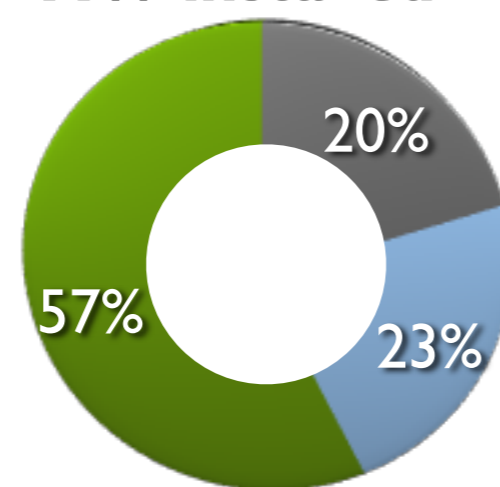
Asset Diversification

Main European Players total Renewables capacity breakdown

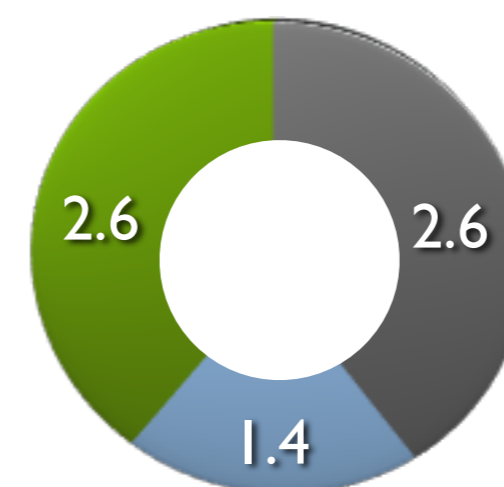


ERG Group

MW installed⁽²⁾

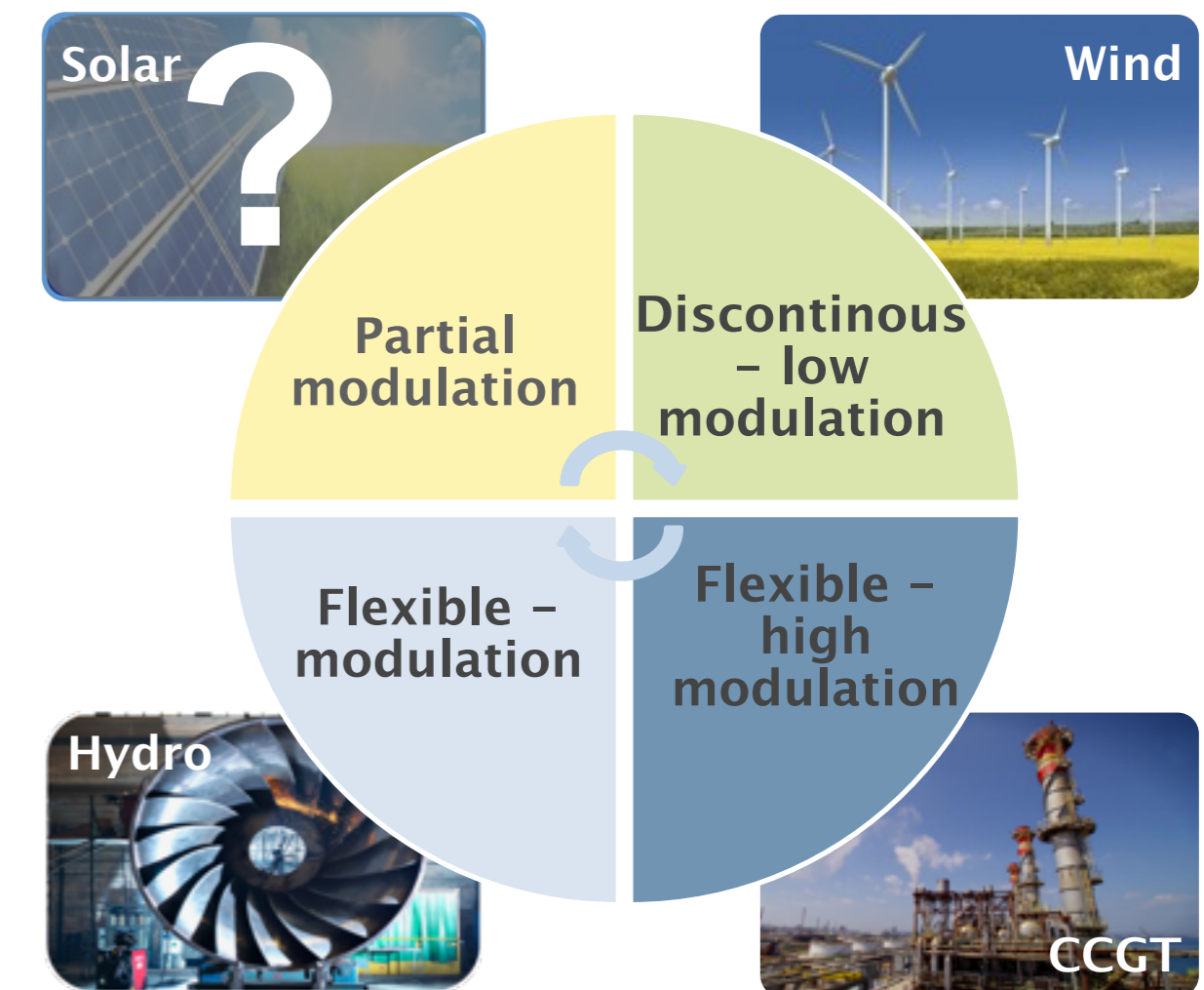


TWh Production⁽³⁾



- ERG reaches a more balanced generation portfolio in line with other renewable players

Value Creation through Energy Management



- Adding value through enlargement of electricity sources

OTHER DEVELOPMENTS IN 2Q 2015

FURTHER CONSOLIDATION IN FRENCH WIND GENERATION

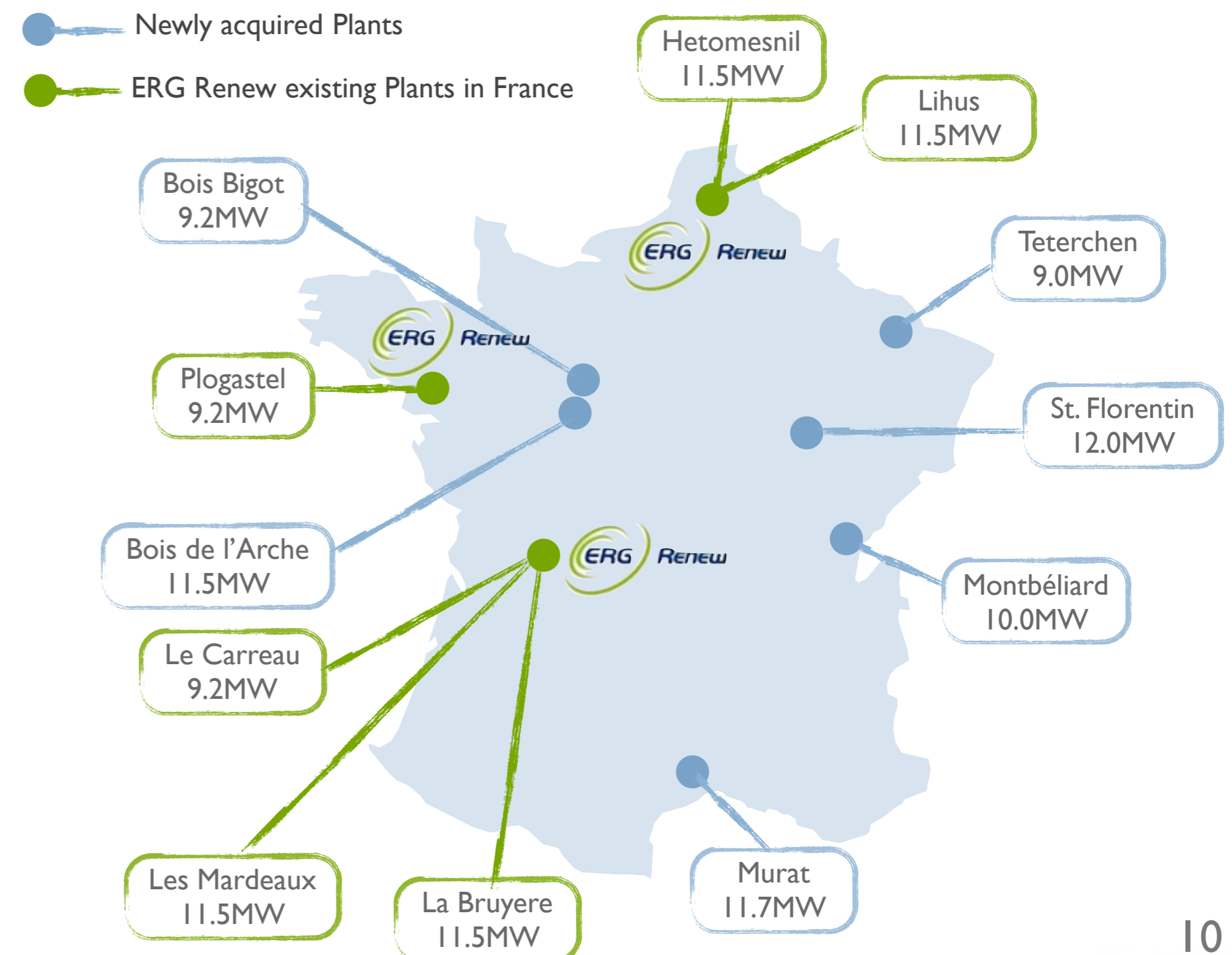
Deal description

- On June 17, 2015 ERG Renew signed an agreement to acquire 6 wind farms in France for a total installed capacity of 63.4MW
- EV of €72mn
- Parks in operation since 2005-2008
- Producibility: ca. 2,300 heq
- Closing on July 27, 2015

Strategic rationale

- Further consolidation in France, doubling the installed capacity from 64MW to 127MW
- Further step towards geographical diversification

ERG Renew - pro-forma⁽¹⁾ MW installed as of 30.6.15



⁽¹⁾ Capacity in France already includes newly acquired 63.4MW

LUKERG ASSETS SPLIT

Key figures of the deal

- On June 25, 2015 ERG and LUKOIL agreed to close the JV LUKERG Renew and to break up the assets
- ERG Renew will take Tcherga wind farm (40MW) and Hrabrovo (14MW) in Bulgaria, Gebeleisis (70MW) in Romania
- LUKOIL will keep Topolog (84MW) in Romania
- EV of €27mn related to the additional 20MW
- Implied EV/MW is €1.3mn per MW
- Closing expected in 4Q 2015



Strategic rationale of the deal

- Increase ERG Renew presence in Eastern Europe
- ERG Renew takes full control of 3 good quality assets
- More direct control on wind farms operations in Eastern Europe
- Option to internalize O&M activities
- Possibility to pursue other growth opportunities in those countries

		Before Asset Split	After Asset Split	Delta	
	Tcherga	20	40	20	
	Hrabrovo	7	14	7	
	Total MW in Bulgaria	27	54	27	+100%
	Topolog	42		-42	
	Gebeleisis	35	70	35	
	Total MW in Romania	77	70	-7	-9%
	Total MW	104	124	20	+19%

Direct control on good quality assets in Eastern Europe

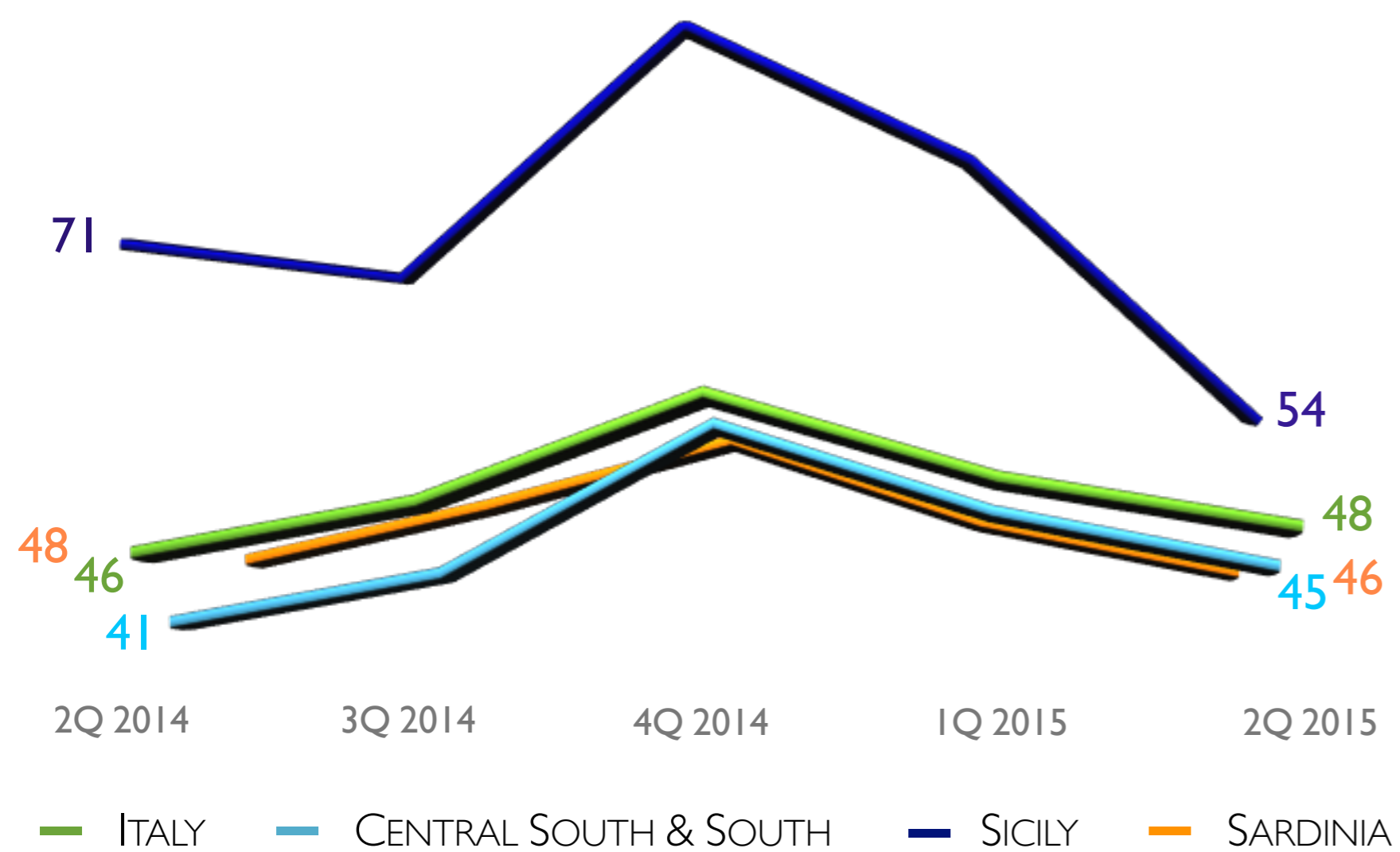
RESULTS REVIEW

PAOLO MERLI

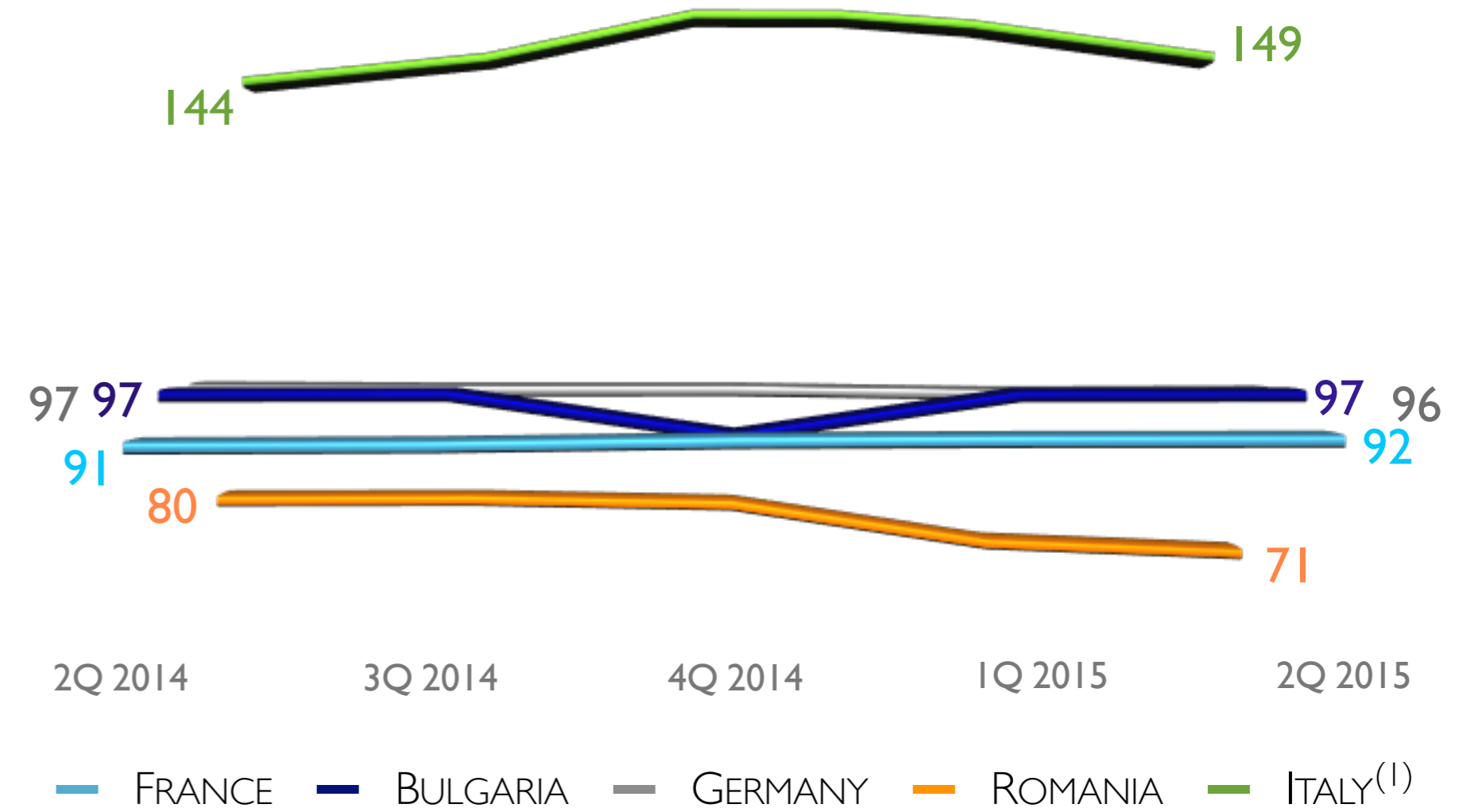
CFO

BUSINESS ENVIRONMENT

Electricity Prices (€/MWh) in Italy - PUN

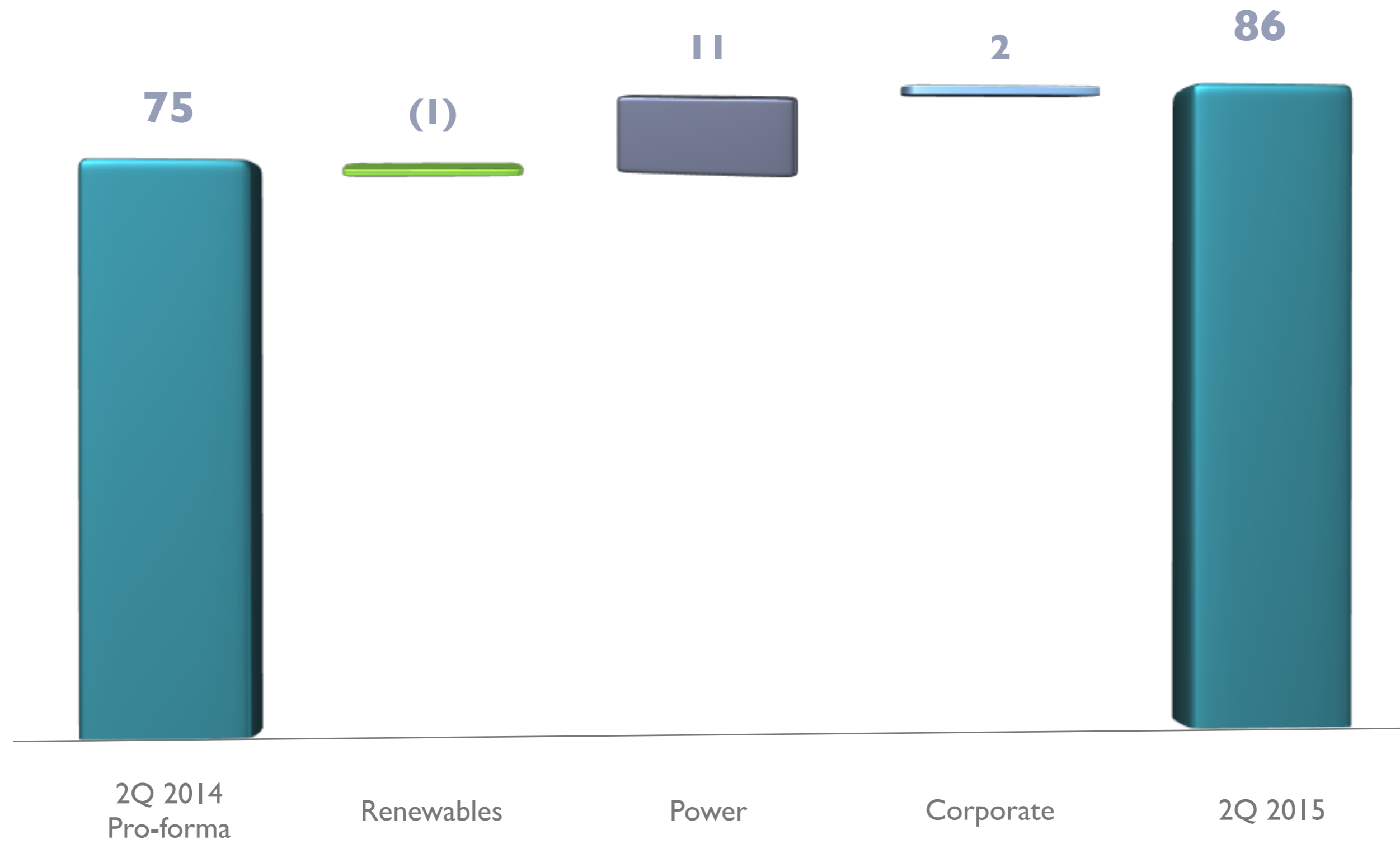


Renewables: Electricity Prices (€/MWh)



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

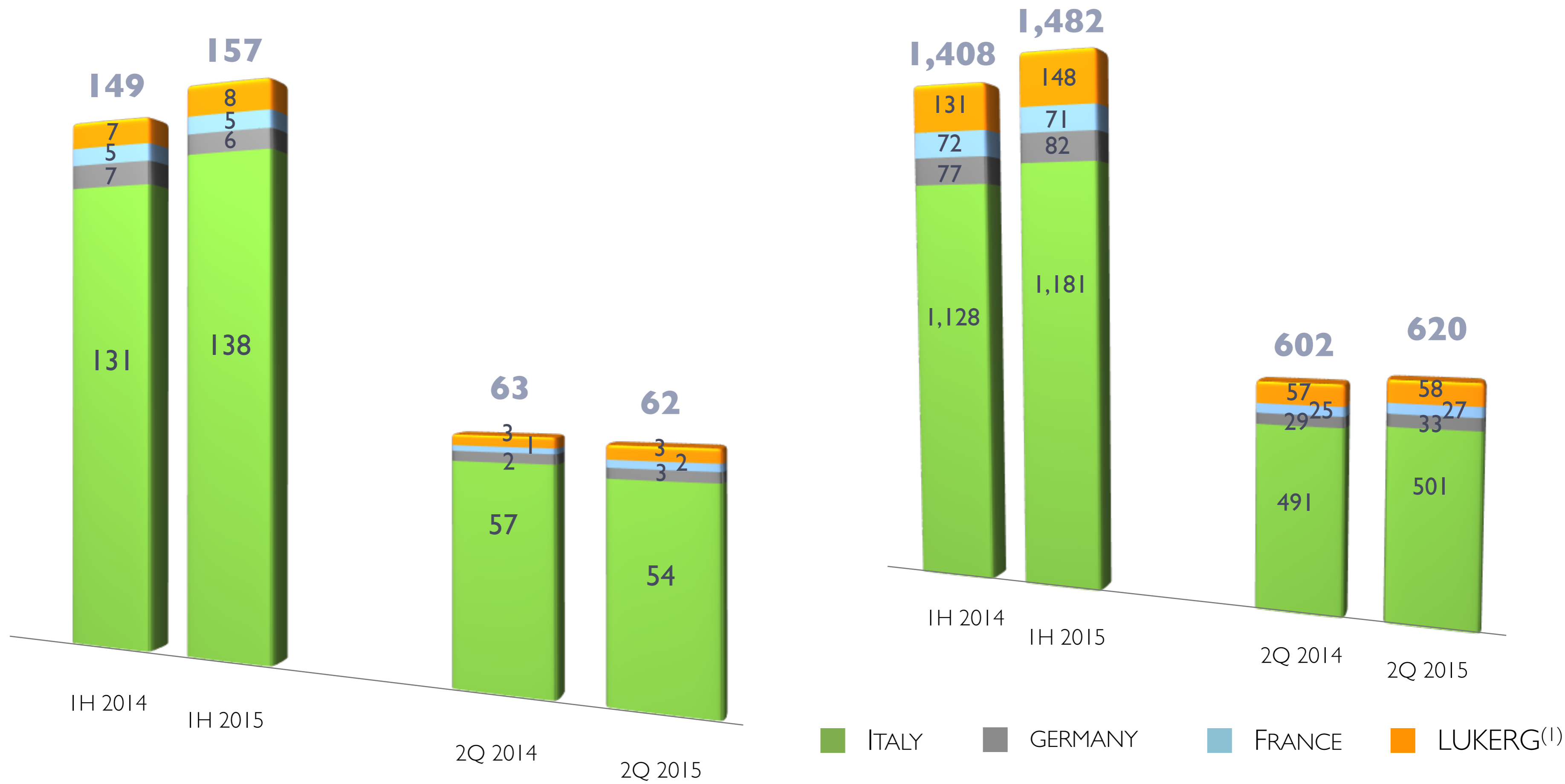
2Q 2015 GROUP EBITDA



RENEWABLES RESULTS

RC Ebitda (€ mn)

Volumes (GWh)

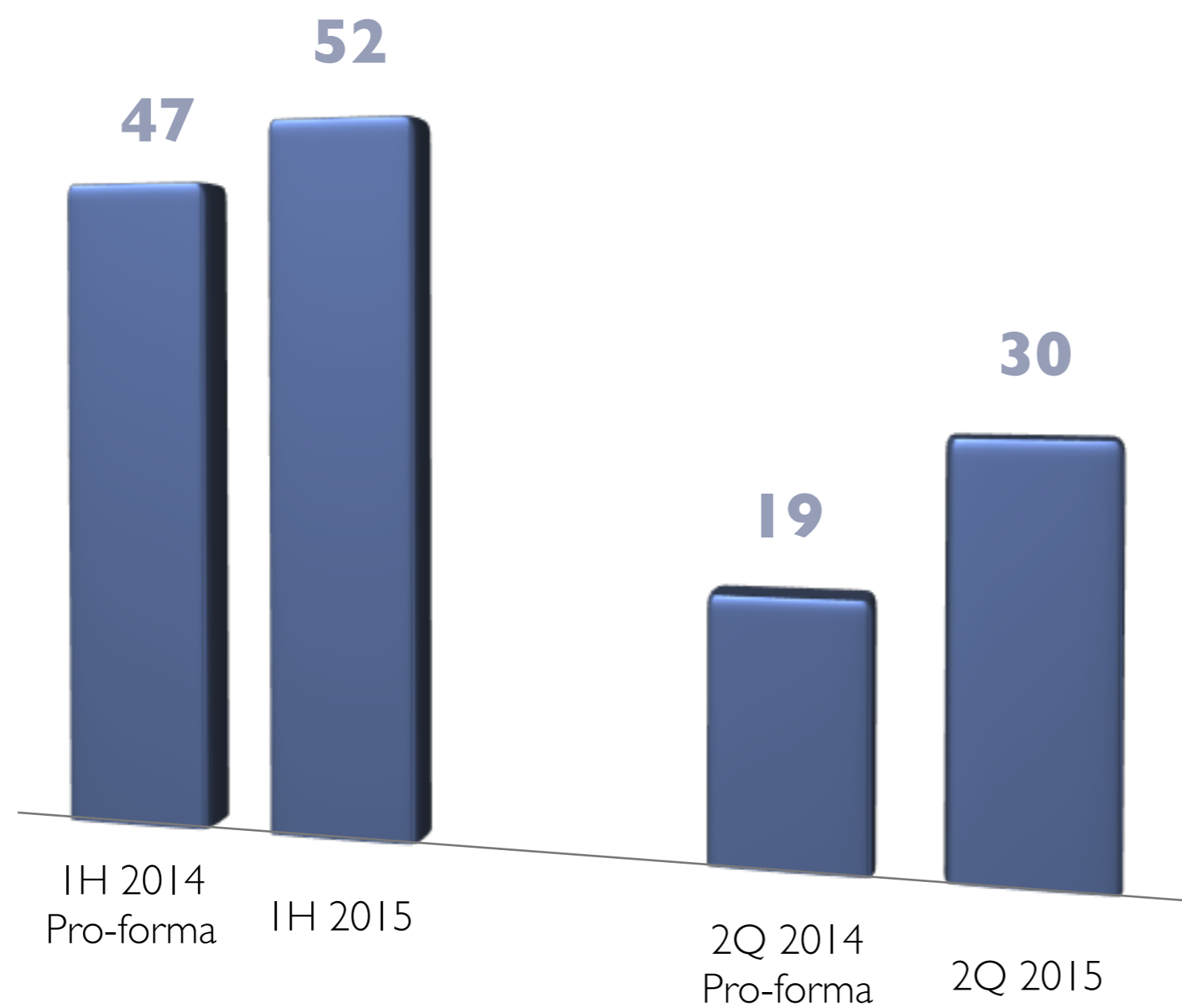


Overall higher production; 2Q 2014 boosted by a positive one-off

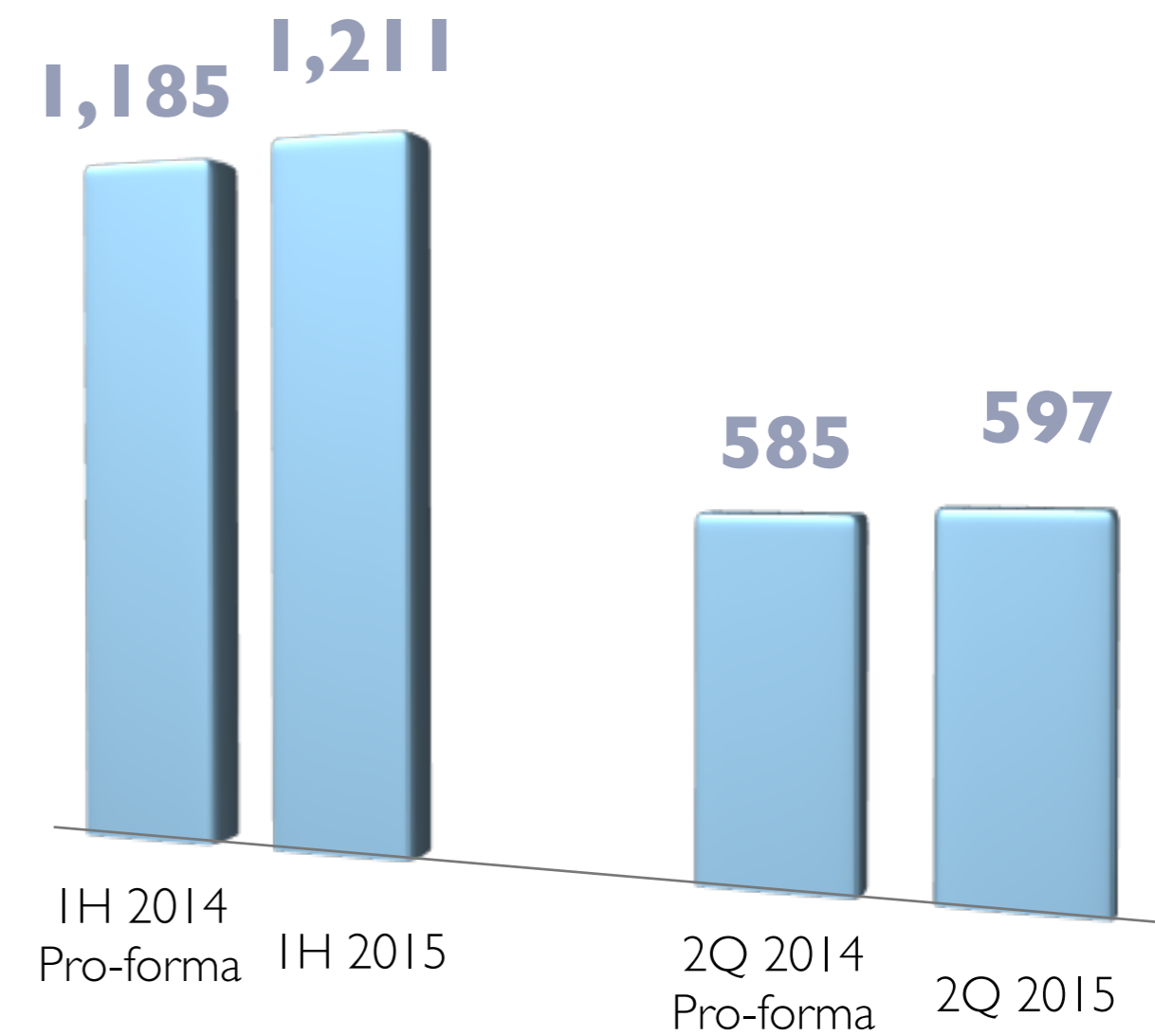
⁽¹⁾ LUKERG: ERG 's stake = 50% in Bulgaria and Romania

POWER RESULTS

RC Ebitda (€ mn)

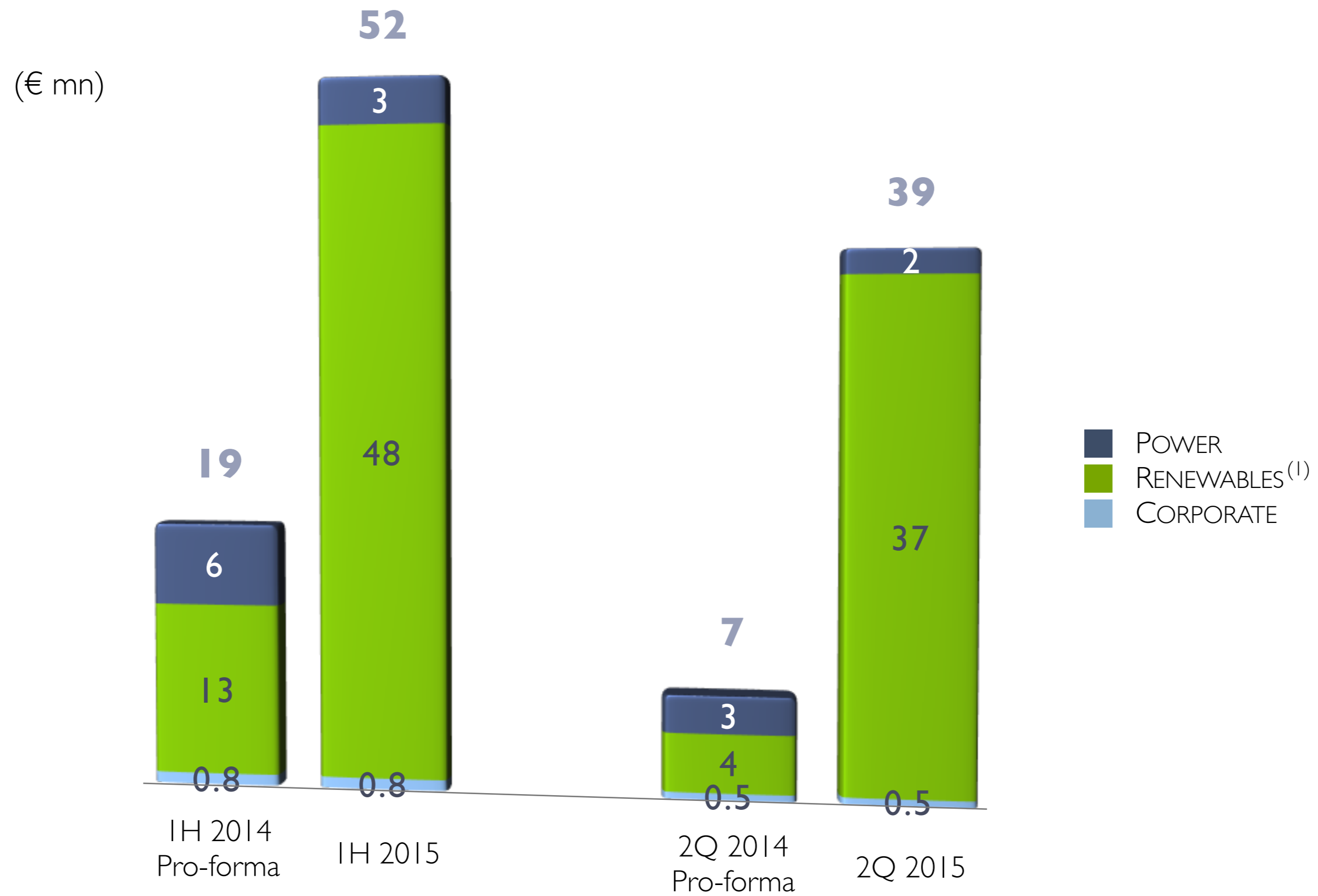


Volumes (GWh)



Results benefiting from cost cutting and Energy Management

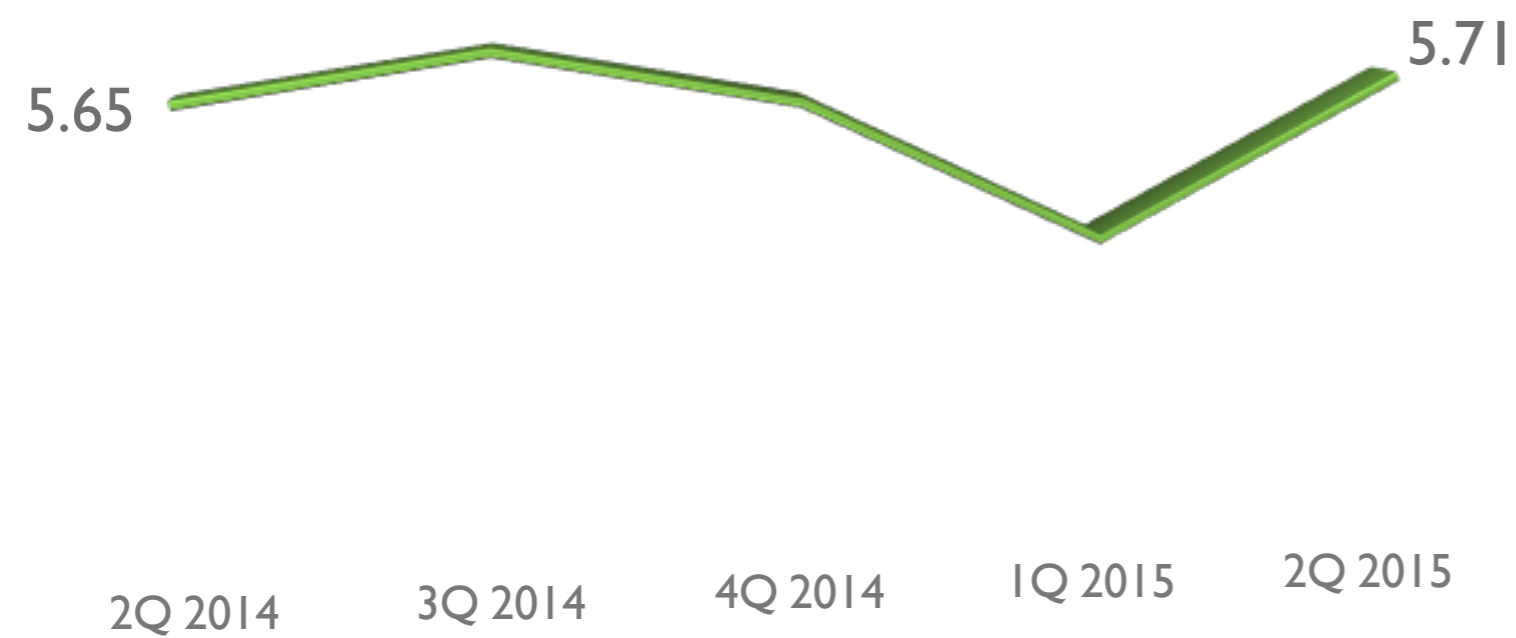
ADJUSTED INVESTMENTS



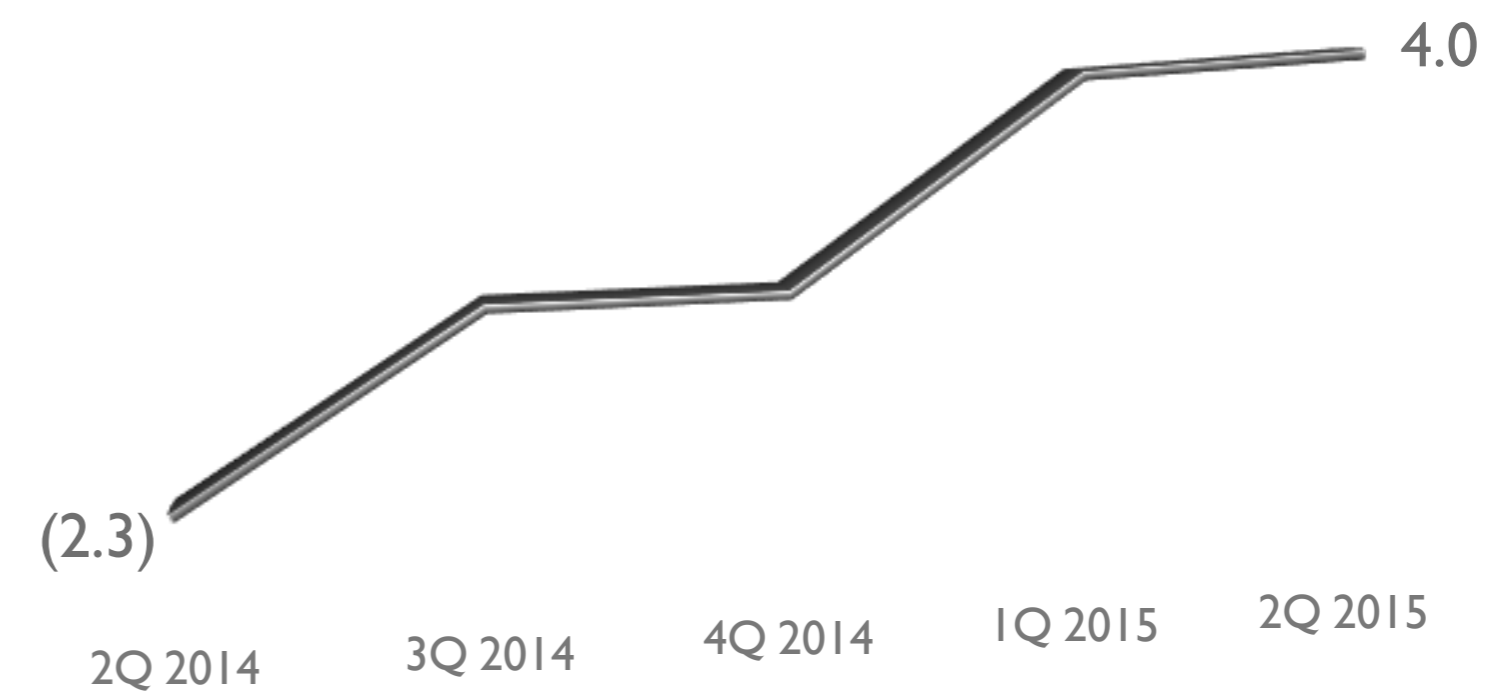
⁽¹⁾ Renewables adjusted for LUKERG Renew (50%).

TOTALERG: KEY FIGURES⁽¹⁾

Industry Retail Fuels Volumes (M tons)



EMC Margin (\$/bbl)



IH 2015	IH 2014	Euro millions	2Q 2015	2Q 2014
53	25	Adjusted RC EBITDA	31	20
48	41	- Marketing	27	30
5	(17)	- Refining & Logistics	4	(10)
(41)	(43)	Adjusted Depreciation	(21)	(22)
12	(18)	Adjusted RC EBIT	10	(1)
(3)	(17)	Adjusted Net Profit	3	(0)
25	31	Investments	13	21
255	273	NFP	255	273
10.6%	10.8%	TOTALERG retail market share	10.6%	10.6%

⁽¹⁾ Figures refer to 100% of TOTALERG

KEY FINANCIALS

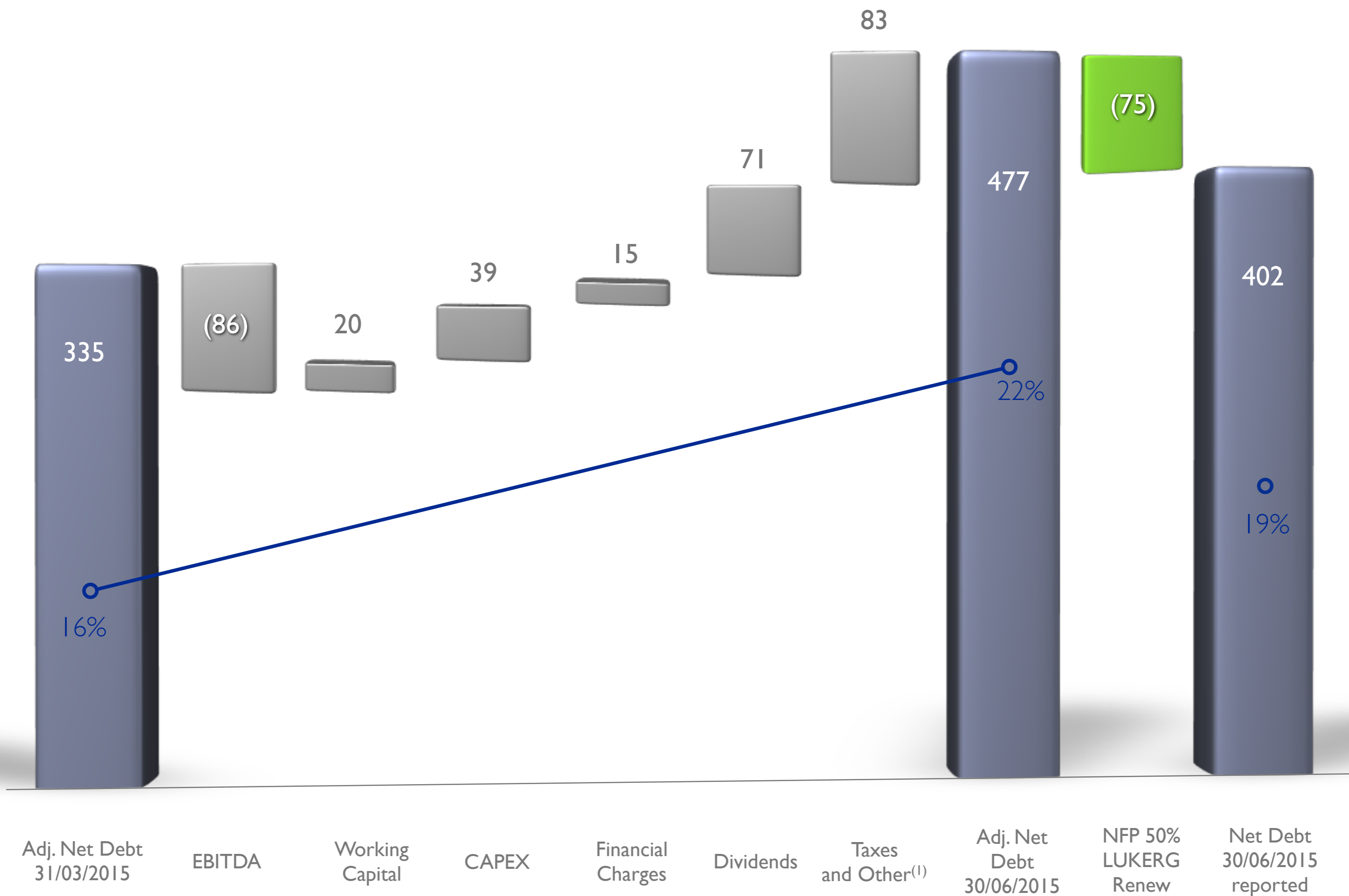


PRO-FORMA REPLACEMENT COST P&L

IH 2015	IH 2014 Pro-forma	Euro millions	2Q 2015	2Q 2014 Pro-forma
198	183	RC Adjusted EBITDA	86	75
(81)	(80)	<i>Amortization and depreciation</i>	(41)	(41)
116	102	RC Adjusted EBIT	46	34
(31)	(26)	<i>Net financial income (expenses)</i>	(15)	(15)
(1)	(8)	<i>Net income (loss) from equity investments</i>	2	0
84	68	RC Results before taxes	32	19
(24)	(25)	<i>Income taxes</i>	(9)	(8)
60	43	RC Results for the period	23	11
(3)	(3)	<i>Minority interests</i>	(1)	(1)
57	40	RC Net profit	23	10

Note: figures based on NO GAAP measures

2Q 2015 ADJUSTED CASH FLOW STATEMENT



Leverage

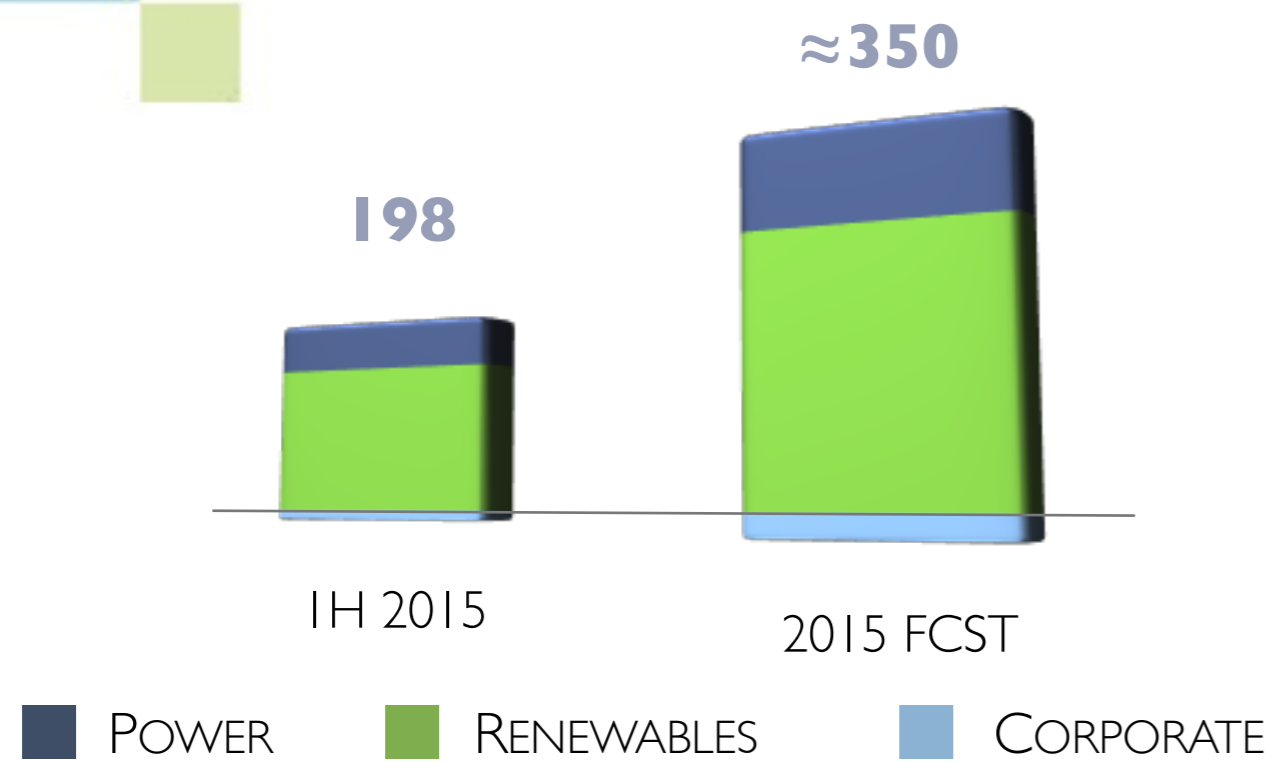
⁽¹⁾ It includes ca. €100mn of taxes mainly related to ISAB Energy disposal, which took place on June 30, 2014

2015 GUIDANCE AND CONCLUSIONS

LUCA BETTONTE

CEO

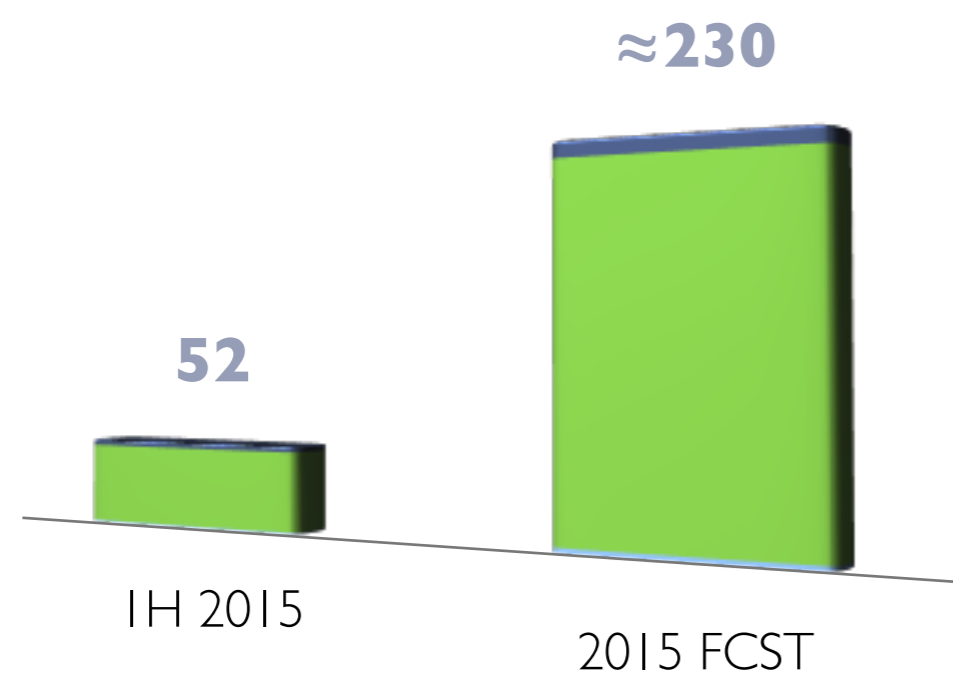
2015 GUIDANCE⁽¹⁾ AND CONCLUSIONS



EBITDA:

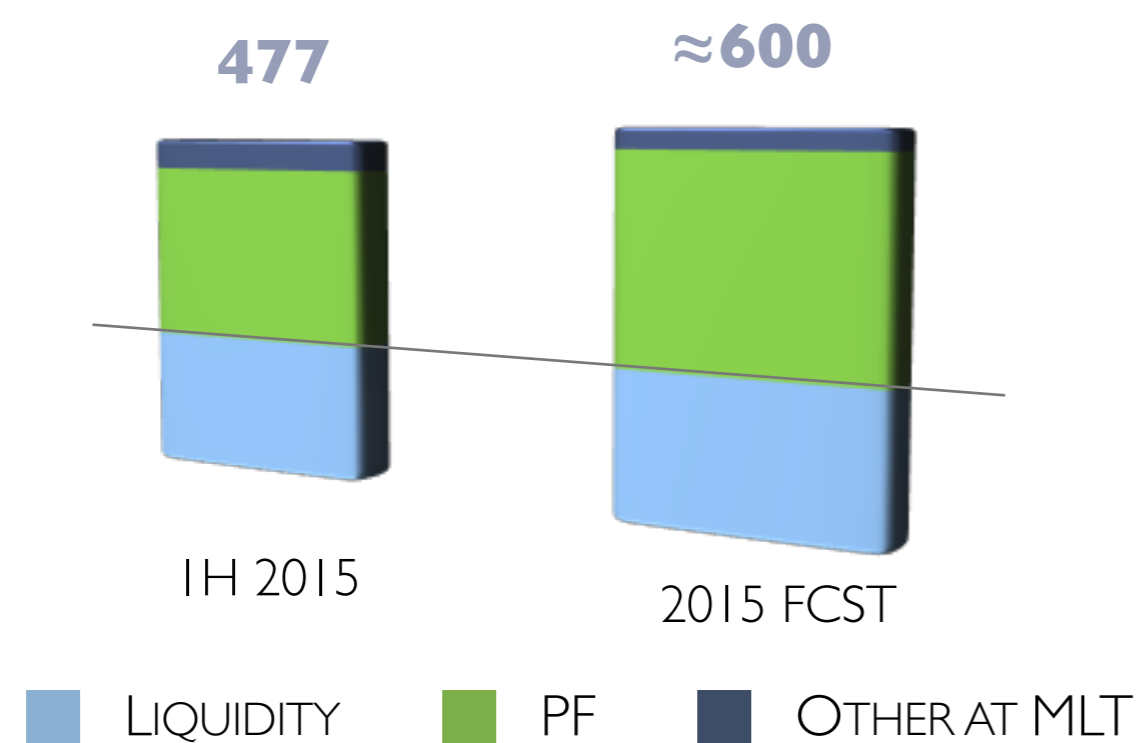
Guidance revised upwards from €330mn to €350mn including:

- ✓ French wind assets as of 2H 2015
- ✓ Improvement in ERG Power figures



CAPEX:

- ✓ Guidance updated from €120mn to €230mn to include wind acquisition in France and LUKERG asset split



NFP:

New guidance revised upwards from €530mn to €600mn reflecting:

- ✓ acquisition of French wind assets (+€72mn)
- ✓ LUKERG Renew asset split (+€27mn)
- ✓ Higher operating cash generation

⁽¹⁾ 2015 guidance does not yet include acquisition of Hydro business

APPENDIX

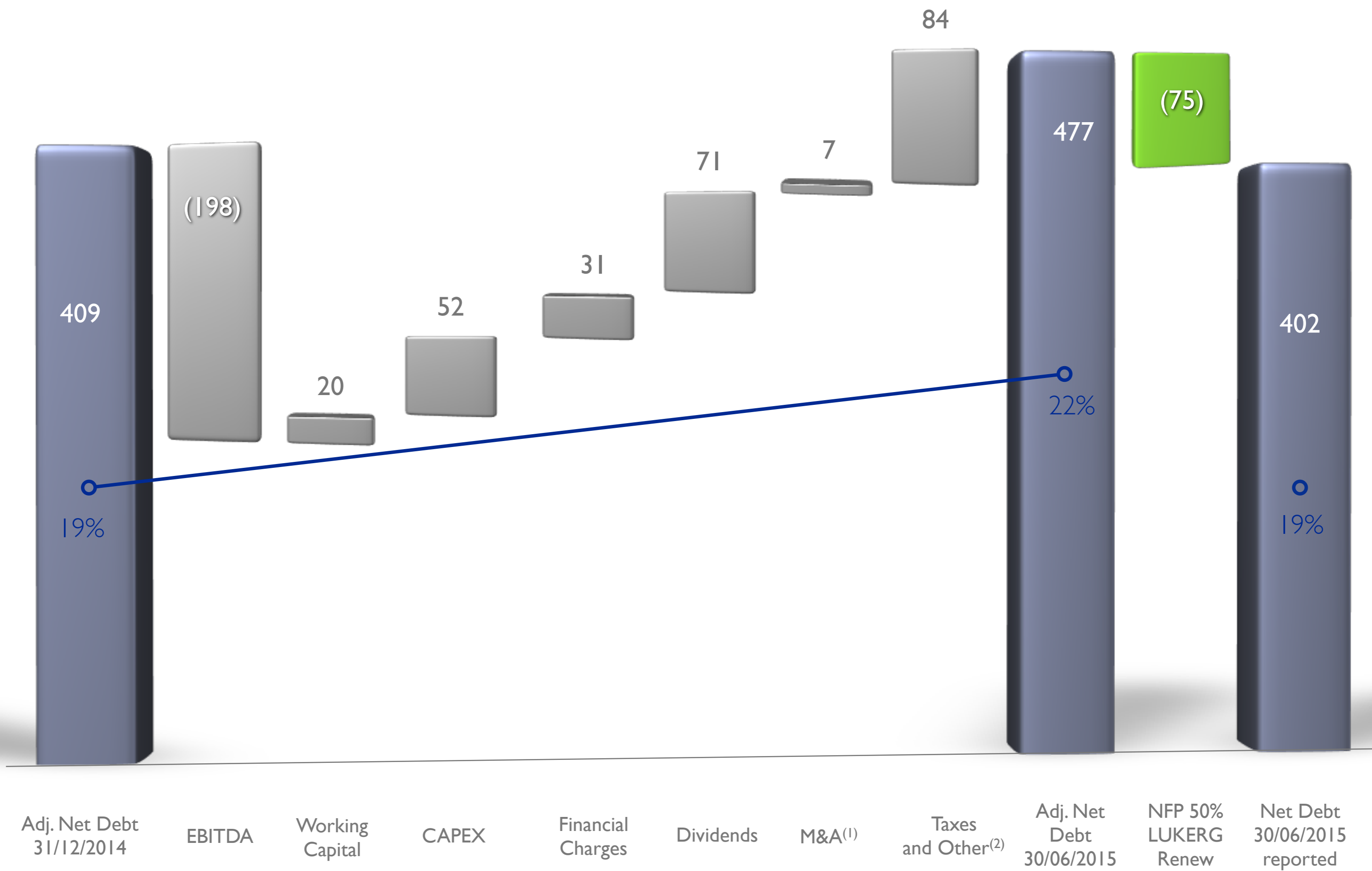


IH 2015 GROUP EBITDA



Growth driven by Renewables and Power

I H 2015 ADJUSTED CASH FLOW STATEMENT



○—○ Leverage

⁽¹⁾ Equity consideration for two wind projects in Poland currently under construction

⁽²⁾ It includes ca. €100mn of taxes mainly related to ISAB Energy disposal, which took place on June 30, 2014

IH AND 2Q 2015 RESULTS

	IH 2015	IH 2014 Pro-forma	Euro millions	2Q 2015	2Q 2014 Pro-forma	
	497	529	Adjusted Revenues	222	249	
	198	183	RC EBITDA Adjusted	86	75	
↑	157	149	- Renewables	62	63 ⁽¹⁾	↓
↑	52	47	- Power	30	19	↑
↑	(11)	(14)	- Corporate	(5)	(6)	↑

⁽¹⁾ It includes a positive one-off of about €6mn related to the abolition of unbalance costs

RENEWABLES: KEY FIGURES (1/2)

IH 2015	IH 2014		2Q 2015	2Q 2014
1,383	1,341	Installed capacity (end-period, MW)	1,383	1,341
		<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 ⁽¹⁾	27	27
77	77	- Romania ⁽¹⁾	77	77
42	n.a.	- Poland ⁽²⁾	42	n.a.
1,481	1,408	Electricity Production (GWh)	620	602
		<i>of which:</i>		
1,181	1,128	- Italy	501	491
82	77	- Germany	33	29
71	72	- France	27	25
45	32	- Bulgaria ⁽¹⁾	18	14
103	99	- Romania ⁽¹⁾	40	43

⁽¹⁾ ERG 's stake = 50%

⁽²⁾ Production in Poland started in July 2015

RENEWABLES: KEY FIGURES (2/2)

IH 2015	IH 2014	Euro millions	2Q 2015	2Q 2014
RC EBITDA:				
138	131	Italy	54	57
6	7	Germany	3	3
5	5	France	2	1
8	7	LUKERG ⁽¹⁾	4	3
		<i>of which:</i>		
3	2	- Bulgaria ⁽¹⁾	1	1
5	5	- Romania ⁽¹⁾	3	2
157	149	Total RC EBITDA	62	63
(66)	(65)	Depreciation	(33)	(33)
91	84	RC EBIT	29	30

⁽¹⁾ ERG 's stake = 50%

ERG POWER: KEY FIGURES

IH 2015	IH 2014	Euro millions	2Q 2015	2Q 2014
1,211	1,185	Electricity Production (GWh)	597	585
52	47	RC EBITDA	30	19
(15)	(14)	Depreciation	(7)	(7)
37	33	RC EBIT	22	11

INVESTMENTS

IH 2015	IH 2014 Pro-forma	Euro millions	2Q 2015	2Q 2014 Pro-forma
48	13	Renewables	37	4
3	6	Power	2	3
1	1	Corporate	0	0
52	19	Adjusted Total	39	7