



FOURTH QUARTER 2015 RESULTS

23 MARCH 2016

LUCA BETTONTE, CEO





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DISCLAIMER

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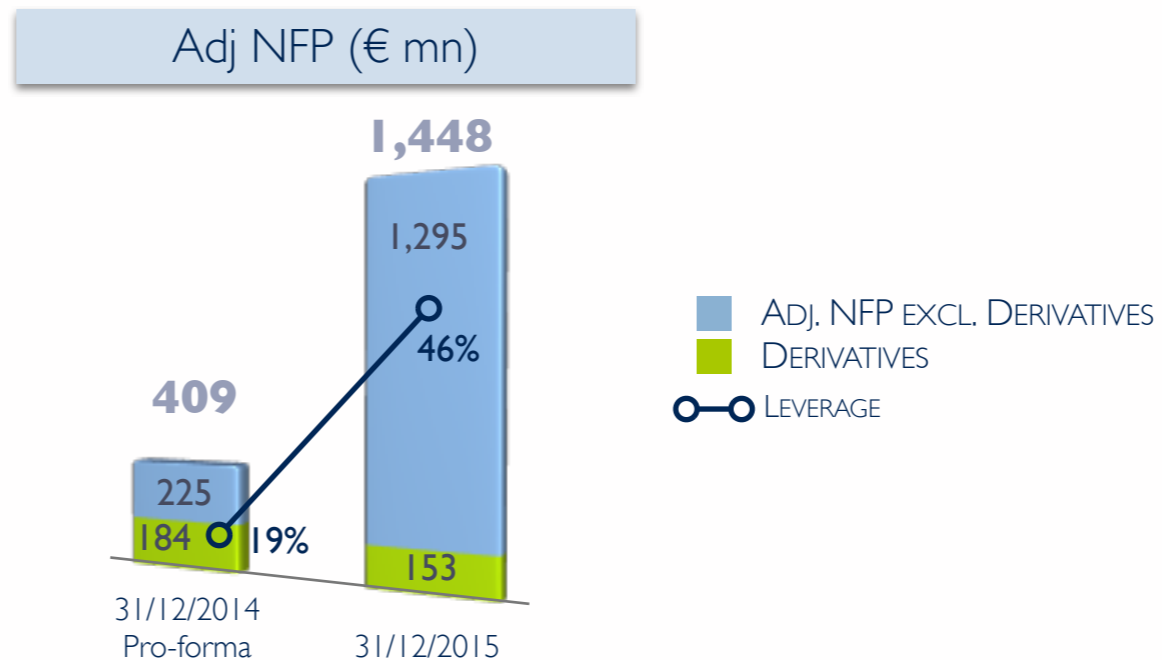
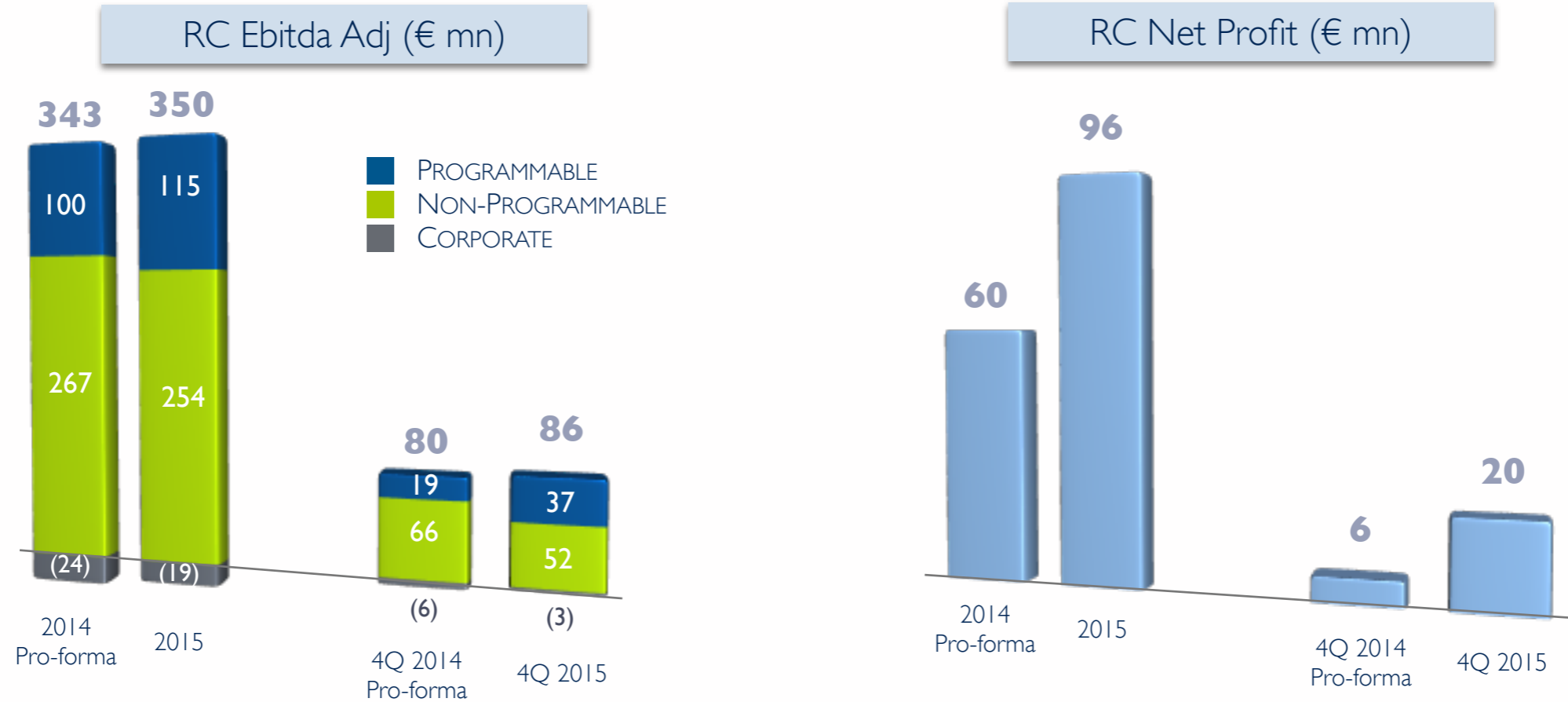
AGENDA



- 4Q 2015 Highlights
 - ✓ Key Figures
 - ✓ Group Diversification
 - ✓ Recent Developments
- Results Review
 - ✓ Business Environment
 - ✓ 4Q 2015 Group EBITDA
 - ✓ Results by Segments
- Key Financials
 - ✓ Profit & Loss
 - ✓ Investments
 - ✓ Cash Flow Statement
- 2016 Guidance and Conclusions
- Appendix



HIGHLIGHTS: KEY FIGURES



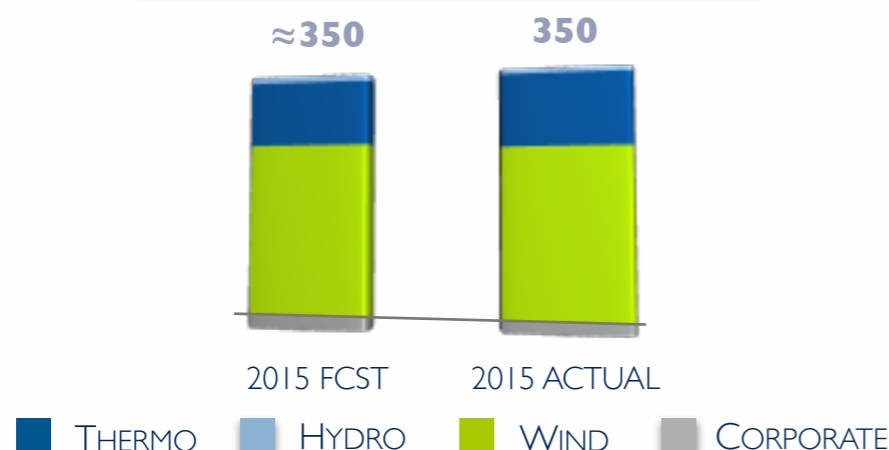
Strong set of results despite low wind availability in Italy



HIGHLIGHTS: KEY FIGURES VS. GUIDANCE



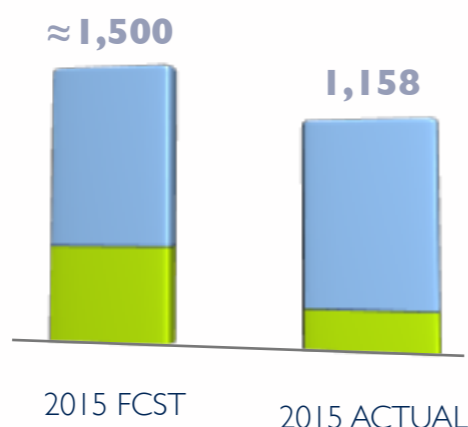
RC Ebitda Adj (€ mn)



EBITDA:

- ✓ Much lower wind conditions in Italy in December
- ✓ Contribution of ERG Hydro as of 1.1.2016
- ✓ Cost cutting at corporate level

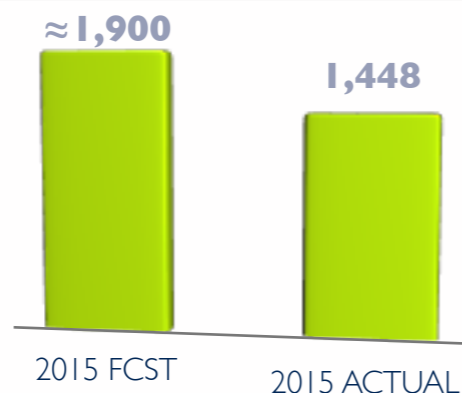
CAPEX Adj (€ mn)



CAPEX:

- ✓ Lower CAPEX due to postponement of acquisition of wind assets in France and Germany from Impax Asset Management⁽¹⁾ (closing took place on February 2, 2016)

Adj NFP (€ mn)



NFP:

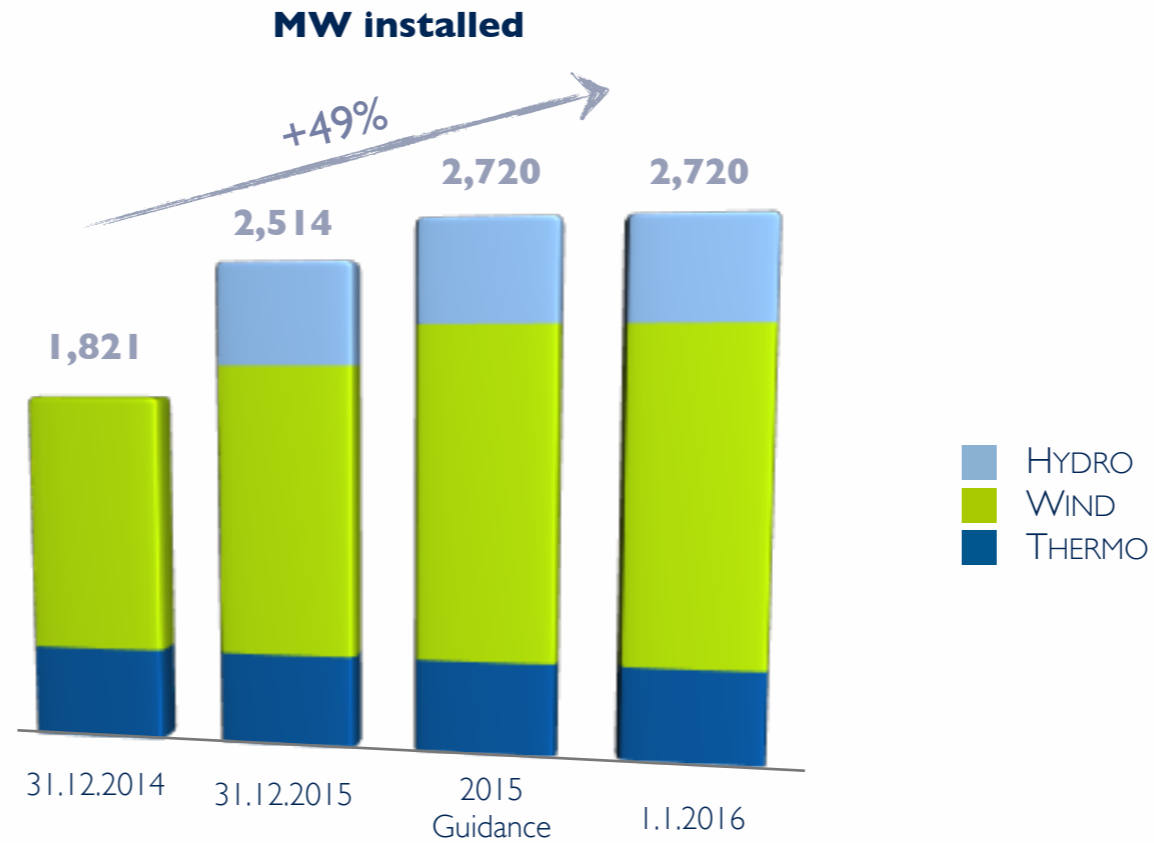
- ✓ Lower NFP due to postponement of closing of Impax acquisition
- ✓ Higher cash generation

Operating performance in line but lower debt

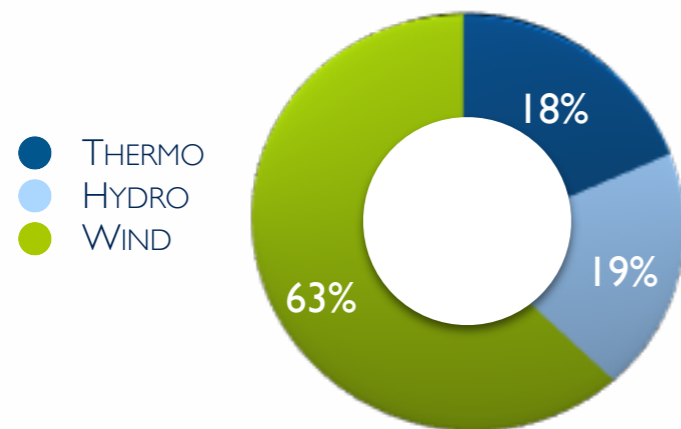
⁽¹⁾ ERG Renew acquisition from IMPAX Asset Management of 206MW already in exercise (124MW in France and 82MW in Germany) for an E.V. of €297mn; transaction also includes two companies providing operational and technical assistance to almost 800MW in France, Germany and Poland



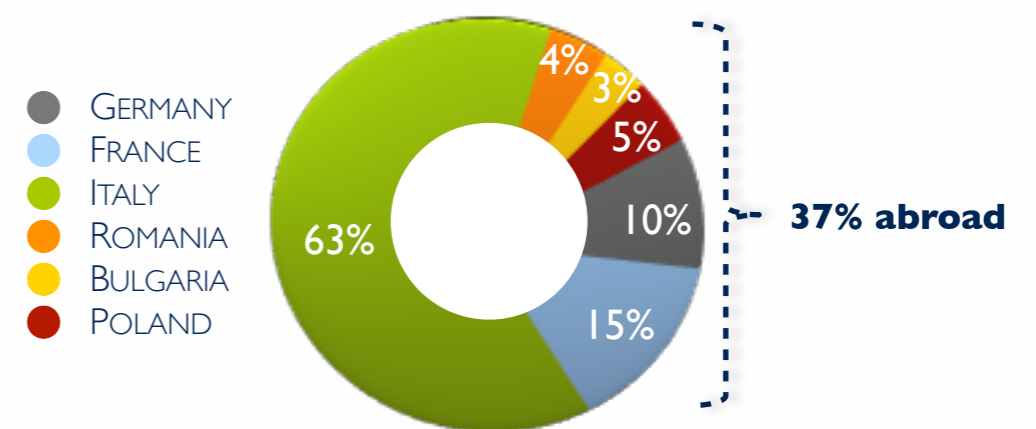
GROUP DIVERSIFICATION



2,720MW installed as of 1.1.2016



1,712MW Wind capacity in Europe as of 1.1.2016



Acquisition of Impax wind assets in France and Germany took place on February 2, 2016 (consolidated as of 1.1.2016)



FIRST IMPORTANT MOVE IN THE UK



Deal Description:

- ERG Renew has acquired from TCI Renewables a 100% equity interest in Brockaghboy, a ready-to-build wind project in Northern Ireland
- Expected capacity: 45MW
- Load factor: 3,300heq
- Construction will start in 2Q 2016, and the plant will be up and running by end of 1Q 2017
- Total CAPEX at around 60mn GBP (ca. €80mn)
- Project will be accredited under the current incentive mechanism (NIRO)

Strategic Rationale:

- ERG Renew will enter UK wind market in advance vs. the 2015-2018 Business Plan
- Contractual scheme leveraging on ERG Renew industrial skills and providing with flexibility to maximise value creation
- Favorable incentive scheme implying a higher than expected profitability
- Very favourable wind conditions



Other ML term development in the UK:

- ERG Renew has also a co-development agreement for ca. 150MW of pipeline at different stages and mainly expected to be installed beyond Business Plan period



RESULTS REVIEW

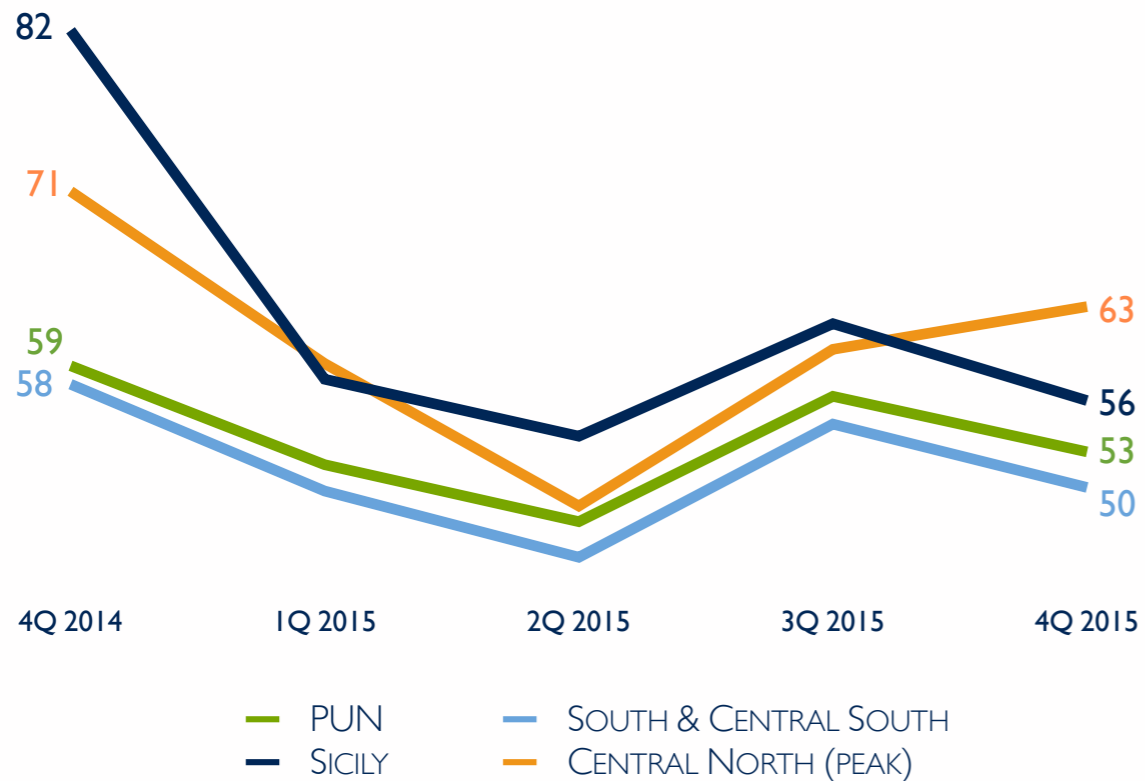
PAOLO MERLI, CFO



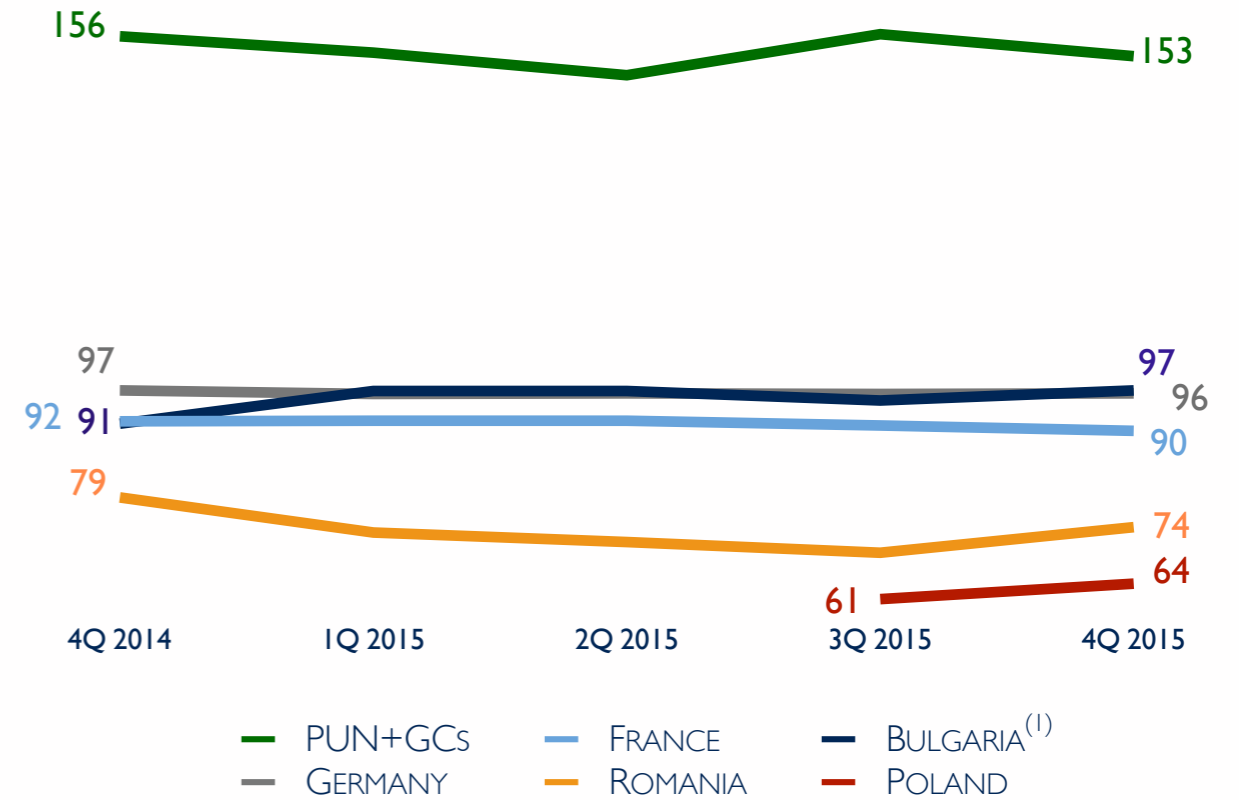
BUSINESS ENVIRONMENT



Electricity Prices in Italy (€/MWh)



All-in Wind Prices (€/MWh)



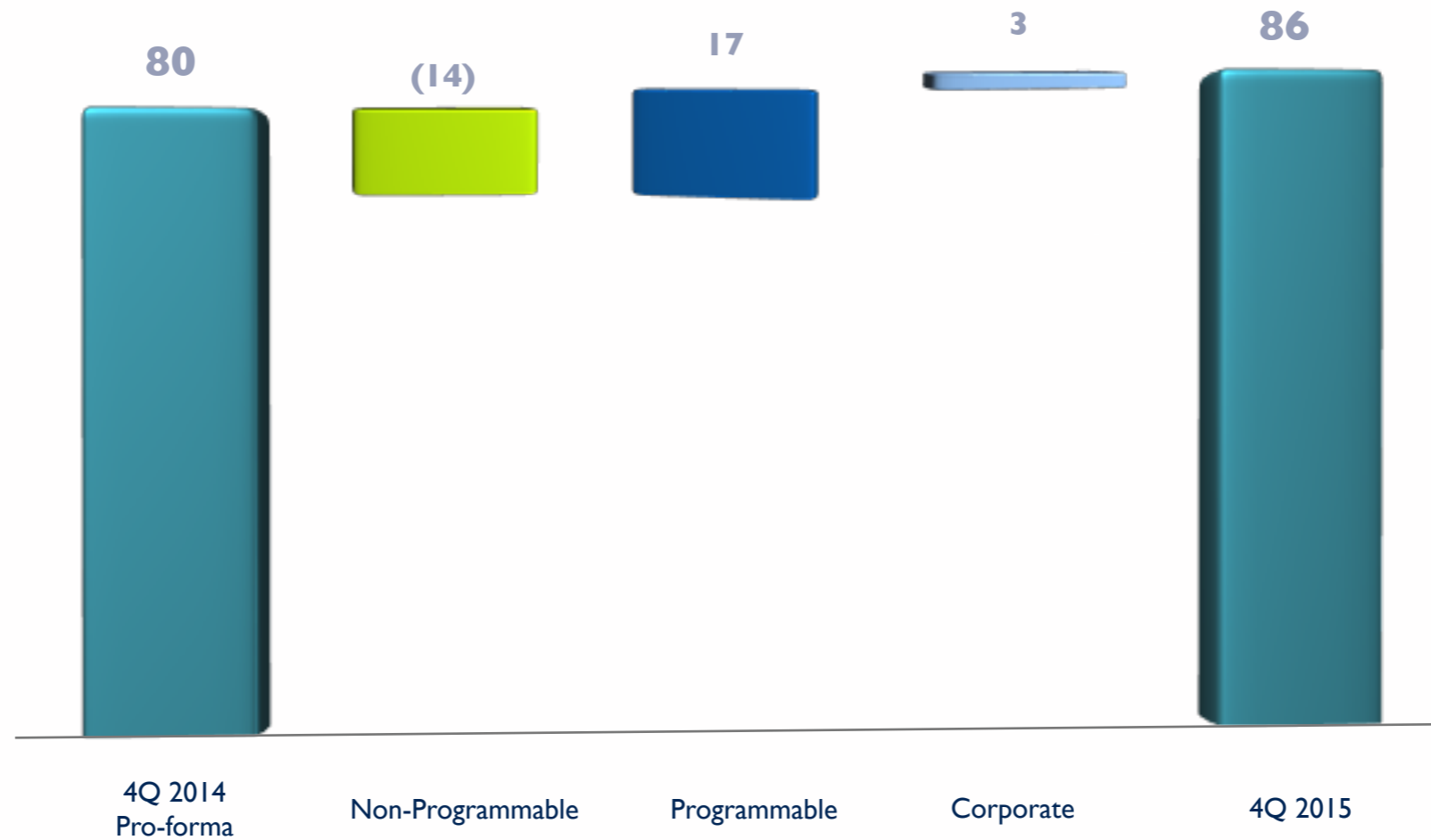
Italy: Electricity Production vs Demand (TWh)



⁽¹⁾ It is worth noting that in 4Q 2015 our plants in Bulgaria exceeded threshold of production, and therefore they sold electricity in the Dispatching Market, thus receiving prices lower than feed-in



4Q 2015 GROUP EBITDA



Lower wind more than offset by Programmable and lower corporate costs

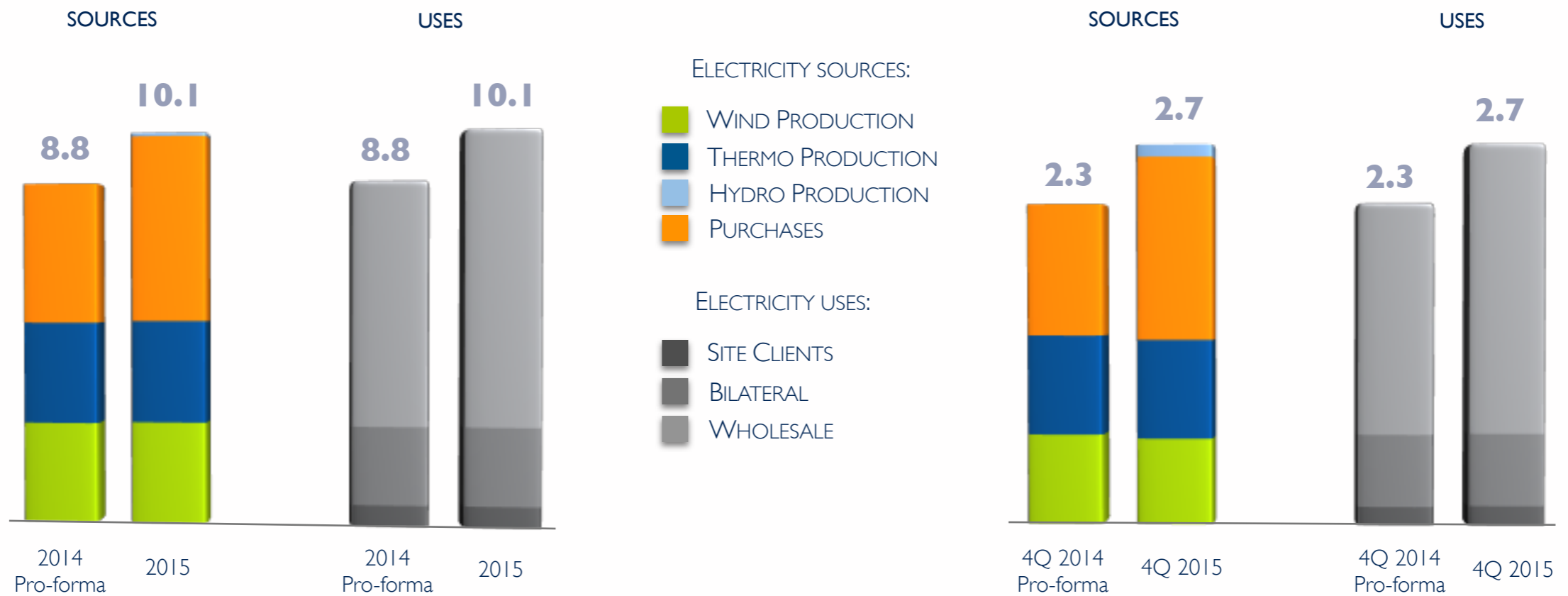


ENERGY PORTFOLIO



2014 vs 2015 (TWh)

4Q 2014 vs 4Q 2015 (TWh)



A new enlarged and diversified electricity portfolio

(1) 2015 figures include 84GWh from Hydro Terni

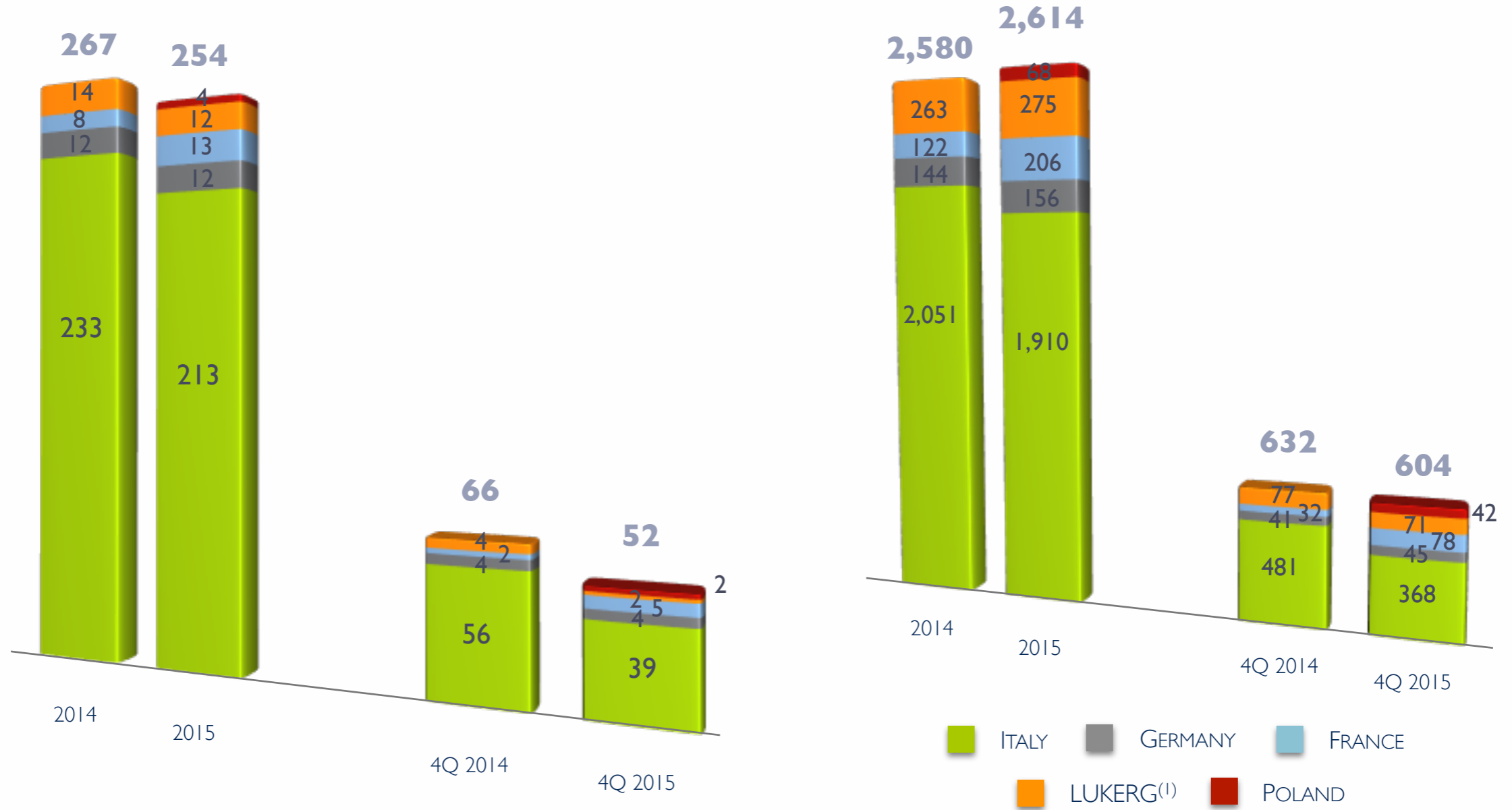


NON-PROGRAMMABLE RESULTS



RC Ebitda (€ mn)

Volumes (GWh)



Worse wind conditions in Italy

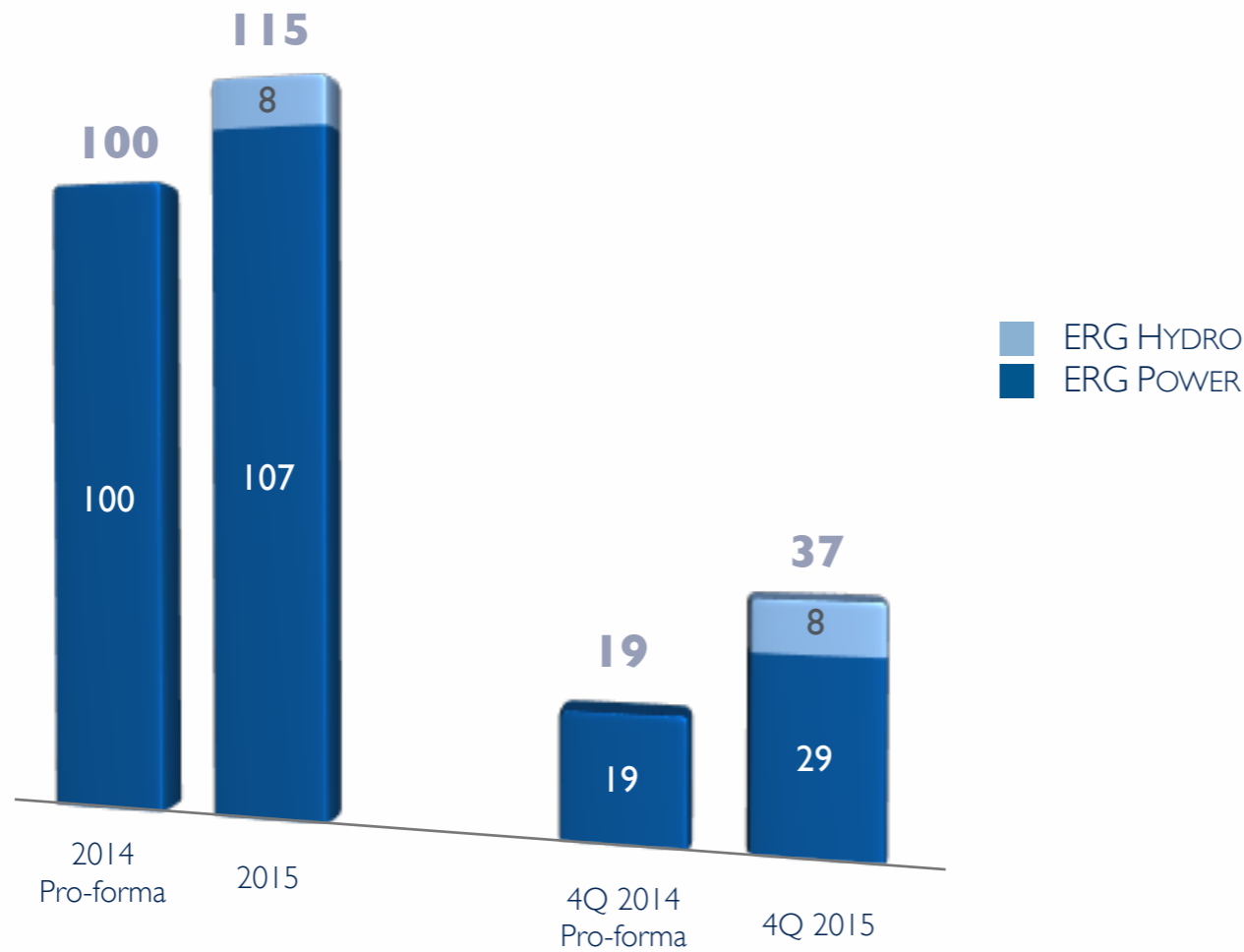
(1) LUKERG: ERG 's stake = 50% in Bulgaria and Romania. As of December 23, 2015 LUKERG asset split became effective. From 1.1.2016 ERG Renew will own Tcheraga and Hrabrovo wind farms in Bulgaria, and Gebeleisis wind farm in Romania.



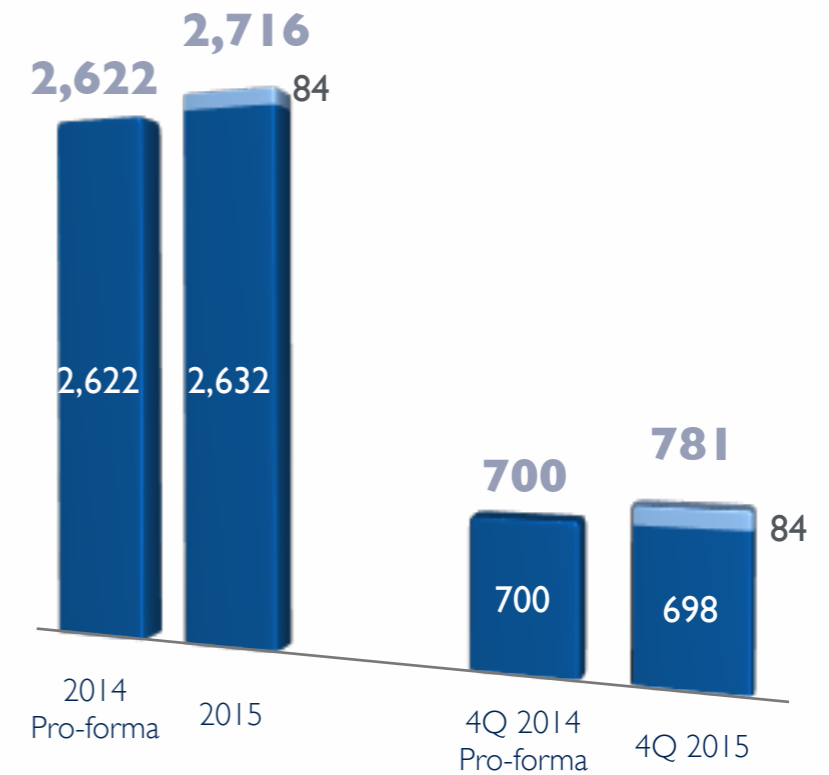
PROGRAMMABLE RESULTS



RC Ebitda (€ mn)



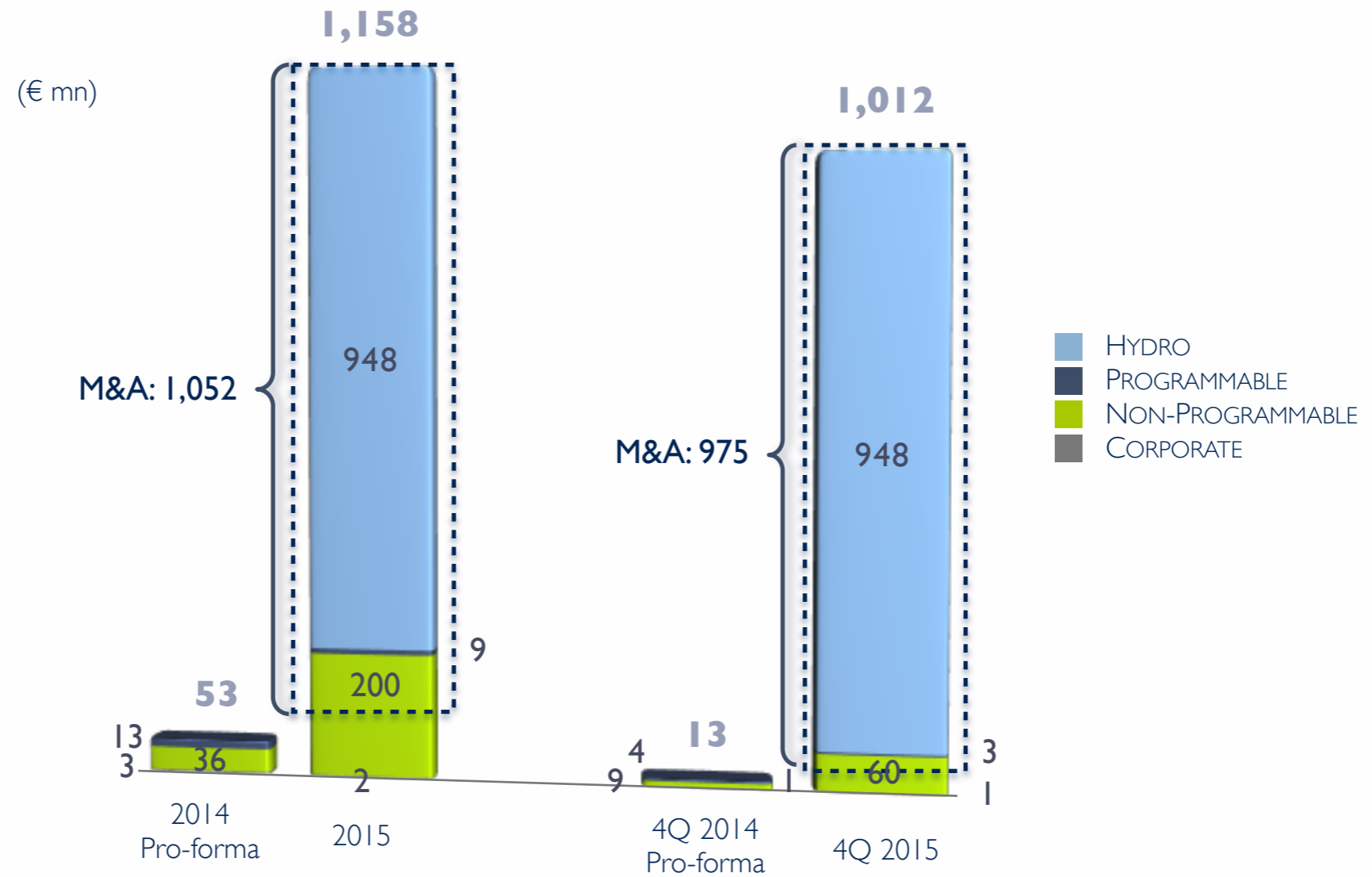
Volumes (GWh)



Solid set of results



ADJUSTED INVESTMENTS

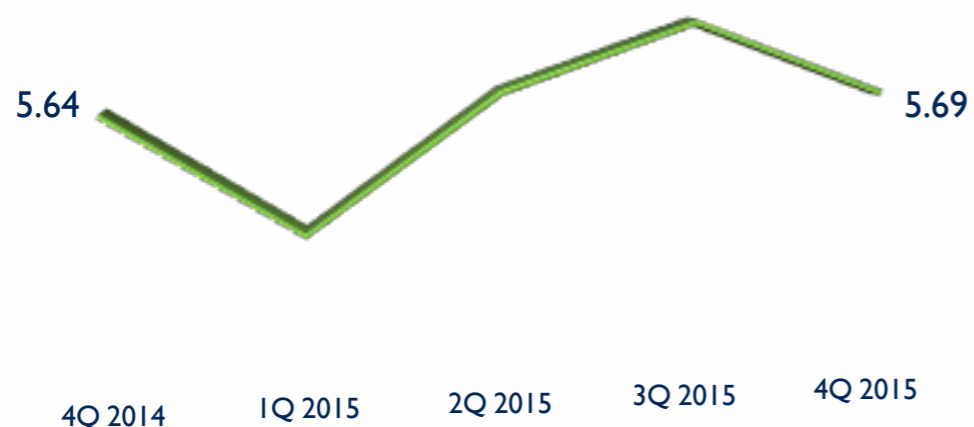




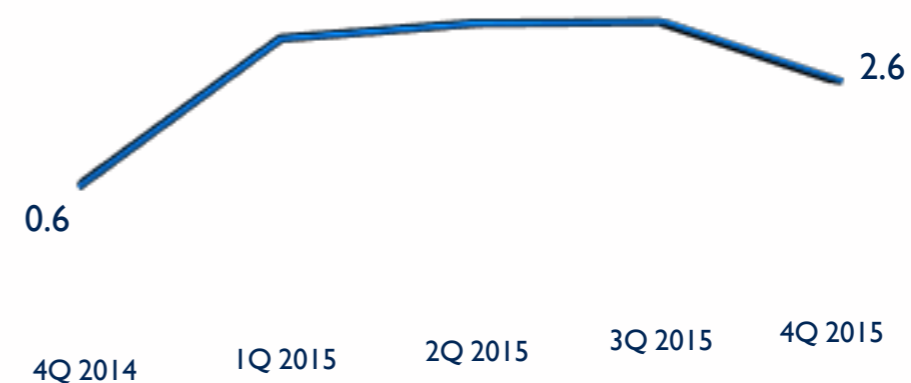
TOTALERG: KEY FIGURES⁽¹⁾



Industry Retail Fuels Volumes (M tons)



EMC Margin (\$/bbl)



2015	2014	Euro millions	4Q 2015	4Q 2014
144	93	Adjusted RC EBITDA	29	35
119	108	- Marketing	27	39
25	(16)	- Refining & Logistics	2	(4)
(82)	(87)	Adjusted Depreciation	(19)	(22)
61	6	Adjusted RC EBIT	10	12
24	(10)	Adjusted Net Profit	2	7
65	66	Investments	27	23
294	252	NFP	294	252
10.6%	10.6%	TOTALERG retail market share	10.9%	10.6%

⁽¹⁾ Figures refer to 100% of TOTALERG contribution



KEY FINANCIALS



PRO-FORMA REPLACEMENT COST P&L

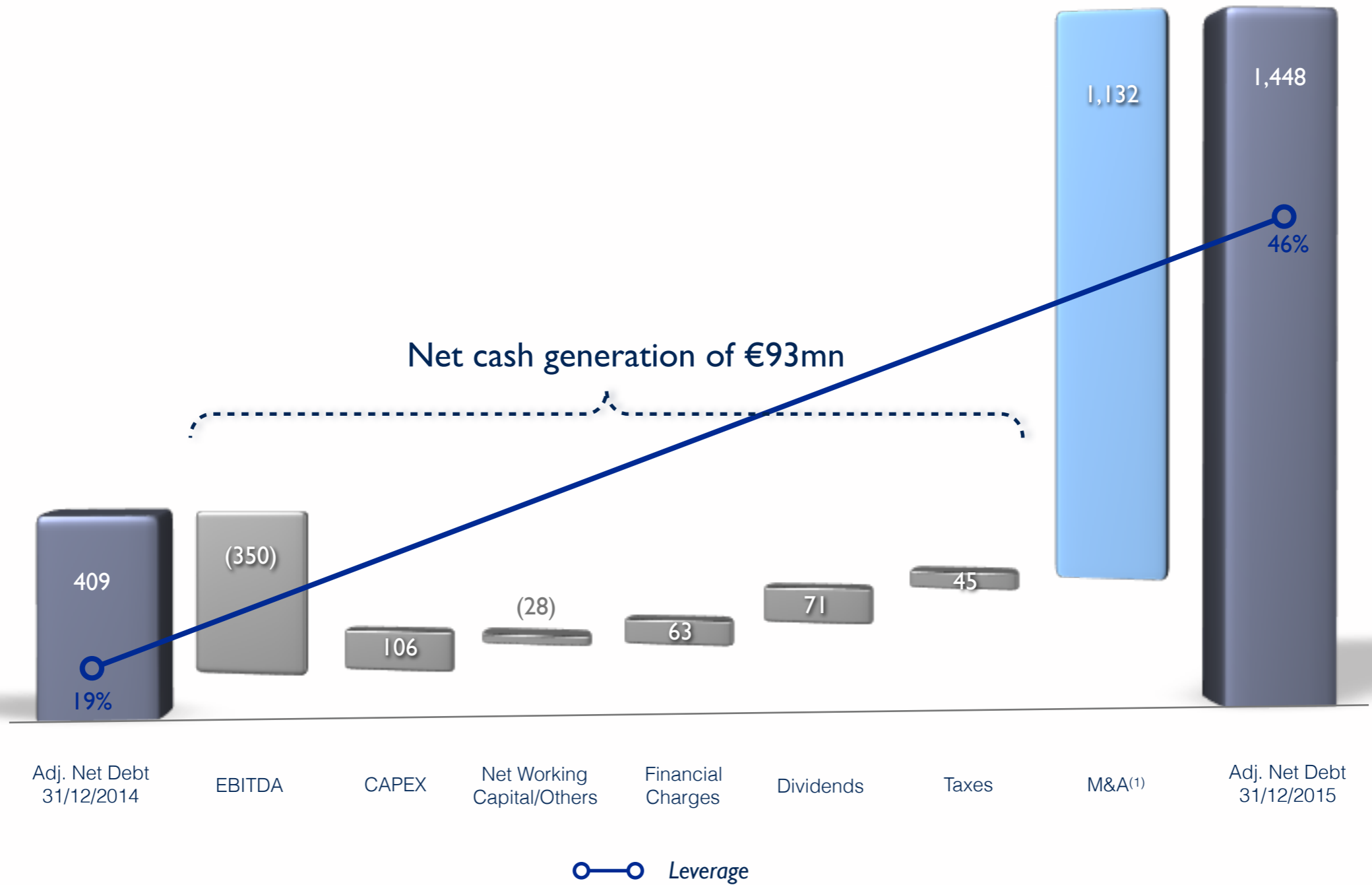


2015	2014 pro-forma	Euro millions	4Q 2015	4Q 2014 pro-forma
350	343	RC Adjusted EBITDA	86	80
(171)	(168)	<i>Amortization and depreciation</i>	(48)	(47)
179	175	RC Adjusted EBIT	38	33
(63)	(62)	<i>Net financial income (expenses)</i>	(18)	(19)
13	(5)	<i>Net income (loss) from equity investments</i>	2	3
129	108	RC Results before taxes	22	17
(30)	(45)	<i>Income taxes</i>	(1)	(11)
99	63	RC Results for the period	21	6
(3)	(3)	<i>Minority interests</i>	(0)	0
96	60	RC Net profit	20	6
23%	42%	Tax Rate	4%	65%

Note: figures based on NO GAAP measures



2015 ADJUSTED CASHFLOW STATEMENT



⁽¹⁾ Equity consideration for Hydro Acquisition (€948mn), acquisition of wind farms in France (63.4MW) from Macquarie European Infrastructure Fund for ca. €70mn, Lukerg asset split for about €27mn, two wind projects in Poland now up and running (ca. €7mn), plus extraordinary taxes related to ISAB Energy disposal (€80mn)

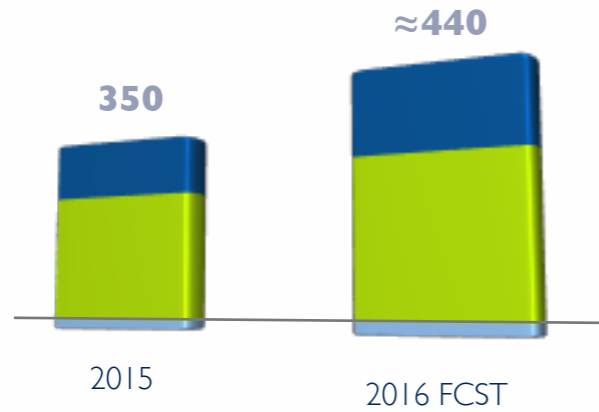


2016 GUIDANCE AND CONCLUSIONS

LUCA BETTONTE, CEO



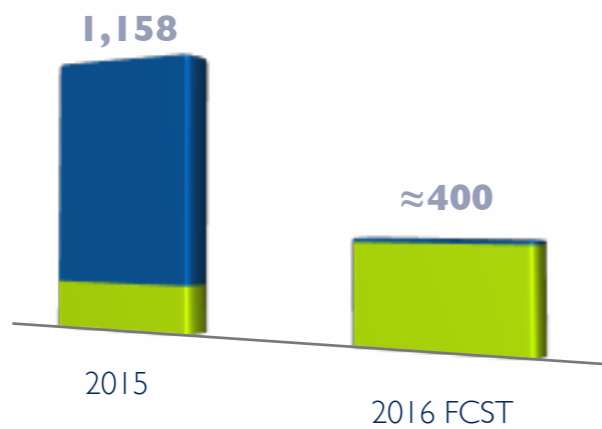
2016 GUIDANCE



EBITDA:

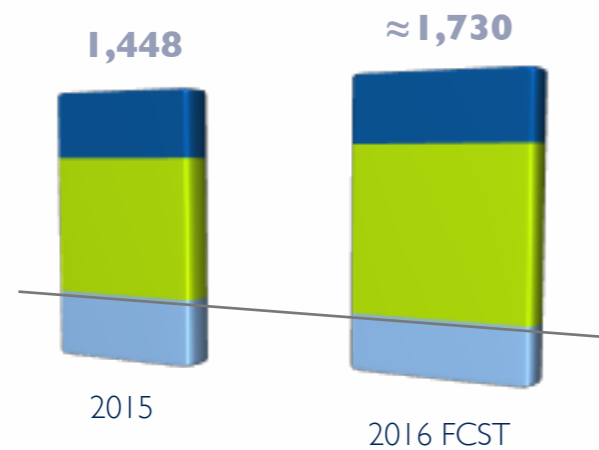
✓ Business Plan guidance for 2016 confirmed at €440mn

■ PROGRAMMABLE
 ■ NON-PROGRAMMABLE
 ■ CORPORATE



CAPEX:

✓ Guidance raised to €400mn to include Impax wind acquisition and anticipation of CAPEX in the UK



NFP:

- ✓ Guidance increased to €1.73bn to include UK CAPEX and special dividend of €0.5 per share
- ✓ Bridge loan (€350mn) has been re-financed during IQ 2016

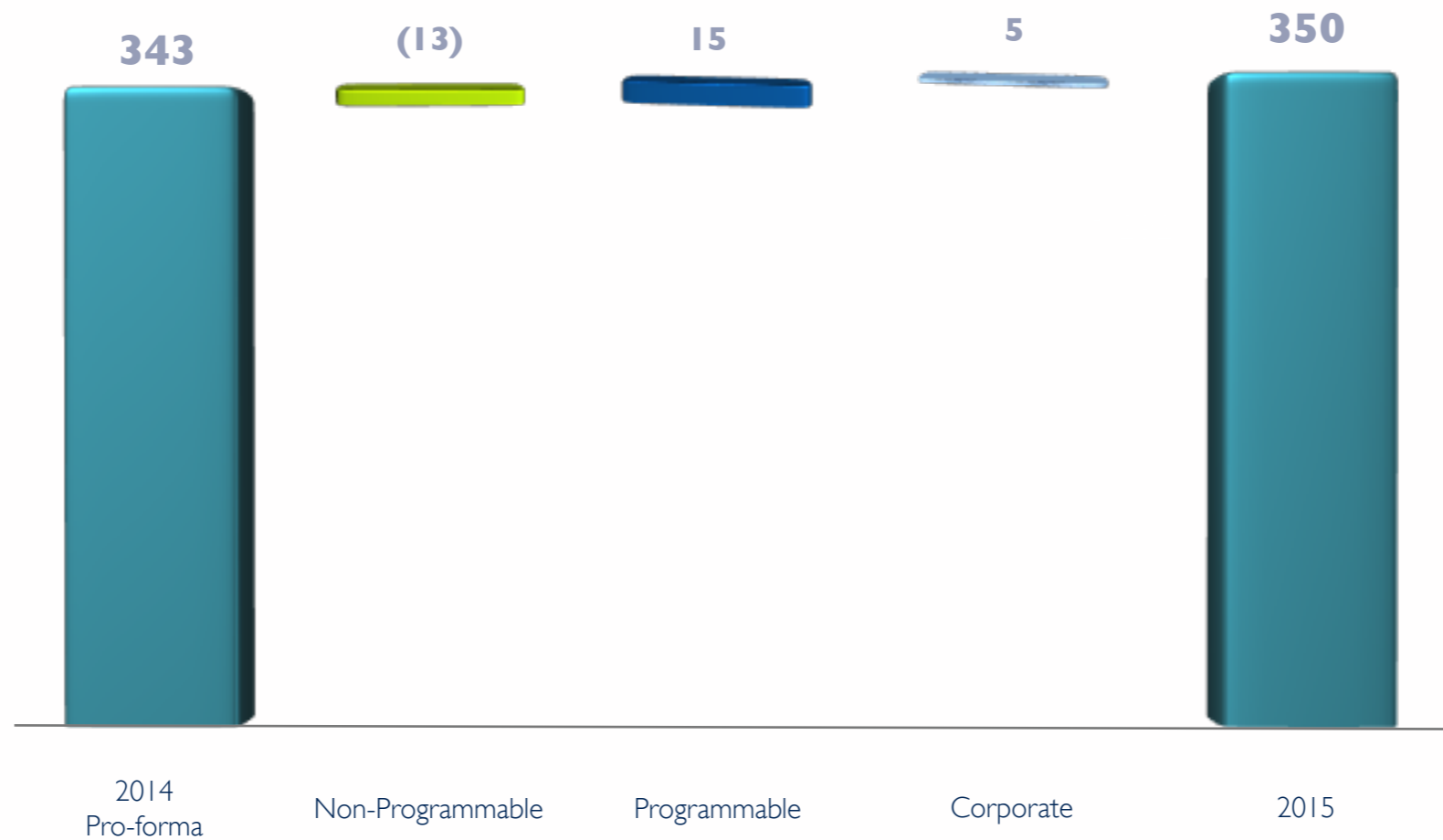
■ LIQUIDITY
 ■ PF
 ■ OTHER AT MLT



APPENDIX



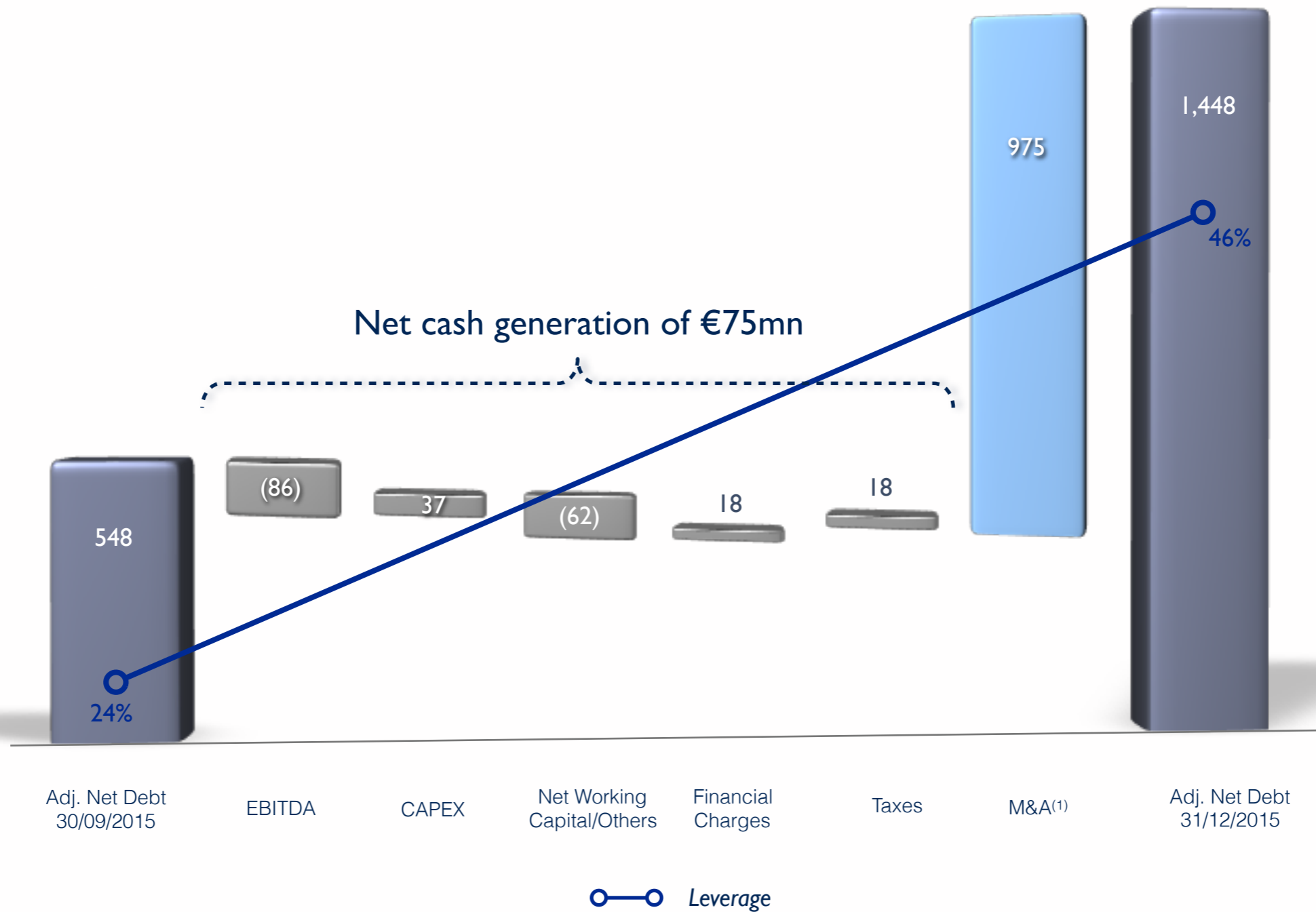
2015 GROUP EBITDA



Growth mainly driven by Non-programmable and lower corporate costs



4Q 2015 ADJUSTED CASHFLOW STATEMENT



⁽¹⁾ Equity consideration for Hydro Acquisition (€948mn) and Lukerg asset split for about €27mn



2015 AND 4Q 2015 RESULTS



2015	2014 Pro-forma	Euro millions	4Q 2015	4Q 2014 Pro-forma	
944	1,021	Adjusted Revenues	231	233	
↓					↓
350	343	RC EBITDA Adjusted	86	80	
↑					↑
254	267	- Non-Programmable	52	66	
↑					↑
115	100	- Programmable	37	19	
		<i>of which:</i>			
107	100	- Thermo	29	19	
8	0	- Hydro	8	0	
↑					↑
(19)	(24)	- Corporate	(3)	(6)	



NON-PROGRAMMABLE: KEY FIGURES (1/2)



2015	2014		4Q 2015	4Q 2014
1,507	1,341	Installed capacity (end-period, MW)	1,507	1,341
		<i>of which:</i>		
1,087	1,087	- Italy	1,087	1,087
128	64	- France	128	64
86	86	- Germany	86	86
82	n.a.	- Poland ⁽¹⁾	82	n.a.
70	77	- Romania ⁽²⁾	70	77
54	27	- Bulgaria ⁽²⁾	54	27
2,614	2,580	Electricity Production (GWh)	604	632
		<i>of which:</i>		
1,910	2,051	- Italy	368	481
206	122	- France	78	32
156	144	- Germany	45	41
68	n.a.	- Poland ⁽¹⁾	42	n.a.
201	196	- Romania ⁽²⁾	55	55
74	67	- Bulgaria ⁽²⁾	16	22

⁽¹⁾ Production in Poland started in July 2015

⁽²⁾ ERG 's stake = 50%



NON-PROGRAMMABLE: KEY FIGURES (2/2)



2015	2014	Euro millions	4Q 2015	4Q 2014
RC EBITDA:				
213	233	Italy	39	56
13	8	France	5	2
12	12	Germany	4	4
4	n.a.	Poland ⁽¹⁾	2	n.a.
12	14	LUKERG ⁽²⁾	2	4
		<i>of which:</i>		
8	10	- Romania ⁽²⁾	2	3
4	4	- Bulgaria ⁽²⁾	0	1
254	267	Total RC EBITDA	52	66
(134)	(137)	Depreciation	(35)	(39)
120	130	RC EBIT	17	27

⁽¹⁾ Production in Poland started in July 2015

⁽²⁾ ERG 's stake = 50%



ERG POWER: KEY FIGURES



2015	2014 Pro-forma	Euro millions	4Q 2015	4Q 2014 Pro-forma
2,632	2,623	Electricity Production (GWh)	698	702
107	100	RC EBITDA	29	19
(30)	(29)	Depreciation	(8)	(7)
77	71	RC EBIT	21	12



ERG HYDRO: KEY FIGURES



2015	2014 Pro-forma	Euro millions	4Q 2015	4Q 2014 Pro-forma
84	0	Electricity Production (GWh)	84	0
8	0	RC EBITDA	8	0
(5)	0	Depreciation	(5)	0
3	0	RC EBIT	3	0



INVESTMENTS



2015	2014 Pro-forma	Euro millions	4Q 2015	4Q 2014 Pro-forma
200	38	Non-Programmable	60	9
956	13	Programmable	951	4
		<i>of which:</i>		
9	13	- Thermo	3	4
948	0	- Hydro ⁽¹⁾	948	0
2	3	Corporate	1	1
1,158	53	Adjusted Total	1,012	13

⁽¹⁾ It refers to Hydro acquisition