



FIRST QUARTER 2016 RESULTS

13 MAY 2016

LUCA BETTONTE, CEO





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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 no 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



- IQ 2016 Highlights
 - ✓ Key Figures
 - ✓ Total Installed Capacity Evolution
- Results Review
 - ✓ Business Environment
 - ✓ IQ 2016 Group EBITDA
 - ✓ Results by Segments
- Key Financials
 - ✓ Profit & Loss
 - ✓ Investments
 - ✓ Cash Flow Statement
- 2016 Guidance and Conclusions
- Appendix

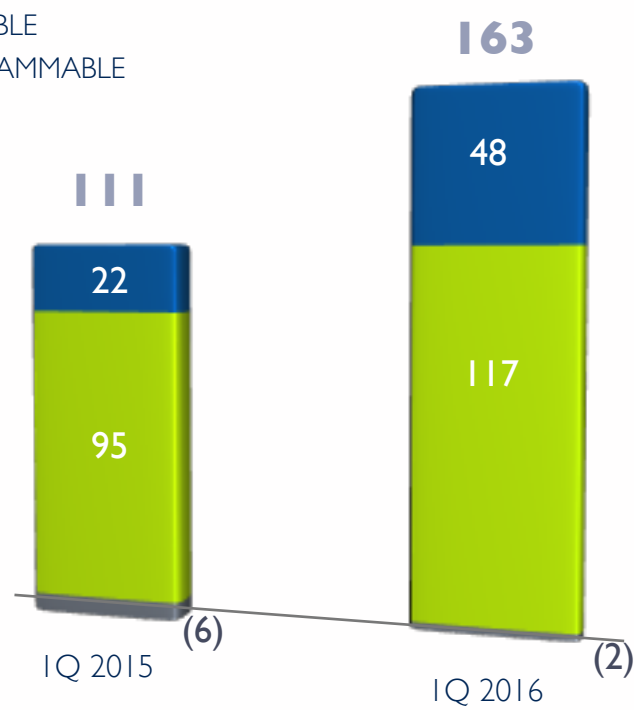


HIGHLIGHTS: KEY FIGURES

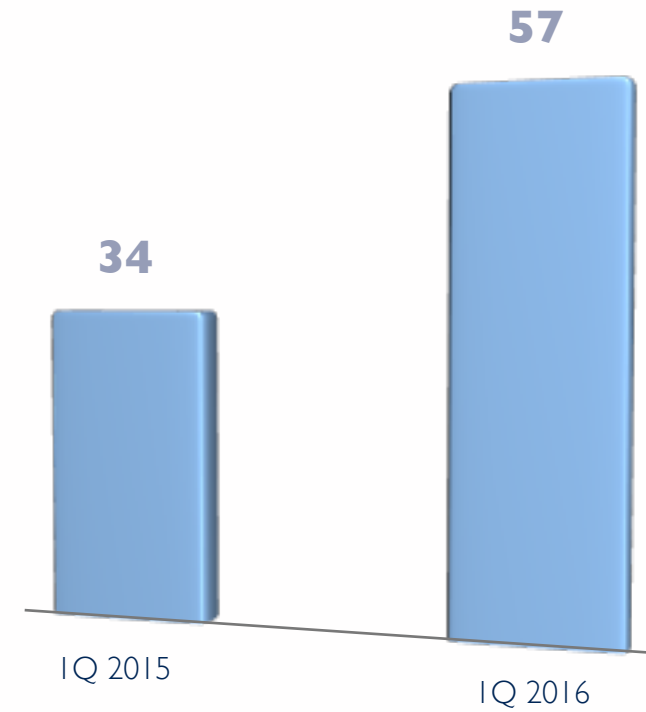


RC Ebitda Adj (€ mn)

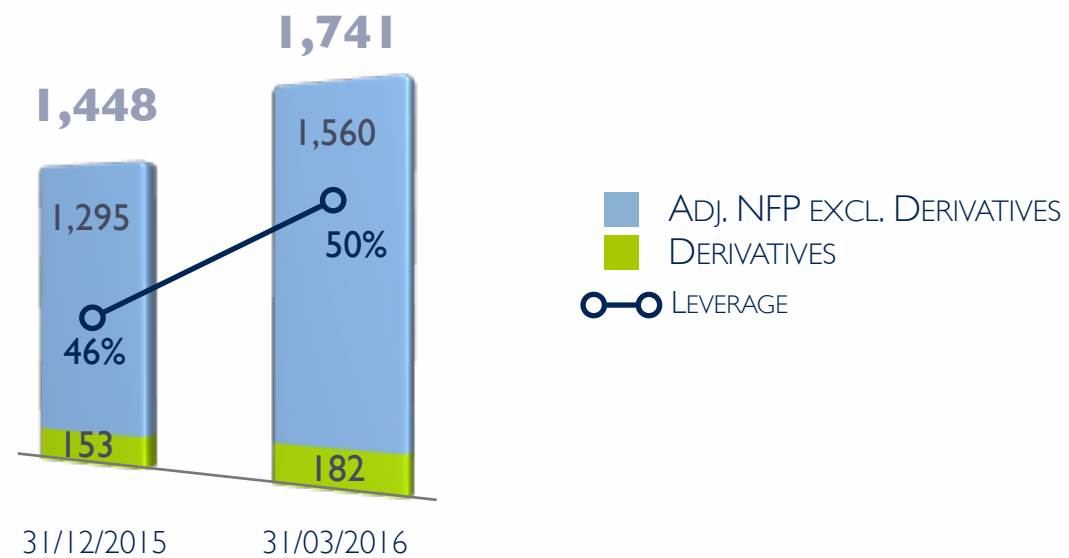
- PROGRAMMABLE
- NON-PROGRAMMABLE
- CORPORATE



RC Net Profit (€ mn)



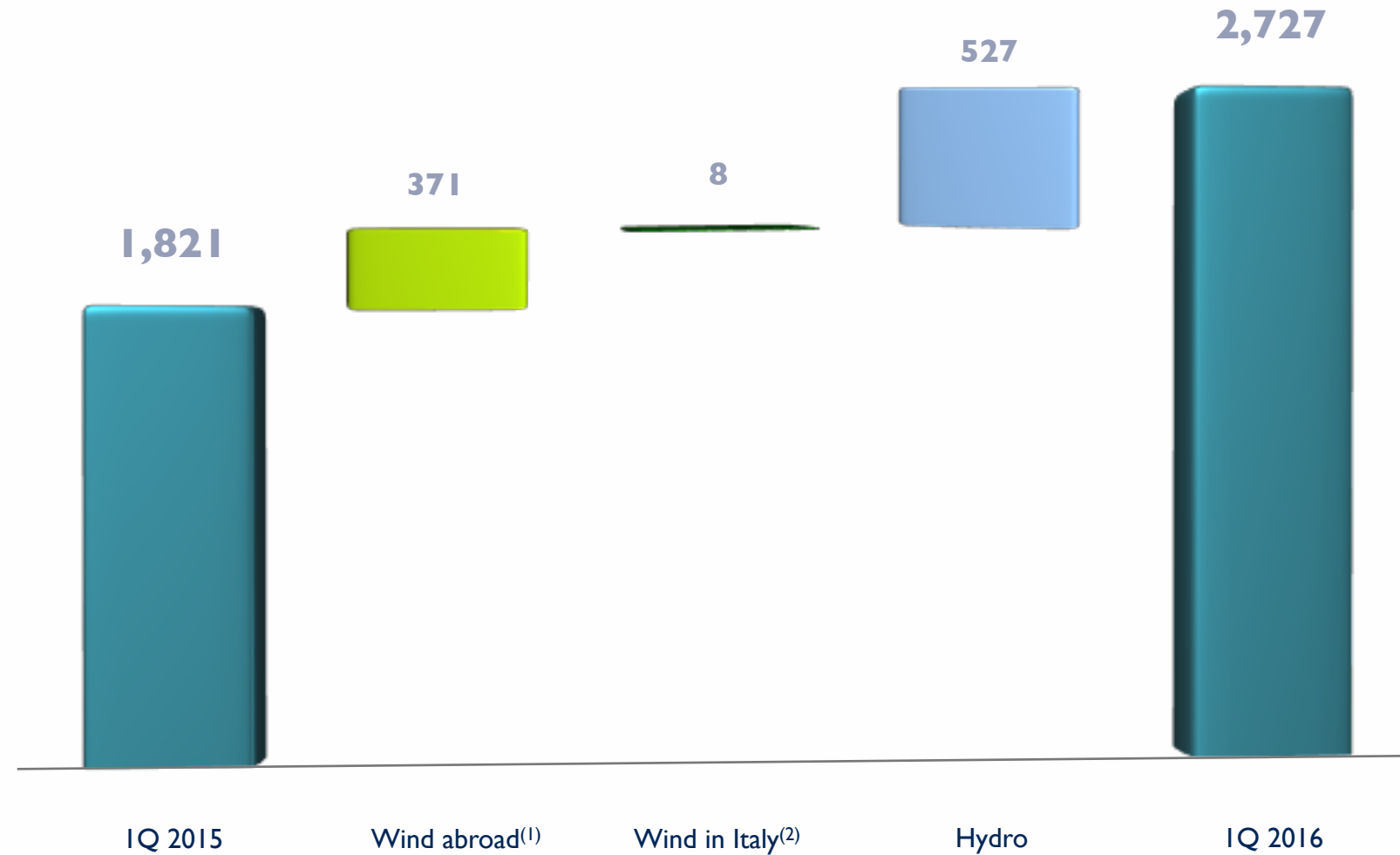
Adj NFP (€ mn)



New business mix implied a very good set of results



EVOLUTION OF TOTAL INSTALLED CAPACITY



A big jump in technological and geographical diversification

⁽¹⁾ It includes IMPAX (206MW), Polonia (82MW), Martell (63MW) and LUKERG's asset split (20MW)

⁽²⁾ It refers to Ginestra



RESULTS REVIEW

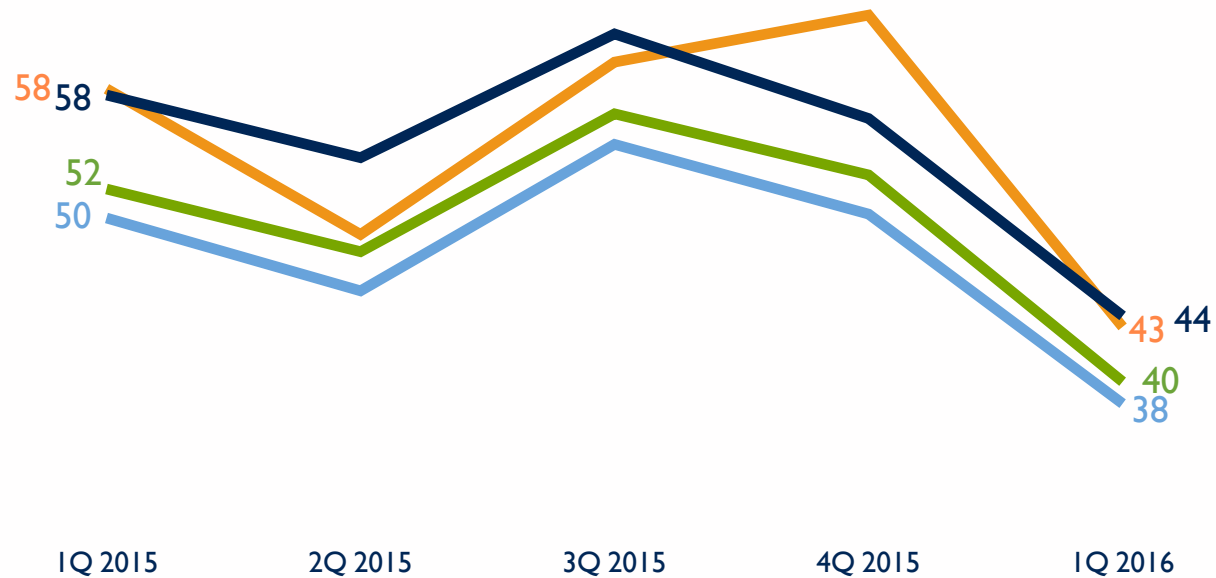
PAOLO MERLI, CFO



BUSINESS ENVIRONMENT

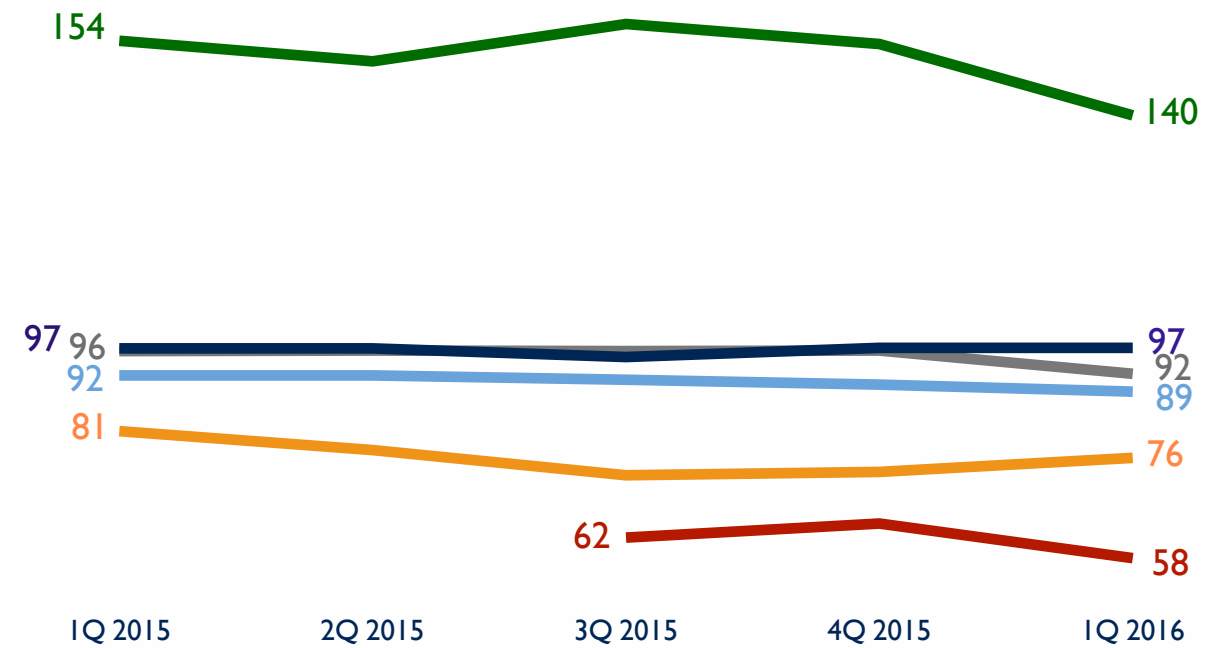


Electricity Prices in Italy (€/MWh)



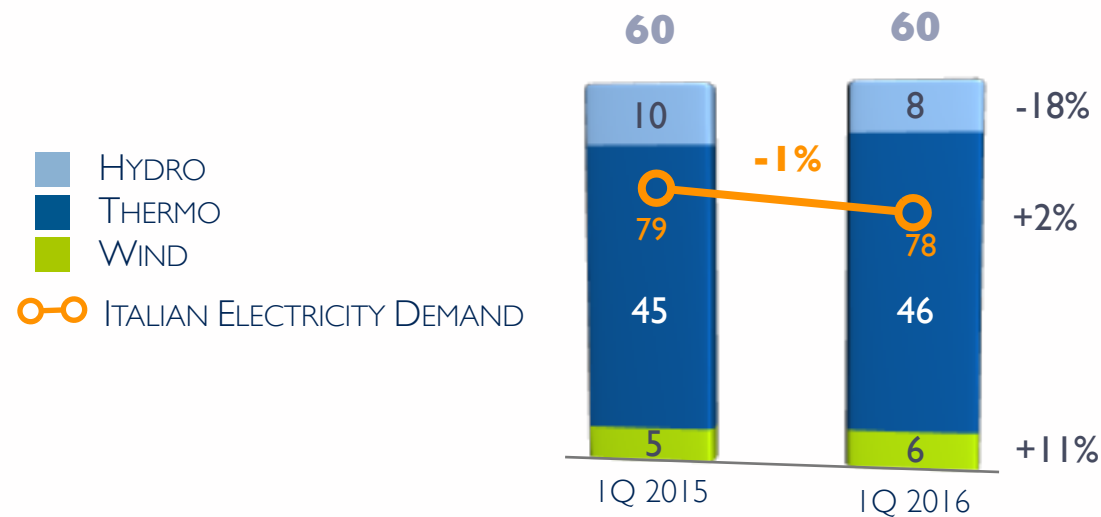
— PUN
— SICILY
— SOUTH & CENTRAL SOUTH
— CENTRAL NORTH (PEAK)

All-in Wind Prices (€/MWh)



— PUN+GCs⁽¹⁾
— GERMANY
— FRANCE
— ROMANIA⁽³⁾
— BULGARIA⁽²⁾
— POLAND

Italy: Electricity Production vs Demand (TWh)



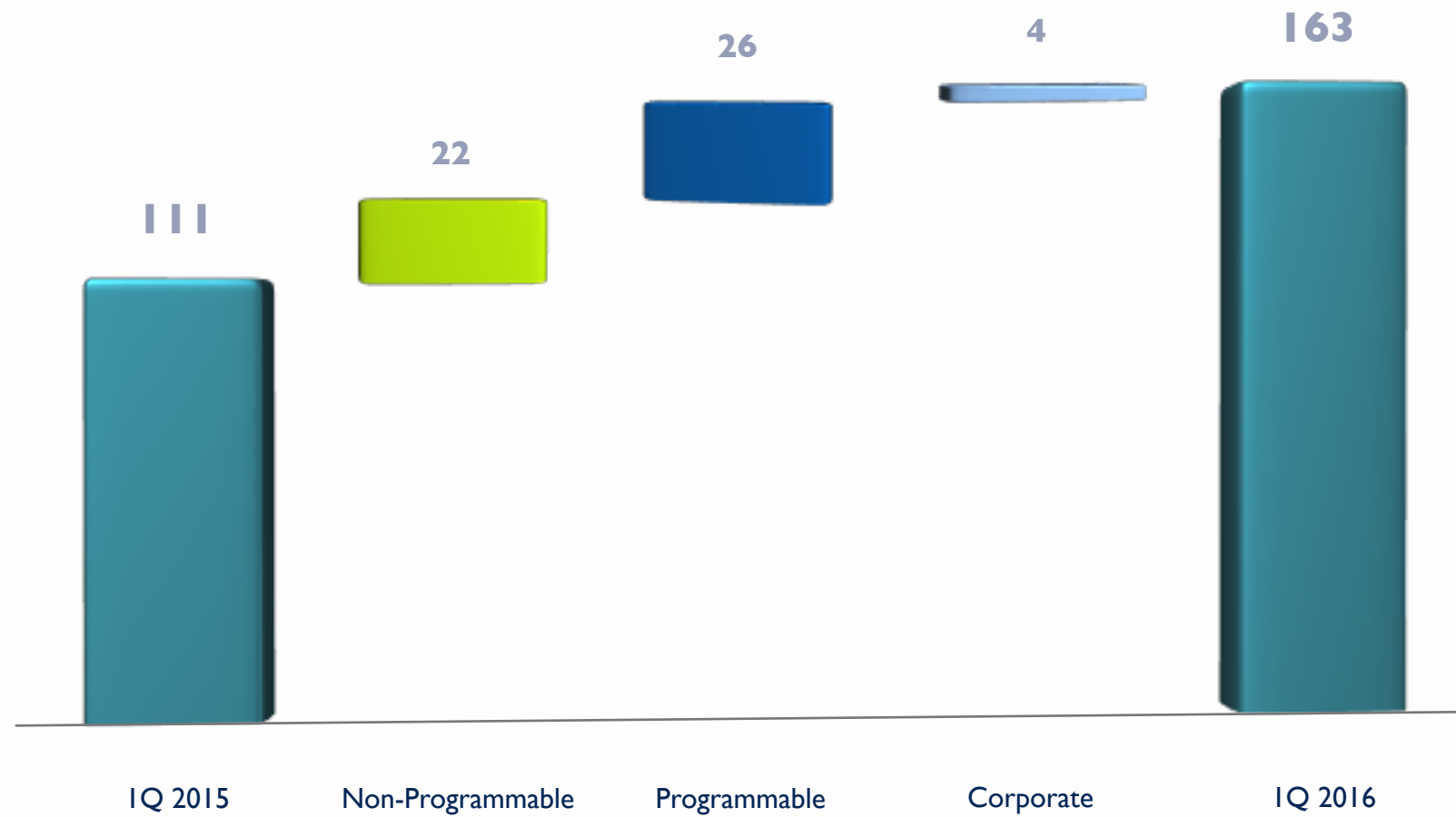
(1) Italian theoretical price based on National Average Electricity Price (PUN) in Italy + GC

(2) 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

(3) Figures refer only to Gebeleisis wind farm



IQ 2016 GROUP EBITDA



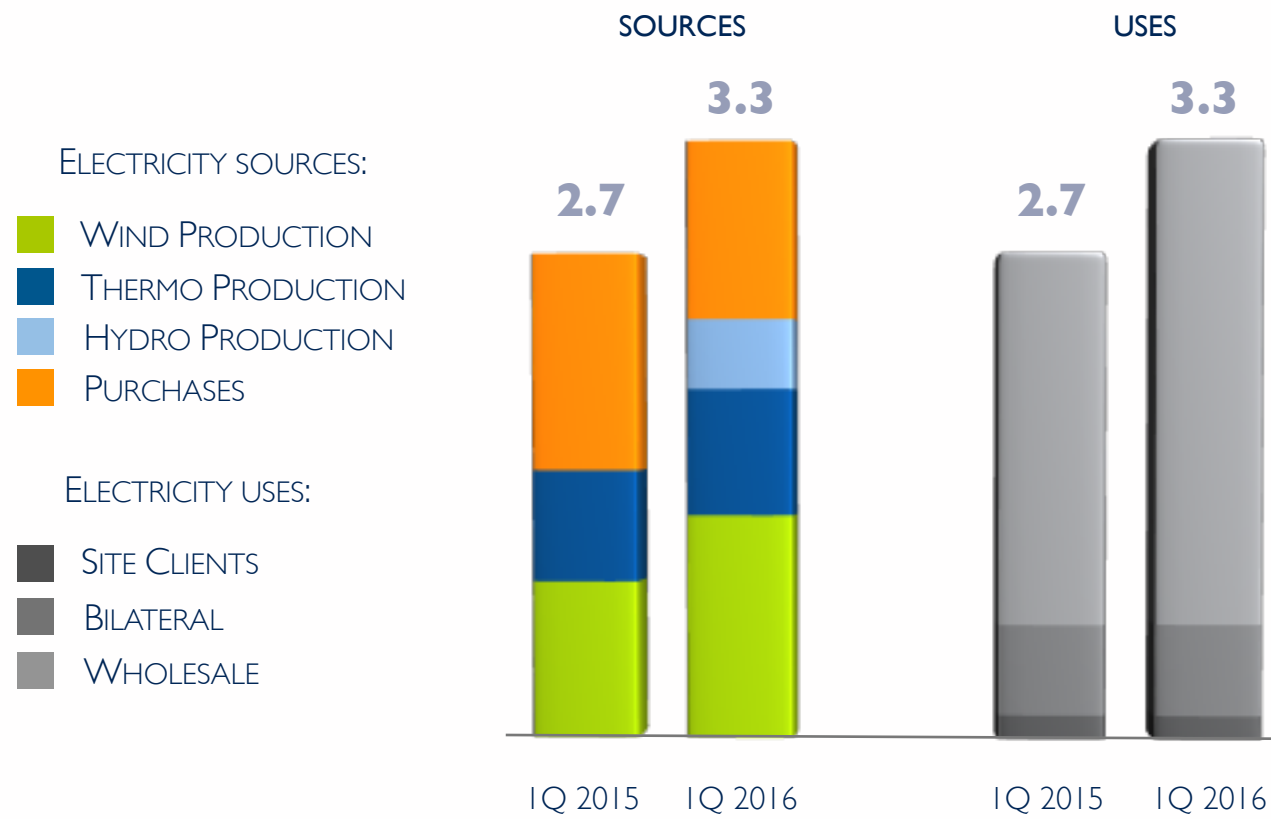
New electricity mix resulted in a positive contribution from all ERG divisions



ENERGY PORTFOLIO



IQ 2016 vs IQ 2015 (TWh)



A new enlarged and diversified electricity portfolio

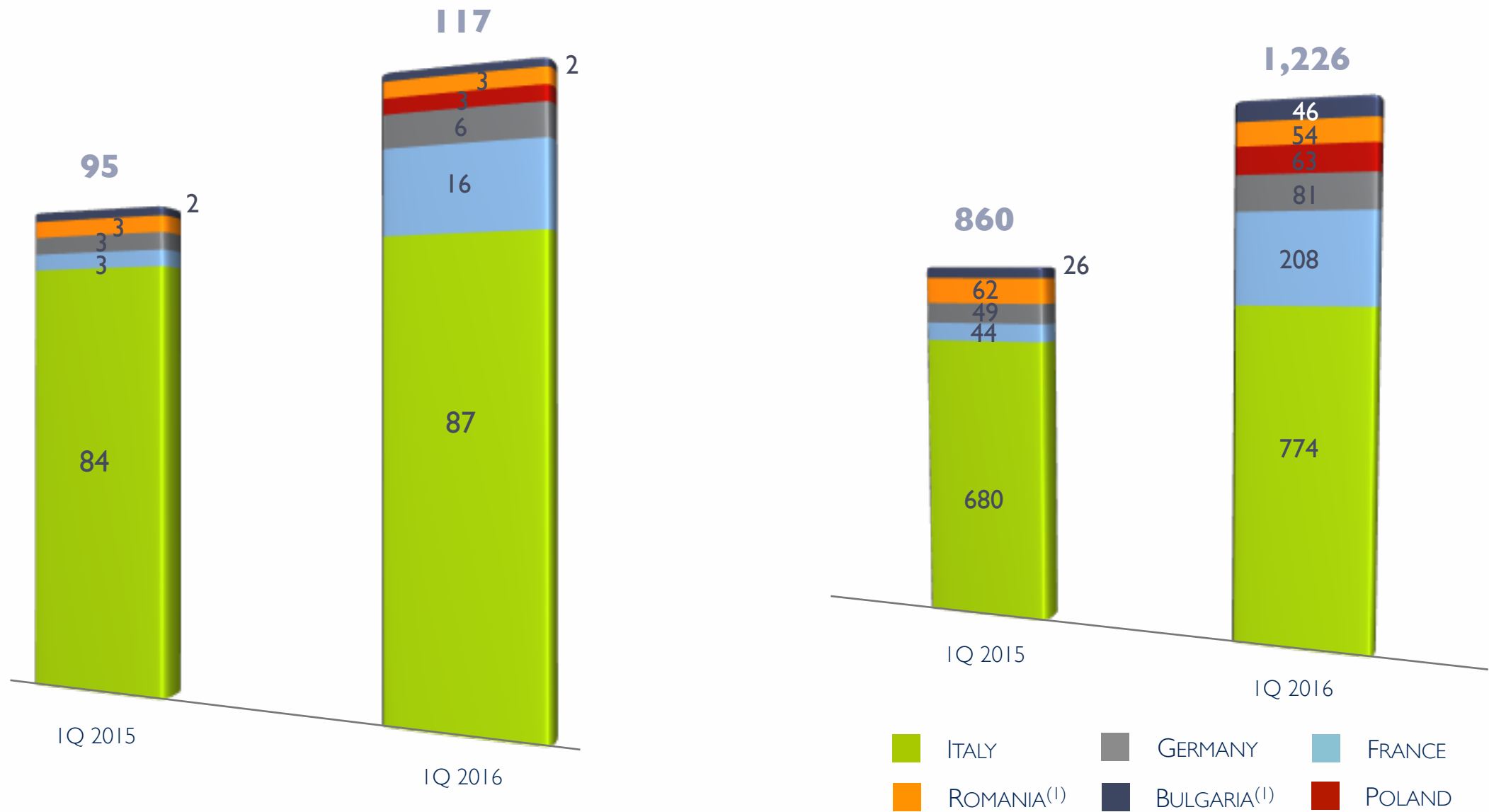


NON-PROGRAMMABLE RESULTS



RC Ebitda (€ mn)

Volumes (GWh)



Consolidation of new assets and better wind conditions

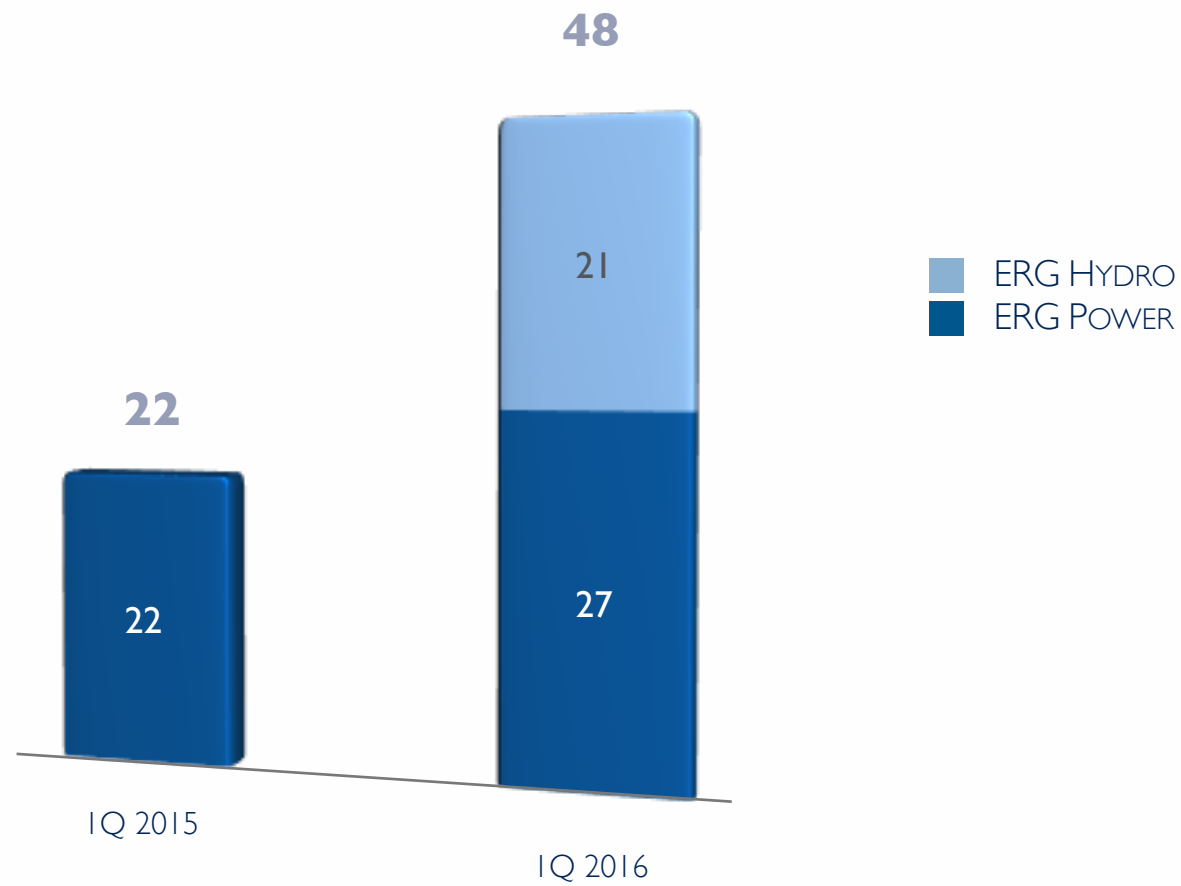
⁽¹⁾ As of December 23, 2015 LUKERG asset split became effective. From I.I.2016 ERG Renew owns Tcherga and Hrabrovo wind farms in Bulgaria, and Gebeleisis wind farm in Romania.



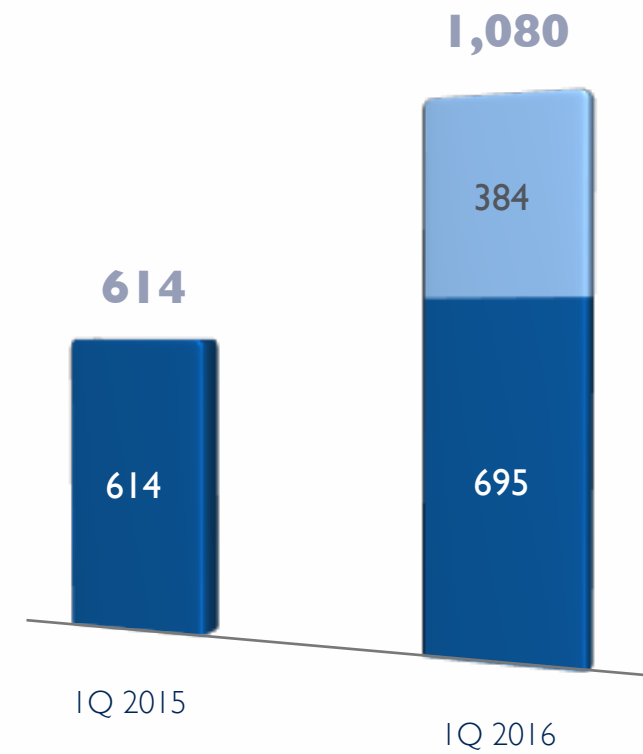
PROGRAMMABLE RESULTS



RC Ebitda (€ mn)



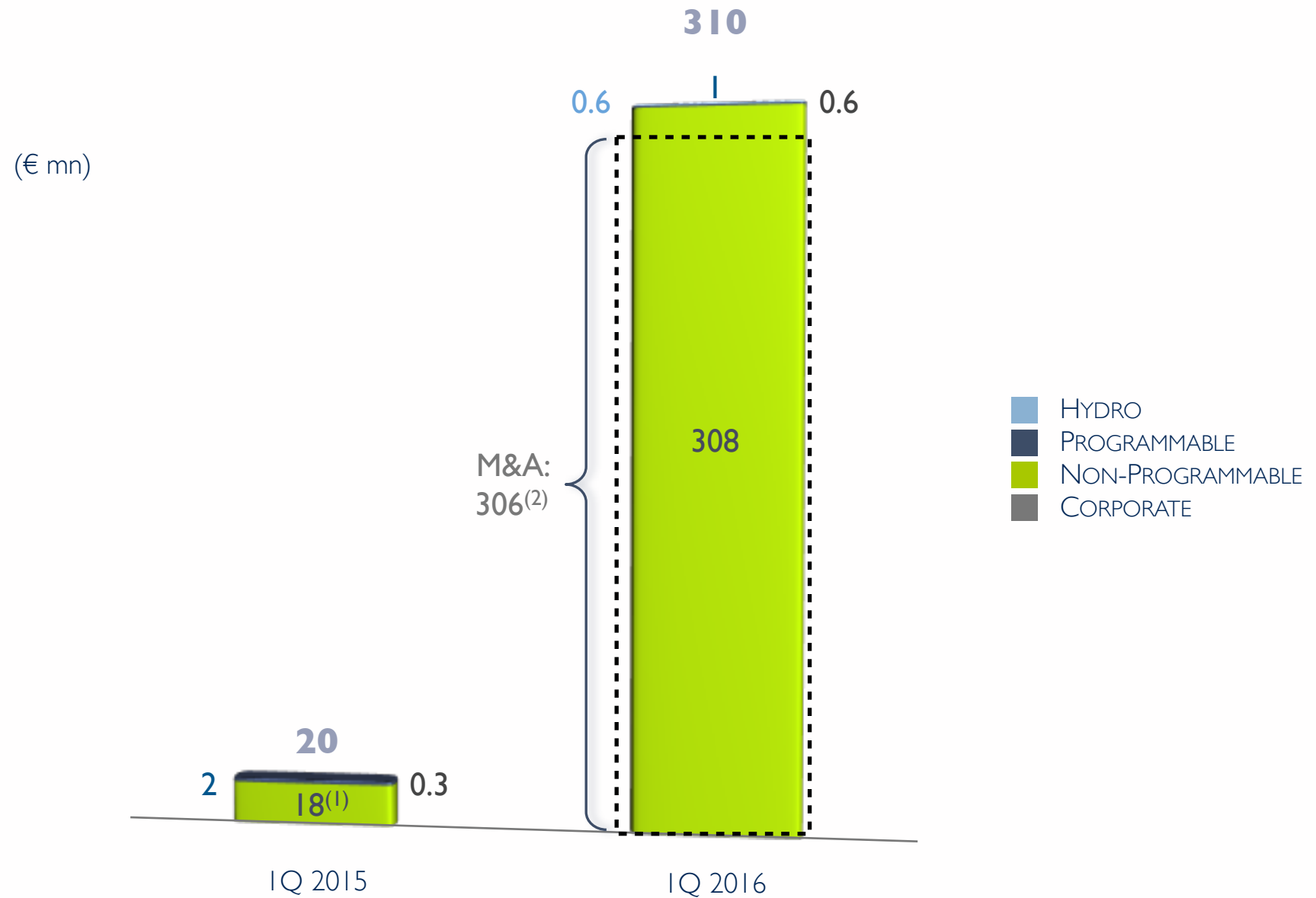
Volumes (GWh)



Solid set of results



ADJUSTED INVESTMENTS



⁽¹⁾ It includes SPV in Poland

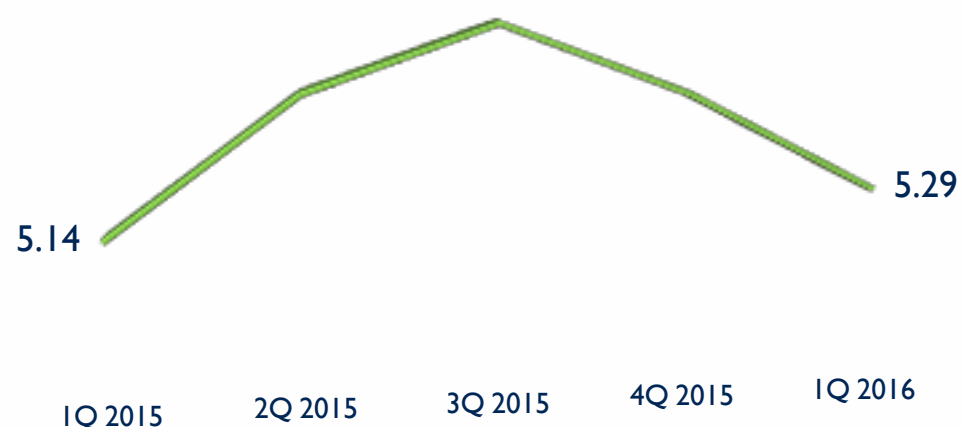
⁽²⁾ M&A CAPEX related to the closing of IMPAX acquisition (which took place on February 2, 2016, amounting to €293mn) and Brockaghboy acquisition (€13mn)



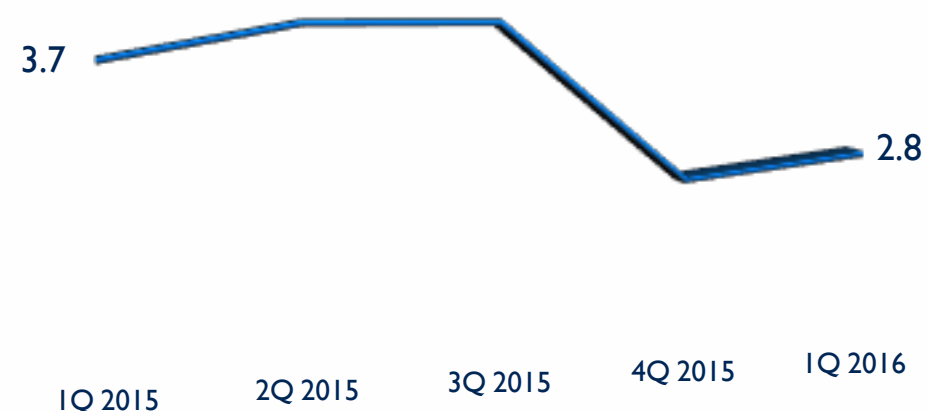
TOTALERG: KEY FIGURES⁽¹⁾



Industry Retail Fuels Volumes (M tons)



EMC Margin (\$/bbl)



4Q 2015	Euro millions	IQ 2016	IQ 2015
29	Adjusted RC EBITDA	30	22
27	- Marketing	19	21
2	- Refining & Logistics	11	1
(19)	Adjusted Depreciation	(18)	(20)
10	Adjusted RC EBIT	12	2
2	Adjusted Net Profit	5	(6)
27	Investments	11	11
294	NFP	431	456
10.9%	TOTALERG retail market share	11.0%	10.7%

⁽¹⁾ Figures refer to 100% of TOTALERG contribution



KEY FINANCIALS



PRO-FORMA REPLACEMENT COST P&L

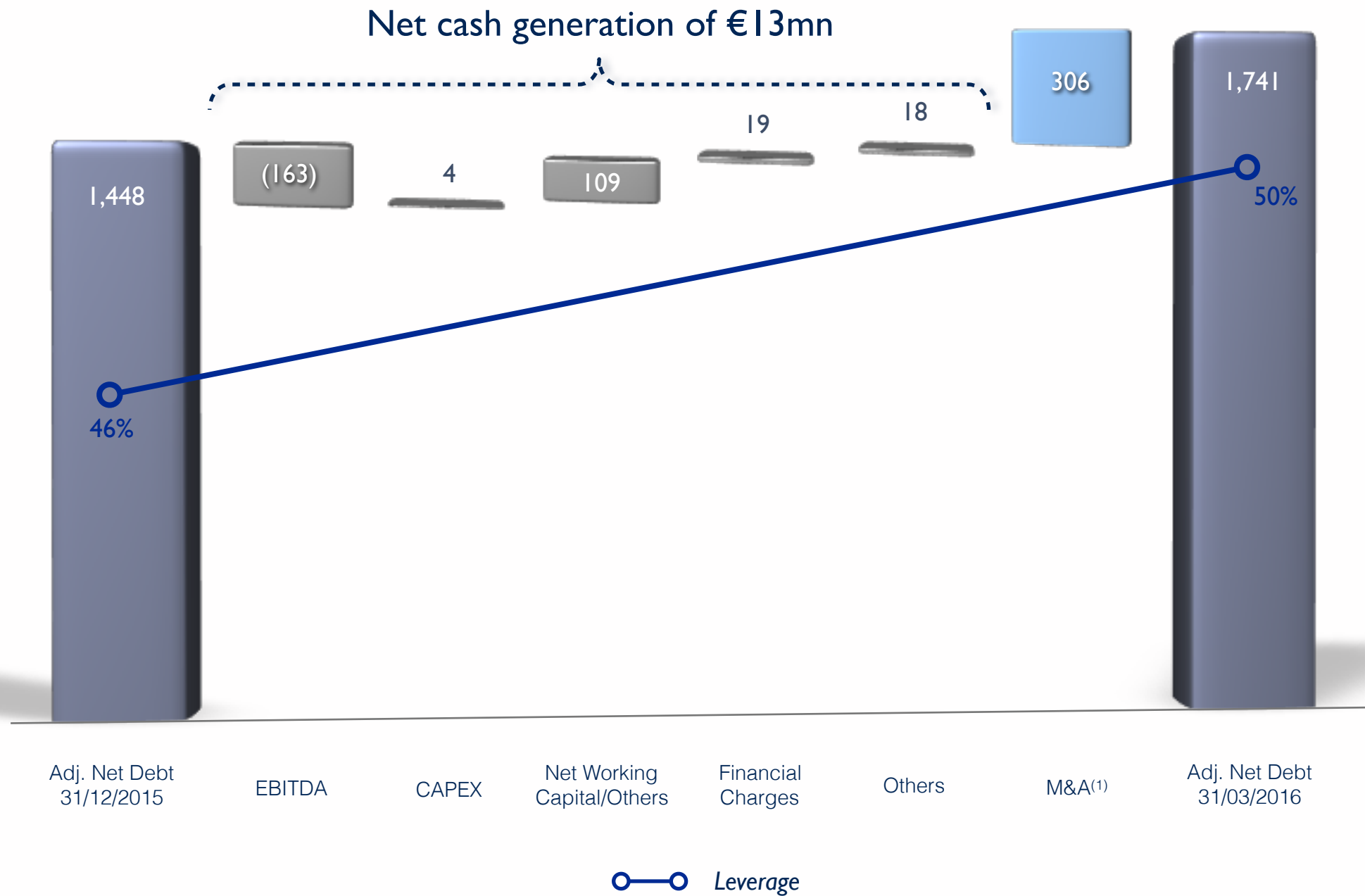


4Q 2015	Euro millions		IQ 2016	IQ 2015
86	RC Adjusted EBITDA		163	111
(48)	<i>Amortization and depreciation</i>		(64)	(41)
38	RC Adjusted EBIT		99	71
(18)	<i>Net financial income (expenses)</i>		(19)	(15)
2	<i>Net income (loss) from equity investments</i>		2	(3)
22	RC Results before taxes		82	52
(1)	<i>Income taxes</i>		(21)	(15)
21	RC Results for the period		61	37
(0)	<i>Minority interests</i>		(3)	(2)
20	RC Net profit		57	34
4%	Tax Rate		26%	29%

Note: figures based on NO GAAP measures



IQ 2016 ADJUSTED CASHFLOW STATEMENT



⁽¹⁾ Equity consideration for IMPAX acquisition (€293mn) and Brockaghboy acquisition for about €13mn

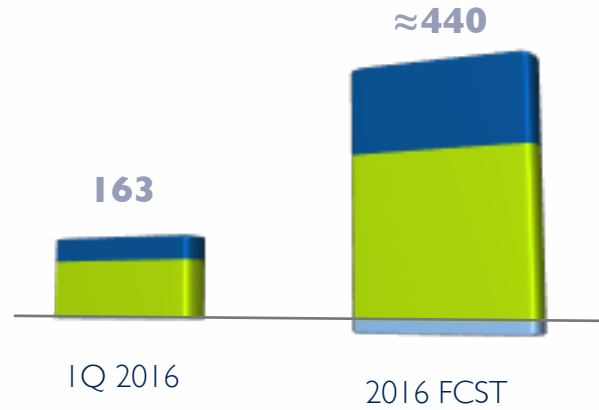


2016 GUIDANCE AND CONCLUSIONS

LUCA BETTONTE, CEO



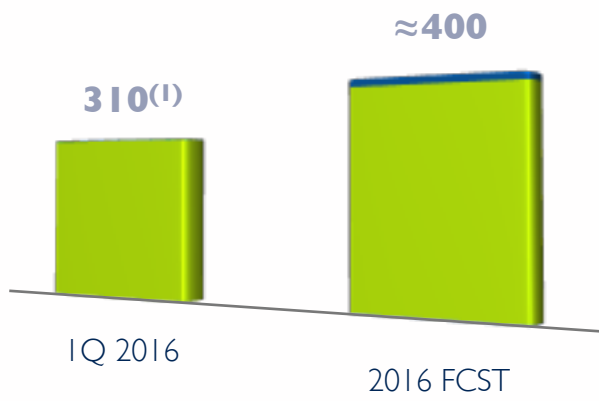
2016 GUIDANCE



EBITDA:

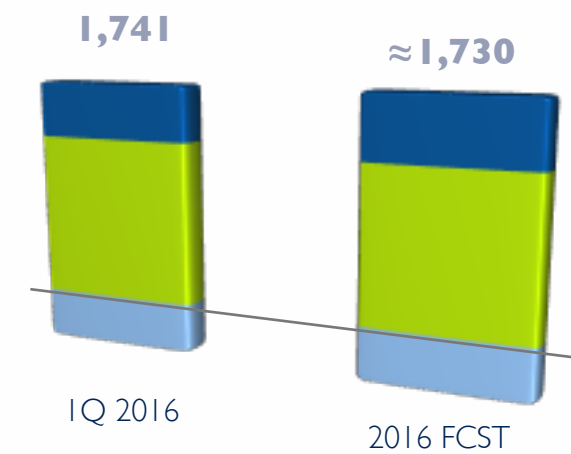
✓ 2016 guidance confirmed at €440mn

PROGRAMMABLE NON-PROGRAMMABLE CORPORATE



CAPEX:

✓ 2016 guidance confirmed at €400mn



NFP:

✓ 2016 guidance confirmed at €1.73bn

LIQUIDITY PF OTHER AT MLT

⁽¹⁾ It includes M&A CAPEX related to the closing of IMPAX acquisition (which took place on February 2, 2016), and Brockaghboy acquisition



APPENDIX



IQ 2016 RESULTS



4Q 2015	Euro millions		IQ 2016	IQ 2015	
231	Adjusted Revenues		295	275	
↑	86	RC EBITDA Adjusted	163	111	↑
↑	52	- Non-Programmable	117	95	↑
		<i>of which:</i>			
	39	- Italy	87	84	
	13	- Abroad	29	12	
↑	37	- Programmable	48	22	↑
		<i>of which:</i>			
	29	- Thermo	27	22	
	8	- Hydro	21	0	
↑	(3)	- Corporate	(2)	(6)	↑



NON-PROGRAMMABLE: KEY FIGURES (1/2)



4Q 2015		1Q 2016	1Q 2015
1,506	Installed capacity (end-period, MW)	1,720	1,341
	<i>of which:</i>		
1,087	- Italy	1,094	1,087
128	- France	252	64
86	- Germany	168	86
82	- Poland ⁽¹⁾	82	n.a.
70	- Romania ⁽²⁾	70	77
54	- Bulgaria ⁽²⁾	54	27
604	Electricity Production (GWh)	1,226	860
	<i>of which:</i>		
368	- Italy	774	680
78	- France	208	44
45	- Germany	81	49
42	- Poland ⁽¹⁾	63	n.a.
55	- Romania ⁽²⁾	54	62
16	- Bulgaria ⁽²⁾	46	26

⁽¹⁾ Production in Poland started in July 2015

⁽²⁾ 2015 figures correspond to ERG's stake in the joint venture LUKERG = 50%



NON-PROGRAMMABLE: KEY FIGURES (2/2)



4Q 2015	Euro millions		1Q 2016	1Q 2015
RC EBITDA:				
39	Italy		87	84
5	France		16	3
4	Germany		6	3
2	Poland ⁽¹⁾		3	n.a.
2	Romania ⁽²⁾		3	3
0	Bulgaria ⁽²⁾		2	2
52	Total RC EBITDA		117	95
(35)	Depreciation		(41)	(33)
17	RC EBIT		75	62

⁽¹⁾ Production in Poland started in July 2015

⁽²⁾ 2015 figures correspond to ERG's stake in the joint venture LUKERG = 50%



ERG POWER: KEY FIGURES



4Q 2015	Euro millions		IQ 2016	IQ 2015
698	Electricity Production (GWh)		695	614
29	RC EBITDA		27	22
(8)	Depreciation		(7)	(7)
21	RC EBIT		20	15



ERG HYDRO: KEY FIGURES



4Q 2015	Euro millions		IQ 2016	IQ 2015
84	Electricity Production (GWh)		384	0
8	RC EBITDA		21	0
(5)	Depreciation		(15)	0
3	RC EBIT		6	0



INVESTMENTS



4Q 2015	Euro millions		IQ 2016	IQ 2015
60	Non-Programmable ⁽¹⁾		308	18
951	Programmable		2	2
	<i>of which:</i>			
3	- Thermo		1	2
948	- Hydro ⁽²⁾		1	0
1	Corporate		1	0
1,012	Adjusted Total		310	20

⁽¹⁾ IQ 2015 figure includes SPV in Poland. IQ 2016 figure includes M&A CAPEX related to the closing of IMPAX acquisition (which took place on February 2, 2016) and Brockaghboy acquisition

⁽²⁾ 4Q 2015 figure refers to Hydro acquisition