



SECOND QUARTER 2017 RESULTS

10 AUGUST 2017

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 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

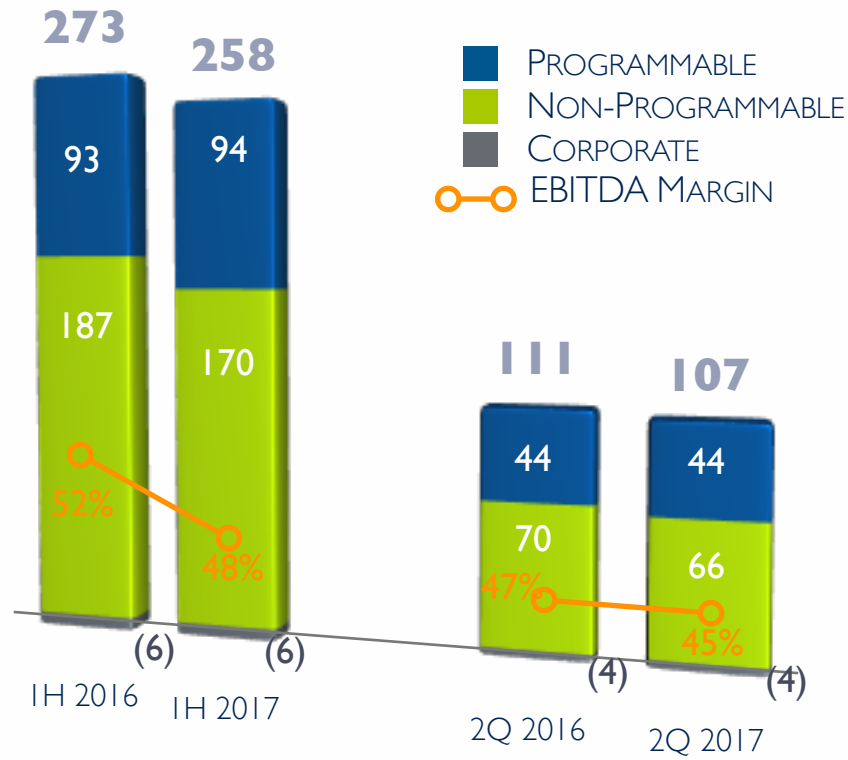


- 2Q 2017 Highlights
 - ✓ Key Figures
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 - ✓ IH 2017 Group EBITDA
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- Key Financials
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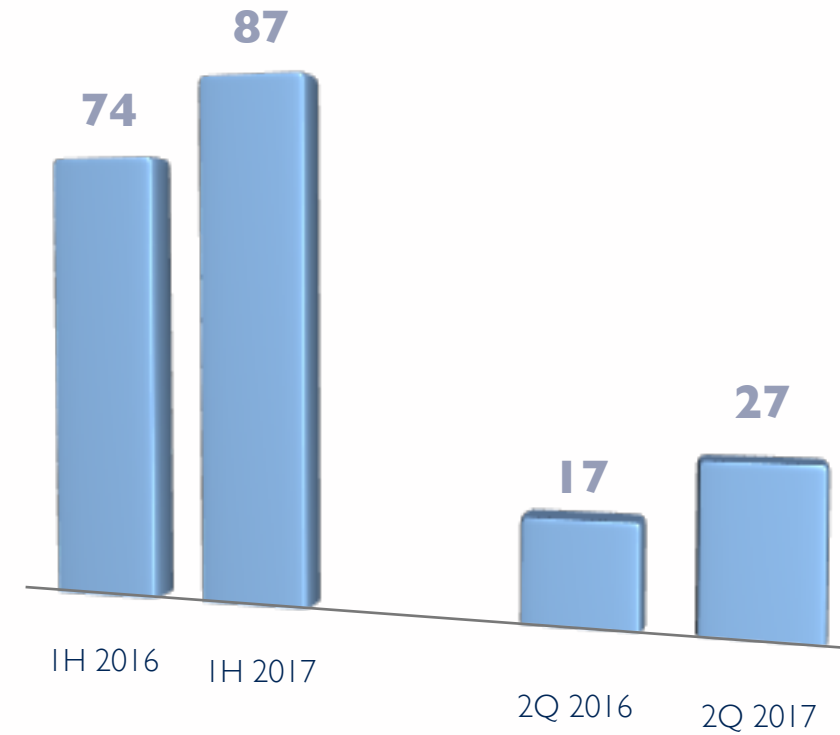


HIGHLIGHTS: KEY FIGURES

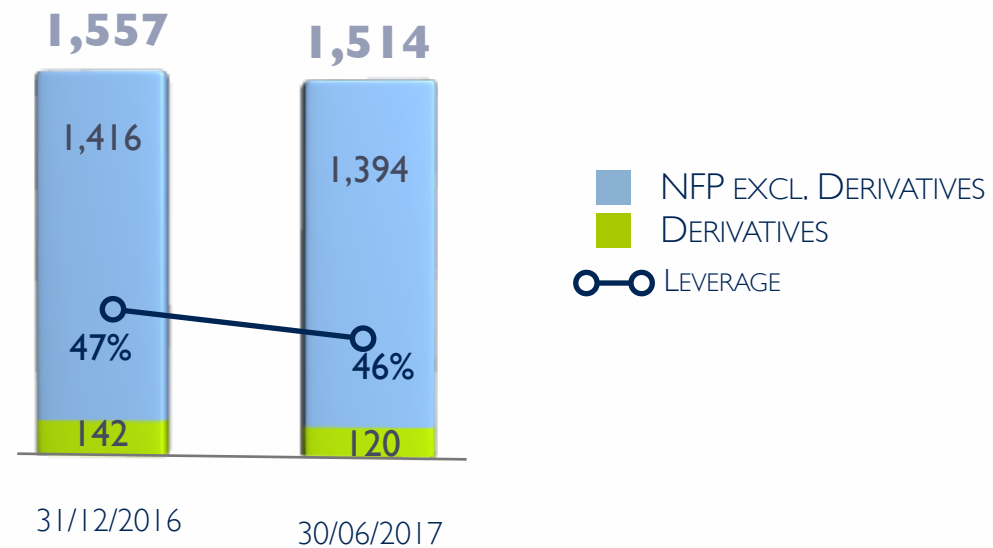
Recurring Ebitda (€ mn)



Recurring Net Profit (€ mn)



NFP (€ mn)



Good results despite tough hydro and wind conditions



RESULTS REVIEW

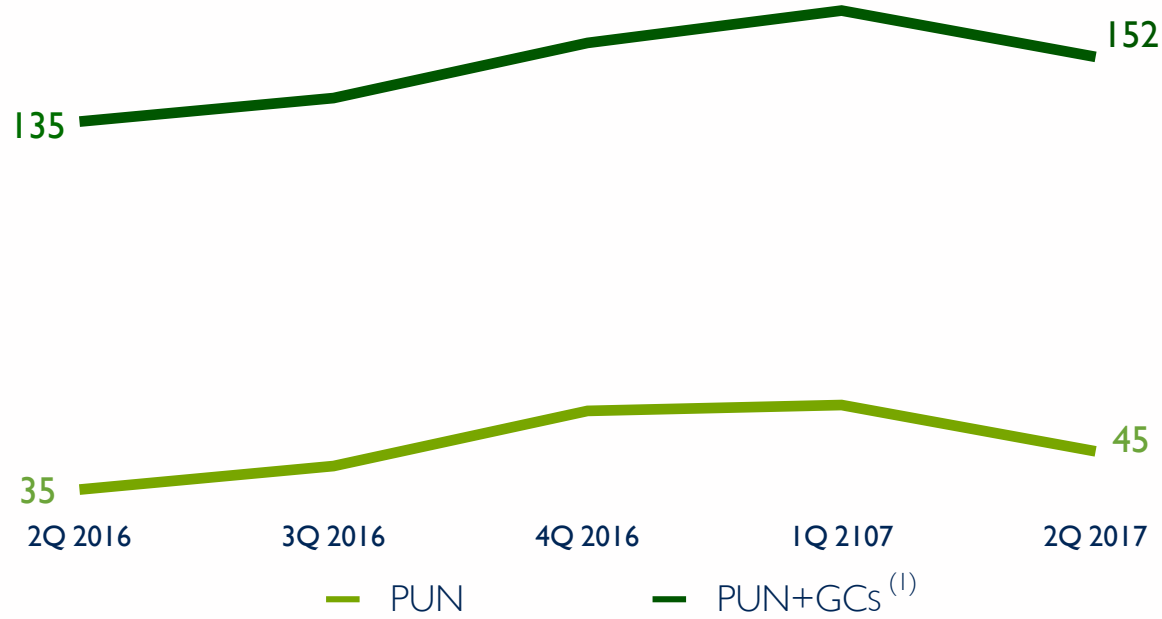
PAOLO MERLI, CFO



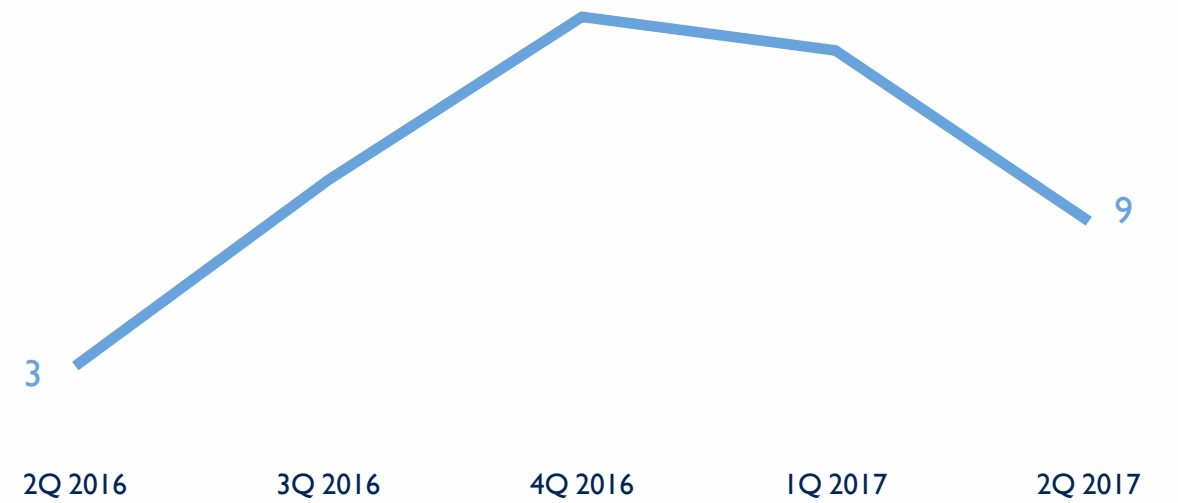
BUSINESS ENVIRONMENT



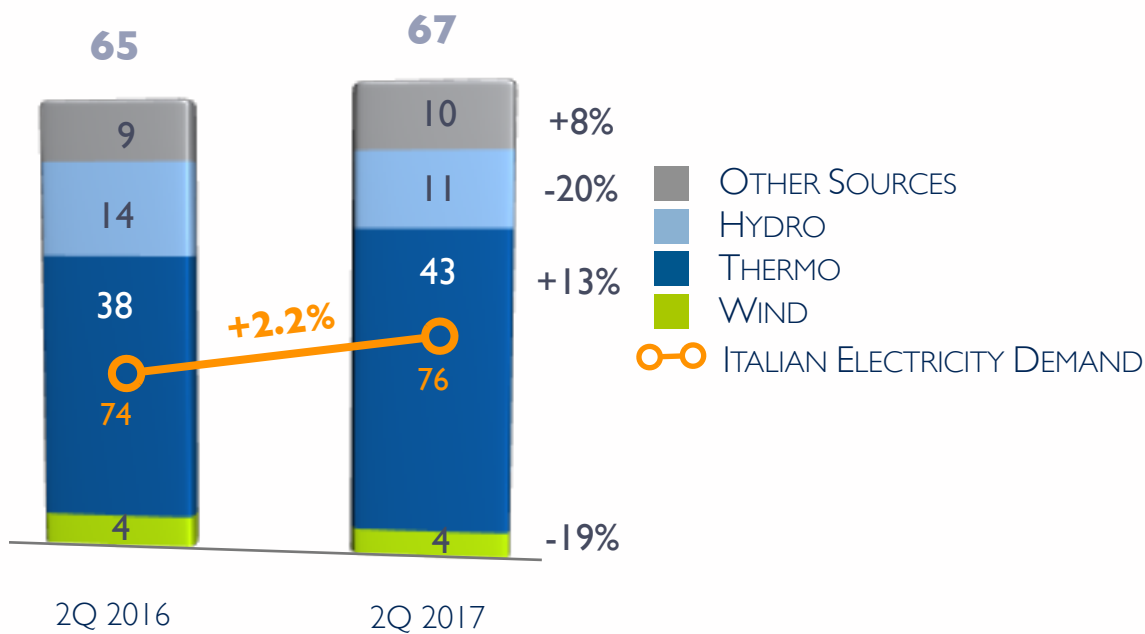
Electricity Prices in Italy (€/MWh)



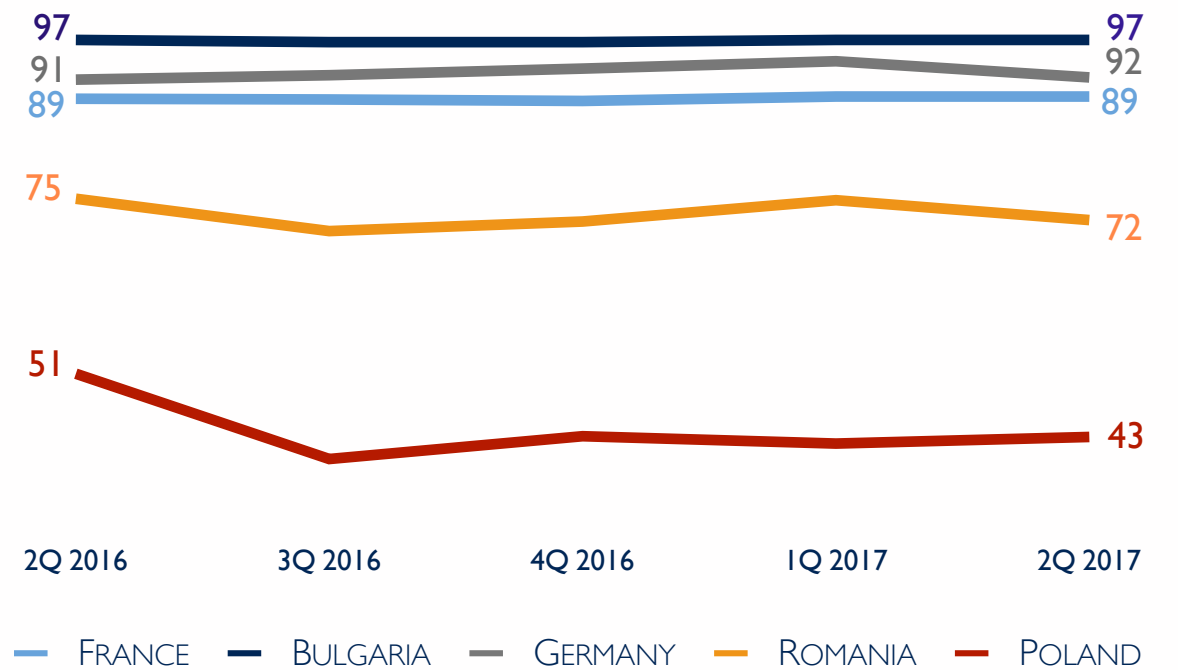
Baseload Spark Spread in Italy (€/MWh)



Italy: Electricity Production vs Demand (TWh)



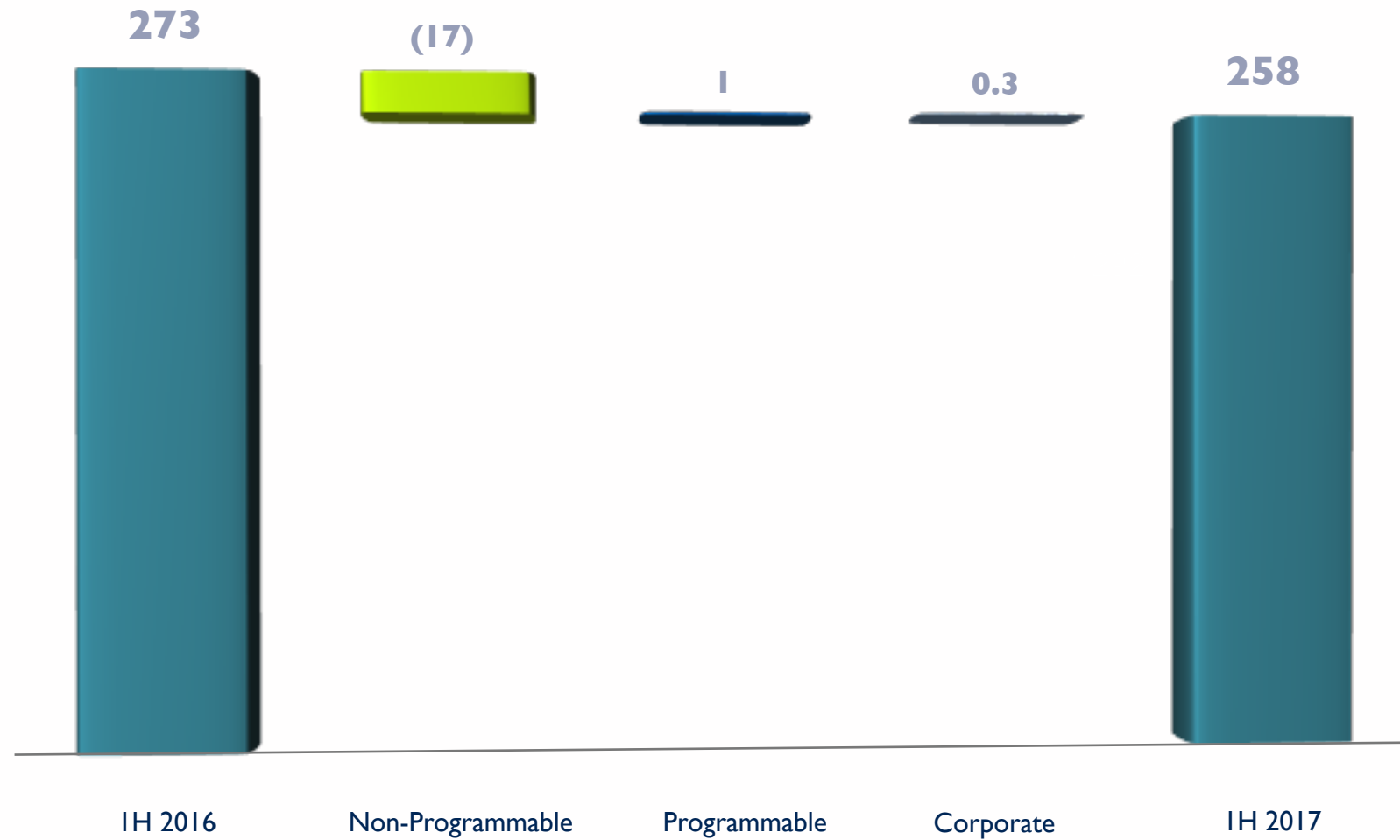
All-in Wind Prices abroad (€/MWh)



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



IH 2017 GROUP EBITDA



Generalized slowdown in production, partly offset by rising prices

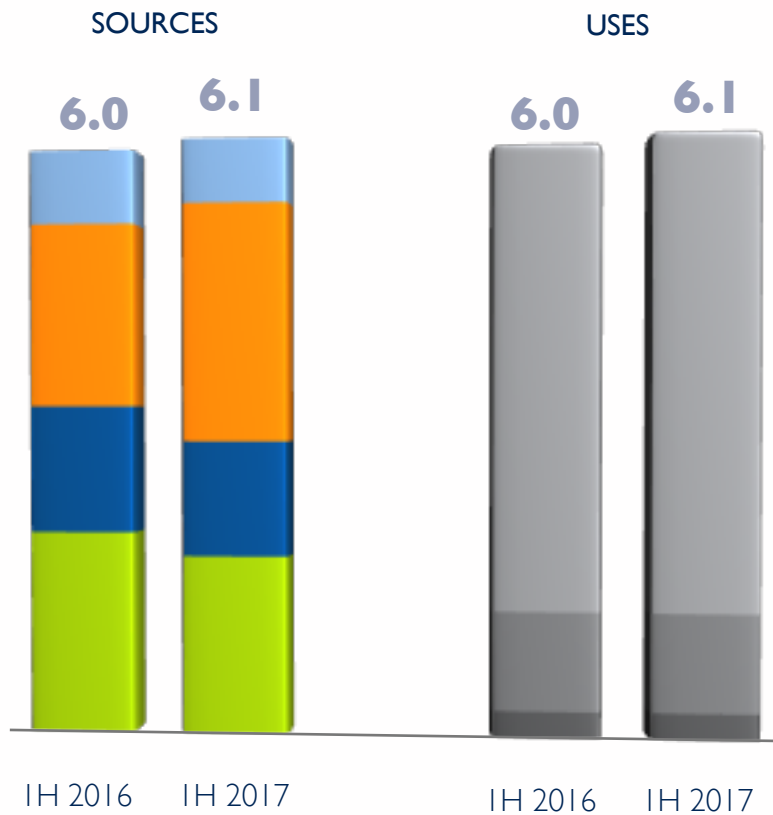


ENERGY PORTFOLIO

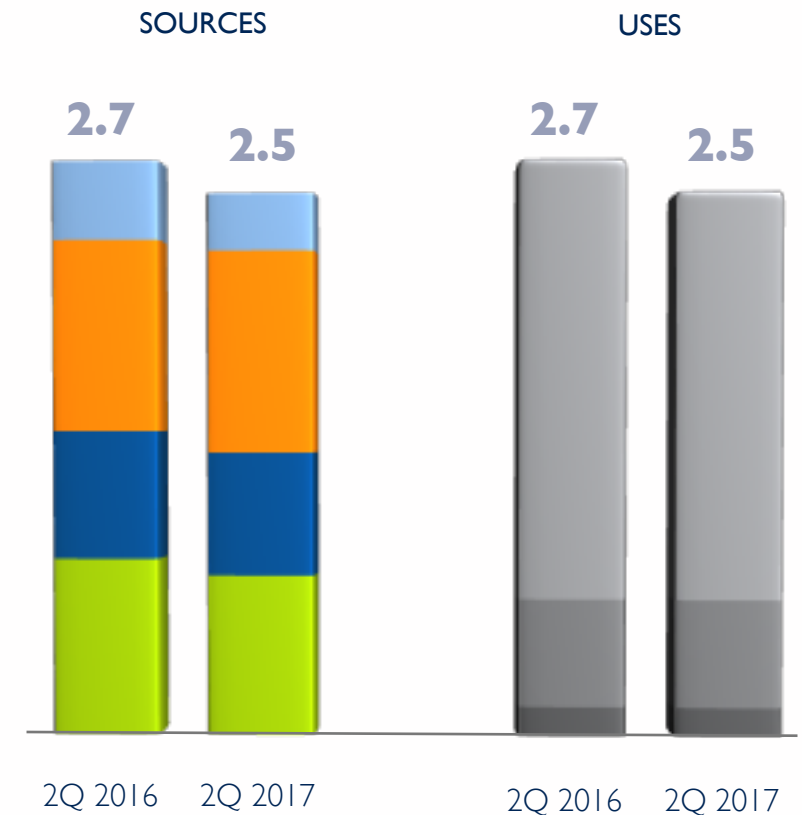


IH 2016 vs IH 2017 (TWh)

2Q 2016 vs 2Q 2017 (TWh)



- ELECTRICITY SOURCES:**
- WIND PRODUCTION
 - THERMO PRODUCTION
 - HYDRO PRODUCTION
 - PURCHASES
- ELECTRICITY USES:**
- SITE CLIENTS
 - BILATERAL
 - WHOLESALE



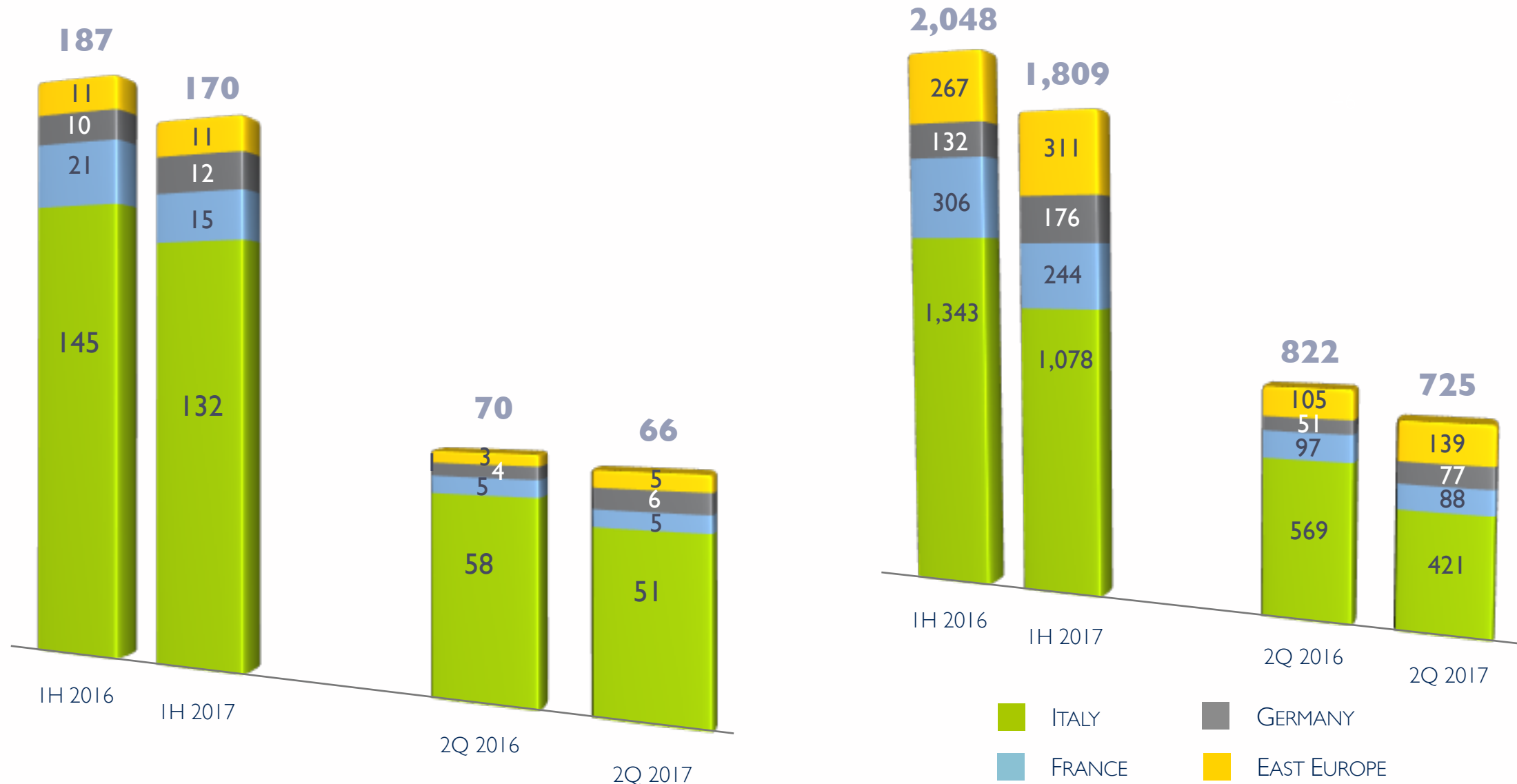


NON-PROGRAMMABLE RESULTS



Recurring Ebitda (€ mn)

Volumes (GWh)



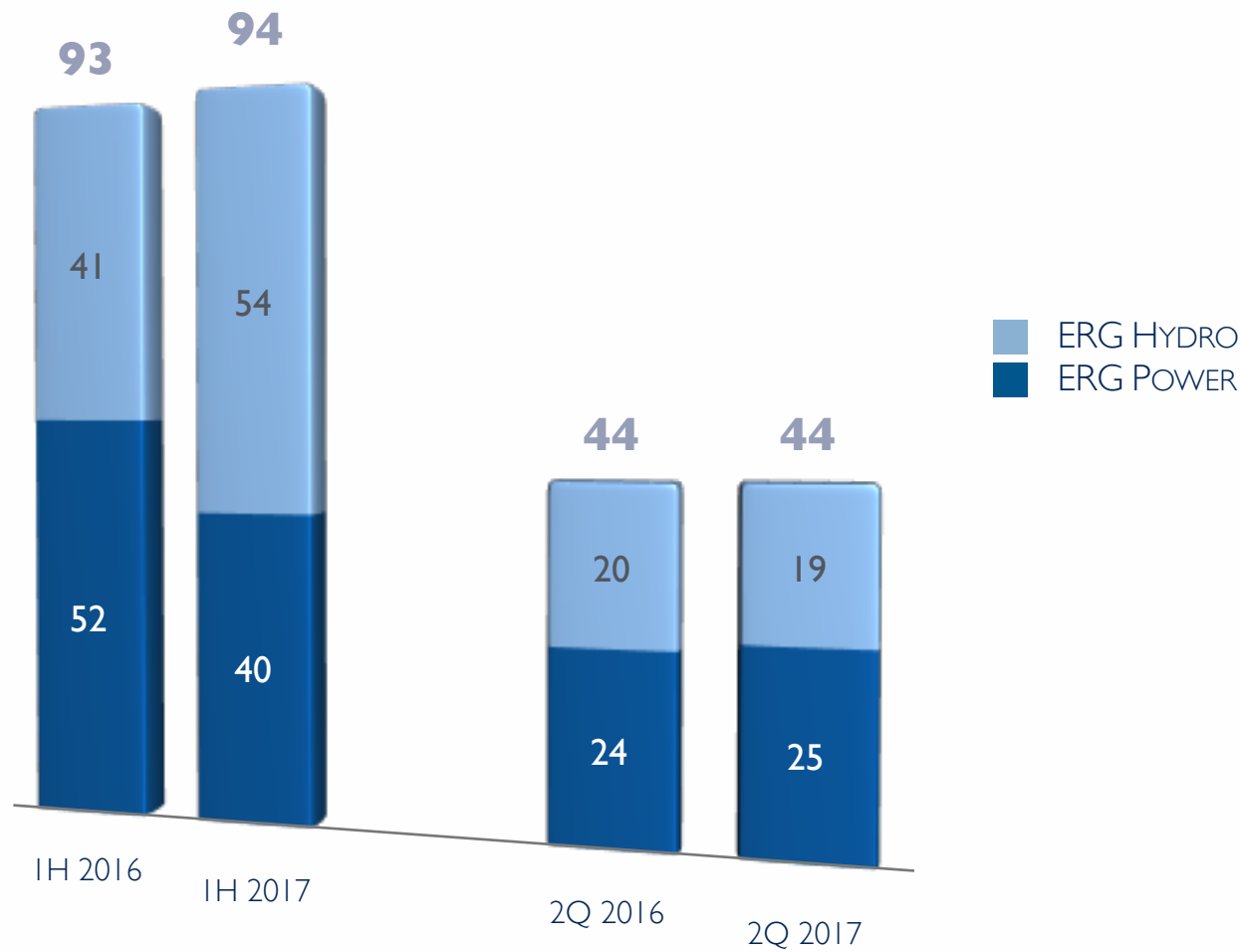
Tough wind conditions, only partially offset by consolidation of new assets



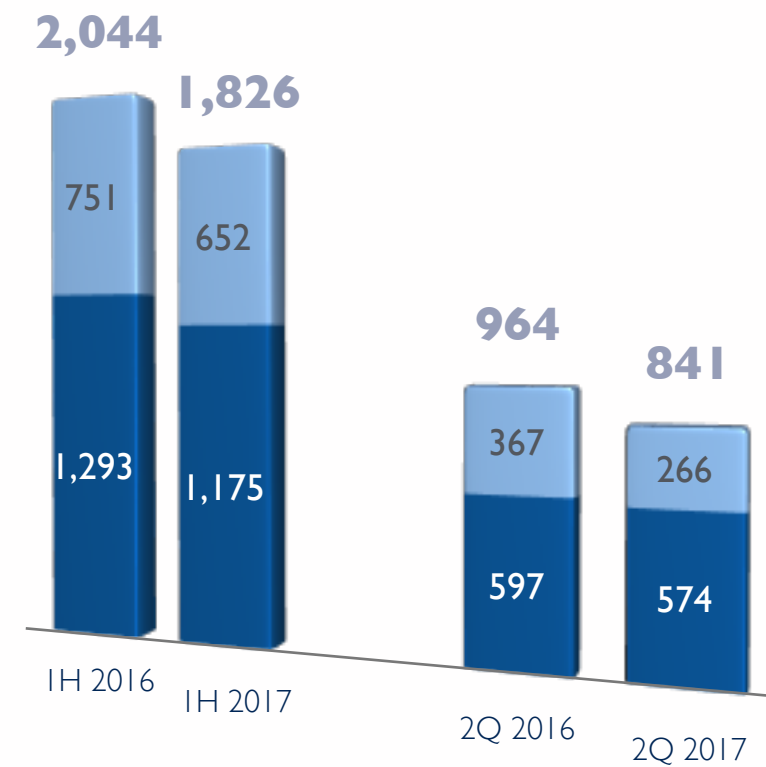
PROGRAMMABLE RESULTS



Recurring Ebitda (€ mn)



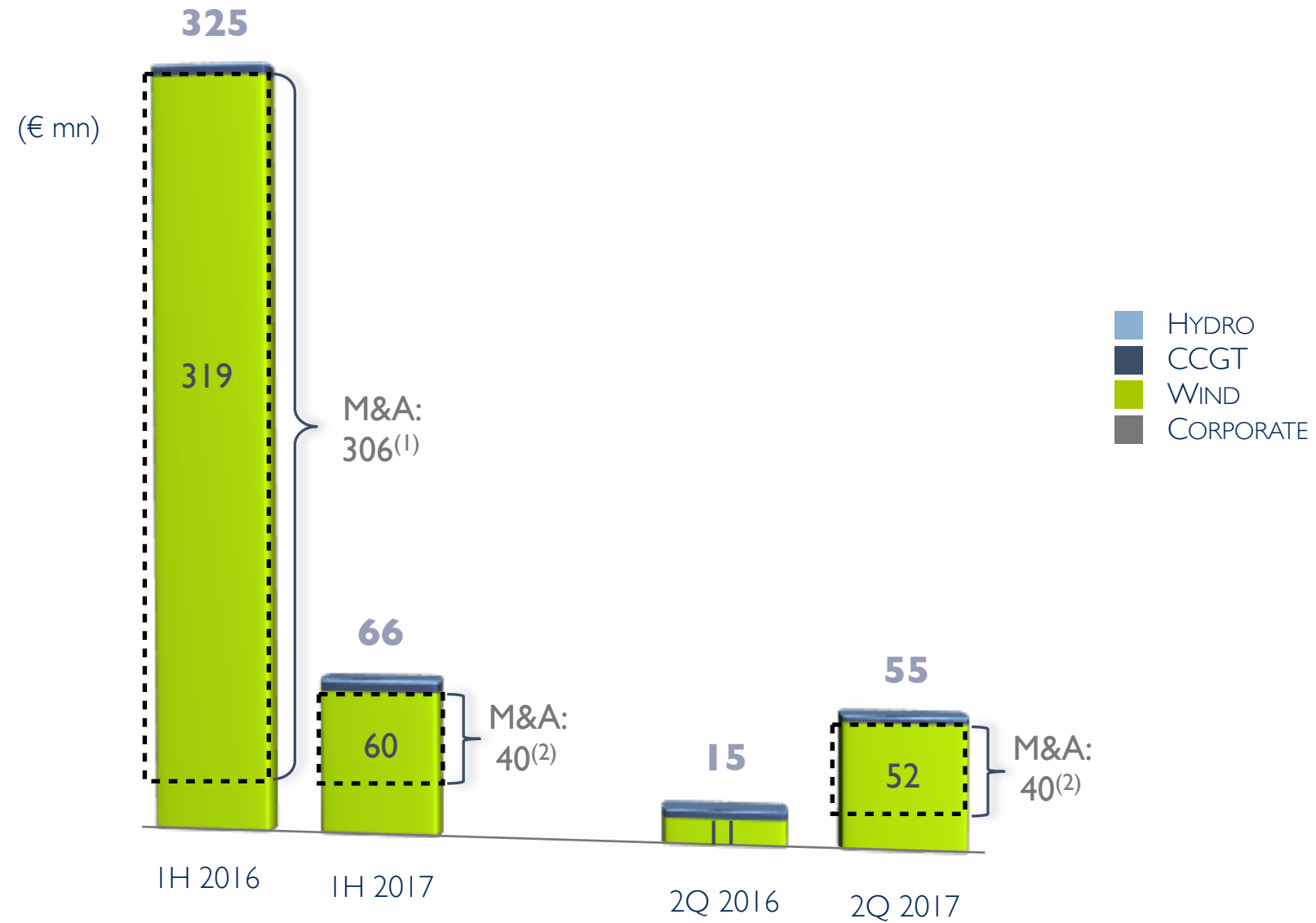
Volumes (GWh)



Dry season, end of Essential Unit Regime, offset by higher electricity and white certificates prices



INVESTMENTS



⁽¹⁾ M&A CAPEX related to the closing of IMPAX acquisition (which took place on February 2, 2016, amounting to €292mn) and Brockaghboy acquisition (€14mn)

⁽²⁾ M&A CAPEX related to the closing of DIF acquisition in Germany (€39.5mn), which took place on May 2, 2017.



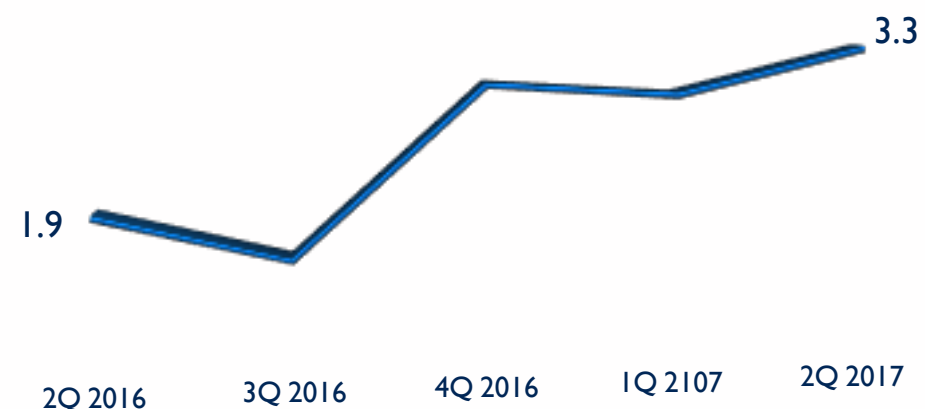
TOTALERG: KEY FIGURES⁽¹⁾



Industry Retail Fuels Volumes (M tons)



EMC Margin (\$/bbl)



IH 2017	IH 2016	Euro millions	2Q 2017	2Q 2016
87	53	Recurring EBITDA	47	23
47	17	Recurring EBIT	24	4
29	5	Recurring Net Profit	17	0
222	246	NFP	222	246
10.9%	11.0%	TOTALERG retail market share	10.9%	11.1%

⁽¹⁾ Figures refer to 100% of TOTALERG contribution



KEY FINANCIALS



PRO-FORMA RECURRING P&L

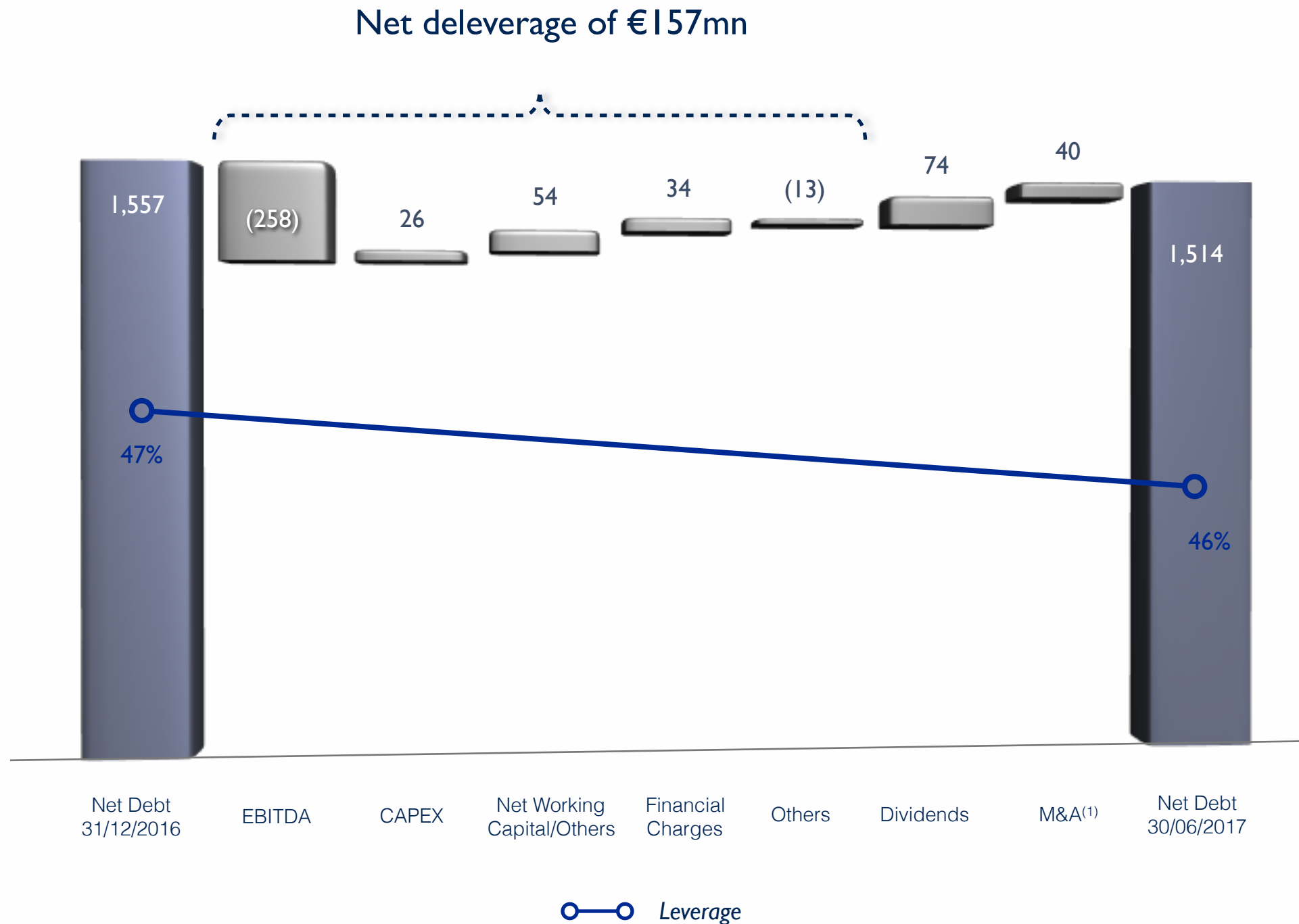


IH 2017	IH 2016	Euro millions	2Q 2017	2Q 2016
258	273	Recurring EBITDA	107	111
(126)	(129)	<i>Amortization and depreciation</i>	(64)	(65)
133	145	Recurring EBIT	43	46
(34)	(38)	<i>Net financial income (expenses)</i>	(18)	(19)
15	3	<i>Net income (loss) from equity investments</i>	9	0
113	109	Recurring Results before taxes	34	27
(26)	(31)	<i>Income taxes</i>	(7)	(10)
87	78	Recurring Results for the period	27	17
0	(4)	<i>Minority interests</i>	0	(0)
87	74	Recurring Net profit	27	17
23%	28%	Tax Rate	21%	37%

Note: figures based on NO GAAP measures



IH 2017 CASHFLOW STATEMENT



⁽¹⁾ Equity consideration for DIF acquisition (€39.5mn) in Germany

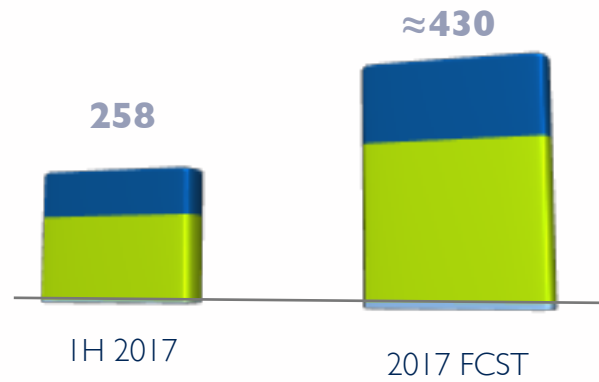


2017 GUIDANCE AND CONCLUSIONS

LUCA BETTONTE, CEO



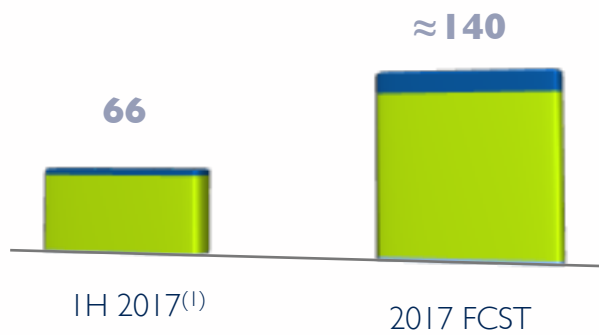
2017 GUIDANCE



EBITDA:

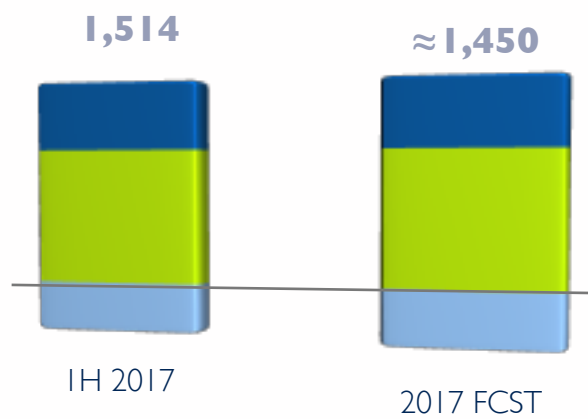
✓ Guidance confirmed at €430mn

■ PROGRAMMABLE
 ■ NON-PROGRAMMABLE
 ■ CORPORATE



CAPEX:

✓ Guidance confirmed at €140mn



NFP:

✓ Guidance confirmed at €1.45bn

■ LIQUIDITY
 ■ PF
 ■ OTHER AT MLT

Business Plan to be presented in December 2017

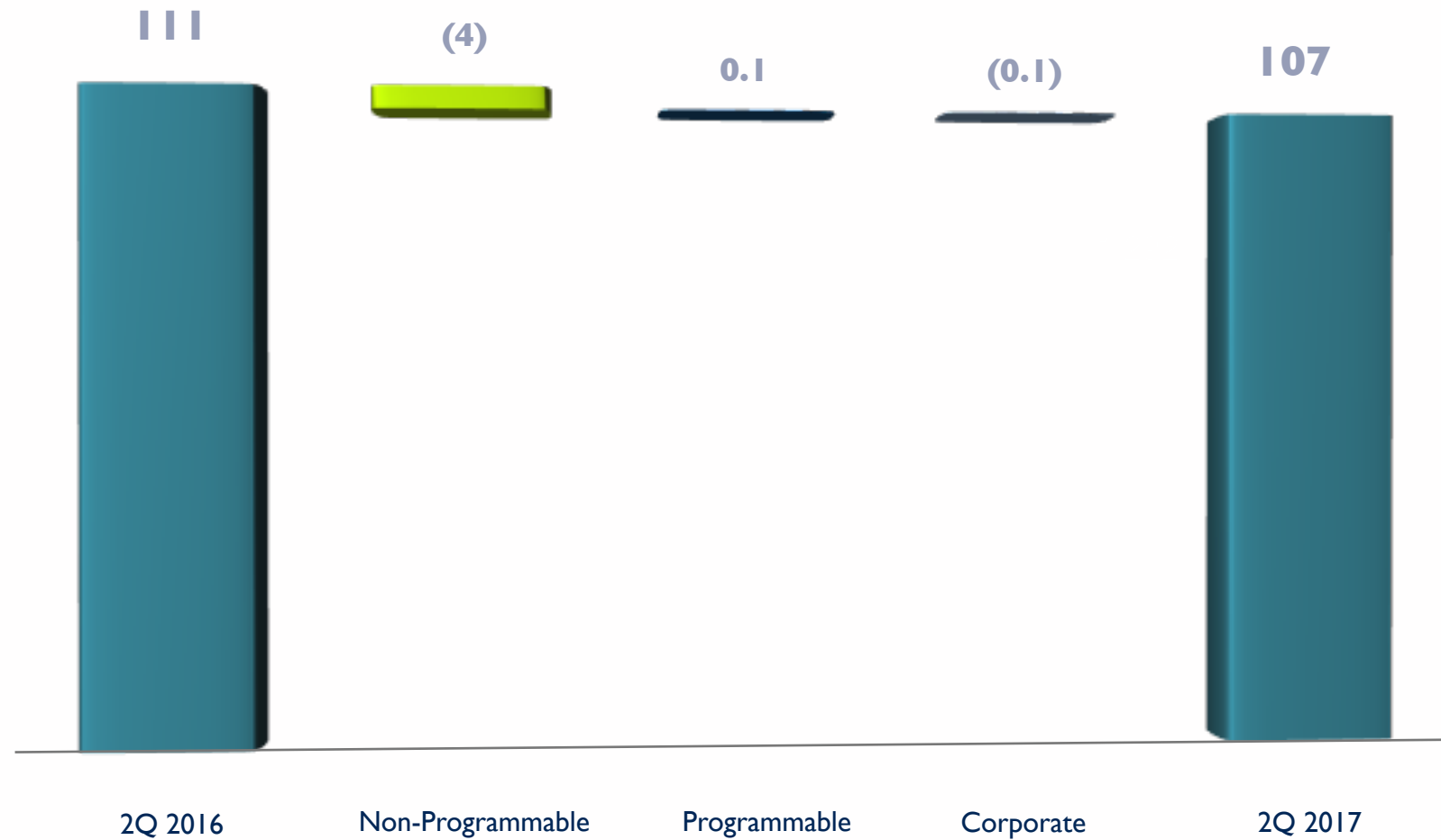
⁽¹⁾ It includes €39.5mn referred to the closing of DIF acquisition in Germany, which took place on May 2, 2017.



APPENDIX



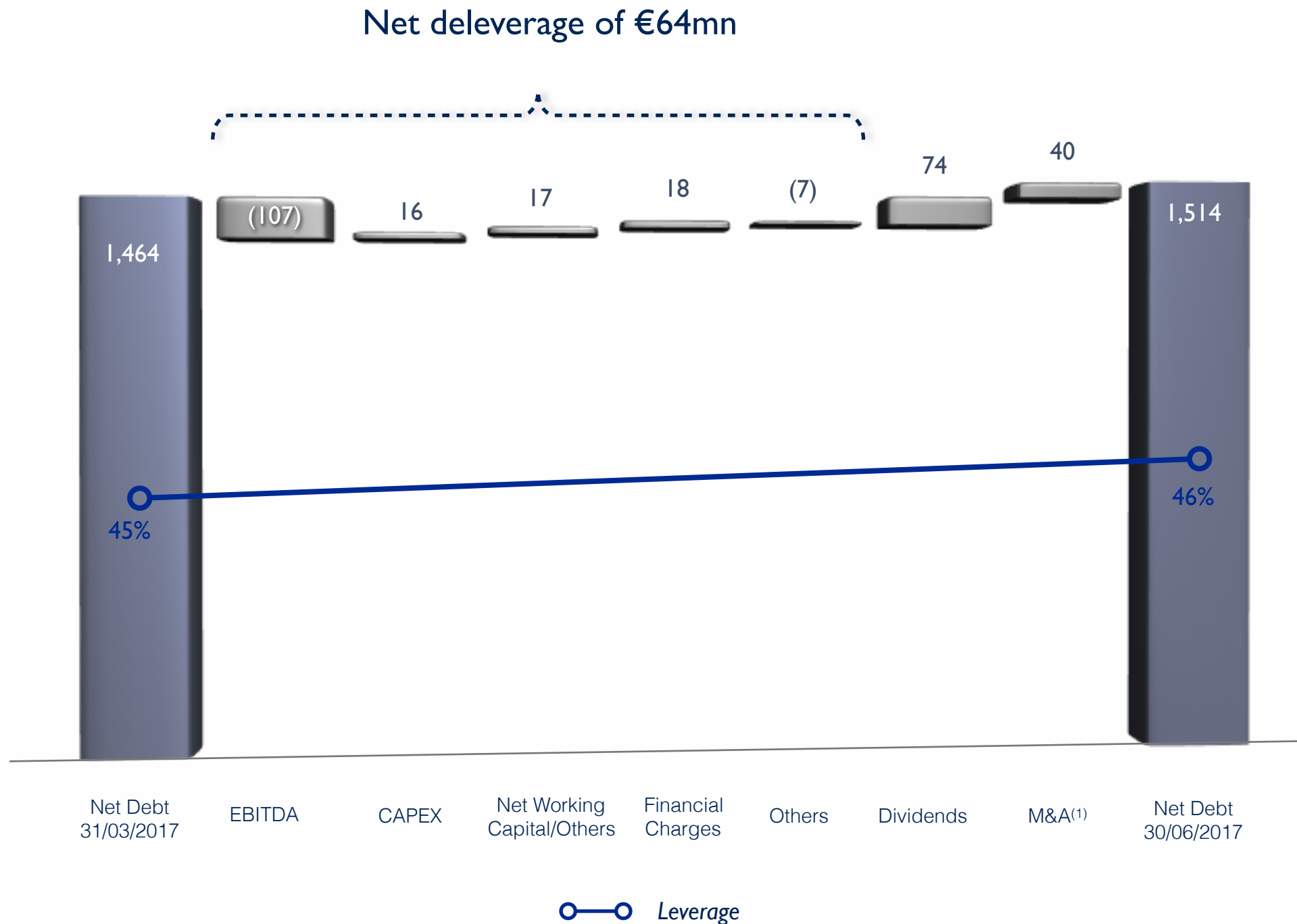
2Q 2017 GROUP EBITDA



Generalized slowdown in production, partly offset by rising prices



2Q 2017 CASHFLOW STATEMENT



⁽¹⁾ Equity consideration for DIF acquisition (€39.5mn) in Germany



IH AND 2Q 2017 RESULTS



	IH 2017	IH 2016	Euro millions	2Q 2017	2Q 2016	
	538	530	Revenues	236	235	
↓	258	274	Recurring EBITDA	107	111	↓
↓	170	187	- Non-Programmable	66	70	↓
			<i>of which:</i>			
	132	145	- Italy	51	58	
	38	41	- Abroad	15	12	
↑	94	93	- Programmable	44	44	=
			<i>of which:</i>			
	40	52	- Thermo	25	24	
	54	41	- Hydro	19	20	
=	(6)	(6)	- Corporate	(4)	(4)	=



NON-PROGRAMMABLE: KEY FIGURES (1/2)



IH 2017	IH 2016		2Q 2017	2Q 2016
1,768	1,720	Installed capacity (end-period, MW)	1,768	1,720
		<i>of which:</i>		
1,094	1,094	- Italy	1,094	1,094
252	252	- France	252	252
216	168	- Germany	216	168
82	82	- Poland	82	82
70	70	- Romania	70	70
54	54	- Bulgaria	54	54
1,809	2,048	Electricity Production (GWh)	725	822
		<i>of which:</i>		
1,078	1,343	- Italy	421	569
244	306	- France	88	97
176	132	- Germany	77	51
121	103	- Poland	58	40
112	89	- Romania	52	35
78	76	- Bulgaria	29	30



NON-PROGRAMMABLE: KEY FIGURES (2/2)



IH 2017	IH 2016	Euro millions	2Q 2017	2Q 2016
Recurring EBITDA:				
132	145	Italy	51	58
15	21	France	5	5
12	10	Germany	6	4
2	4	Poland	0	1
6	4	Romania	3	1
4	3	Bulgaria	2	1
170	187	Total Recurring EBITDA	66	70
(79)	(83)	Depreciation	(41)	(42)
91	104	Recurring EBIT	25	28



ERG POWER: KEY FIGURES



IH 2017	IH 2016	Euro millions	2Q 2017	2Q 2016
1,175	1,293	Electricity Production (GWh)	574	597
40	52	Recurring EBITDA	25	24
(16)	(15)	Depreciation	(8)	(7)
24	37	Recurring EBIT	17	17



ERG HYDRO: KEY FIGURES



IH 2017	IH 2016	Euro millions	2Q 2017	2Q 2016
652	751	Electricity Production (GWh)	266	367
54	41	Recurring EBITDA	19	20
(29)	(29)	Depreciation	(15)	(15)
25	12	Recurring EBIT	4	5



INVESTMENTS



IH 2017	IH 2016	Euro millions	2Q 2017	2Q 2016
60 ⁽²⁾	319 ⁽¹⁾	Non-Programmable	52 ⁽²⁾	11
5	5	Programmable	3	4
		<i>of which:</i>		
4	4	- Thermo	2	3
1	1	- Hydro	1	1
1	1	Corporate	1	0
66	325	Total	55	15

⁽¹⁾ IH 2016 figure includes M&A CAPEX related to the closing of IMPAX acquisition (which took place on February 2, 2016, amounting to €292mn) and Brockaghboy acquisition (€14mn)

⁽²⁾ M&A CAPEX related to the closing of DIF acquisition in Germany (€39.5mn), which took place on May 2, 2017.