



**2017 ANNUAL RESULTS  
AND 2018-2022 BUSINESS PLAN**

IR DAY - 8 MARCH 2018





## 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

- Alessandro Garrone (EVP):
  - Opening remarks: a new ERG with a new brand
  - A successful industrial transformation
  
- Paolo Merli (CFO):
  - FY 2017 Results
  
- Luca Bettonte (CEO):
  - 2018-2022 Business Plan
    - ✓ Business Model & Organization
    - ✓ Focus on technical know-how and expertise
    - ✓ Focus on ERG integrated Energy Management
    - ✓ The Energy transition: a profound change in competitive and regulatory environment
    - ✓ 2018-2022 Business Plan Targets
    - ✓ Closing remarks



# A NEW BRAND



1940-50s



1960-70s



1980-90s



1990-2000s



2000-07



2008-17



# SUCCESSFUL INDUSTRIAL TRANSFORMATION

ALESSANDRO GARRONE, EVP

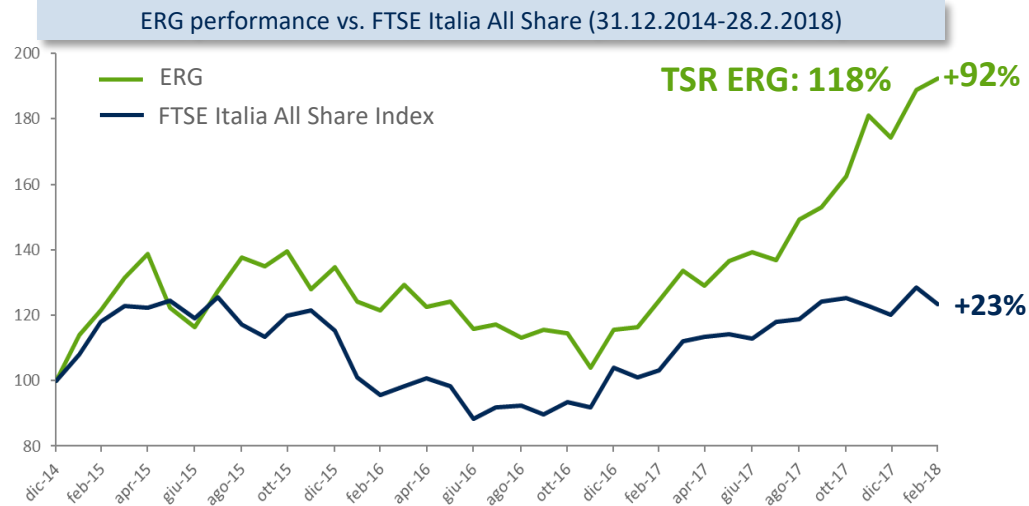
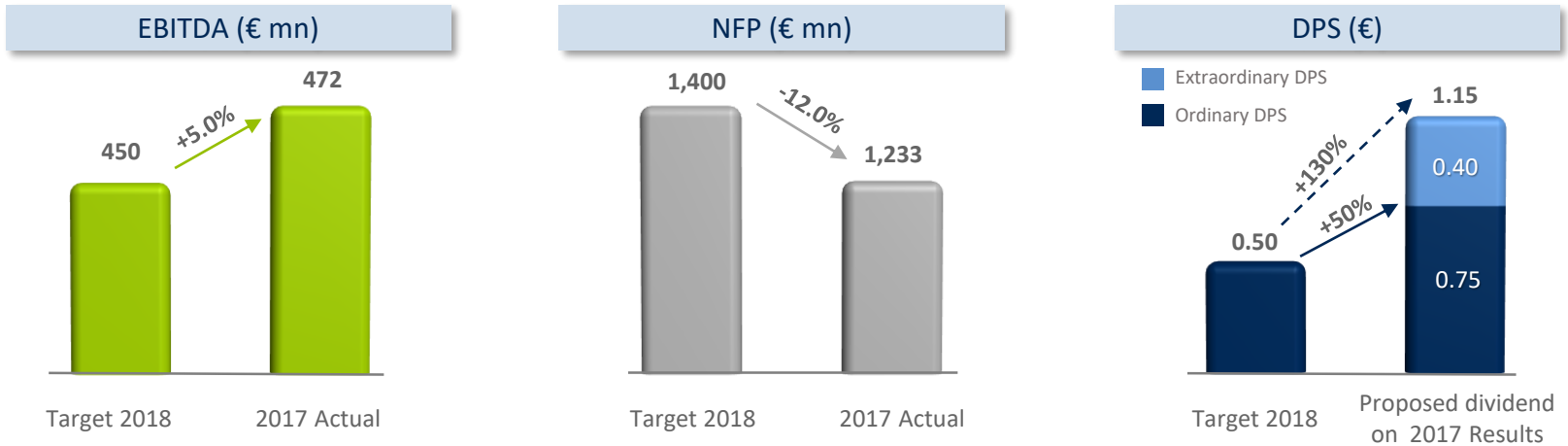
# 2015-2017: DELIVERY ON OUR STRATEGY



- 1 Consolidation of Hydro and Wind operations: extracted all synergies envisaged during the acquisition
- 2 Full Exit from Oil through the sale of TotalErg with significant value creation
- 3 Technological diversification completed through the recent entry into Solar
- 4 Best in class operational efficiency through O&M and TCM internalization
- 5 Peculiar EM Portfolio composition optimizing PAR
- 6 Set-up of a Business Development team with proven track-record



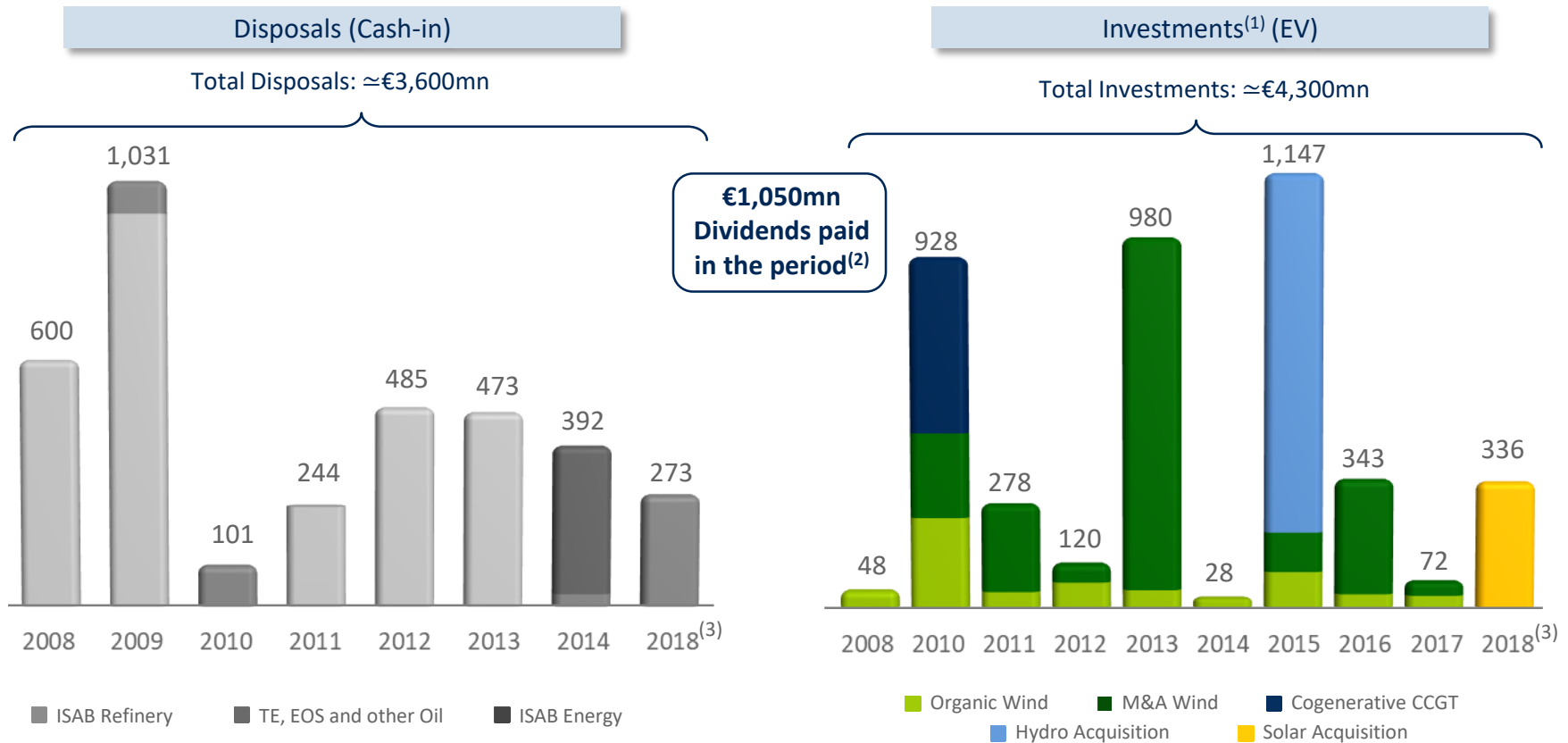
# 2015-2017: DELIVERY ON FINANCIAL TARGETS



- ✓ Financial targets achieved one year earlier
- ✓ Cash generation and remuneration to shareholders stronger than planned



# ERG INDUSTRIAL TRANSFORMATION



## Renewable diversification financed through oil-linked disposals and strong cash generation

<sup>(1)</sup> It refers to M&A and organic growth CAPEX

<sup>(2)</sup> It includes dividends to be paid in May 2018 (ca. €171mn with ordinary DPS at €0.75/sh and extraordinary DPS at €0.4)

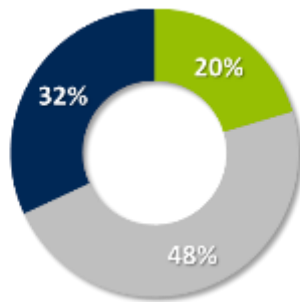
<sup>(3)</sup> 2018 includes TotalErg Disposal whose closing took place on January 10, 2018 with a partial cash-in of €85mn in 2017, and ForVEI acquisition (EV €337mn) whose closing took place on January 12, 2018



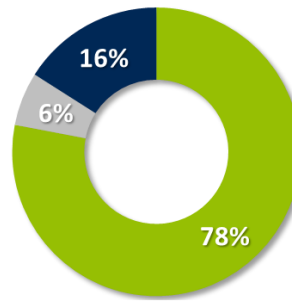
# INVESTED CAPITAL FULLY ROTATED TO RENEWABLES

Capital employed

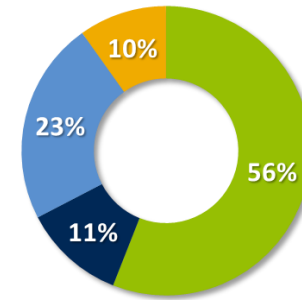
2008 (€2.2bn)



2014 (€2.1bn)



Pro Forma 1/1/2018<sup>(1)</sup> (€3.3bn)



● Oil

● Natural Gas

● Water

● Wind

● Sun

**From Oil to Renewables**

<sup>(1)</sup> It includes TotalErg Disposal whose closing took place on January 10, 2018 with a partial cash-in of €85mn in 2017, and ForVEI acquisition whose closing took place on January 12, 2018



# MAIN CSR ACHIEVEMENTS



- Emission reduced leveraging on increased renewable installed capacity
- Carbonization Index: -87% from 2008
- Increased plant efficiency

# ERG STRICT CORPORATE GOVERNANCE MODEL...



- A strict financial discipline on investments (organic and M&A) through:
  - **Strategic Committee** (EVP, CEO, 2 Board Members)
  - **Investment Committee** (CEO, CFO, Management Team)
- **Strong risk management policy:**
  - **new risk policy** to ensure the hedging policy of the generation portfolio
- **Full Alignment of interests between Top Management and shareholders through:**
  - a launch of a new **LTI compensation scheme** subject to EGM approval **fully based on shares**

# ...RECOGNIZED ALSO BY EXTERNAL INSTITUTIONS





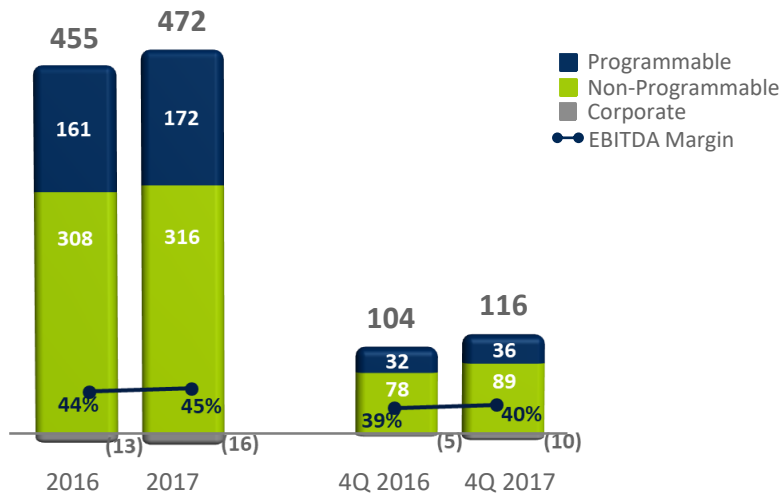
# 4Q AND FY 2017 RESULTS

PAOLO MERLI, CFO

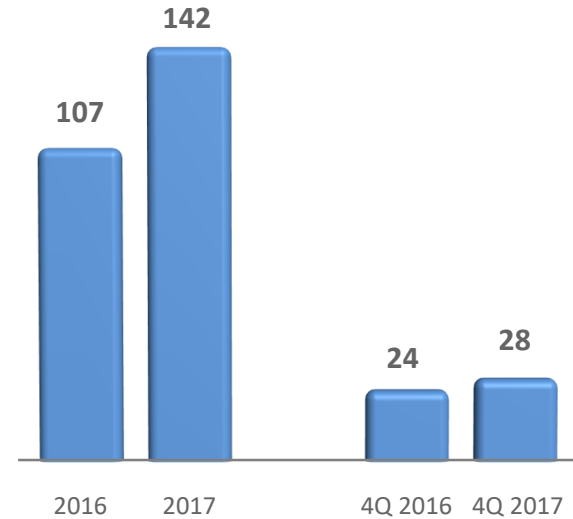


# HIGHLIGHTS: KEY FIGURES

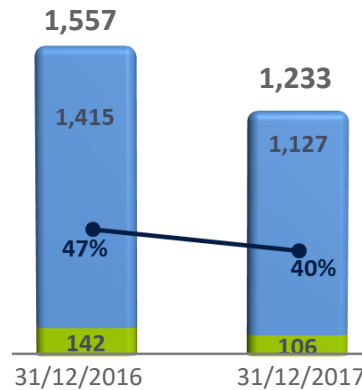
### Recurring EBITDA (€ mn)



### Recurring Net Profit (€ mn)



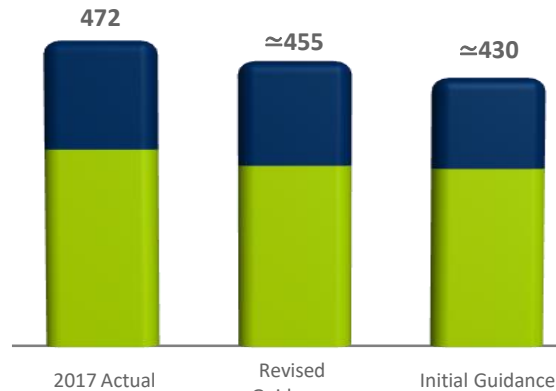
### NFP (€ mn)



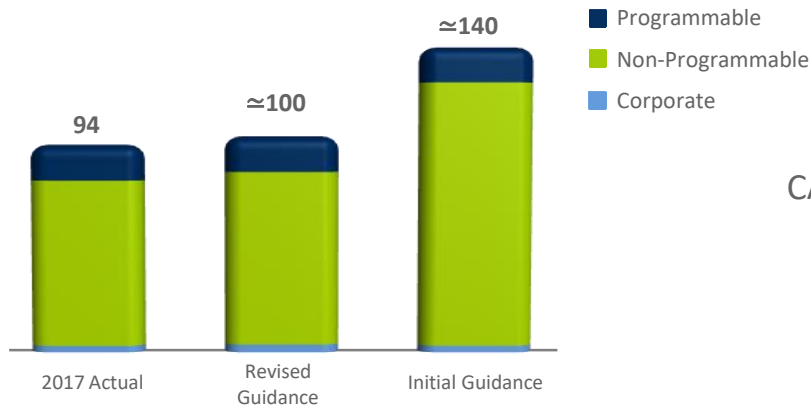
Strong operating results & cash generation



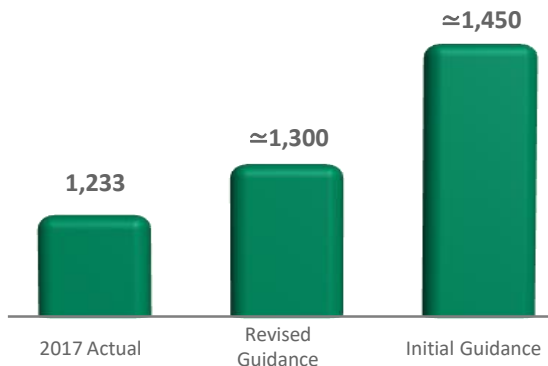
# FY 2017 RESULTS VS GUIDANCE



EBITDA: +10% vs. initial guidance and +5% vs. revised guidance



CAPEX: broadly in line with revised guidance

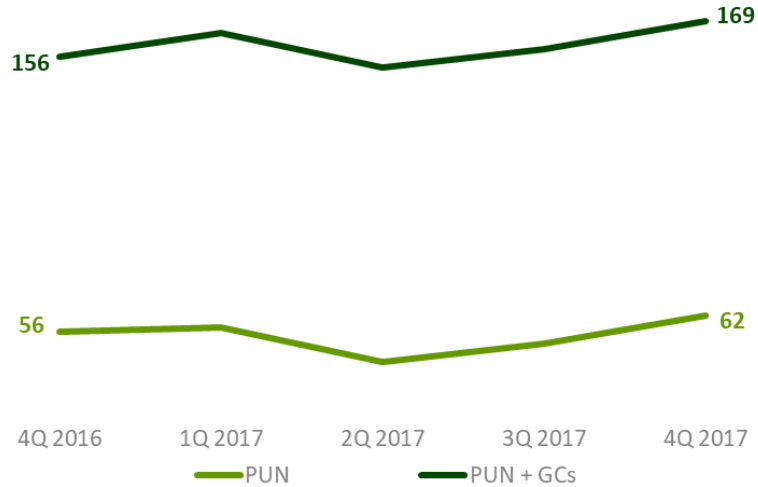


NFP: -15% vs initial guidance and -5% vs. revised guidance

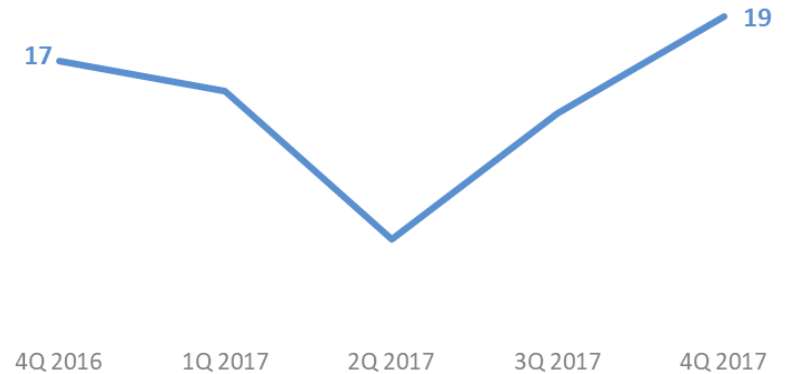


# BUSINESS ENVIRONMENT

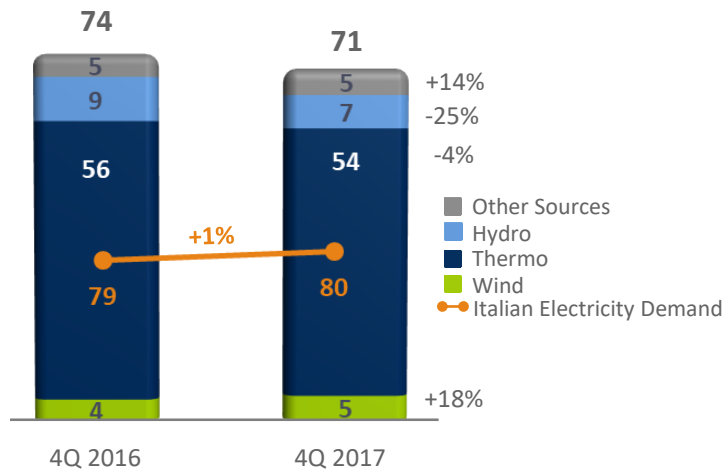
Electricity Prices in Italy (€/MWh)



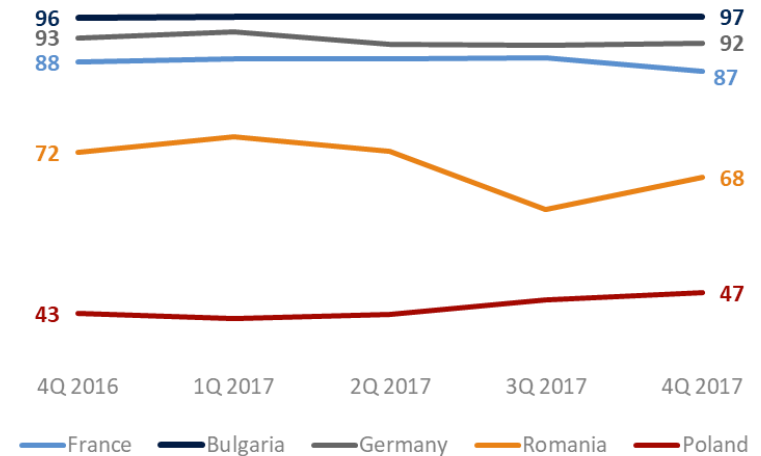
Baseload Spark Spread in Italy (€/MWh)



Italy: Electricity Production vs Demand (TWh)



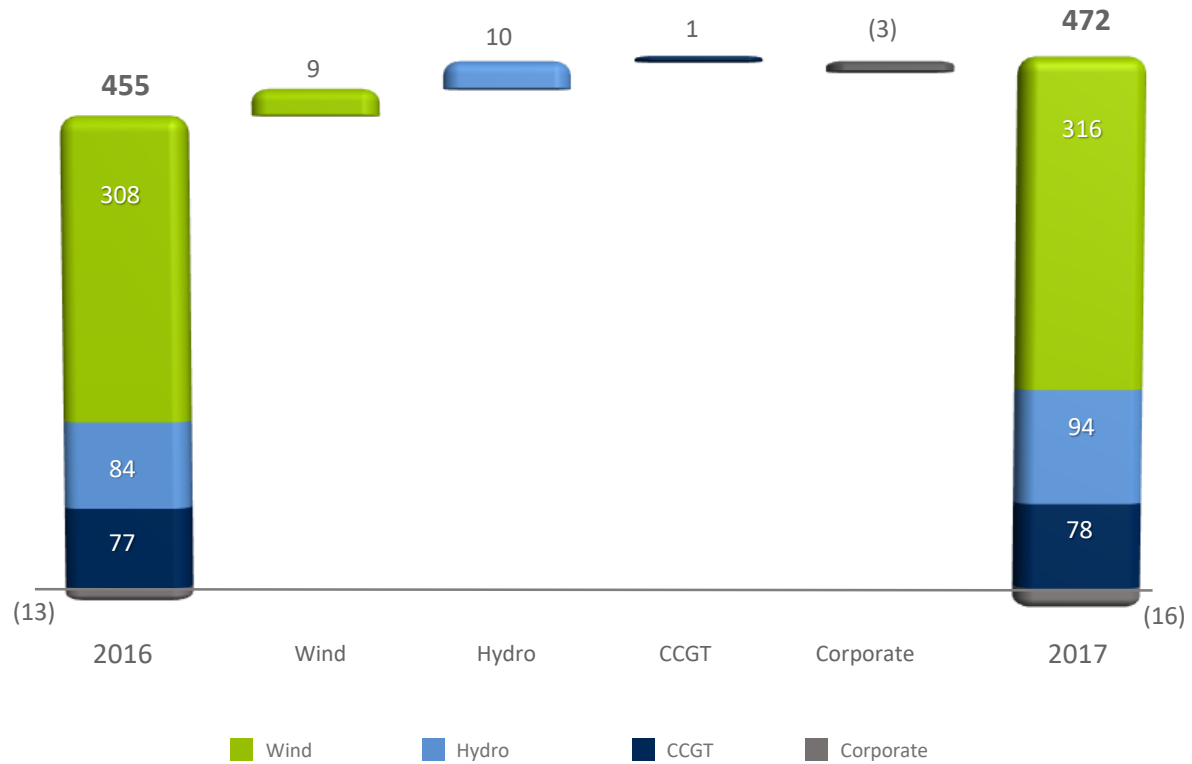
All-in Wind Prices abroad (€/MWh)





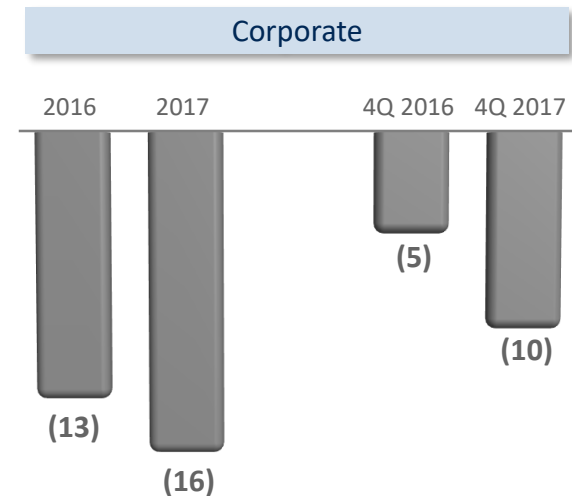
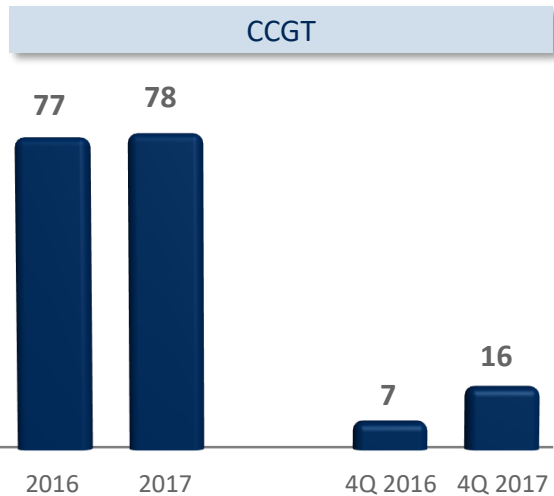
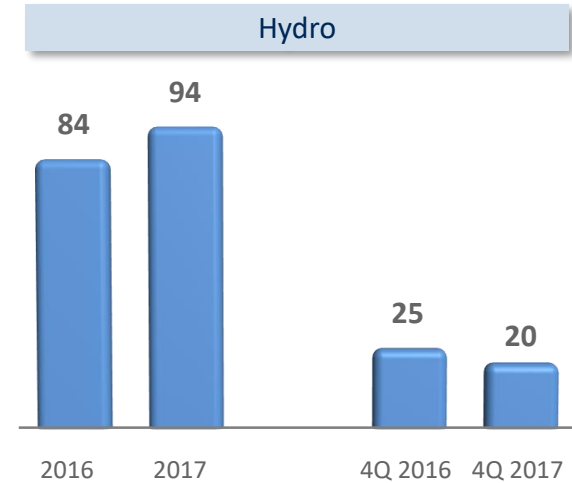
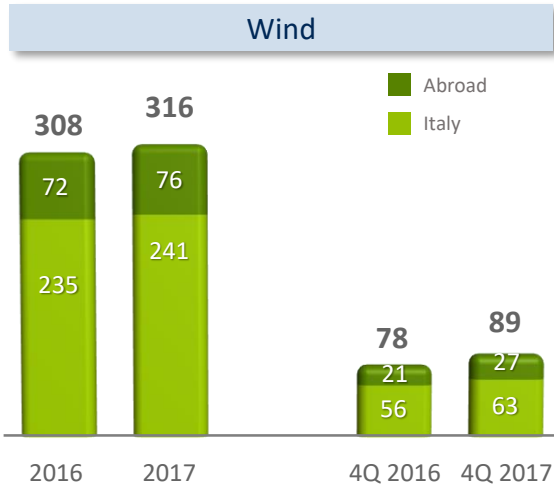


# 2017 EBITDA EVOLUTION



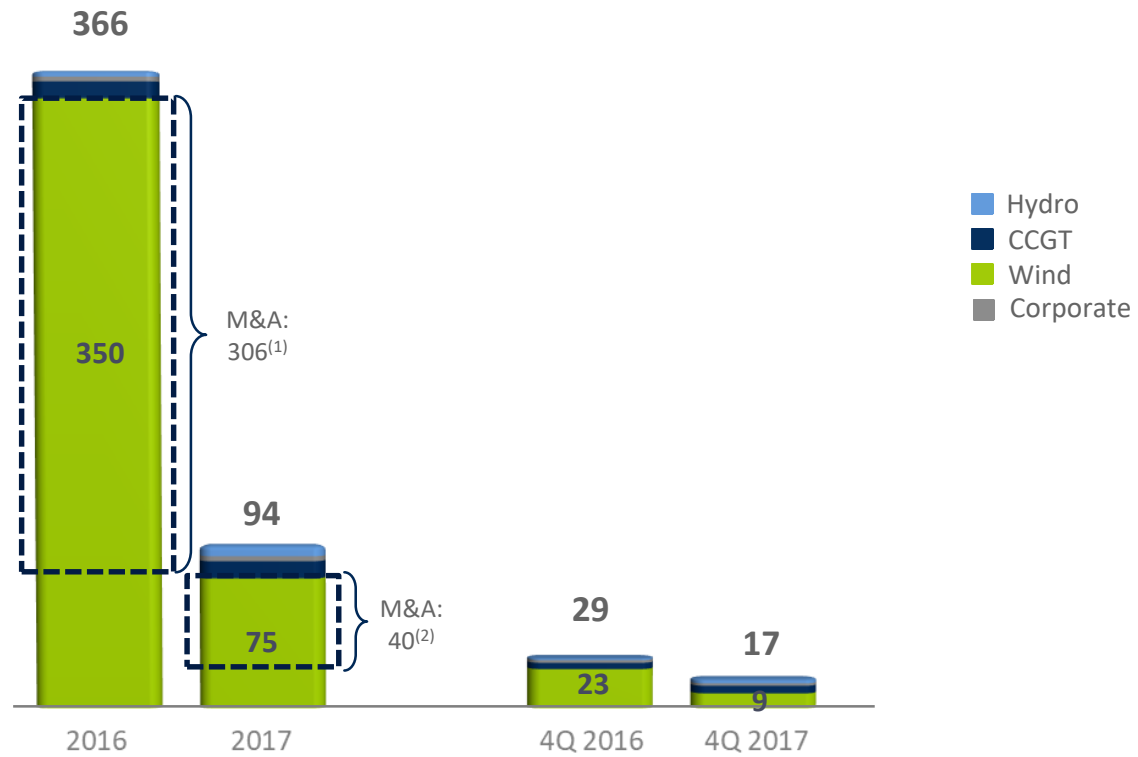


# 2017 AND 4Q 2017 EBITDA





# INVESTMENTS



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

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



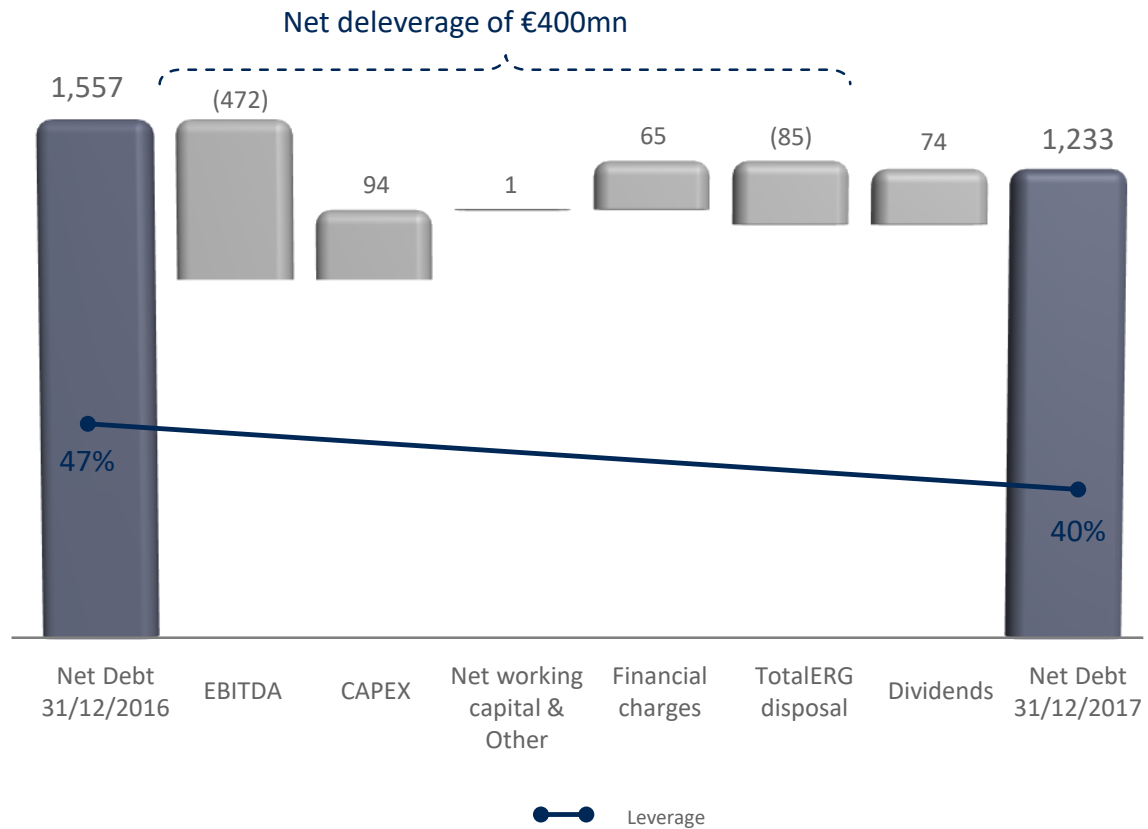
# PRO-FORMA RECURRING COSTS P&L

2017	2016	Euro millions	4Q 2017	4Q 2016
472	455	Recurring EBITDA	116	104
(252)	(254)	<i>Amortization and depreciation</i>	(64)	(60)
220	202	Recurring EBIT	52	44
(66)	(76)	<i>Net financial income (expenses)</i>	(16)	(20)
23	15	<i>Net income (loss) from equity investments</i>	(2)	4
178	141	Recurring Results before taxes	34	28
(36)	(30)	<i>Income taxes</i>	(5)	(3)
142	110	Recurring Results for the period	28	24
0	(3)	<i>Minority interests</i>	0	0
142	107	Recurring Net Profit	28	24
20%	22%	Tax Rate	16%	12%

Note: figures based on NO GAAP measures



# 2017 CASH FLOW STATEMENT





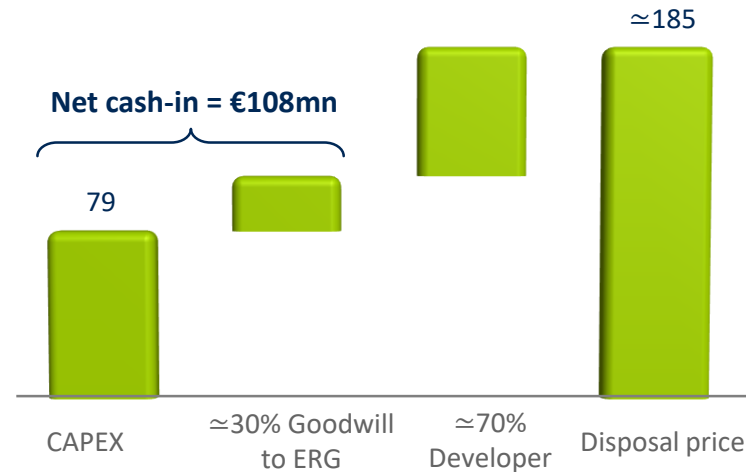
# BROCKAGHBOY DISPOSAL

## Deal description

- Brockaghboy wind farm construction ended in October 2017
- The agreements with the Developer entailed, after the NIROs accreditation, that:
  - ERG had the right to make an offer to the Developer in order to maintain the property of the wind farm
  - If that Offer was refused, then ERG and TCI had to launch competitive process for Brockaghboy disposal
- ERG and TCI signed the Brockaghboy disposal to Greencoat on March 7, 2018 at an EV of €185mn

## Strategic rationales

- Disposal multiples (€3.9mn/MW) more consistent to an infrastructural investment rather than industrial
- Cash proceeds to finance ERG growth in the renewables

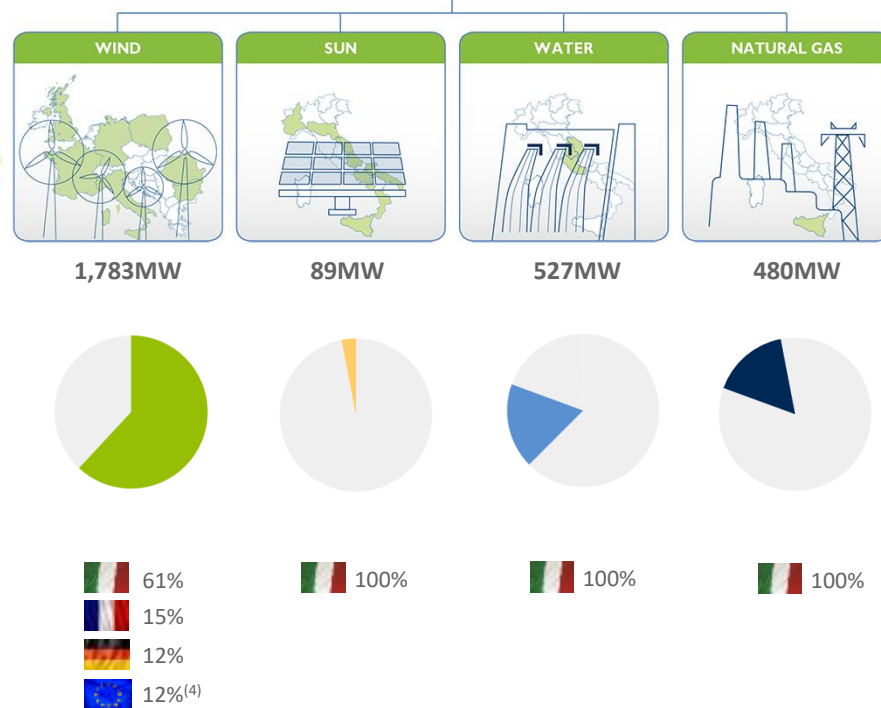
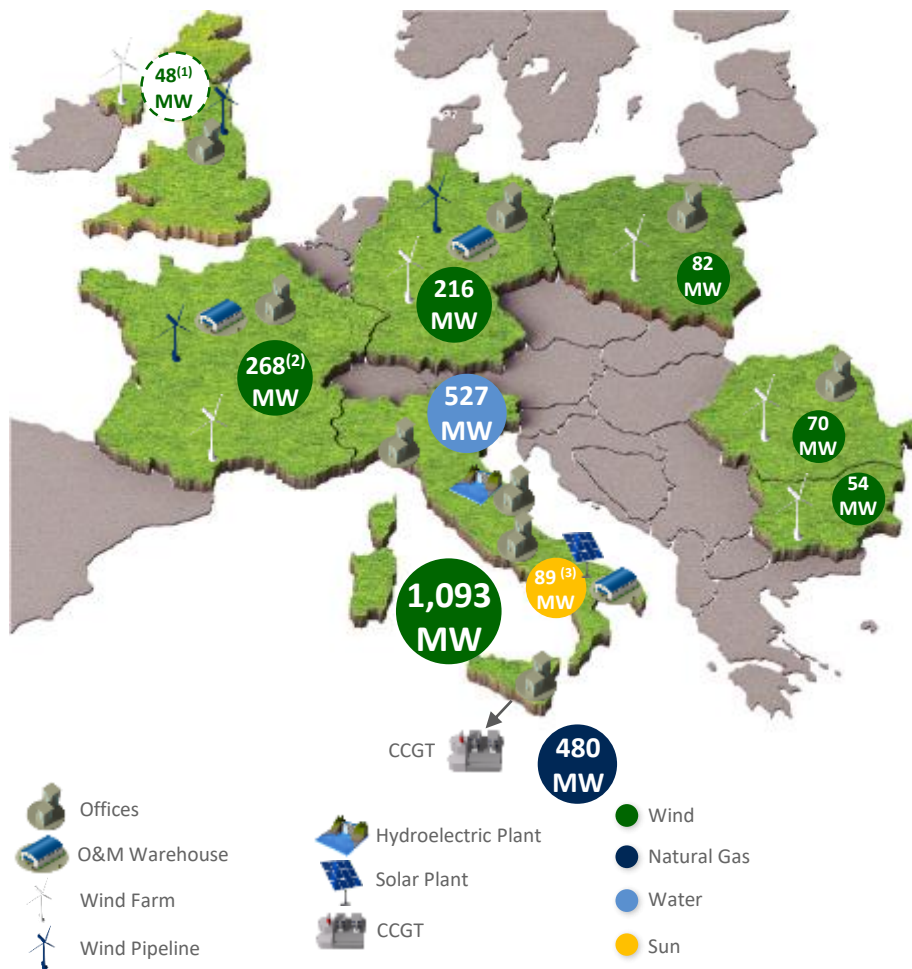




# ERG 2018-2022 BUSINESS PLAN

LUCA BETTONTE, CEO

# EU LEADING RENEWABLE IPP



<sup>(1)</sup> Asset disposed at €185mn on March 7, 2018

<sup>(2)</sup> It includes also Vent D'Est wind farm (16.25MW), whose closing will take place in 1H 2018

<sup>(3)</sup> It refers to the recent acquisition of ForVEI, whose closing took place on January 12, 2018

<sup>(4)</sup> It refers to Romania, Bulgaria and Poland



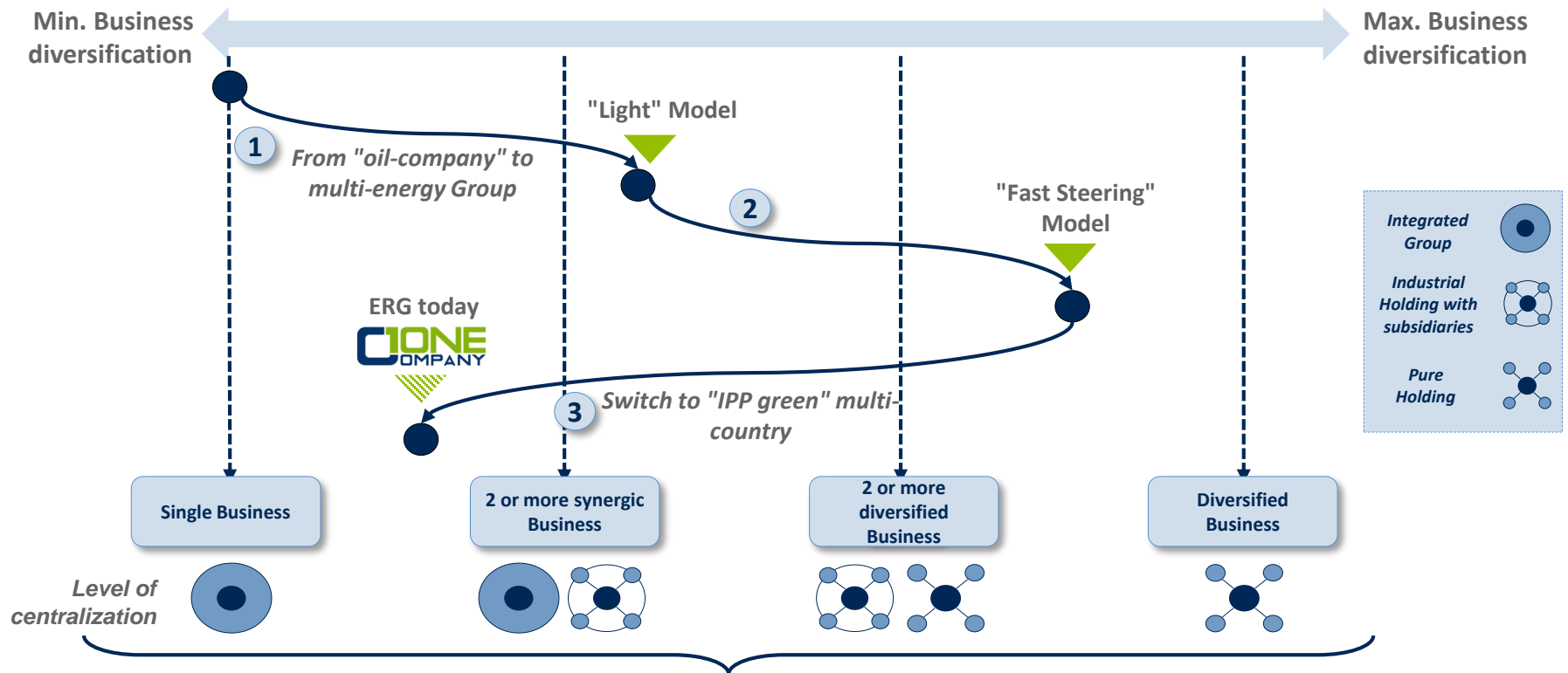


# BUSINESS MODEL AND ORGANIZATION



# ERG CHANGE MANAGEMENT APPROACH

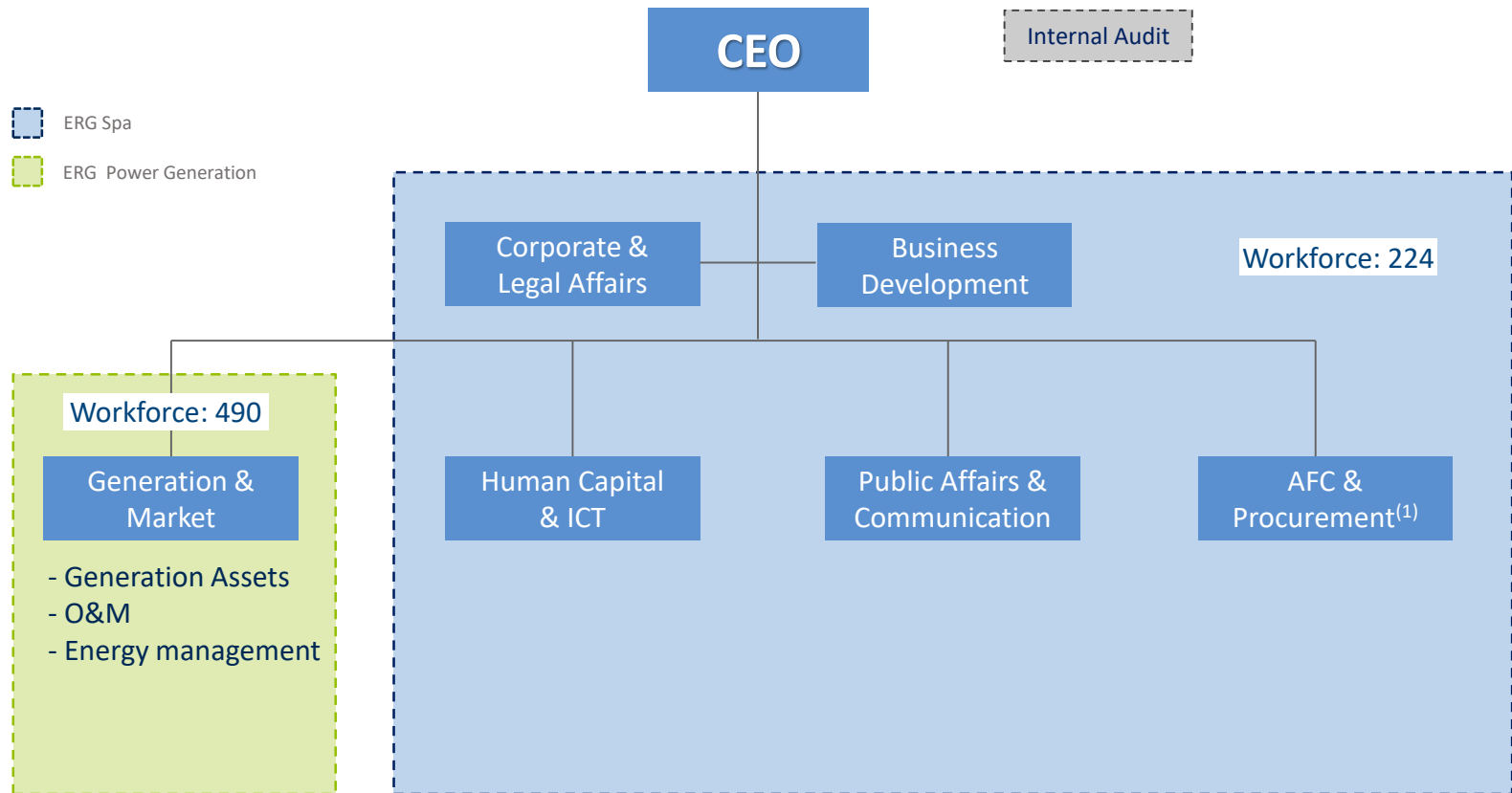
## FLEXIBLE MINDSET



- **Organizational changes** always consistent with business model (from "Multi Energy" to "IPP green")
- Synergies between staff & lines
- **Flexible mindset** to cope with a changing business environment



# CIONE COMPANY : A LEAN ORGANIZATION TO SPEED UP DECISION MAKING PROCESS



<sup>(1)</sup> It includes Group Administration, Finance, Planning & Control, Investor Relations, M&A, Corporate Finance & Group Risk Management, and Procurement



## WHERE LEVERS MATCH ACCOUNTABILITY

		GEN & MARKET	AFC & PROC	HC & ICT	PA & C	BD	CORP & LEG AFF	
ERG Power Generation Spa	Business levers	Energy Management	✓					
		Market (Com.al)	✓					
		Regulatory	✓					
		Operations / Asset Mgmt	✓					
		Maintenance	✓					
		E&C	✓					
		Procurement		✓				
		Business Development					✓	
ERG Spa	Corporate levers	Energy Risk Management		✓				
		Finance		✓				
		M&A		✓				
		Institutional Relations				✓		
		Human Capital & ICT			✓			
		Legal Risk Management						✓
		6	3	1	2	1	1	
<div style="border: 1px dashed gray; padding: 5px; display: inline-block;">No Overlapping levers</div>								



A BEST IN CLASS TECHNICAL EXPERTISE



# WIND: O&M OPERATING CENTERS

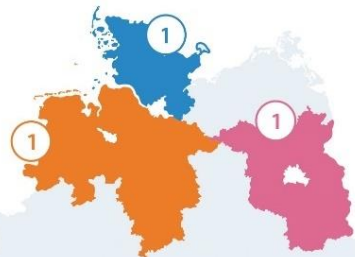
## Italy

- Basilicata**  
Forenza
- Sardinia**  
Bortigiadas  
Ploaghe
- Campania**  
Montaguto  
Montefalcone  
Vallata
- Puglia**  
Alberona
- Molise**  
Monacilioni
- Sicily**  
Camporeale  
Carlentini
- Calabria**  
Catanzaro



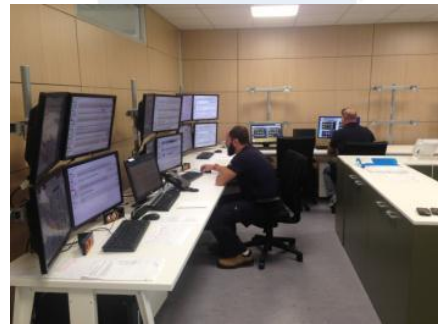
## Germany

- Lower Saxony**  
Celle
- Schleswig-Holstein**  
Brunsbüttel
- Brandenburg**  
Cottbus



## France

- Centre**  
Chartres

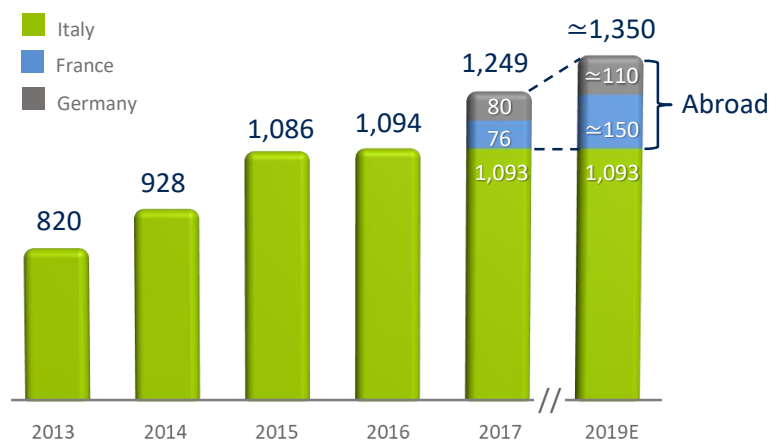


- **15 Operating Centers** close to wind farms to ensure **proper response time**
- New operating centers in France & Germany built on Italian Know-how
- Carlentini operating center (Sicily) also acts as **24/7 control room** for the whole European fleet

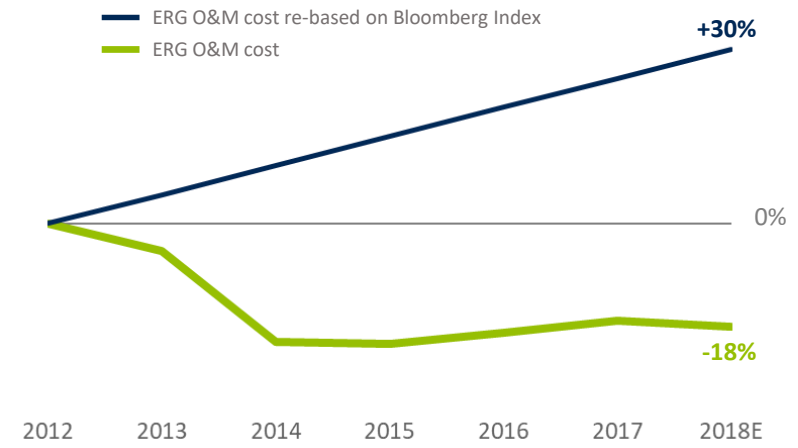


# WIND O&M INSOURCING AS A VALUE LEVER

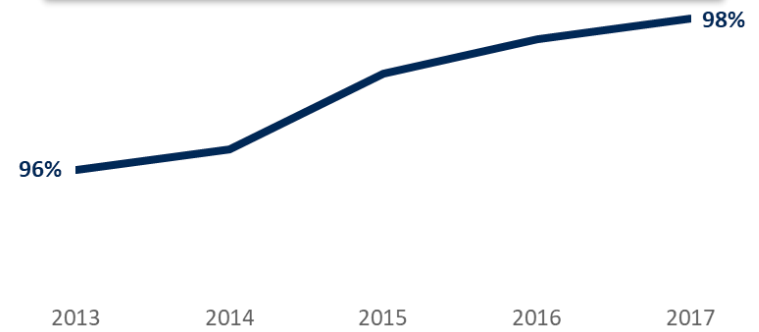
### Progressive O&M internalization (MW)



### O&M operations cost reduction (%)



### Wind farm availability factor (%)



- ✓ Significant O&M costs reduction in Italy (down 25% on average)
- ✓ Constantly delivering excellent performance of wind assets

# CBM<sup>(1)</sup> AS A LEVER FOR EFFICIENCY AND LIFE EXTENSION



## The concept

To perform the maintenance when the status of the WTG main components require it, based on CMS (*Condition Monitoring Systems*) data and their interpretations

## Enablers

- CMS Systems
- Interpretation capabilities
- Procedures
- Warehouse and logistics
- Trained technicians
- High quality ordinary maintenance

## Expected benefits

**Reduction of downtimes and energy losses**



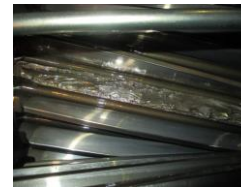
- Advance planning for interventions
- in accordance to wind forecasts

**Reduction of repair costs**



- Lower cost of components and civil works

**In-depth know-how of the WTG and its components**



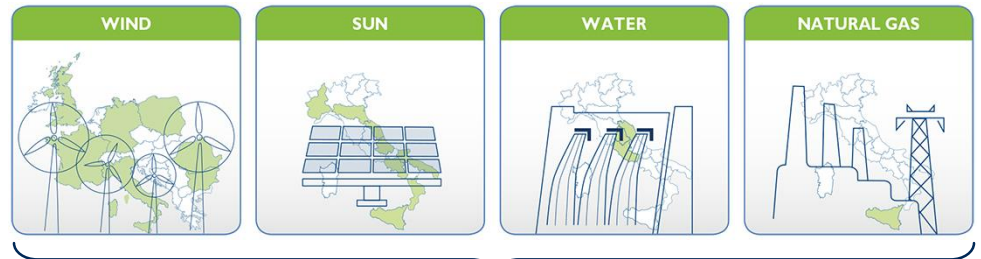
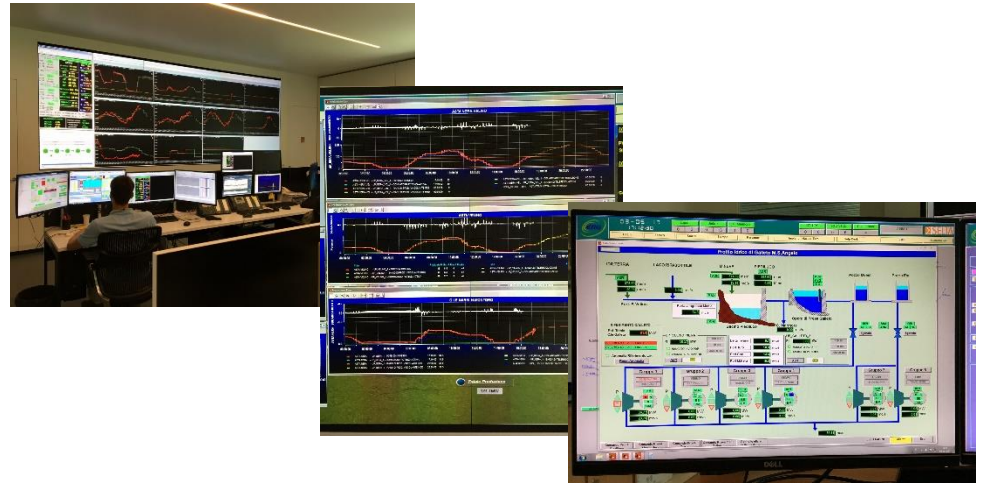
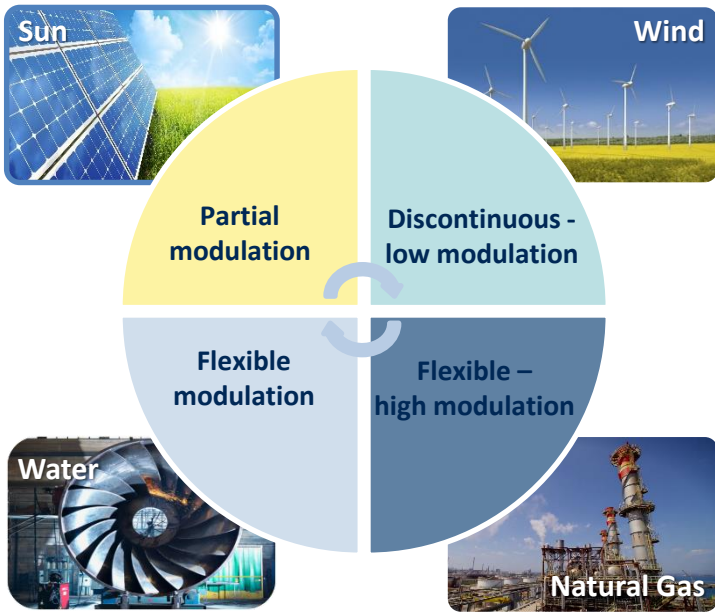
- Increased levers for optimizing WTG performance
- Reduction/optimization of mechanical stresses to increase useful life

- ✓ Further cost reduction
- ✓ First mover in installing advanced sensing systems
- ✓ First step for life extension of assets

<sup>(1)</sup> Condition Based Maintenance



# ENERGY MANAGEMENT AS A KEY SUCCESS FACTOR



**Production 2017:  $\approx 7\text{TWh}$   
 Total Energy Portfolio including Hedging:  $\approx 12\text{TWh}$**

**2018 expected PAR @YtDay down 50% thanks to hedging strategy**



# THE ENERGY TRANSITION: A PROFOUND CHANGE IN COMPETITIVE AND REGULATORY ENVIRONMENT

# EXPECTED HIGHER RENEWABLES PENETRATION



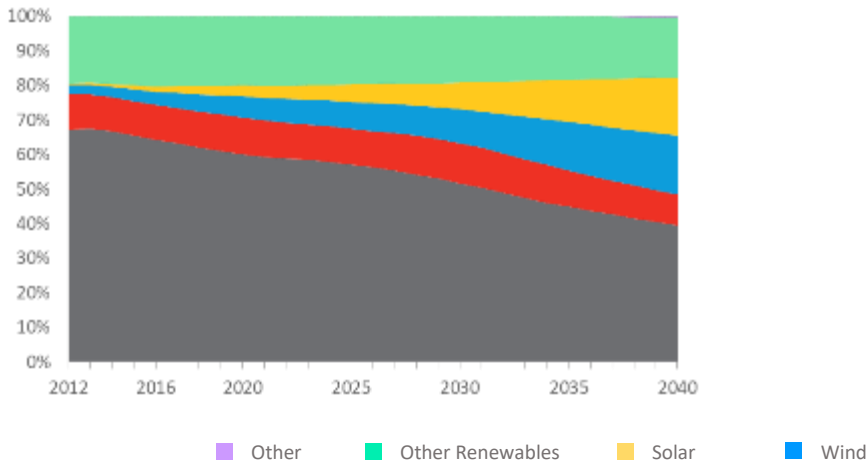
## RENEWABLES TO INCREASE PENETRATION WORLDWIDE

- In 2017 RES overtook coal in supplying electricity
- Decarbonization: by 2040 40% of generation will come from renewables

## A FOCUS ON EUROPE

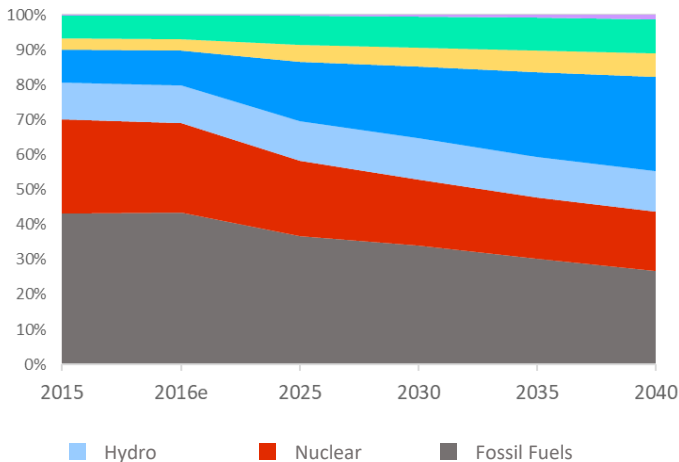
- **Clean Energy Package** to be finalized in 2018: 2030 target for RES on gross consumption 27-35%
- **EU ETS Reform** (2021-2030) stronger price signals to enable energy decarbonization
- **Capacity market** introduction will soften pressure on traditional sources and facilitate transition

Generation mix by technology Worldwide



Source: Bloomberg New Energy Finance, 5/12/2017

Generation mix by technology in Europe



Source: WEO 2017, IEA

# REGULATORY AND COMPETITIVE GAME CHANGERS



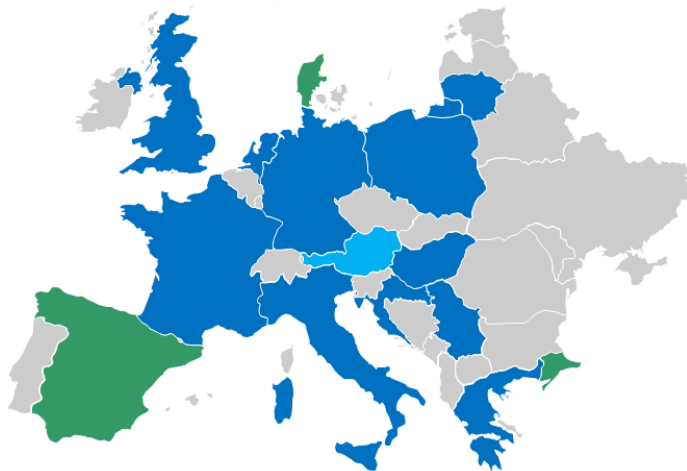
## FROM INCENTIVES TO AUCTIONS

- Competitive pressure and higher merchant risk
- Only partially mitigated by the possibility to introduce PPAs

## WIND & SOLAR COMPETITIVE VS. TRADITIONAL SOURCES

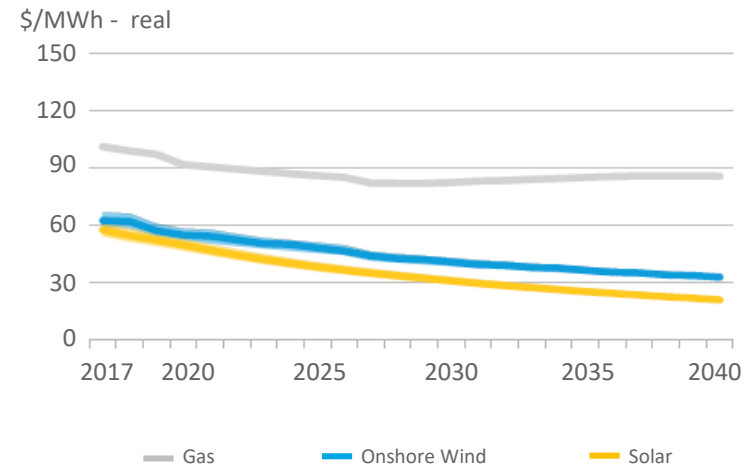
- Competition amongst technologies based on costs, efficiency & dispatching strategy

Europe: Map of auctions



- Auctions or tender in use prior to 1Q 2016
- Auctions or tender policy introduced between 1Q 2016 and 2Q 2017
- Auctions or tender policy in planning
- No auctions

LCOE of new gas, onshore wind, and solar



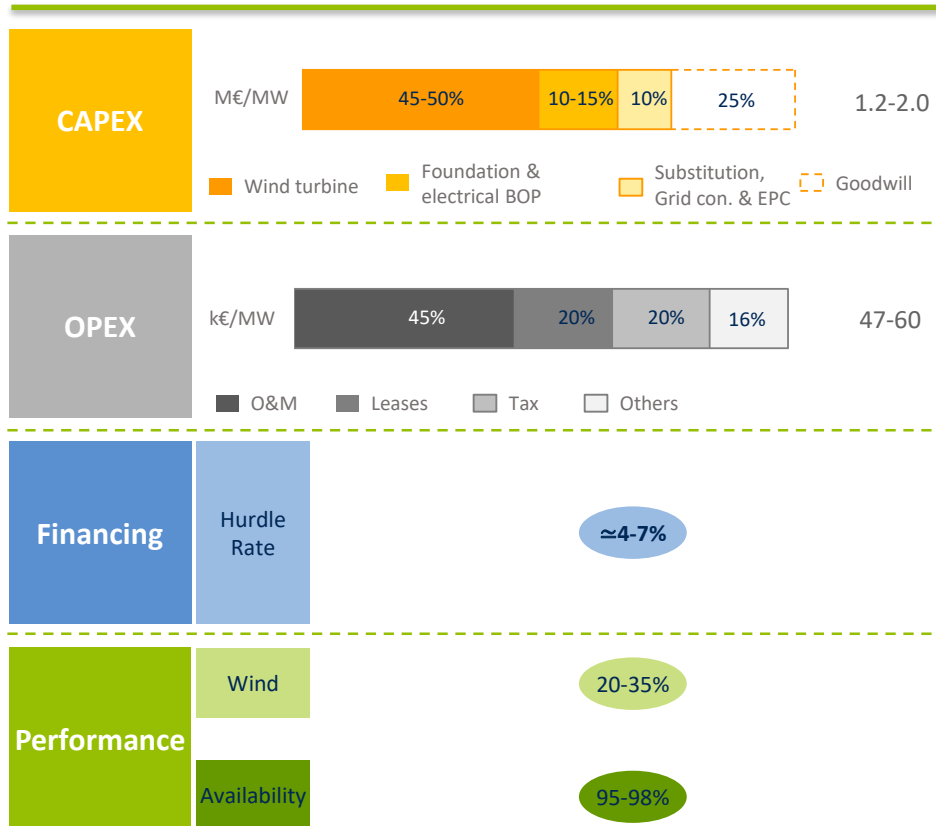
Source: Bloomberg New Energy Finance, 5/12/2017

**Renewables evolution: from an infrastructural sector to a competitive industry**



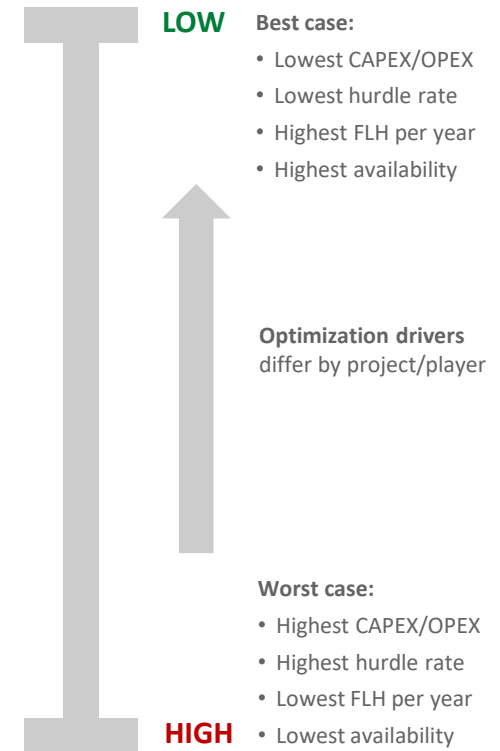
# LCOE AS A KEY LEVER TO COMPETE

## Key drivers affecting LCOE



Source: ETRI, EWEA, Irena, BCG analysis

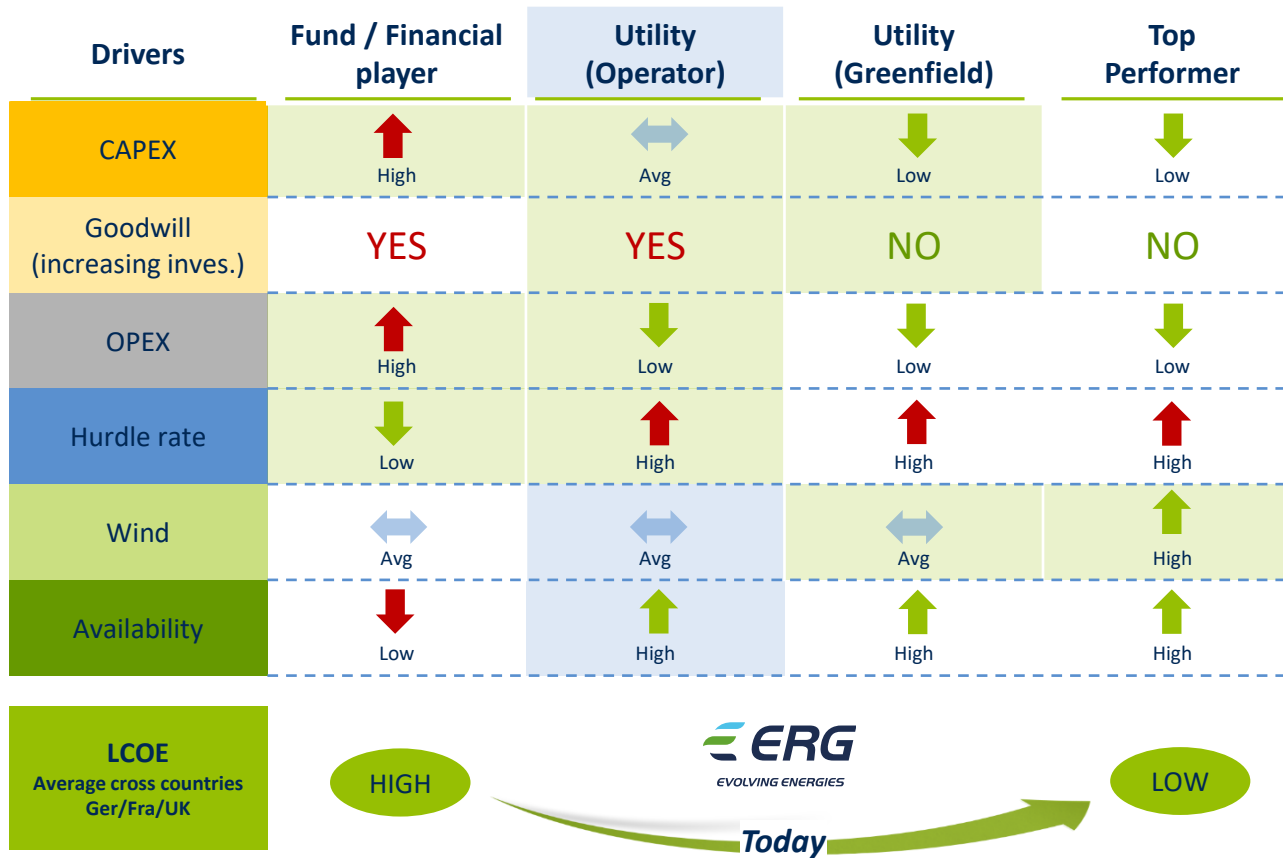
## LCOE (€MWh) Average cross countries Ger/Fr/UK



Broad range of LCOEs requiring specific valuation by project and type of players



# MOVING GREENFIELD TO REDUCE LCOE



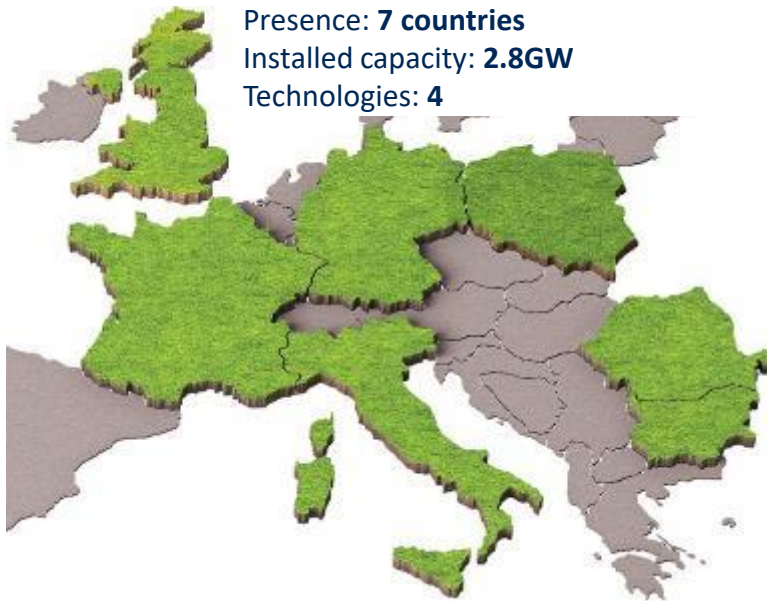


## 2018-2022 BUSINESS PLAN TARGETS



# ERG 2018-2022 STRATEGIC OPTIONS

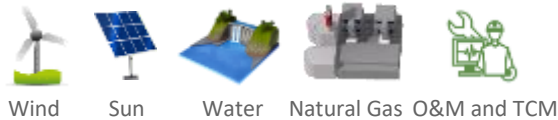
## ERG Group current geographical presence



### Geographical presence



### Business/Technology



## Country/Business attractiveness for ERG

Business/Technology		Reference Geographies			
 Wind	Co-development & Greenfield	✓	✓	✓	✓
	Repowering & Reblading	✓	✓		✓
 Wind   Solar	M&A	✓	✓	✓	
	Focus on technical operating efficiency	✓	✓	✓	✓

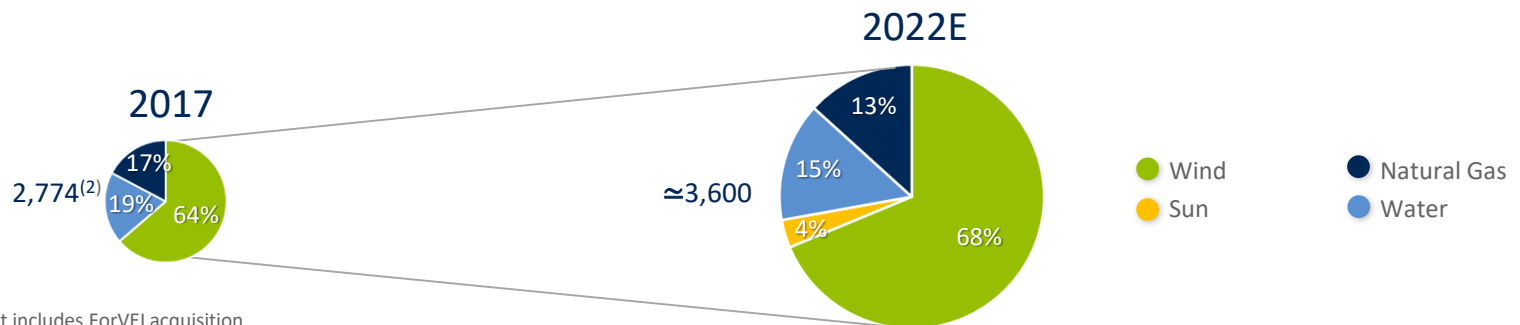
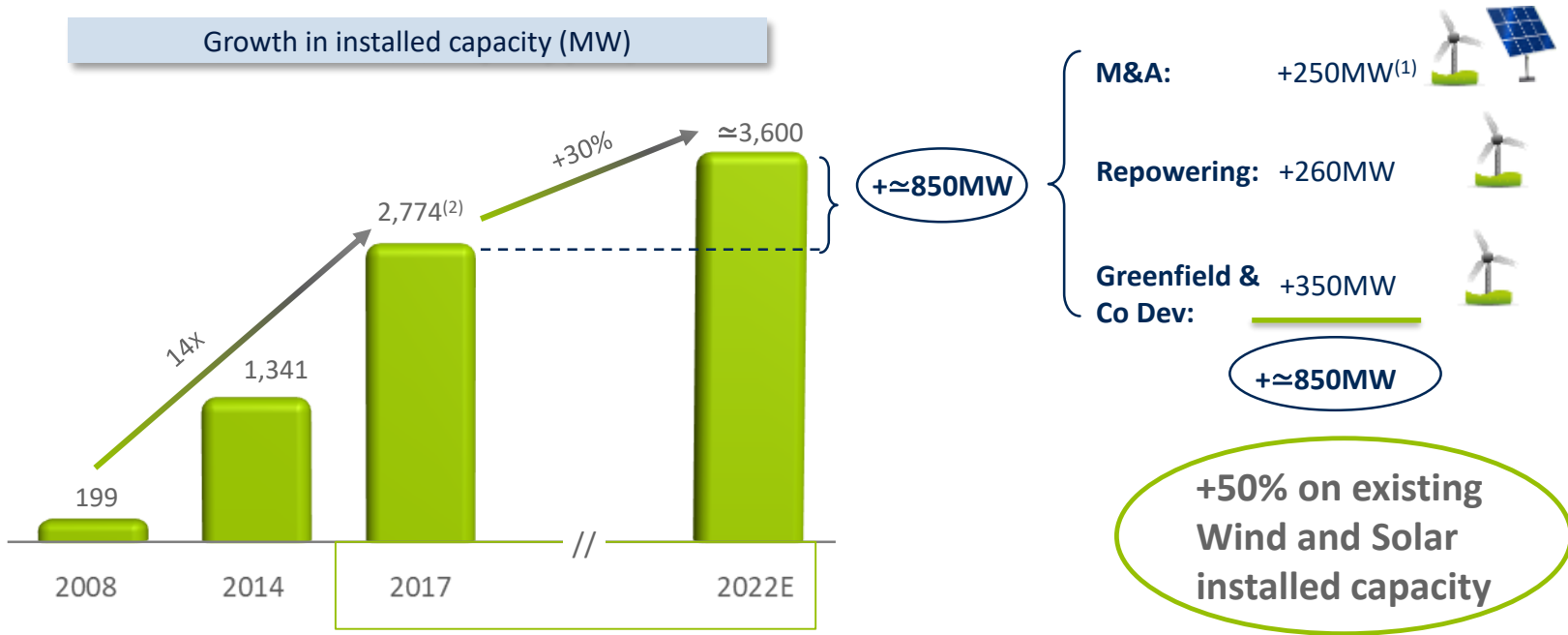




# ERG 2018-2022 CAPACITY EVOLUTION

## THREE MAIN CLUSTERS TO GROW

Growth in installed capacity (MW)



<sup>(1)</sup> It includes ForVEI acquisition

<sup>(2)</sup> 2017 Capacity net of Broockghboy wind farm in UK (47.5MW)

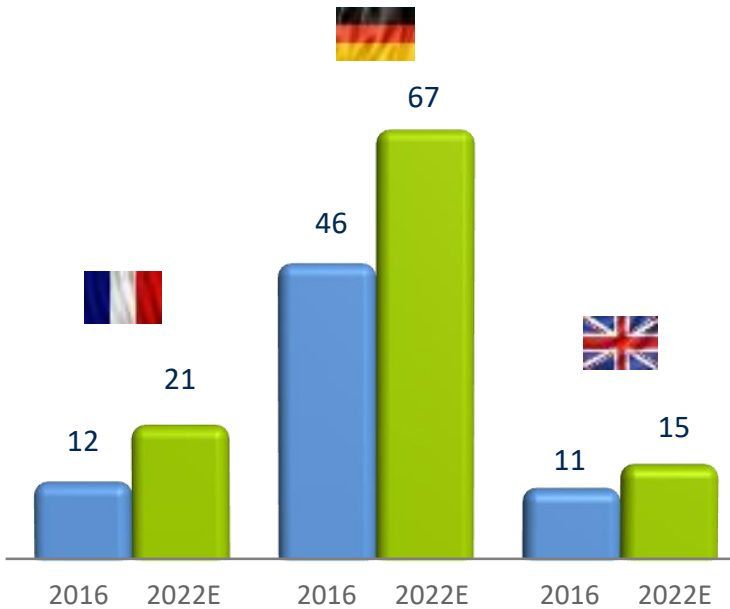


ABROAD  
FOCUS ON CO-DEV & GREENFIELD



# KEY SELECTED COUNTRIES FOR ORGANIC GROWTH

Wind onshore capacity growth estimates (GW)



Source: Bloomberg New Energy Finance, 5/12/2017

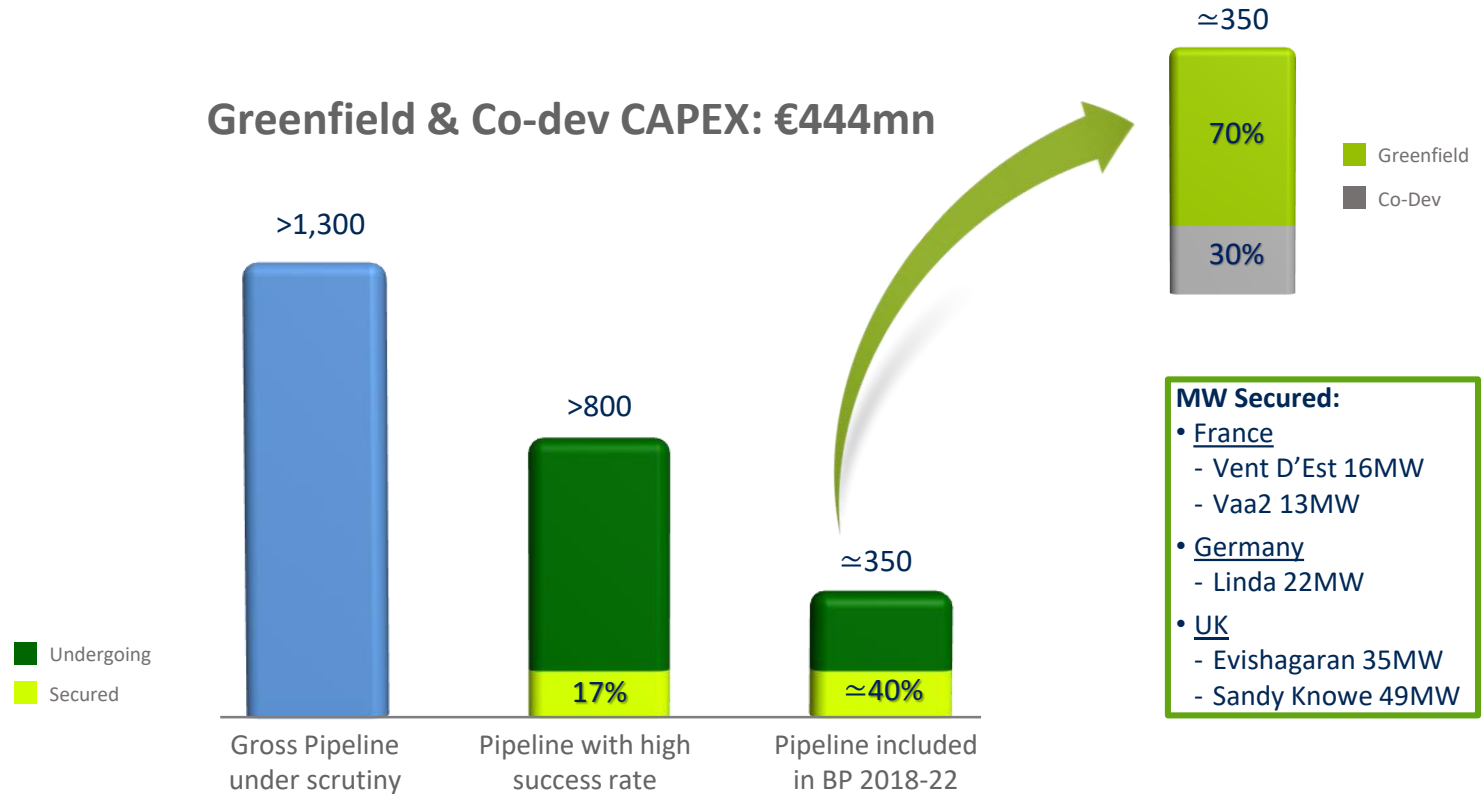
Reliable targets declared for RES  
or  
Free markets with fair competition

Countries

Key Elements	Reference Geographies		
Political Environment for renewables	✓	✓	✓
Wind Availability	✓	✓	✓✓
Remuneration mechanisms	Auctions	Auctions	Merchant PPA
Interest for ERG			
Growth Strategy	Participation to auctions  Pipeline development & Greenfield	Participation to auctions  Pipeline development & Greenfield	Merchant PPA  Pipeline development & Greenfield



# A SOLID PIPELINE TO SUSTAIN GROWTH



Pipeline creates the basis for a sustainable long term growth



ITALY  
FOCUS ON REPOWERING & REBLADING

# FIRST MOVER TO A SIZEABLE REPOWERING IN ITALY



## Technological evolution



- 47/52 m rotor
- 660/850kW



### LONGER BLADES



### HIGHER TOWERS

- Up to 140 m rotor
- Up to 4MW

## ERG Implications

- >300MW of ERG wind farms end incentives from 2017-2022, all equipped with old WTGs
- Best wind conditions
- **Repowering**: new wind farms, in the same sites, with lower number of WTGs, higher production
- **Reblading**: same wind farms, same sites, same number of WTGs, new blades, higher production
- Targeting 30 years useful life extension

Repowering with new technologies creates value through asset rejuvenation

# TIME READY FOR REPOWERING & REBLADING



## Regulatory framework looks favourable

- **Italian NEP** approved on November 10, 2017:
  - increasing renewable penetration
  - Energy decarbonization by 2025
  - favoring Repowering & Reblading interventions
  - facilitating and shortening of authorization processes
  - favoring long term PPAs for the sale of electricity with a possible introduction of a public guarantee

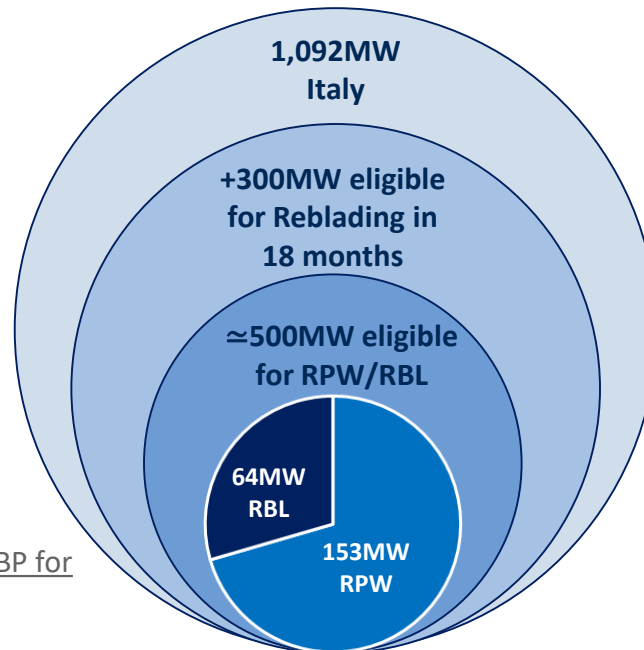


- **GSE Procedure for Repowering and Reblading:**
  - Repowering and Reblading also on incentivized plants
  - allowing to keep unchanged remaining incentives

Technological evolution & Regulation create the premises for Repowering



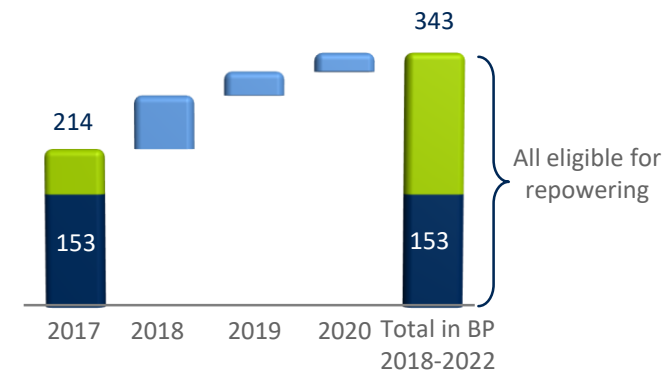
# REPOWERING & REBLADING



## Criteria to include MW in BP for Reblading:

- Incentives beyond BP
- technology fitting to V47 technology
- quite comfortable success rates
- low double digit returns

MW ending incentives in the Plan period



## Criteria to include MW in BP for Repowering:

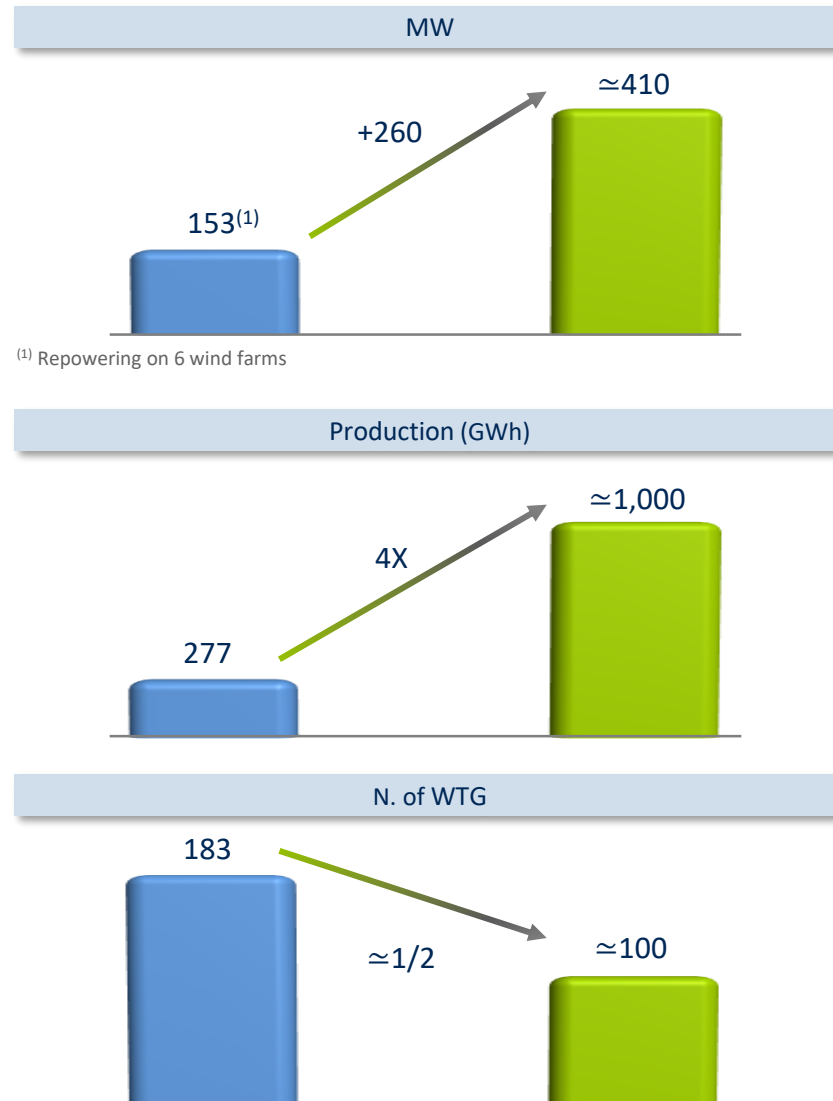
- end of incentives
- technology below 1MW
- quite comfortable success rates
- low double digit returns

**Repowering & Reblading as a way to exploit asset base with new technologies and extend its technical life**  
**Flexible investment plan potentially upgradable**





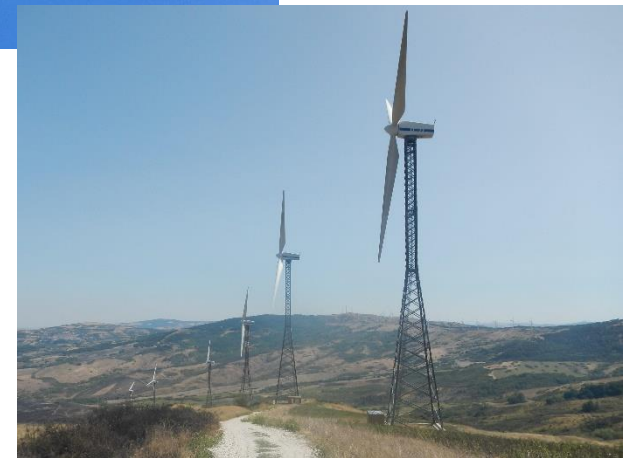
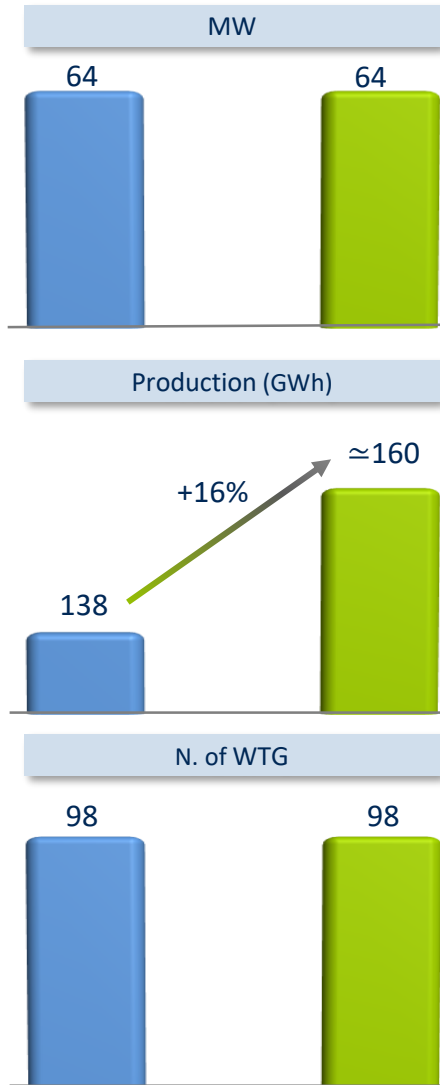
# REPOWERING IN A NUTSHELL



**2018-2022 CAPEX:  
€402mn**



# REBLADING IN A NUTSHELL



■ Post-Repowering  
■ Pre-Repowering

- **2018-2022 CAPEX for Reblading: €16mn**
- Reblading ready in 14/18 months
- Mainly based on V47 WTGs as technology already secured
- MWs benefiting of incentives ending beyond BP

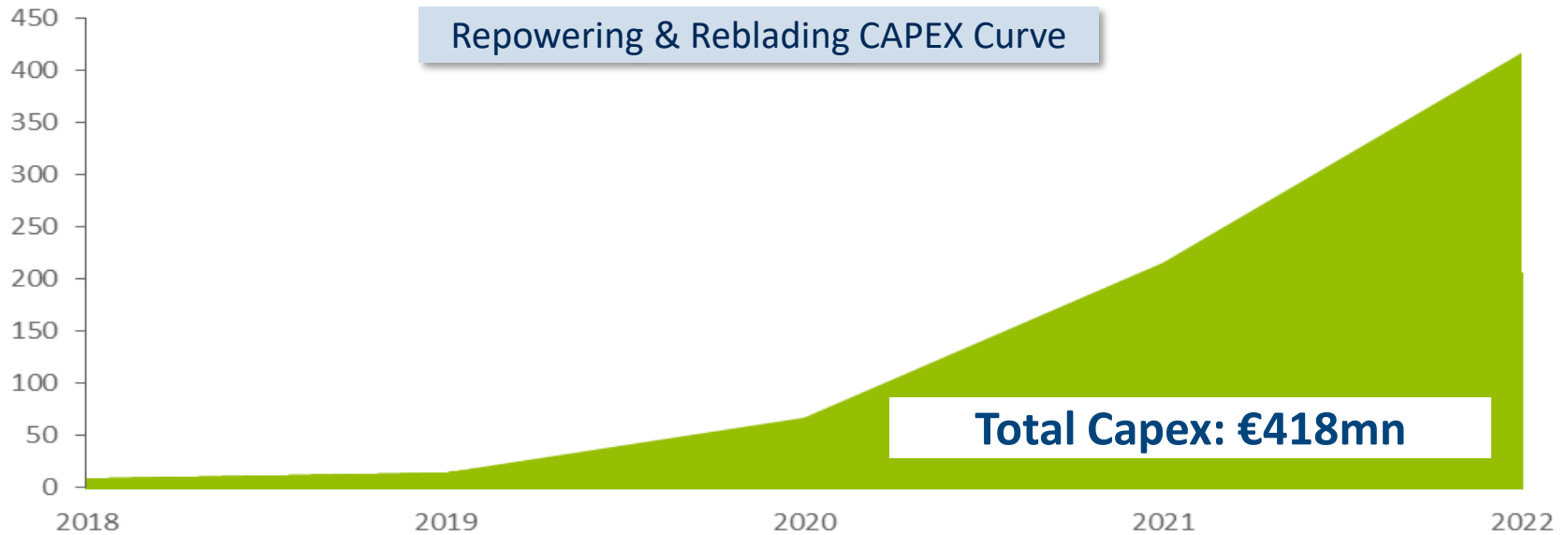
# WELL ON TRACK ON ITALIAN WIND FLEET REPOWERING



**ERG's efforts on further  $\approx 300\text{MW}$  eligible for RPW/RBL on top of Business Plan projections**



# TIMEFRAME OF REPOWERING & REBLADING



## Project phases: indicative timetable from Permit to COD



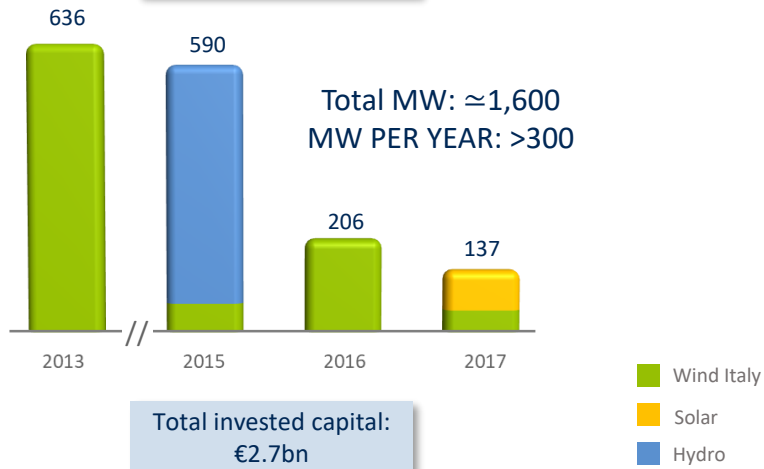
**ERG as a pioneer in the sector to create an enlarged asset base with ultimate technology**



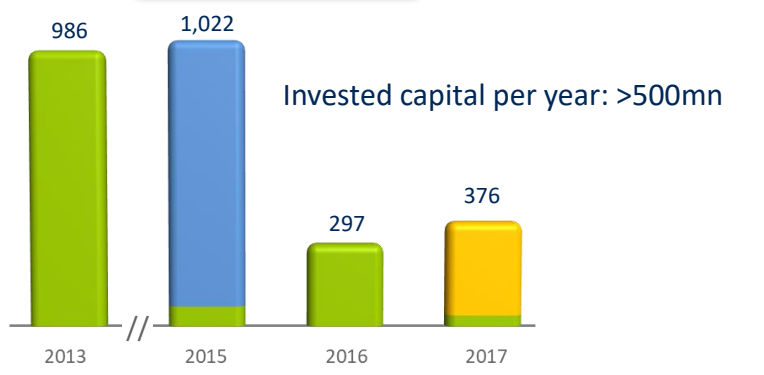
FOCUS ON M&A

# M&A TO SUPPORT ERG GROWTH IN KEY COUNTRIES

MW through M&A over the last 5 years



Total invested capital: €2.7bn



M&A Strategy				
Business/Technology	Reference Geographies			
	Italy	Germany	France	UK
Wind	✓	✓	✓	✓
Solar	✓	✓	✓	✗
Wind				+100MW
Solar				+150MW <sup>(1)</sup>
<b>M&amp;A CAPEX: €687mn<sup>(1)</sup></b>				

- Opportunistic approach to consolidate leading positions in the core countries
- Short term growth approach to support greenfield

## Value creation leveraging on strong M&A track record

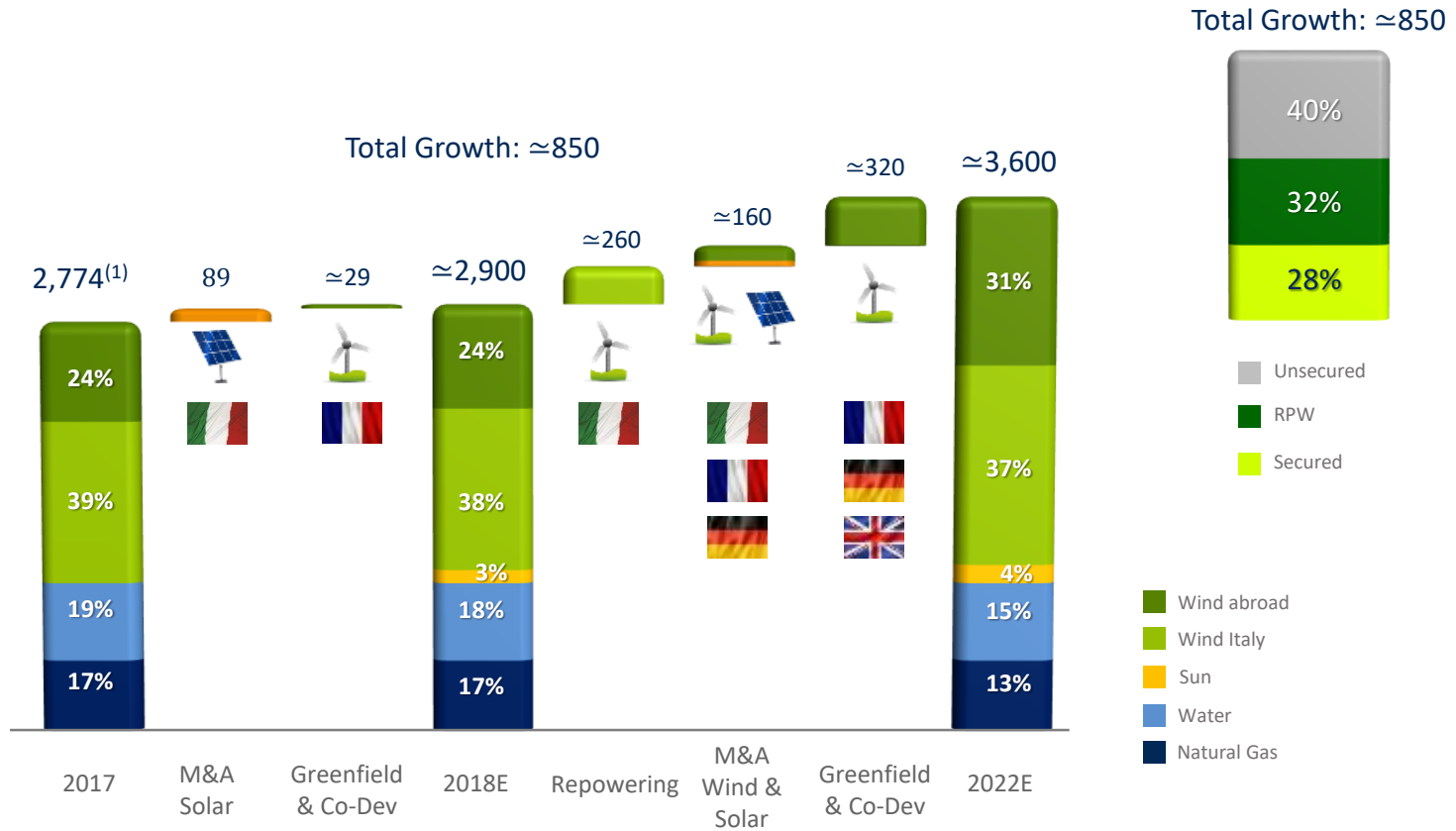
<sup>(1)</sup> It includes ForVEI acquisition in Italy (89MW) for an EV of €337mn



## 2018-2022 BUSINESS PLAN - TARGETS



# INSTALLED CAPACITY EVOLUTION



**A solid growth path leveraging on greenfield, repowering and M&A**

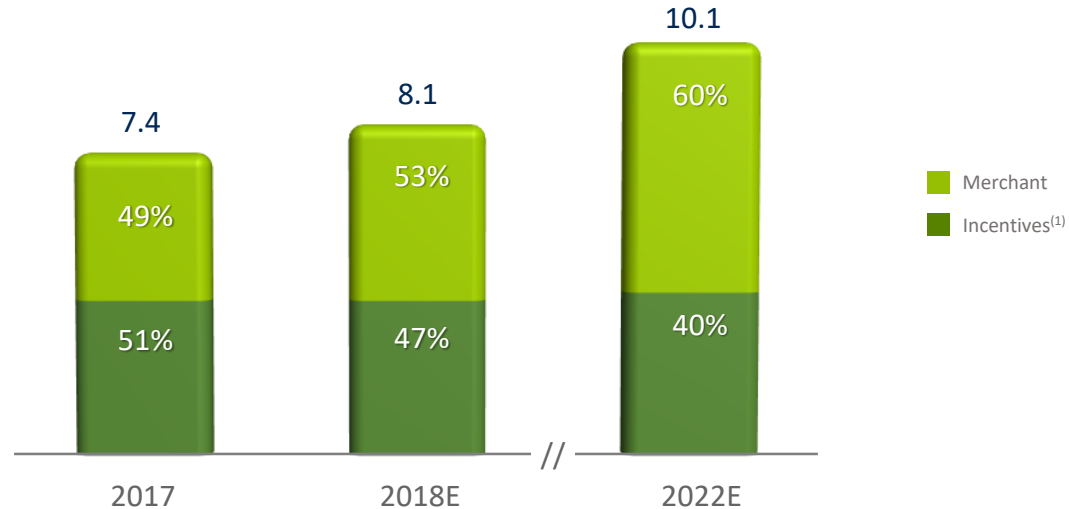
<sup>(1)</sup> 2017 Capacity net of Brockaghboy wind farm in UK (47.5MW)





# FROM INCENTIVES TO MERCHANT

Production evolution: Merchant vs. Incentives (TWh)



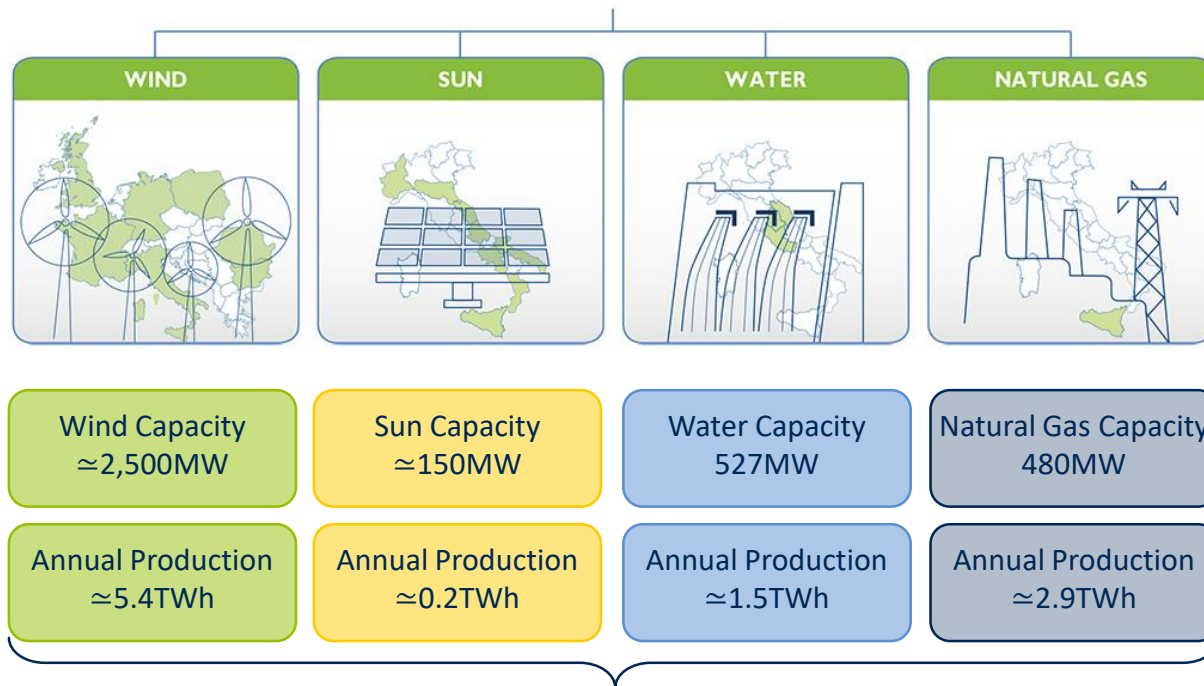
**Merchant revenues are steadily growing  
with a solid base of incentives**

<sup>(1)</sup> It includes Solar production from 2018 onwards

# A BIGGER & DIVERSIFIED ELECTRICITY PORTFOLIO



EVOLVING ENERGIES



**Total 2022 Expected Production: ≈10TWh**

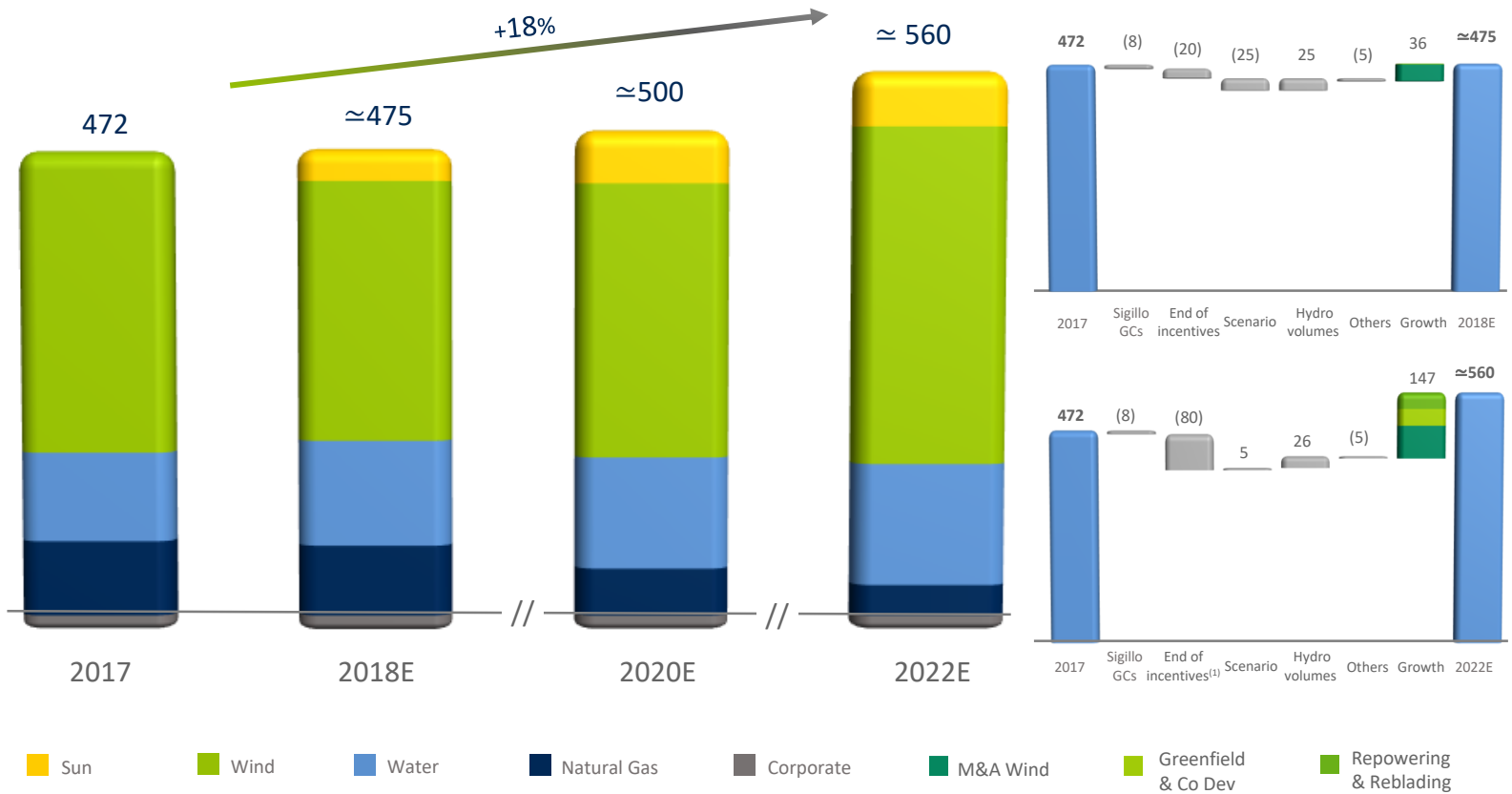
**Total Energy Portfolio including hedging & other sales: ≈15TWh**



## 2018-2022 ECONOMICS & FINANCIAL TARGETS



# 2018-2022 EBITDA EVOLUTION

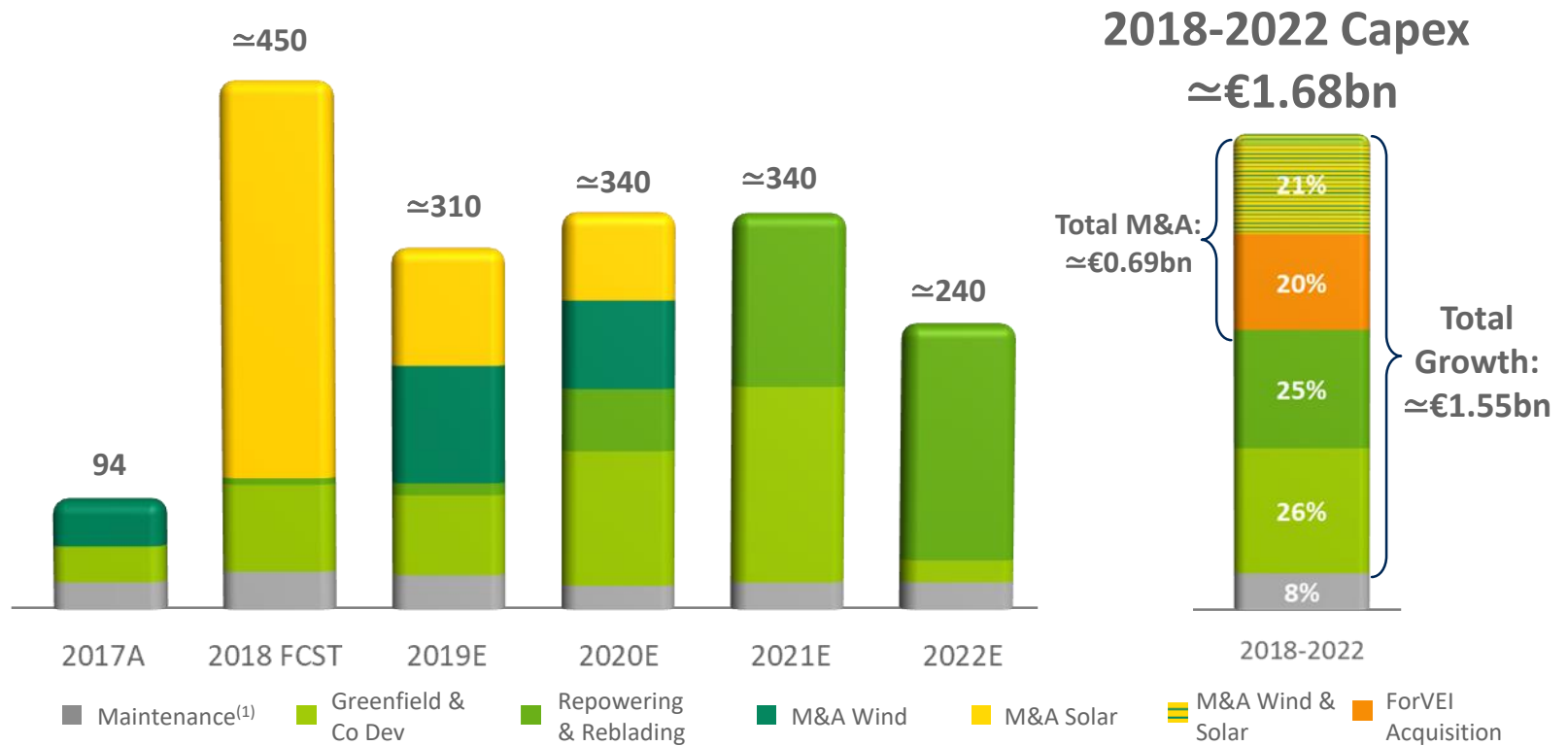


**EBITDA growth based on industrial efficiency and strong rise in renewable asset base**

<sup>(1)</sup> It includes wind incentives phasing out and white certificates termination as of 2020



# CAPEX EVOLUTION



## A massive and flexible investment plan for growth

<sup>(1)</sup> It includes CAPEX for Mini Hydro for €13mn



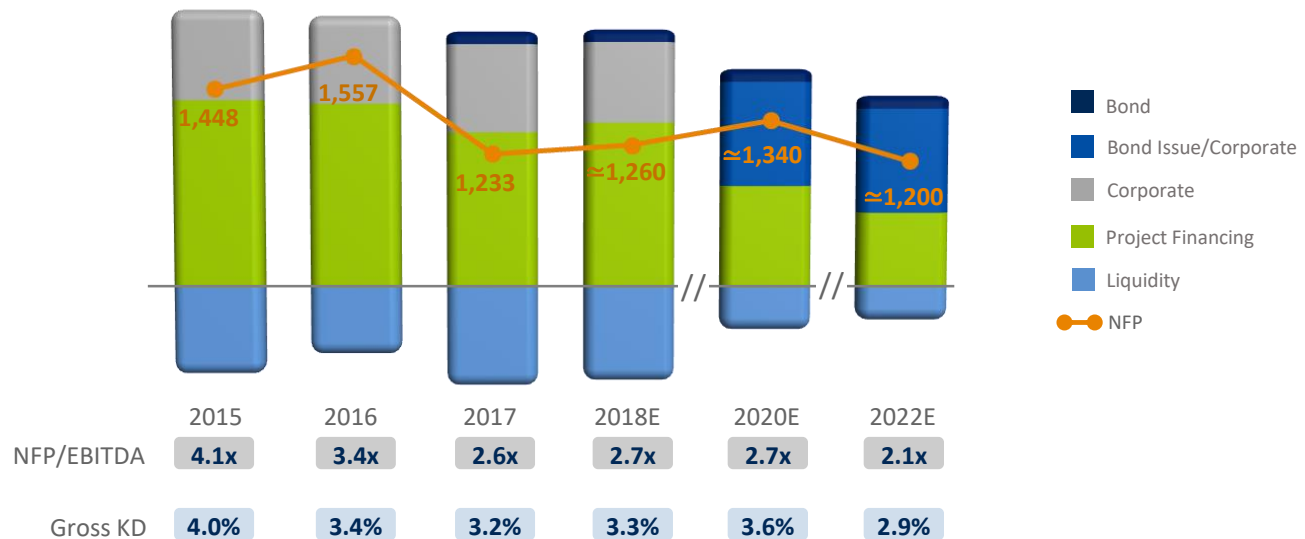
# ERG 2018-2022: FINANCIAL STRATEGY

## 2015-2017 achievements

- 1 ERG Hydro Acquisition Loan = €700mn
- 2 DCM Debut – Private Placement = €100mn
- 3 New Funding Asset Base = €290mn
- 4 Liability Management = €670mn

## ... 2018-2022 Financial Strategy

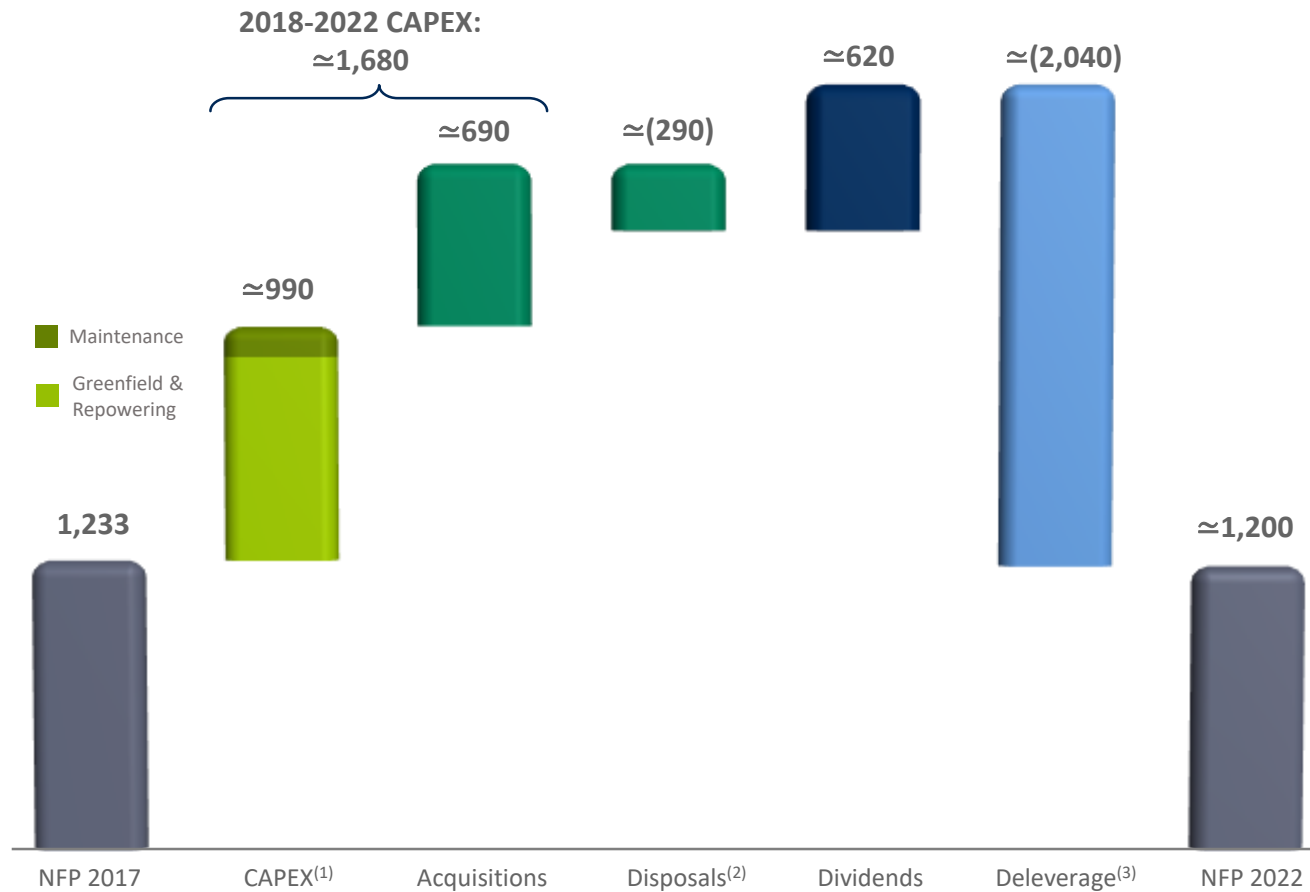
- 1 Corporate Loan / Bond Issue
- 2 Project Finance for incentivized assets
- 3 Liability Management



From an Asset based financing  
to a Corporate/Debt Capital Market based financing



# STRONG CASH GENERATION



**Average annual FCF Yield<sup>(4)</sup> at 16% in the plan period**

<sup>(1)</sup> CAPEX includes Greenfield & co Development and Repowering

<sup>(2)</sup> Disposals include: 2018 proceeds related to TotalErg Disposal (€180mn) and Brockaghboy wind farm disposal (ca. €108mn)

<sup>(3)</sup> It includes net working capital, taxes and net financial costs

<sup>(4)</sup> FCF Yield: EBITDA after working capital, taxes and net financial costs, deducted maintenance CAPEX, on market cap (share price at €16.4)



# 2018-2022 CSR DRIVERS

## Tackling climate change

- Avoided CO<sub>2</sub>: 15mtons
- Avoided TEP: 5m TEP
- Carbon Index: down 14%
- Continuous efforts on extracting value from our technology
- Enhancing our integrated generation portfolio



## People enhancing

- New leadership model
- Human Capital Coverage
- Skills development



## Sustainable thinking sustainable acting

- CDP reporting
- Integration of HSE certifications according to ONE Company Model
- Consolidating relations with communities
- Technological development



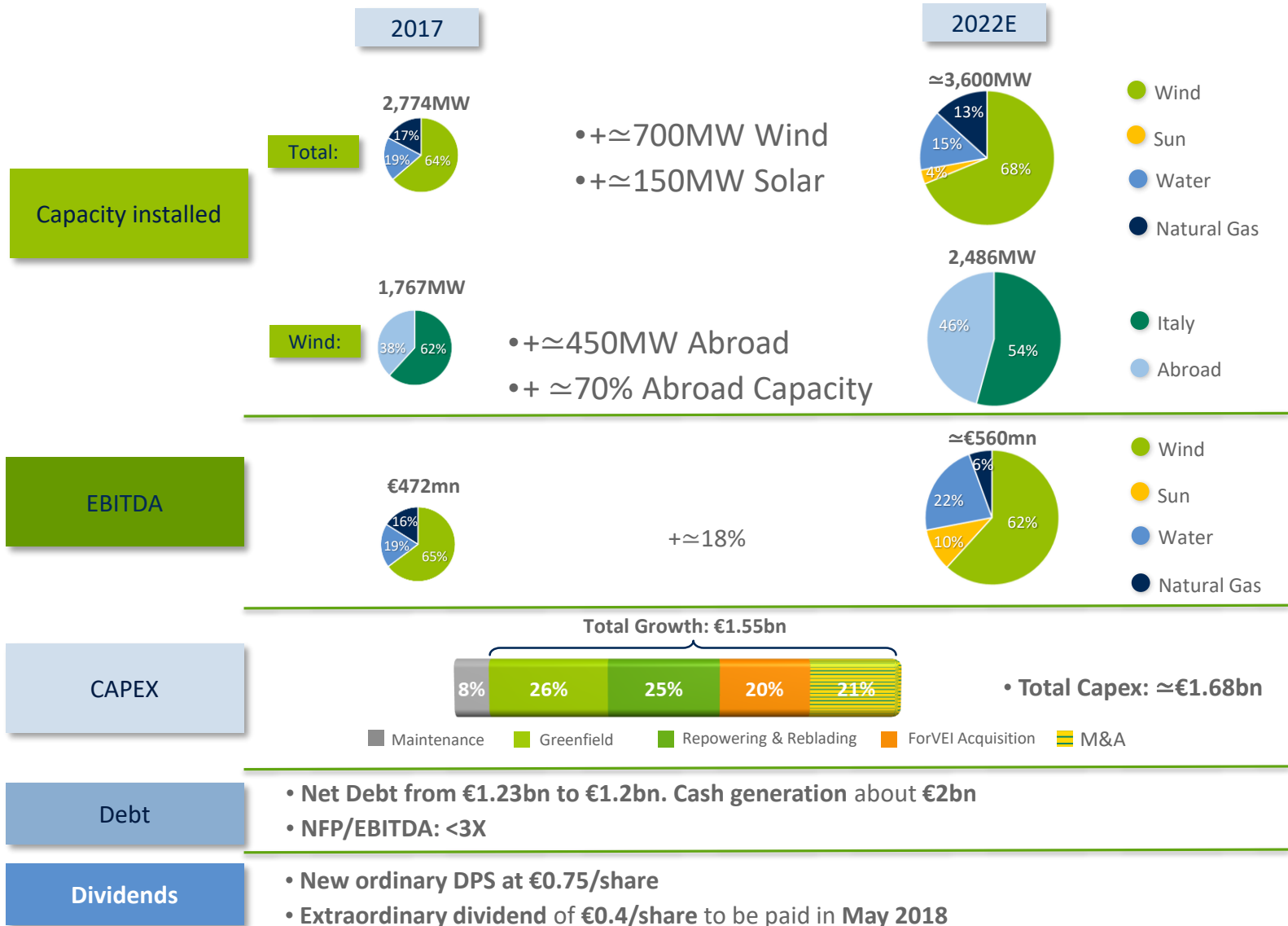




## CLOSING REMARKS



# KPI IN THE PLAN PERIOD





## CLOSING REMARKS

Italian Wind assets rejuvenation

Pave the way for further investment beyond 2022

Larger capacity abroad, moving up along the value chain

Keeping a sound but diversified financial Group structure

Dividend distribution at yield Utility benchmark

**Sustainable Forward Looking  
Evolving Growth**



**ERG**

***EVOLVING ENERGIES***



# APPENDIX



# WIND: KEY FIGURES (1/2)

2017	2016	Euro millions	4Q 2017	4Q 2016
1,814	1,720	Installed capacity (end-period, MW)	1,814	1,720
<i>of which:</i>				
1,093	1,094	- Italy	1,093	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
48	0	- UK	48	0
3,613	3,501	Electricity Production (GWh)	1,081	870
<i>of which:</i>				
2,117	2,220	- Italy	594	509
491	499	- France	155	121
369	240	- Germany	132	66
248	213	- Poland	82	75
201	181	- Romania	48	54
157	148	- Bulgaria	41	46
29	0	- UK	29	0



# WIND: KEY FIGURES (2/2)

2017	2016	Euro millions	4Q 2017	4Q 2016
Recurring EBITDA:				
241	235	- Italy	63	56
30	32	- France	10	8
25	18	- Germany	10	6
5	6	- Poland	2	2
8	8	- Romania	2	2
6	8	- Bulgaria	1	3
2	0	- UK	2	0
316	308	Total Recurring EBITDA	89	78
(160)	(163)	Depreciation	(41)	(38)
156	145	Recurring EBIT	49	39



# ERG POWER: KEY FIGURES

2017	2016	Euro millions	4Q 2017	4Q 2016
2,453	2,693	Electricity Production (GWh)	641	661
78	77	Recurring EBITDA	16	7
(31)	(30)	Depreciation	(8)	(8)
48	47	Recurring EBIT	8	(1)





# ERG HYDRO: KEY FIGURES

2017	2016	Euro millions	4Q 2017	4Q 2016
1,144	1,358	Electricity Production (GWh)	260	329
94	84	Recurring EBITDA	20	25
(58)	(58)	Depreciation	(15)	(14)
35	26	Recurring EBIT	6	11