



BP 2015-2018 AND IQ 2016 RESULTS

9 JUNE 2016, MILAN

ITALIAN INVESTMENT CONFERENCE





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



- Company Overview and 2015-2018 Business Plan
- IQ 2016 Results Review
- A Snapshot of 2015 Figures
- Management Profiles

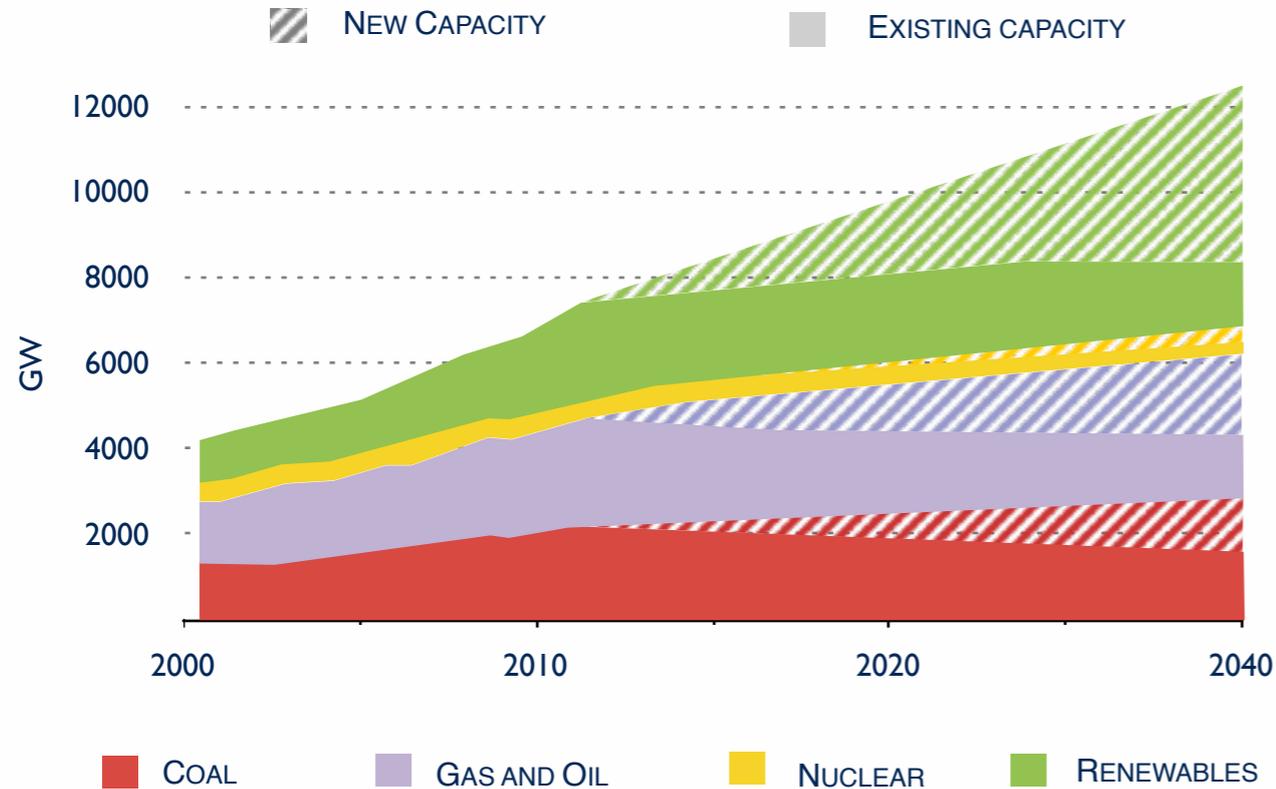


COMPANY OVERVIEW AND 2015-2018 BUSINESS PLAN



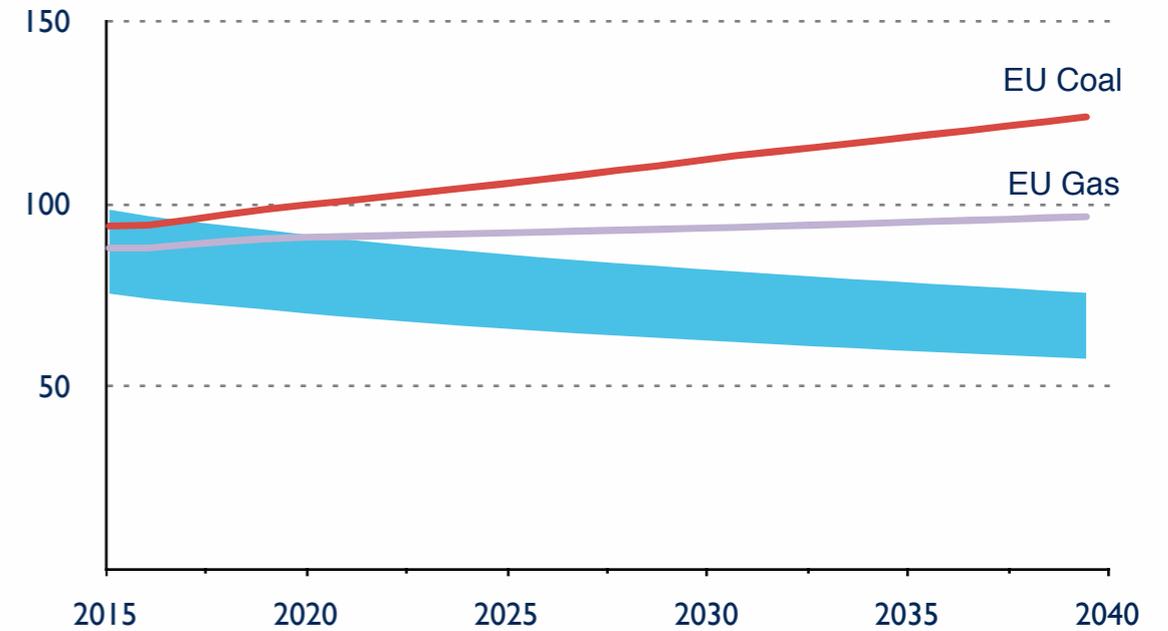
OUR STRATEGIC LONG-TERM VIEW DRIVEN BY RENEWABLES

Renewables to increase worldwide



Source: World Energy Outlook, IEA November 2015

Wind LCOE⁽¹⁾ (\$/MWh) cheaper than other sources



Source: New Energy Outlook 2015, Bloomberg

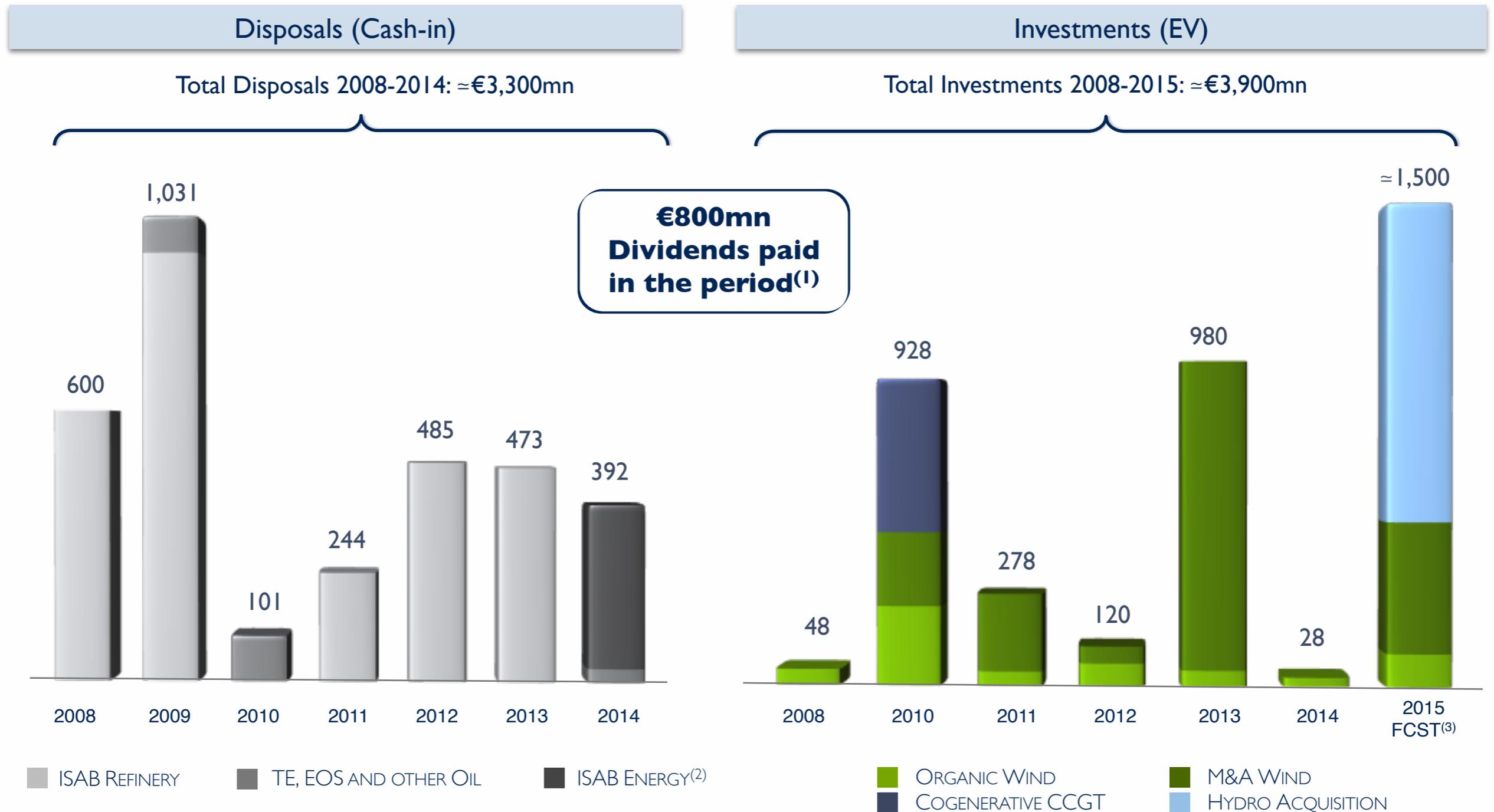
- ✓ **Worldwide wind** installed capacity: from 282GW in 2012 to 2,033GW in 2040⁽²⁾, more than 7x
- ✓ **Europe** to post a significant growth: from 110GW to 400GW⁽²⁾, almost 4x

EU 2030 Targets:

- ✓ 27% of Renewables
- ✓ 40% reductions of emissions

⁽¹⁾ Levelized Cost of Electricity: generation cost including initial investment, return on investment and OPEX

⁽²⁾ Sources: New Energy Outlook 2015, Bloomberg



✓ **Proceeds from disposal of oil-linked assets fully re-invested into “green”**

⁽¹⁾ It includes dividends paid in May 2016 (ca. €150mn)

⁽²⁾ Cash-in net of minorities buyback from GDF

⁽³⁾ CAPEX at the end of 2015 was €1,158mn due to postponement of closing of IMPAX acquisition (€297mn)

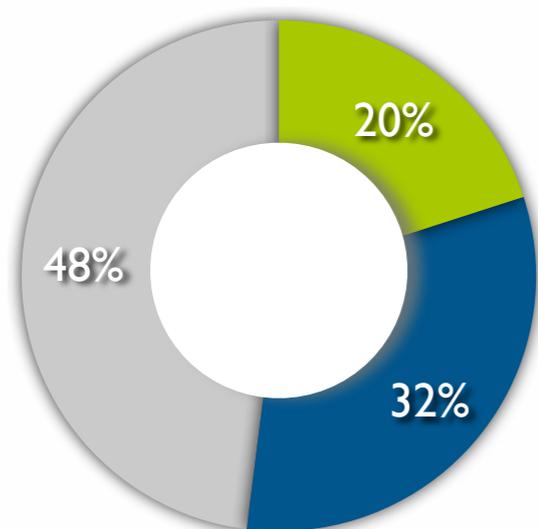


INVESTED CAPITAL ROTATION TOWARDS RENEWABLES

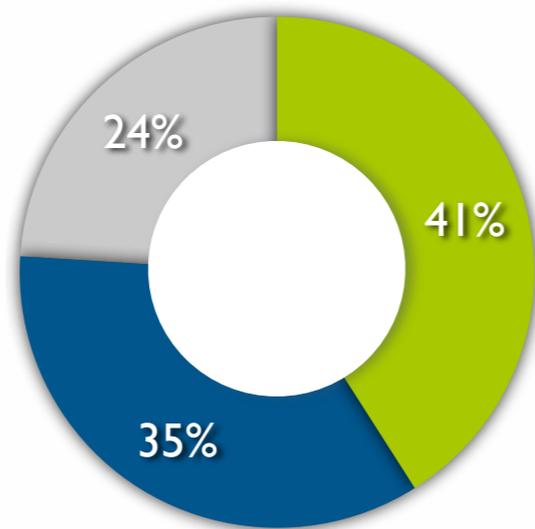


Capital employed

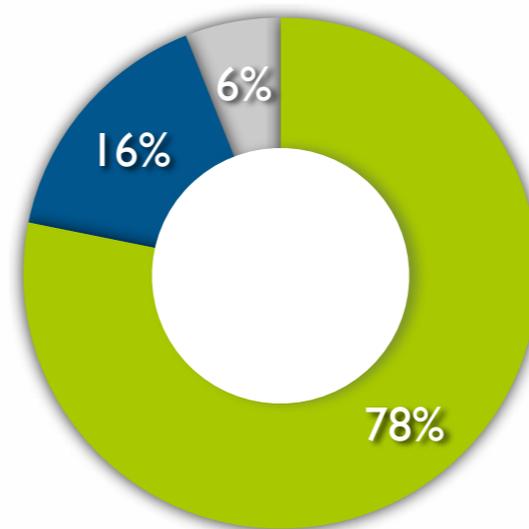
2008 (€2.2bn)



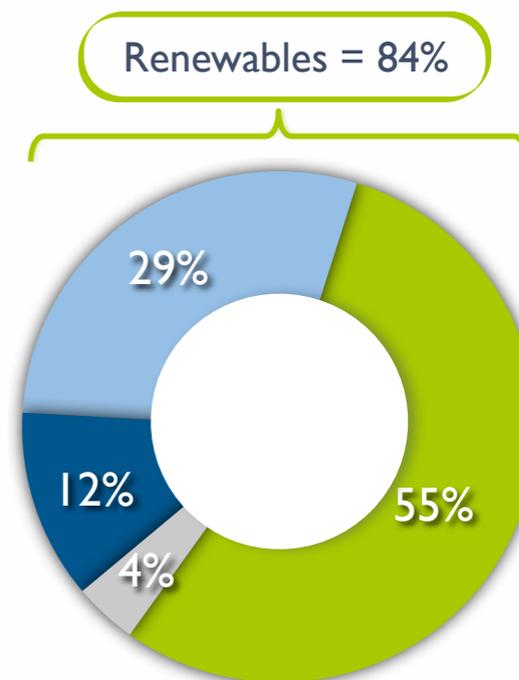
2012 (€2.6bn)



2014 (€2.1bn)



2015 (€3.1bn)



● OIL ● THERMO ● HYDRO ● WIND

✓ **Built-up a solid platform of renewable assets in Europe**



A STRICT GOVERNANCE



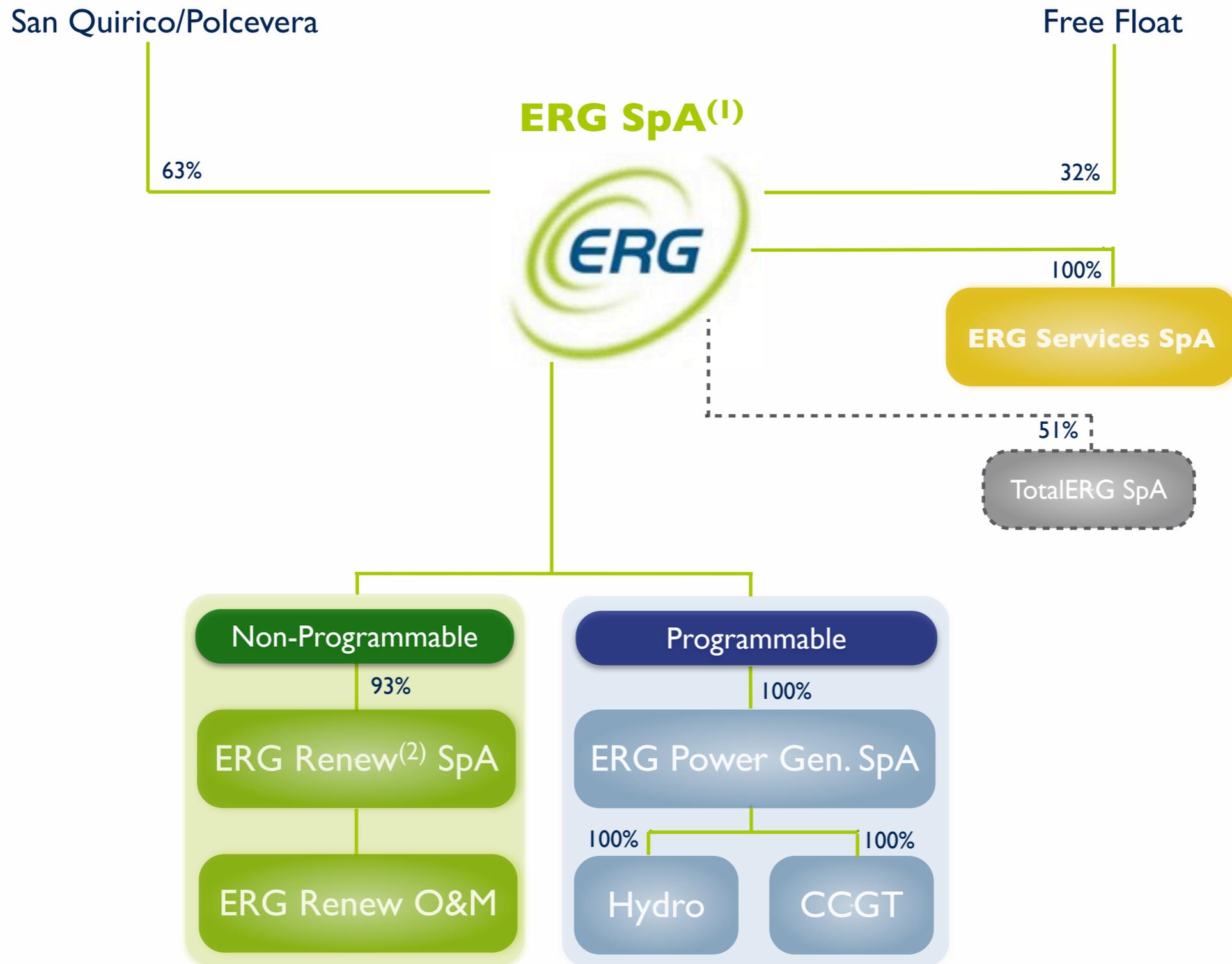
- Maintaining over time **a strict financial discipline on investments** (organic and M&A) through:
 - **Strategic Committee** (EVP, CEO, 3 Board Members)
 - **Investment Committee** (CEO, Management team)
- A **new BoD** in place as of April 24, 2015, with **7⁽¹⁾ Independent Board Members out of 12** (25% women)
- **Nominations and Remuneration Committee** composed by 3 Independent members⁽²⁾
- **Increasing focus on risk management:**
 - **Internal Control and Risk Committee** composed by **3 Independent members⁽²⁾**
 - **Strengthening Risk Committee** towards Energy Management
- BoD approved a **LTI compensation scheme** for Top Management, **40% based on TSR** (reference price based on last 6 months average price)

⁽¹⁾ Only 5 Independent referring to both the Finance Consolidation Act and the Self-Discipline Code set out by the Italian Stock Exchange

⁽²⁾ Only 2 Independent referring to both the Finance Consolidation Act and the Self-Discipline Code set out by the Italian Stock Exchange



NEW GROUP STRUCTURE

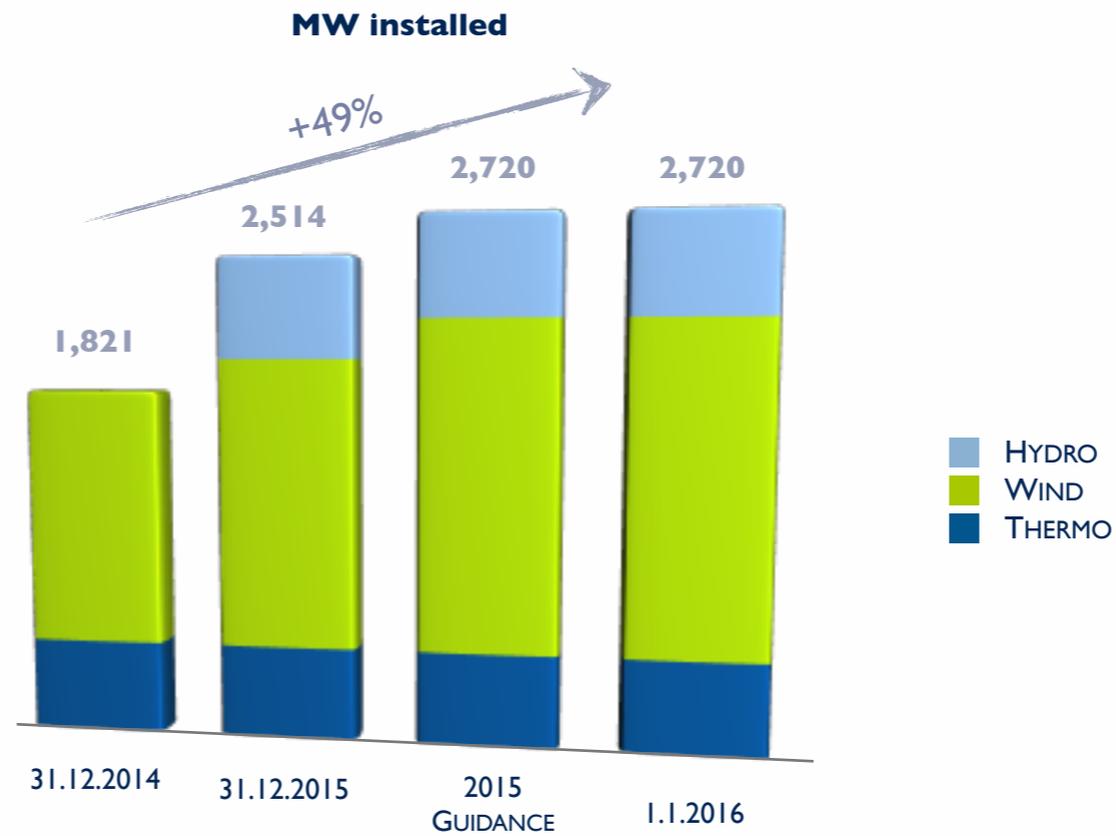


(1) ERG owns 5% of own shares

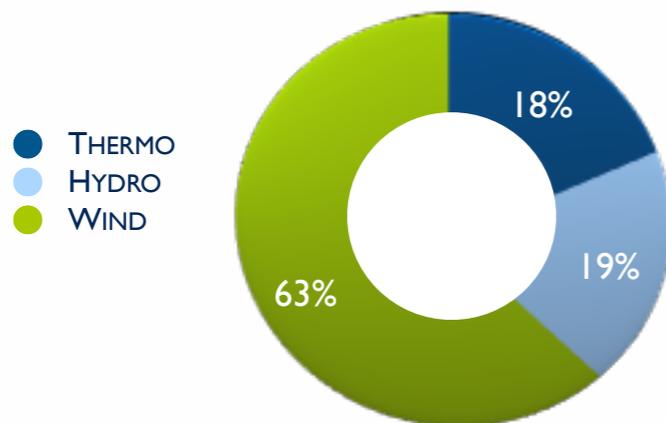
(2) Unicredit owns 7.18% of ERG Renew



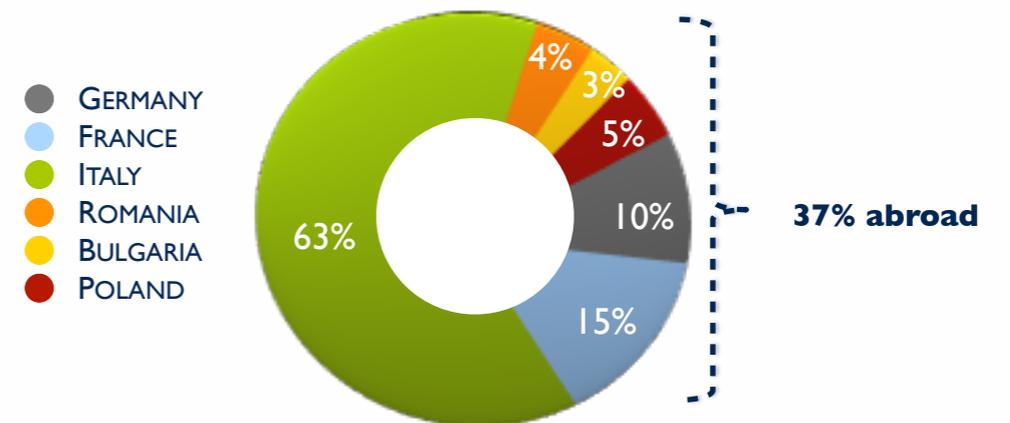
GROUP DIVERSIFICATION



2,720MW installed as of 1.1.2016



1,712MW Wind capacity in Europe as of 1.1.2016



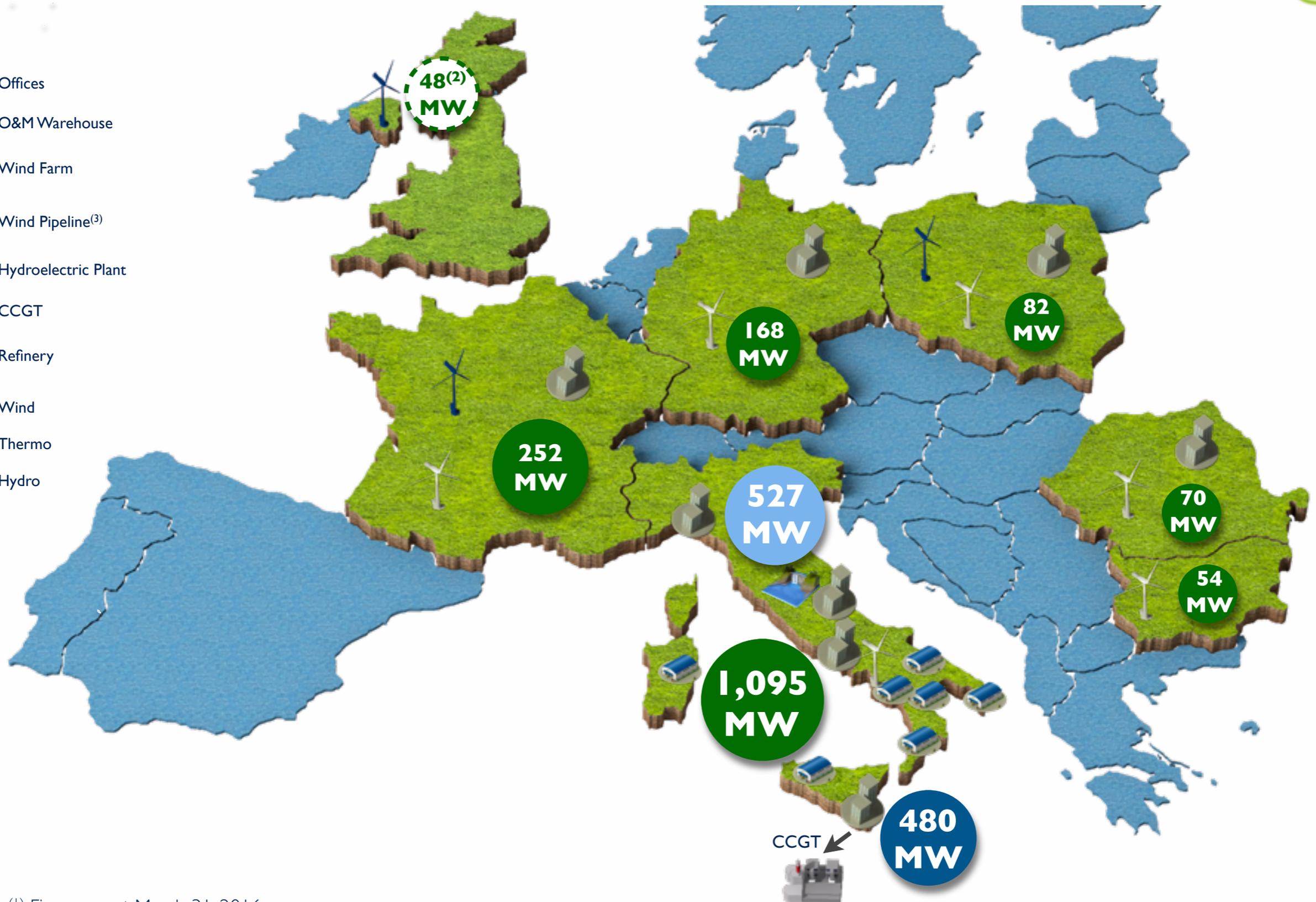
Acquisition of Impax wind assets in France and Germany took place on February 2, 2016 (consolidated as of 1.1.2016)



ERG: AN IP WITH A EU ASSET PLATFORM⁽¹⁾



-  Offices
-  O&M Warehouse
-  Wind Farm
-  Wind Pipeline⁽³⁾
-  Hydroelectric Plant
-  CCGT
-  Refinery
- Wind
- Thermo
- Hydro



⁽¹⁾ Figures as at March 31, 2016

⁽²⁾ It refers to Brockaghboy wind farm, currently under construction

⁽³⁾ Current pipeline for about 300MW under development in the U.K., France and Poland

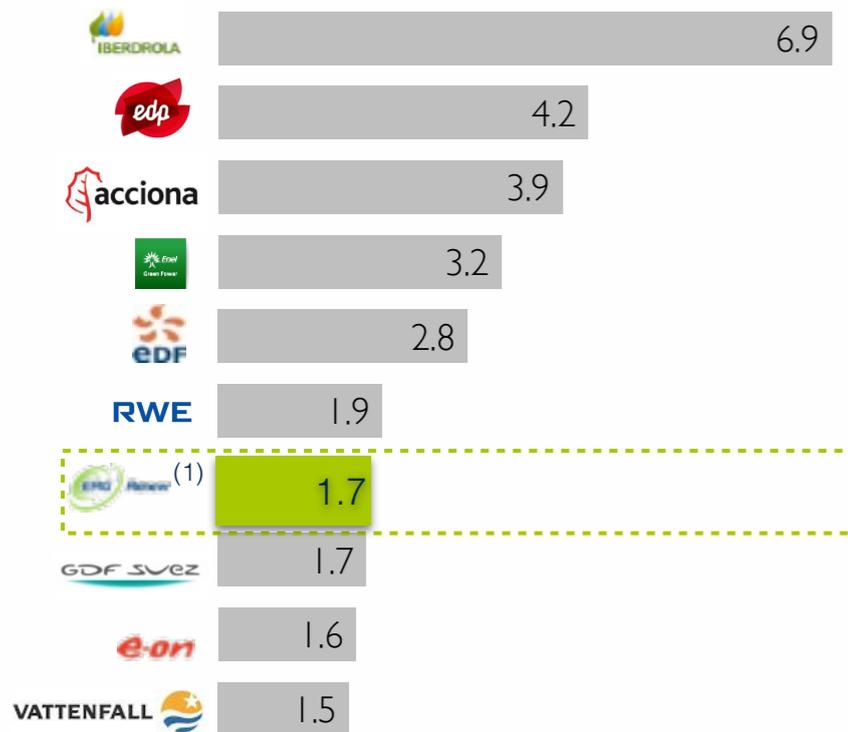


ERG TODAY: COMPETITIVE POSITIONING



Wind

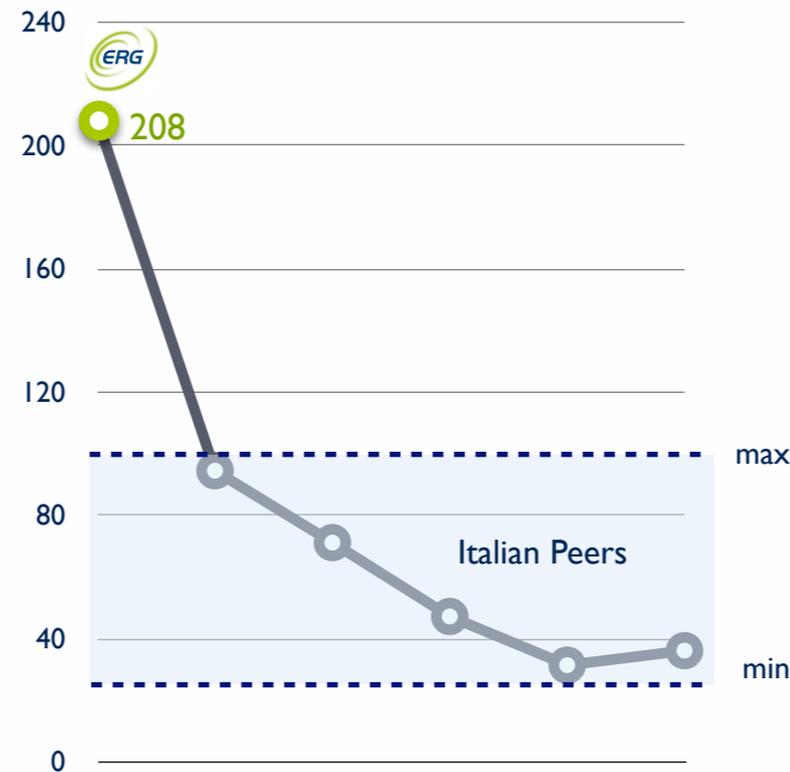
Installed wind capacity in Europe (GW)



Source: last available public information related to 2014

Thermoelectric

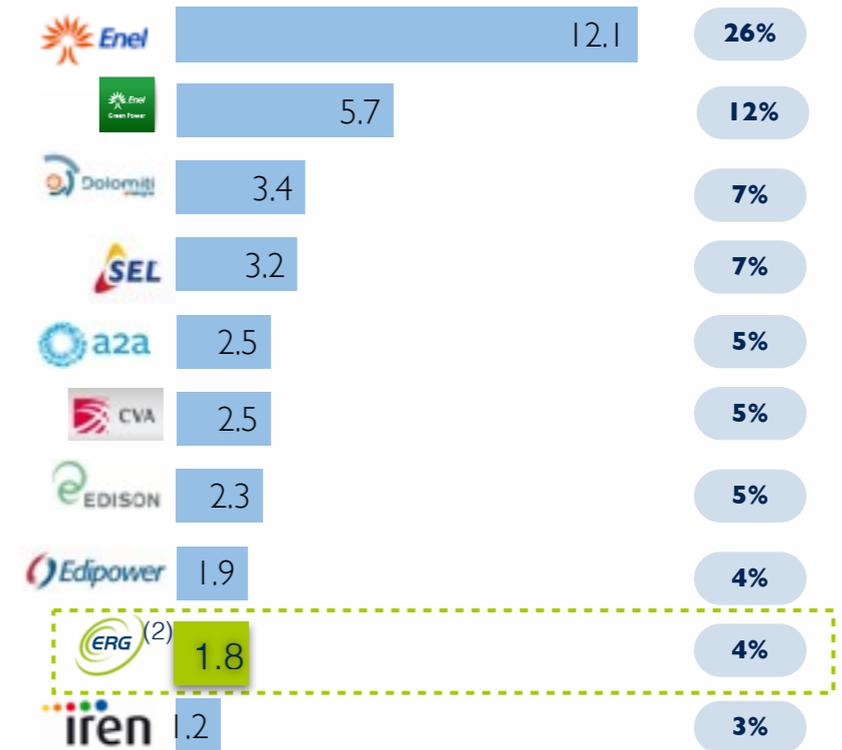
EBITDA k€/MW installed



Source: estimates based on 2014 Annual Reports

Hydro

Hydro Production in Italy (TWh/y)



Source: last available public information related to 2014

Asset quality as a key objective for our portfolio

(1) Comparison not on a like-for-like, as ERG Renew figure is updated as at year-end 2015

(2) ERG forecast for hydro production in the plan period equals to 1.4TWh/y



STRATEGIC GUIDELINES



Wind (Non-Programmable):

- Shifting to a new growth business model: ORGANIC vs. M&A
- 2016: consolidation of new assets and operations
- Organic growth abroad of >200MW



Hydro (Programmable):

- Consolidation of Hydro Terni integrated hydroelectric system
- Extracting value from asset management and synergies



CCGT (Programmable):

- Continuous improvement of ERG Power CCGT plant efficiency
- Return to exploit CCGT generating flexibility and modulation



Energy Management:

- Portfolio diversification and better risk control through a single PAR
- Opportunities to enlarge the portfolio by including the foreign generation

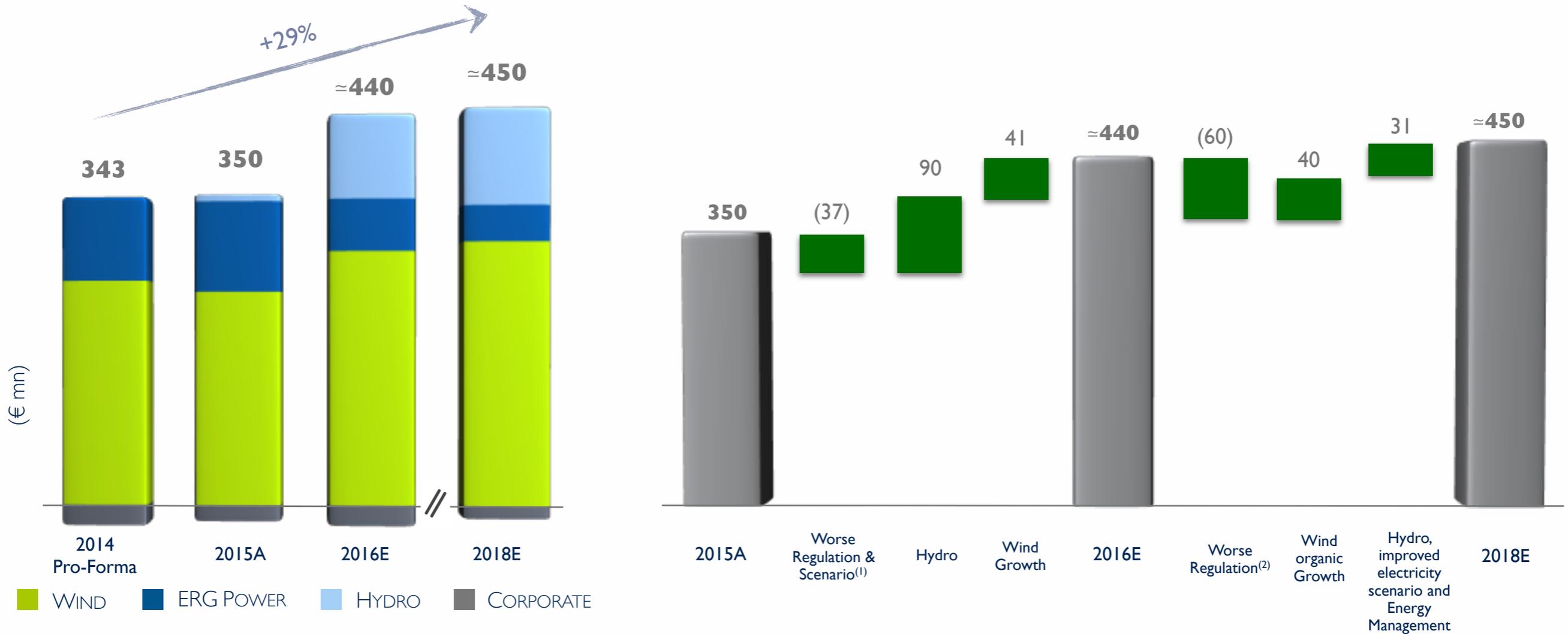


O&M and technical services:

- Integration of CSO (28 professionals in technical services) abroad
- Completion of O&M internalization across operations in Italy
- Potential development of technical services to third parties



2015-2018 GROUP EBITDA EVOLUTION

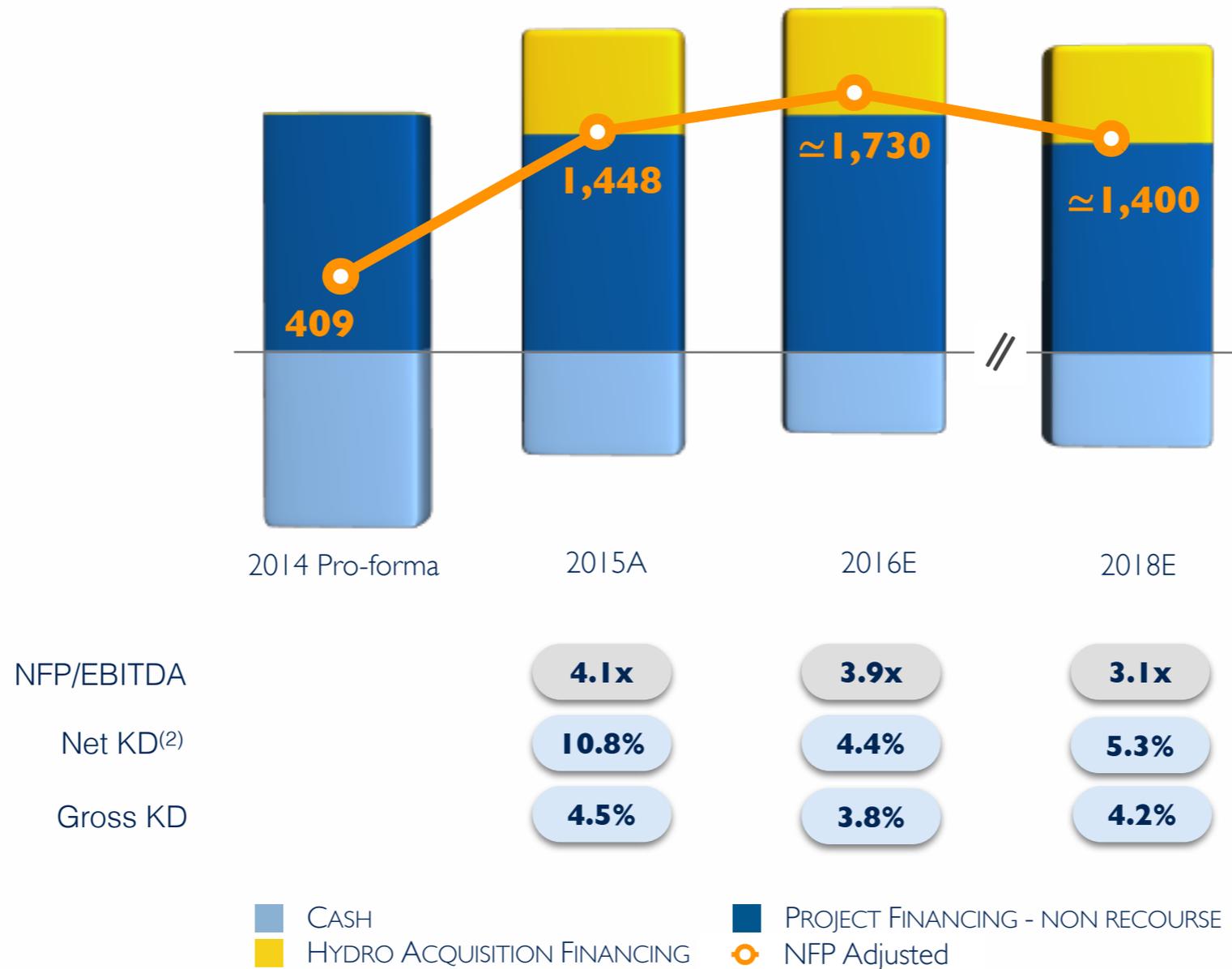


Solid EBITDA with a different breakdown

⁽¹⁾ Assumption of entry into operations of Sorgente-Rizziconi interconnection at the end of June 2016 and phasing out of GCs in Wind Italy



2015-2018 NFP⁽¹⁾ EVOLUTION



De-leverage and further financial optimisation

⁽¹⁾ Assuming dividend distribution flat in the plan period at €0.5/share per year, and including special dividend paid in May 2016 and CAPEX anticipation in the U.K. for the Brockaghboy wind farm

⁽²⁾ Based on average NFP



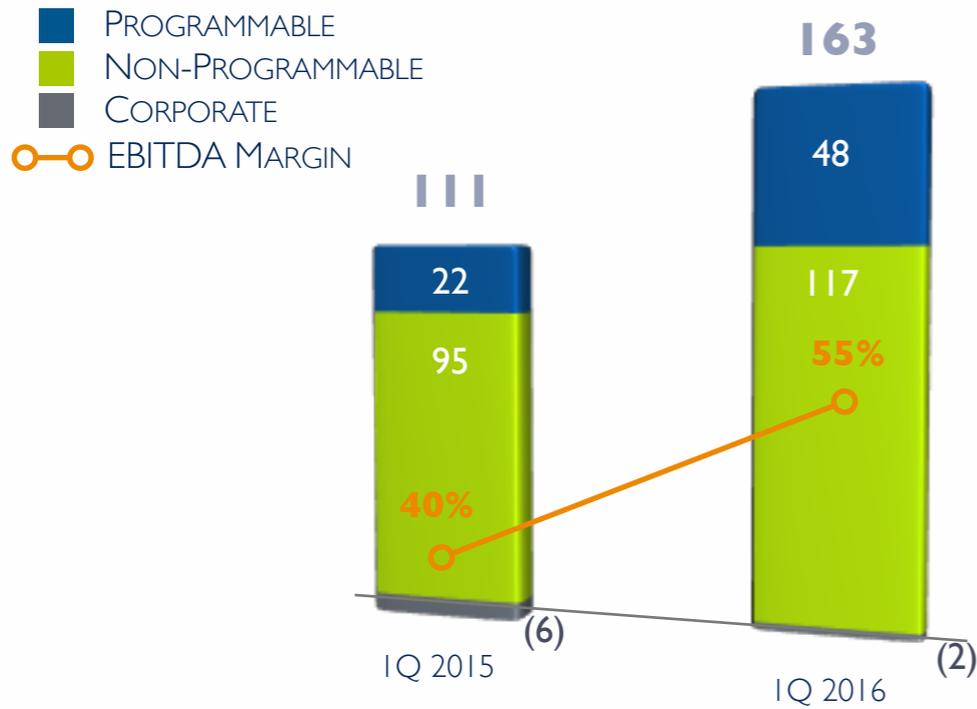
IQ 2016 RESULTS REVIEW



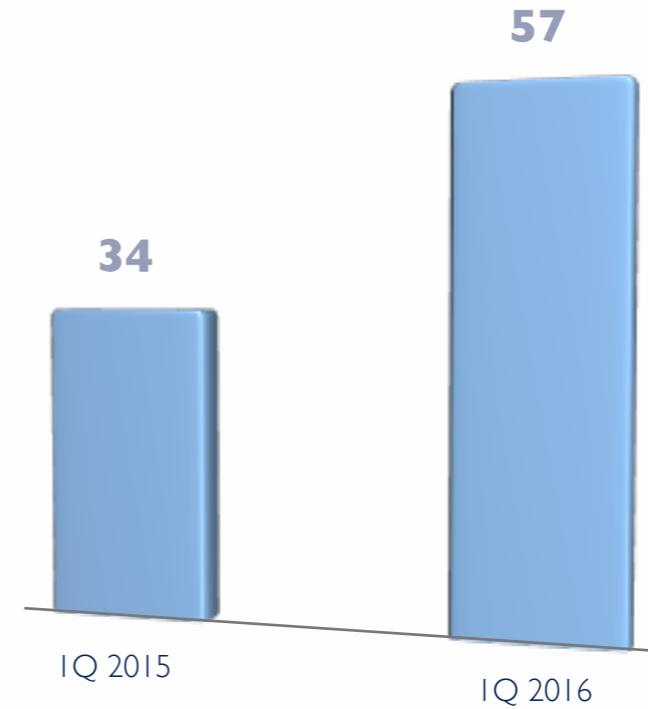
HIGHLIGHTS: KEY FIGURES



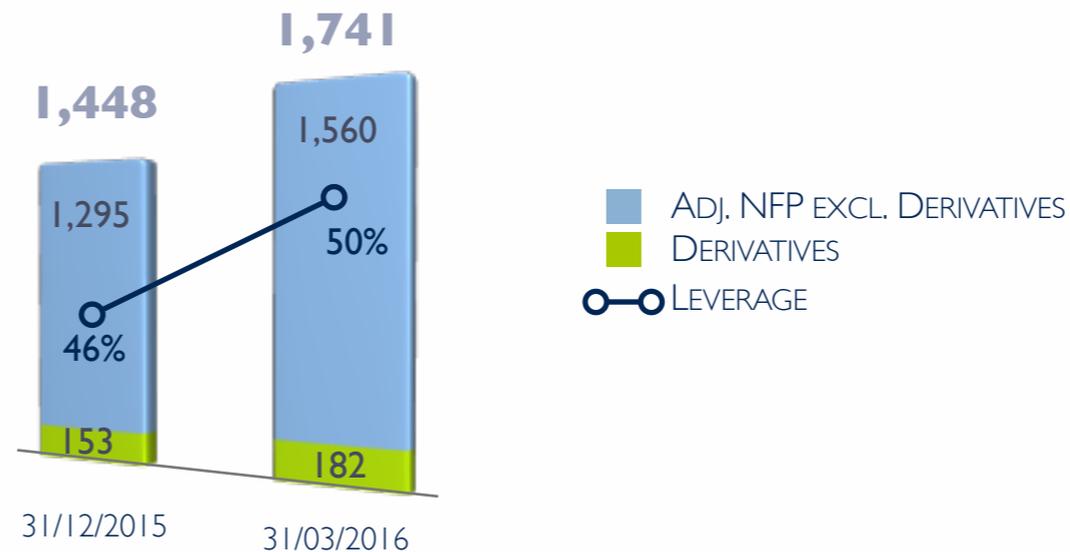
RC Ebitda Adj (€ mn)



RC Net Profit (€ mn)



Adj NFP (€ mn)



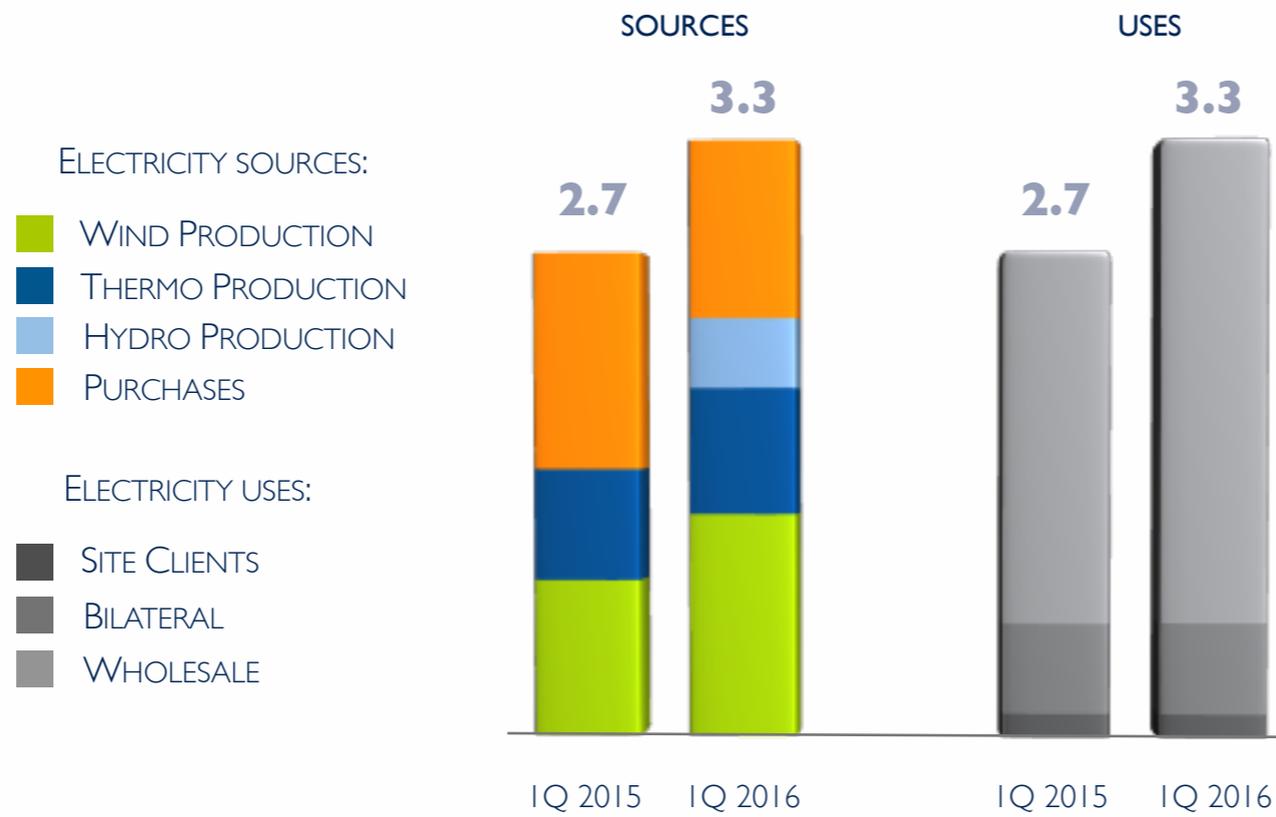
New business mix implied a very good set of results



ENERGY PORTFOLIO



IQ 2016 vs IQ 2015 (TWh)



A new enlarged and diversified electricity portfolio



PRO-FORMA REPLACEMENT COST P&L

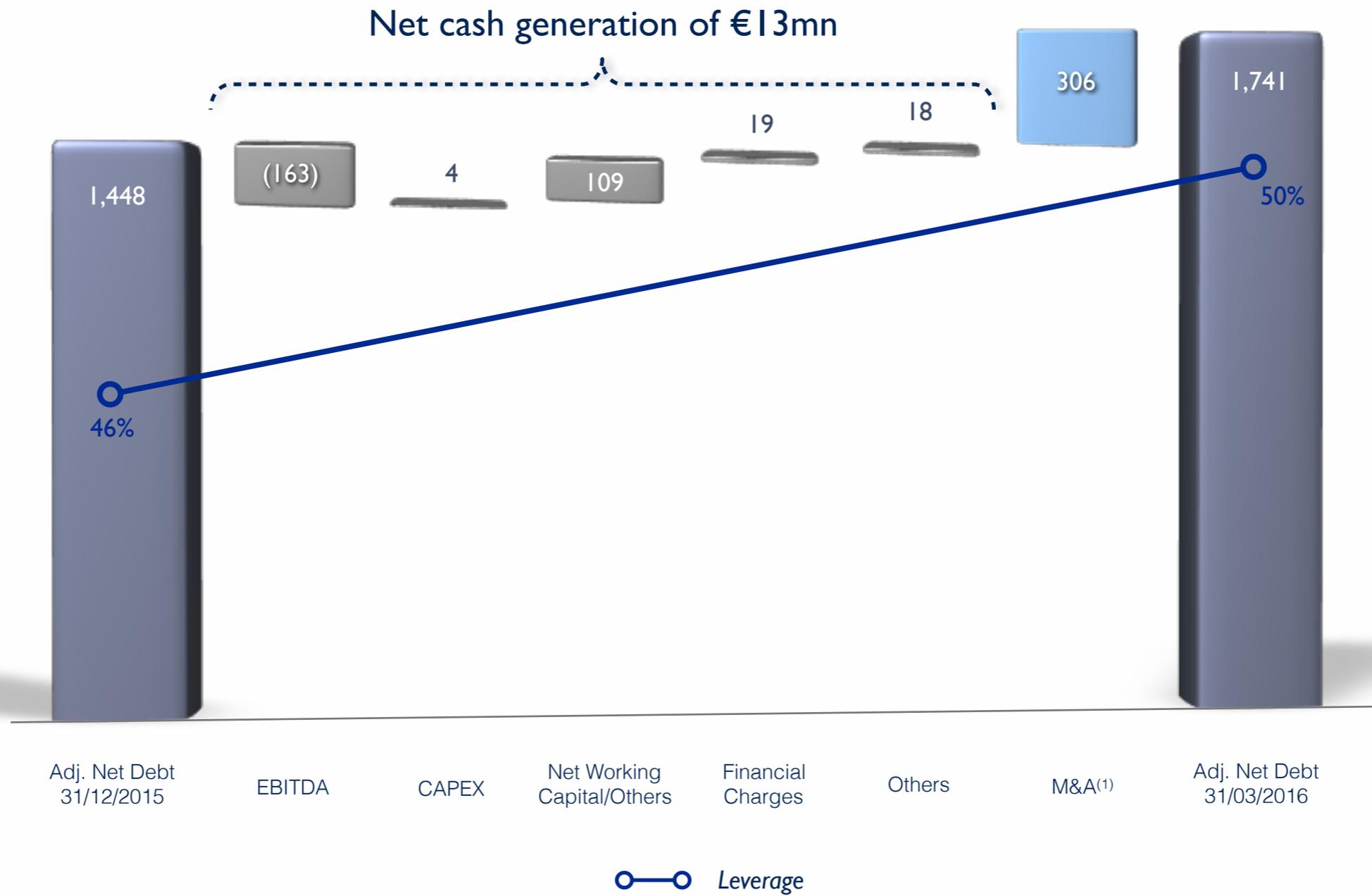


4Q 2015	Euro millions		IQ 2016	IQ 2015
86	RC Adjusted EBITDA		163	111
(48)	<i>Amortization and depreciation</i>		(64)	(41)
38	RC Adjusted EBIT		99	71
(18)	<i>Net financial income (expenses)</i>		(19)	(15)
2	<i>Net income (loss) from equity investments</i>		2	(3)
22	RC Results before taxes		82	52
(1)	<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



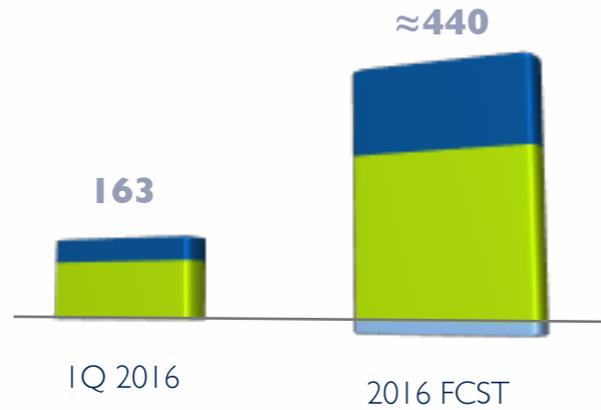
IQ 2016 ADJUSTED CASHFLOW STATEMENT



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



2016 GUIDANCE



EBITDA:

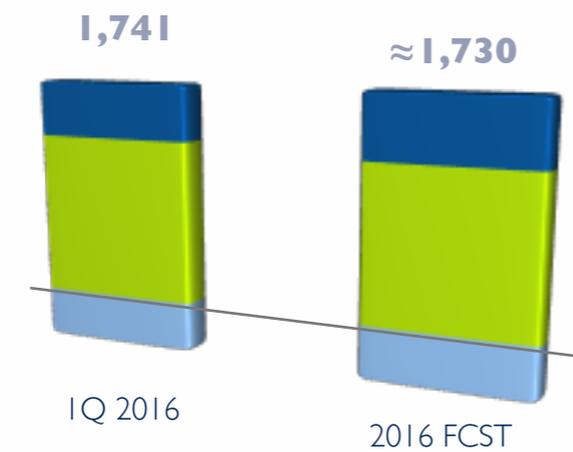
✓ 2016 guidance confirmed at €440mn

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



A SNAPSHOT OF 2015 FIGURES



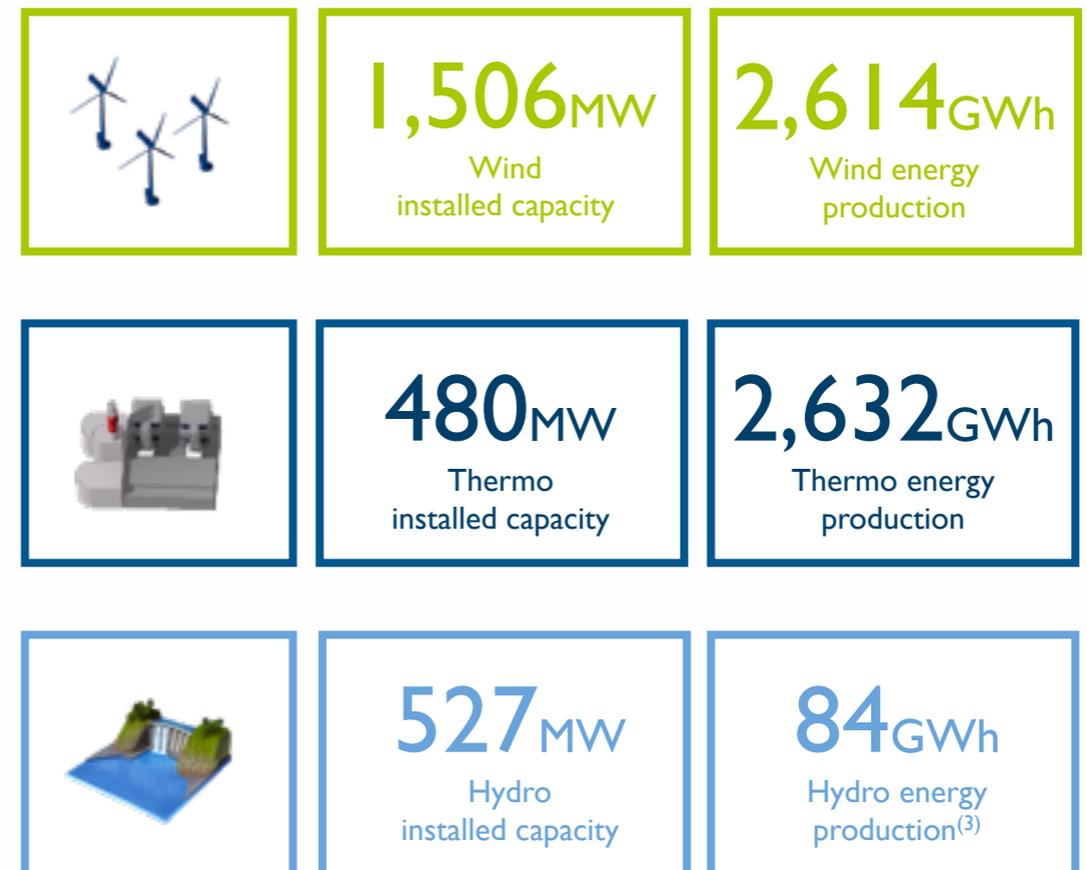
ERG IN A NUTSHELL AS AT 31.12.2015



Financial Highlights



Business Portfolio



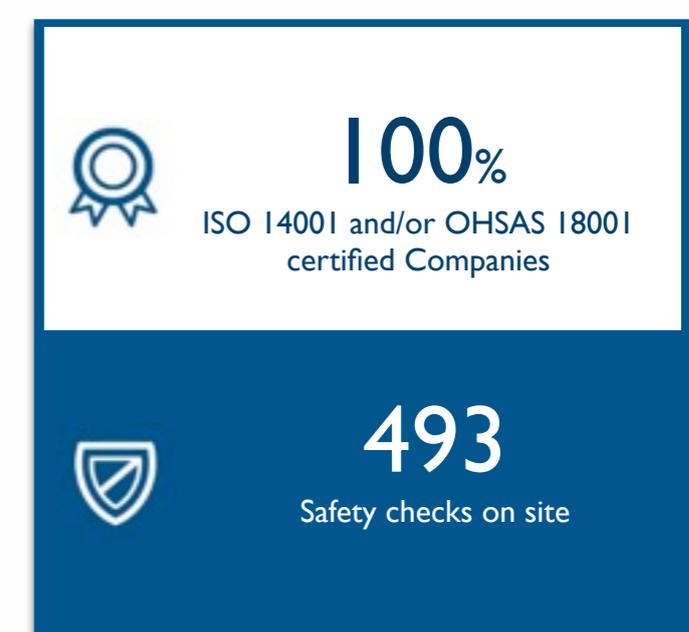
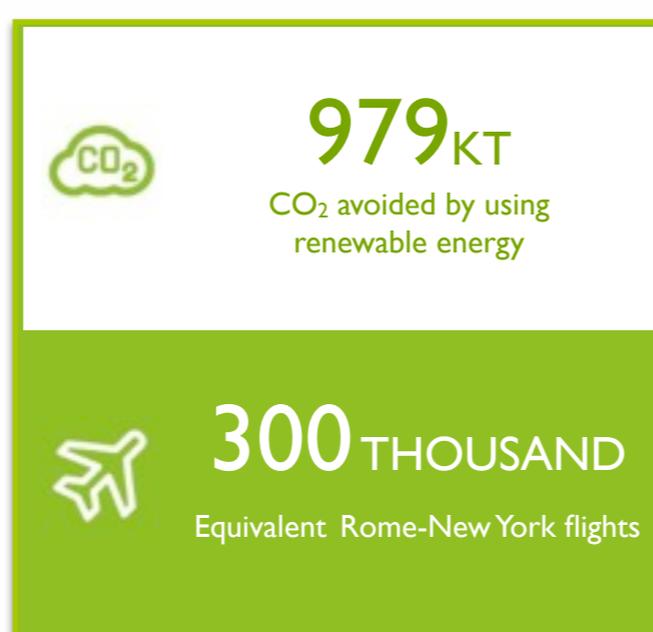
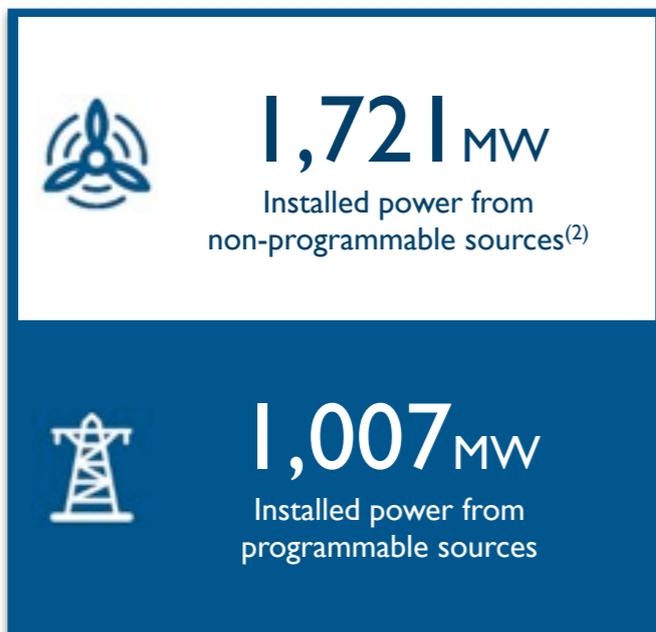
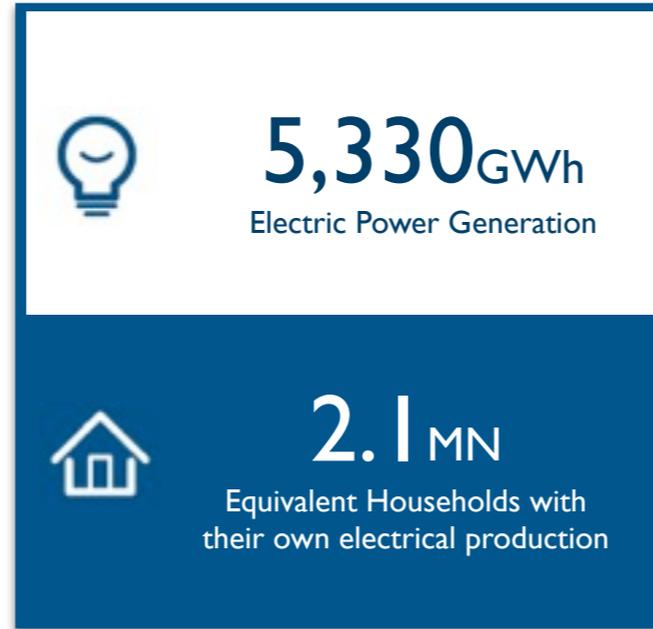
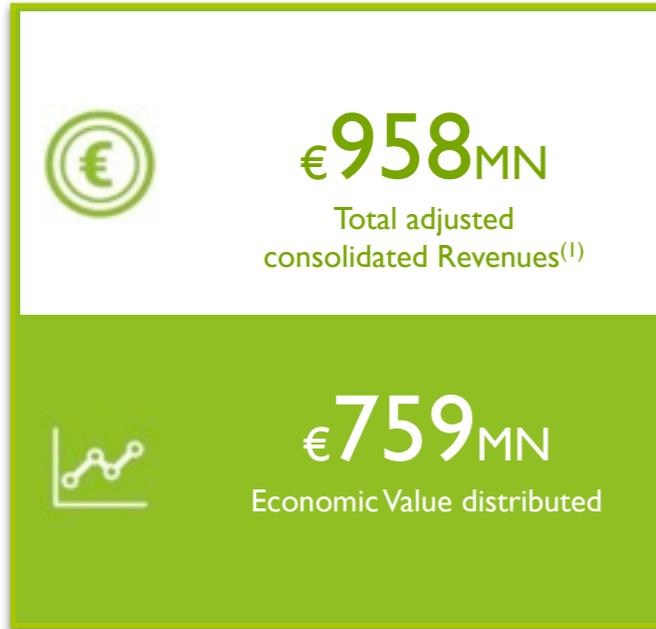
⁽¹⁾ It includes the contribution, attributable to ERG, of LUKERG Renew (joint venture with the LUKOIL Group)

⁽²⁾ It does not include TotalERG inventory earnings (losses), non-recurring items and related applicable taxes. Values correspond to the adjusted values

⁽³⁾ It refers only to December 2015



A PICTURE OF ERG 2015 SUSTAINABILITY



⁽¹⁾ Adjusted Revenues take into account ERG's share of the revenues generated by TotalERG S.p.A. and LukERG Renew GmbH joint ventures

⁽²⁾ Data as at February 2, 2016 (1,506MW as at December 31, 2015)



MANAGEMENT PROFILES



LUCA BETTONTE - CEO



Born in Rovigo on 30th September 1963.
Graduated in economics and business at the University of Bologna.
Chartered Accountant and Auditor.

Chief Executive Officer of ERG SpA.

Director of ERG Renew SpA.

Director of TotalErg SpA.

From July 2011 to April 2012 Chairman of the Board of Directors of ERG Renew SpA.
From December 2009 to April 2012 General Manager Corporate and Director of ERG SpA.
From November 2007 to December 2009 CFO of ERG SpA.

As from 2003 up to 2007 he has been CFO of Atlantia SpA, Finance Director of Autostrade per l'Italia SpA, Chairman of Autostrade International US Holdings, Director of Impregilo SpA, Autostrade Sud America Srl and of Emittenti Titoli SpA.

As from 1998 up to 2003 he worked at Indesit Company SpA both as Group Financial Controller at first and lately, starting from year 2000, as CFO, respectively.

As from 1990 up to 1998 he worked for Pricewaterhouse Coopers SpA in Italy and Great Britain.

Professor at the Faculty of Economics and Commerce of the "Università Cattolica Sacro Cuore" in Milan from 2008 to 2010 and of the University of Bologna as from 2004 up to 2008, respectively.



PAOLO MERLI - CFO



Born in Milan on 24th June 1971, he graduated in Electrical Engineering from the University of Pavia in March 1996. After doing his national service at the Italian Red Cross, in June 1998 he was awarded an MBA in Finance from the Eni "Scuola Superiore Enrico Mattei".

He joined the ERG Group in September 2006 where he is currently Chief Financial Officer: reporting directly to the CEO, he is in charge of the Planning & Reporting, Management Control & Investor Relations, Finance, Corporate & Risk Finance, Corporate Development & M&A.

He is a Board Director of ERG Renew S.p.A, ERG Power Generation S.p.A., ISAB Energy S.r.l., ERG Services S.p.A. (as Chairman) and TotalErg S.p.A.

Other positions held in the past:

He previously worked for around 7 years as a financial analyst covering the European Oil&Gas and Motorways sectors at Intermonte, a leading brokerage firm owned by the Monte dei Paschi Banking Group. At Intermonte he was also a "specialist" in ERG stock when ERG joined the STAR segment.

From 1998 to 2000 he worked in the sales department at Snam S.p.A. (current Gas & Power division of Eni Group).

Outside of work, his biggest passion is sport, particularly cycling (racing and mountain biking) and skiing (alpine and cross-country).

He is married, with two children.