



THIRD QUARTER 2016 RESULTS

10 NOVEMBER 2016

LUCA BETTENTE, 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.



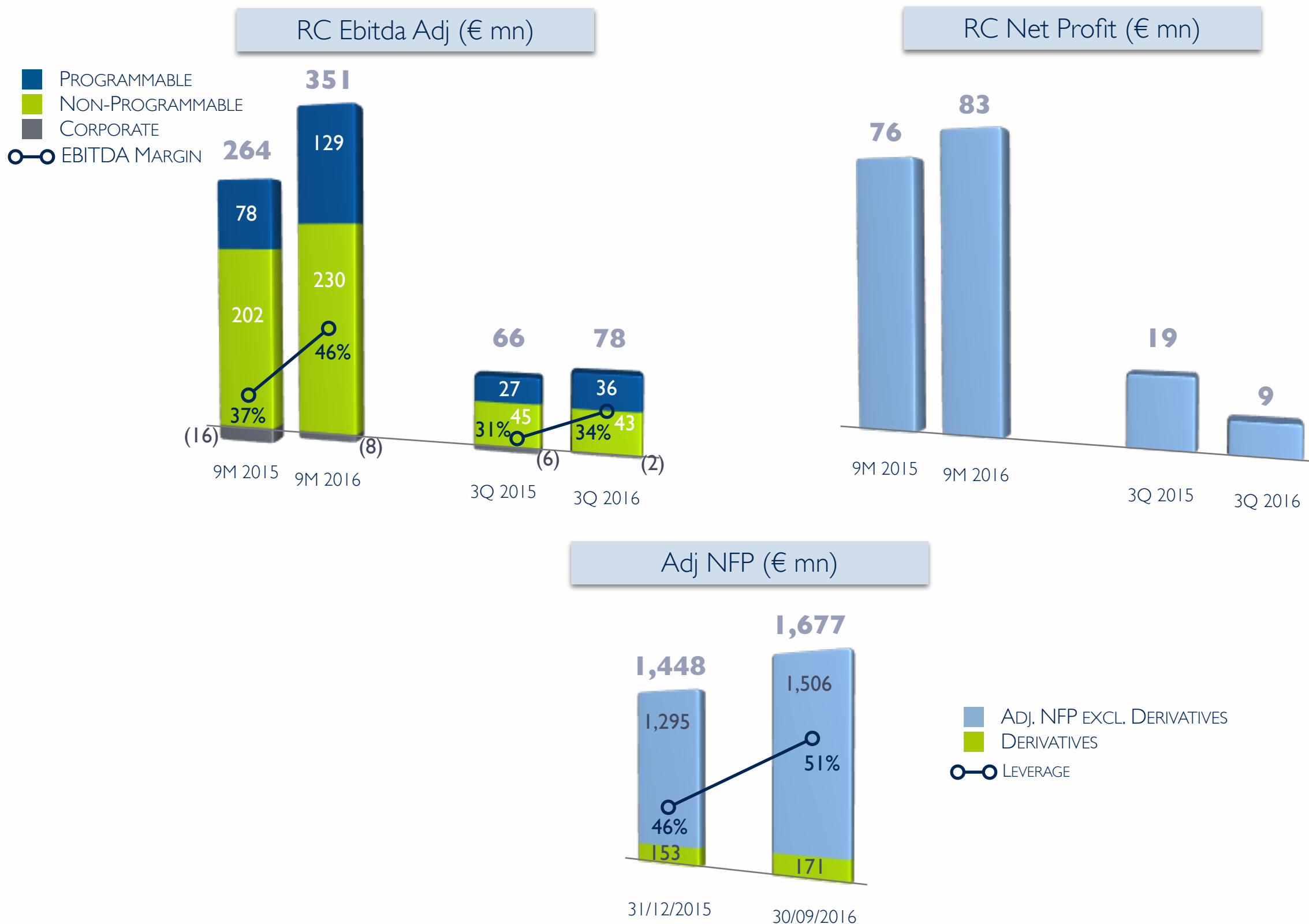
AGENDA



- 3Q 2016 Highlights
 - ✓ Key Figures
 - ✓ One Company: a leaner Group Structure
- Results Review
 - ✓ Business Environment
 - ✓ 3Q 2016 Group EBITDA
 - ✓ Results by Segments
- Key Financials
 - ✓ Profit & Loss
 - ✓ Investments
 - ✓ Cash Flow Statement
- 2016 Guidance and Conclusions
- Appendix



HIGHLIGHTS: KEY FIGURES



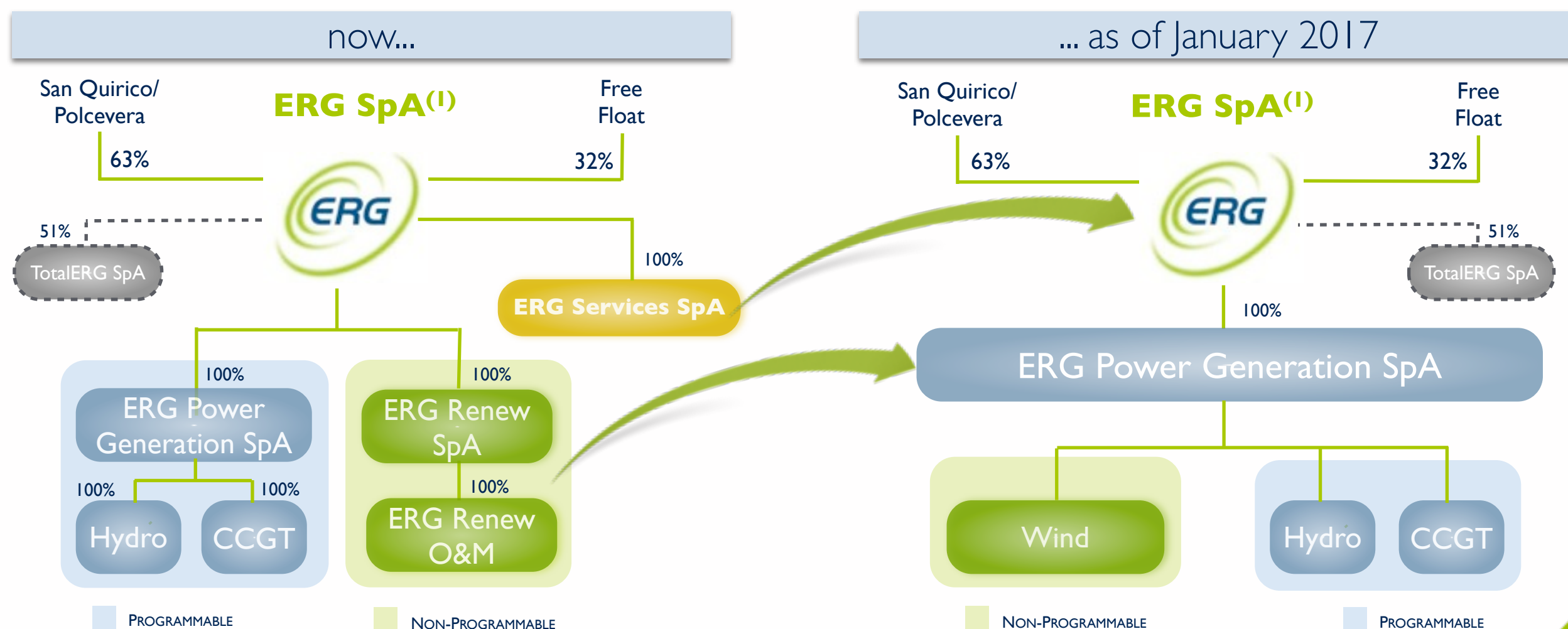
New electricity mix implied good set of results



ONE COMPANY: A LEANER GROUP STRUCTURE



- One Company: a complete Group re-organization aimed at creating a leaner Group structure more consistent with the new business model (IPP mainly based on renewable sources)
- Board of Directors approved merger of ERG Services into ERG S.pA. effective as of January 1, 2017
 - creation of a Business Development Unit
 - creation of an integrated Risk Management Unit
 - centralization of the procurement, the Legal Services and the IT units
 - efficiency improvement, optimization of decisional processes and synergies expected
- ERG subsidiaries Board of Directors approved merger of ERG Renew and ERG Renew O&M into ERG Power Generation, effective as of January 1, 2017:
 - unique generation company for the 3 complementary technologies (CCGT, wind and hydro)
 - unique energy management



⁽¹⁾ ERG owns 1% of own shares. Unicredit owns 4% of ERG



RESULTS REVIEW

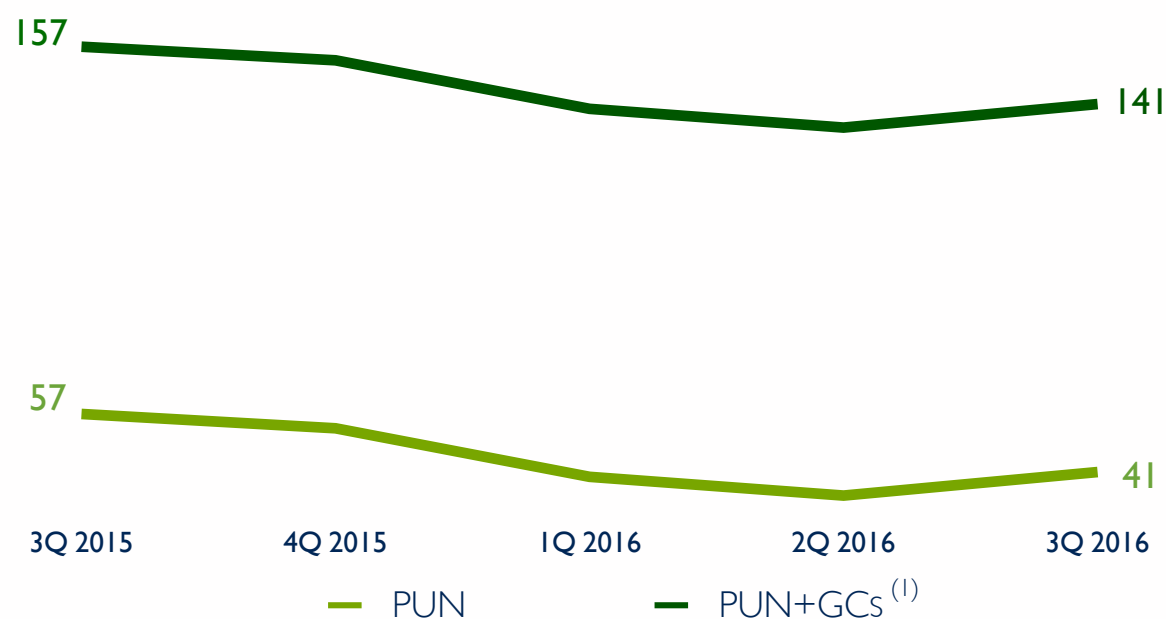
PAOLO MERLI, CFO



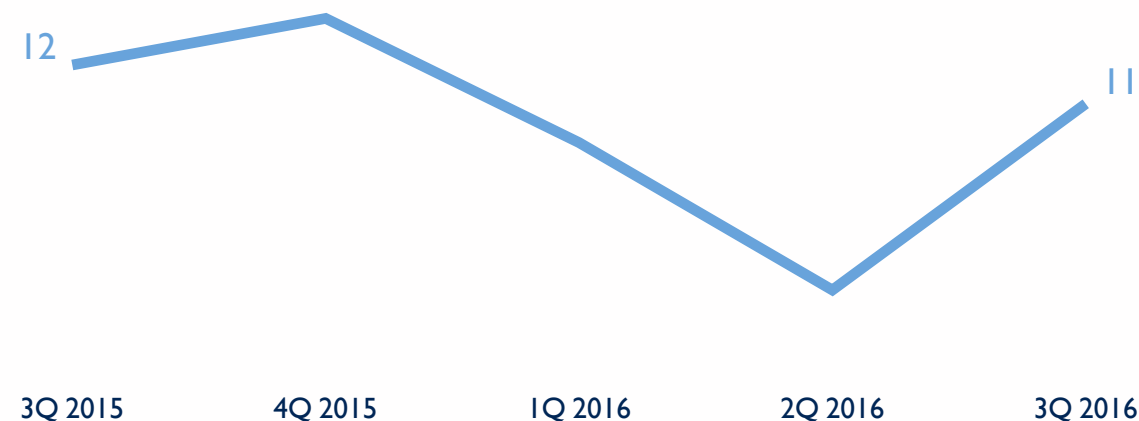
BUSINESS ENVIRONMENT



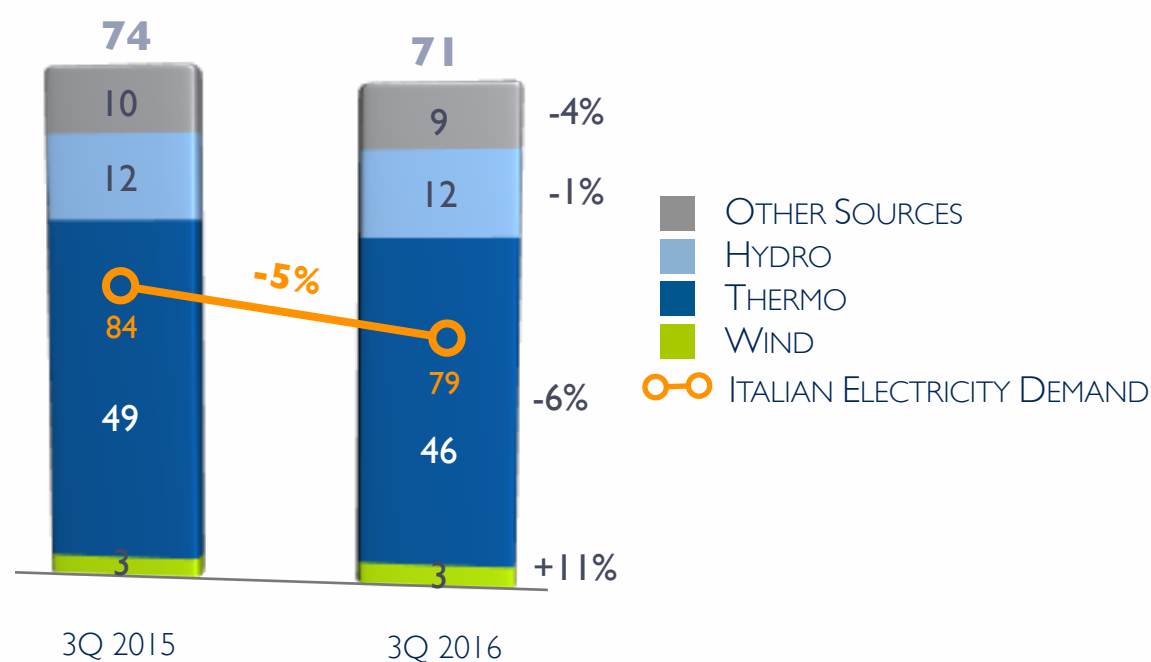
Electricity Prices in Italy (€/MWh)



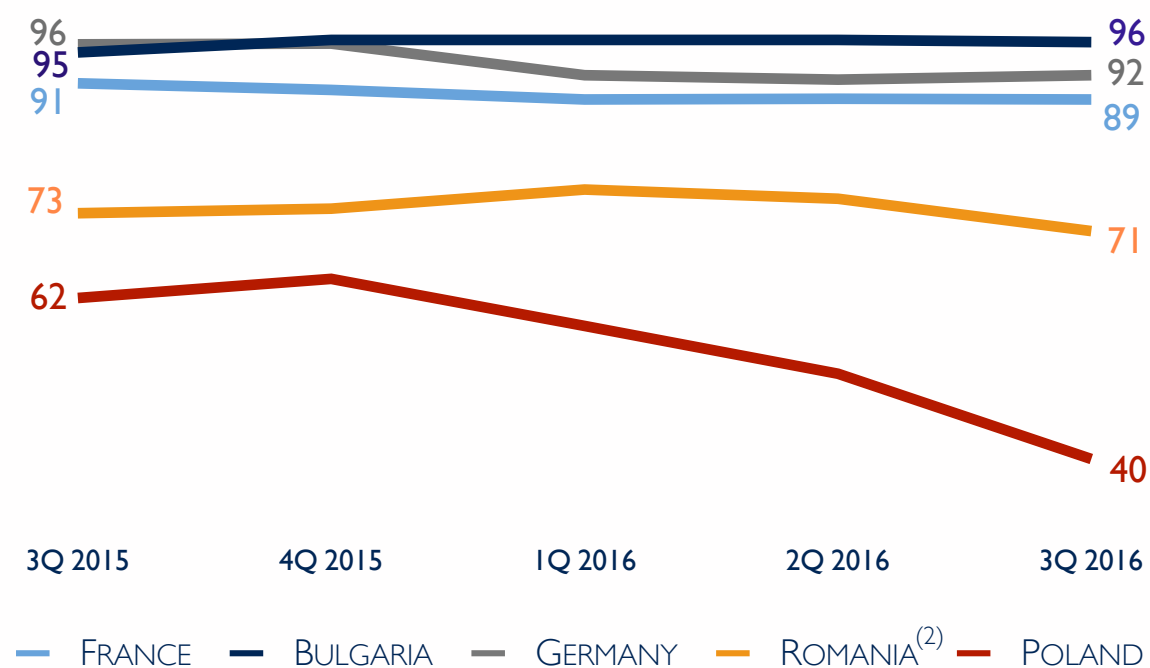
Baseload Spark Spread in Italy (€/MWh)



Italy: Electricity Production vs Demand (TWh)



All-in Wind Prices abroad (€/MWh)

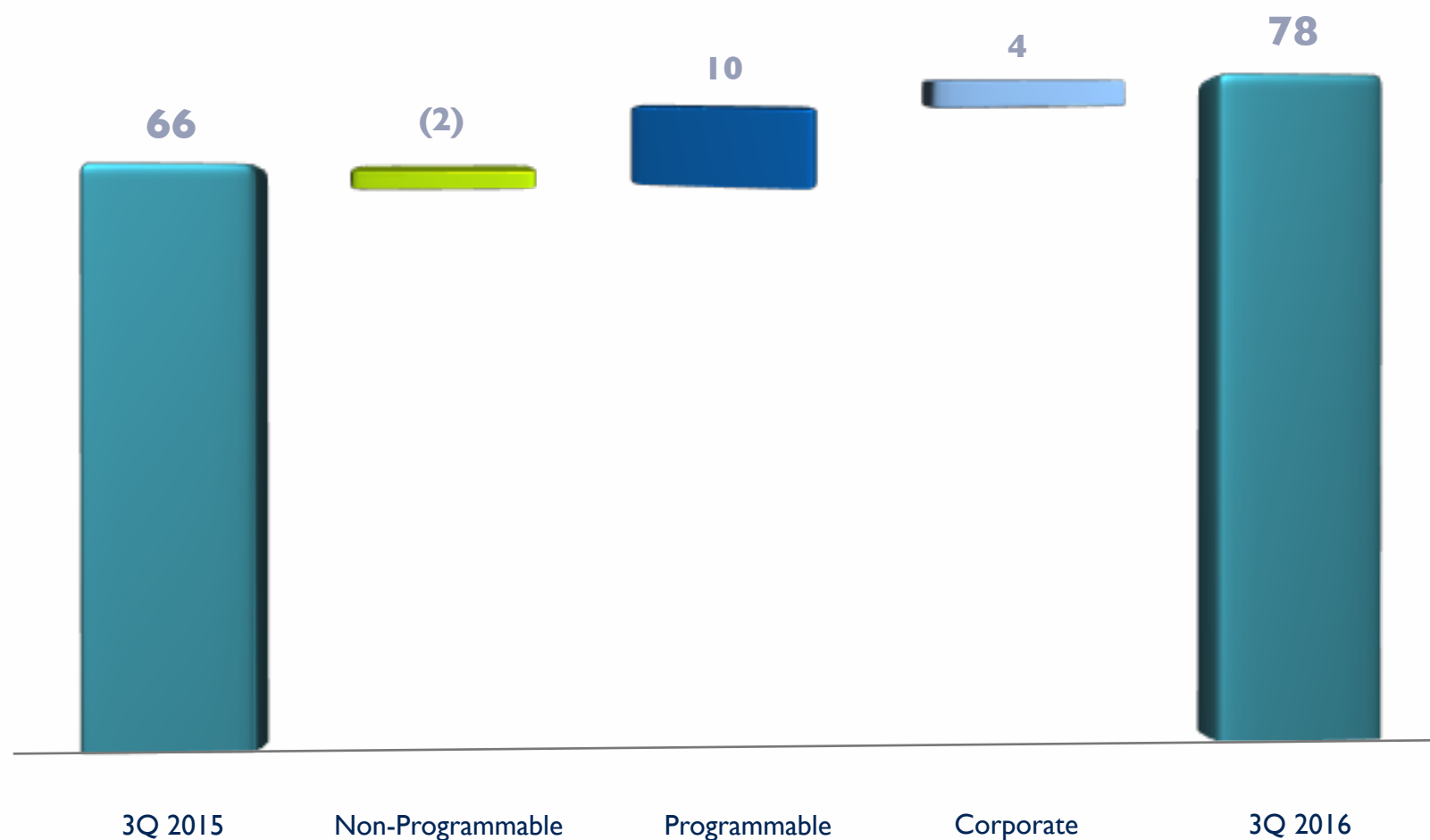


(1) Italian theoretical price based on National Average Electricity Price (PUN) in Italy + feed-in premium

(2) Figures refer only to Gebeleisis wind farm



3Q 2016 GROUP EBITDA



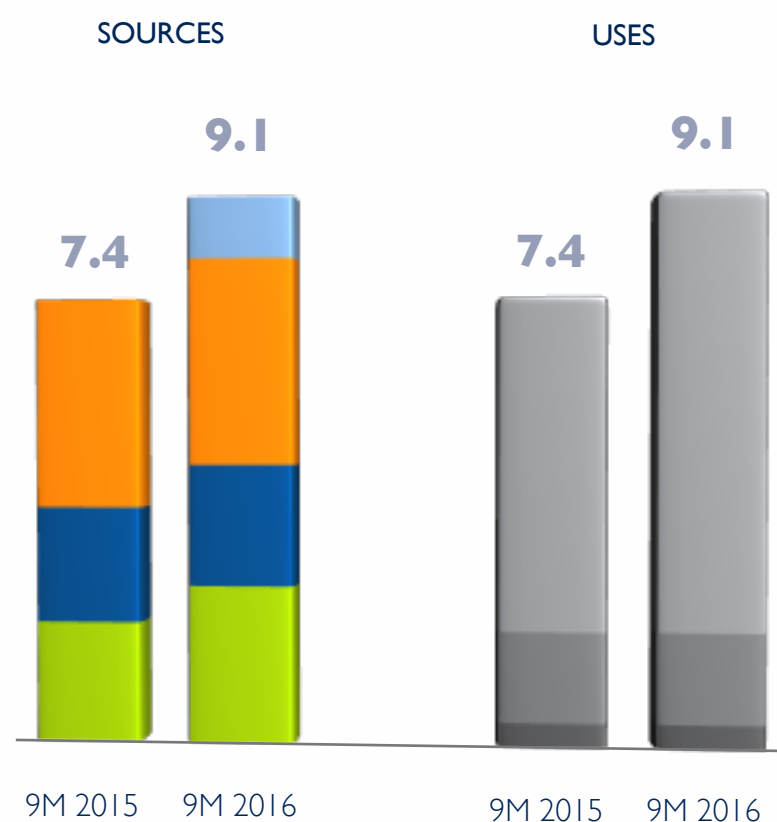
Good results despite low seasonality in wind



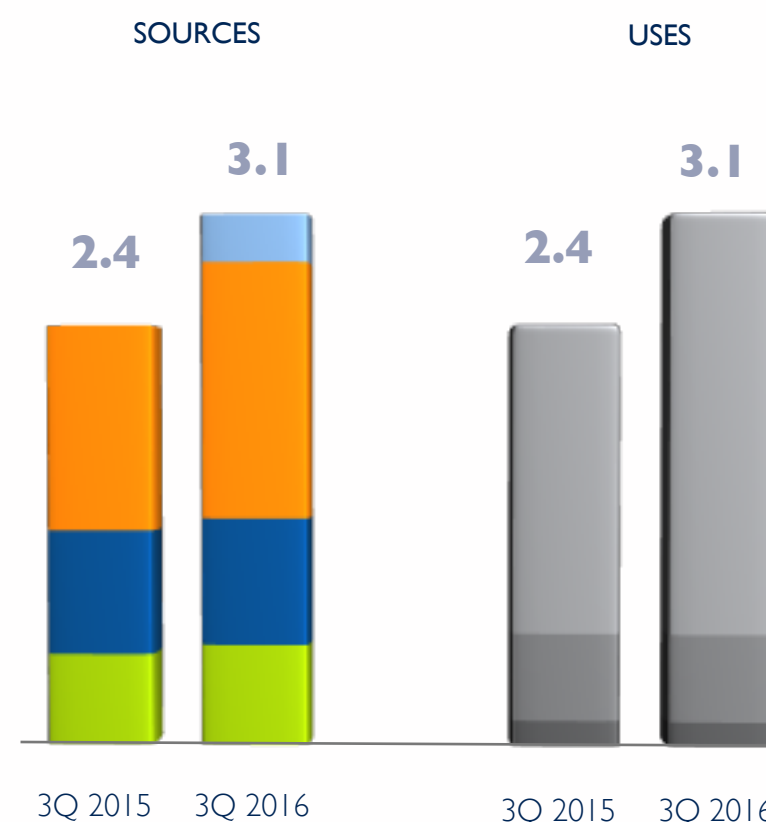
ENERGY PORTFOLIO



9M 2015 vs 9M 2016 (TWh)



3Q 2015 vs 3Q 2016 (TWh)



An enlarged and diversified electricity portfolio



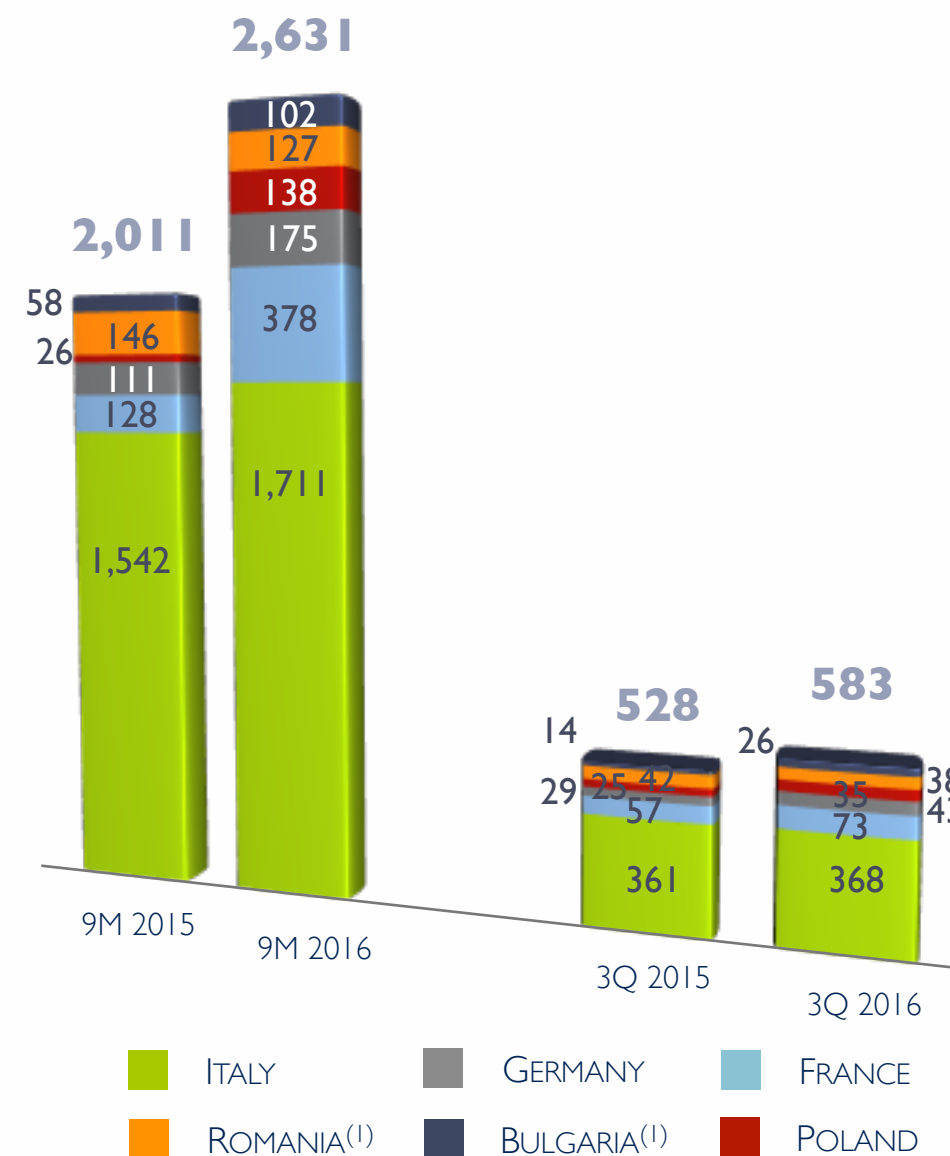
NON-PROGRAMMABLE RESULTS



RC Ebitda (€ mn)



Volumes (GWh)



Consolidation of new assets offset by negative seasonality

⁽¹⁾ As of December 23, 2015 LUKERG asset split became effective. From 1.1.2016 ERG Renew owns Tcheraga and Hrabrovo wind farms in Bulgaria, and Gebeleisis wind farm in Romania.

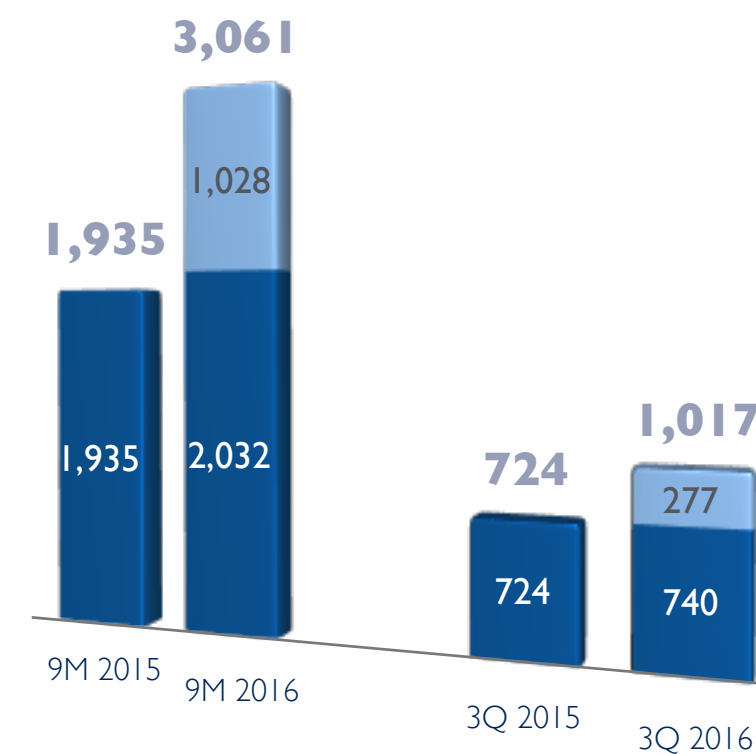
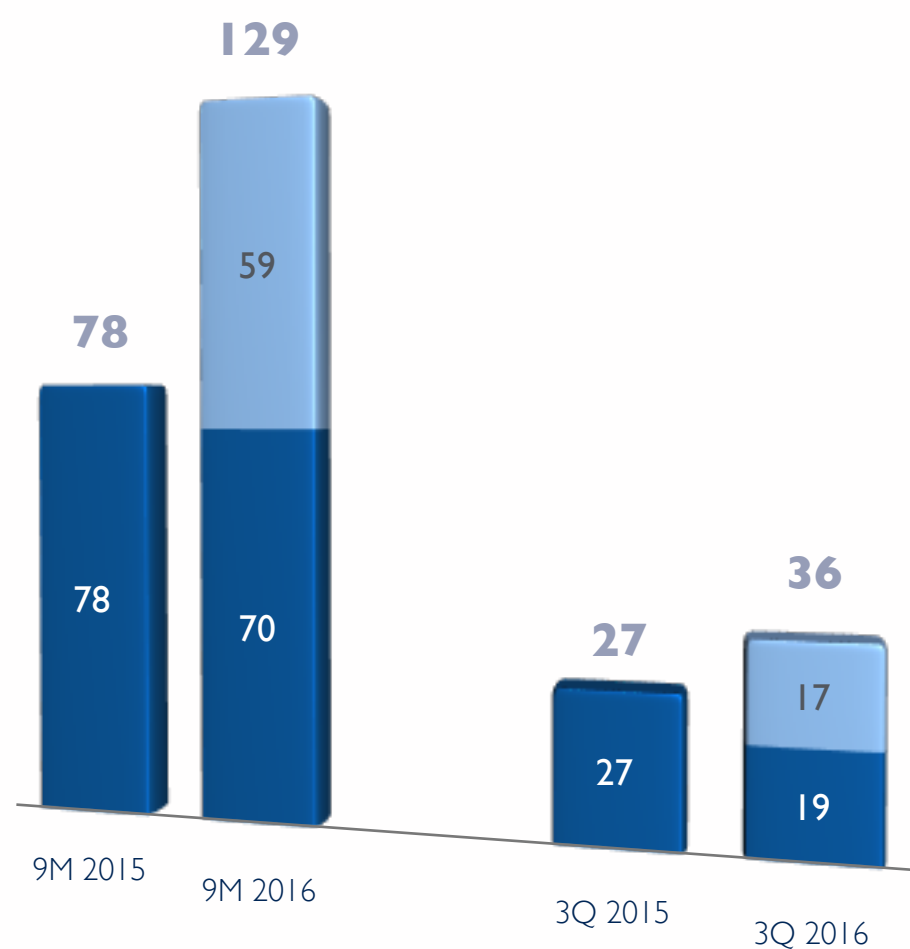


PROGRAMMABLE RESULTS



RC Ebitda (€ mn)

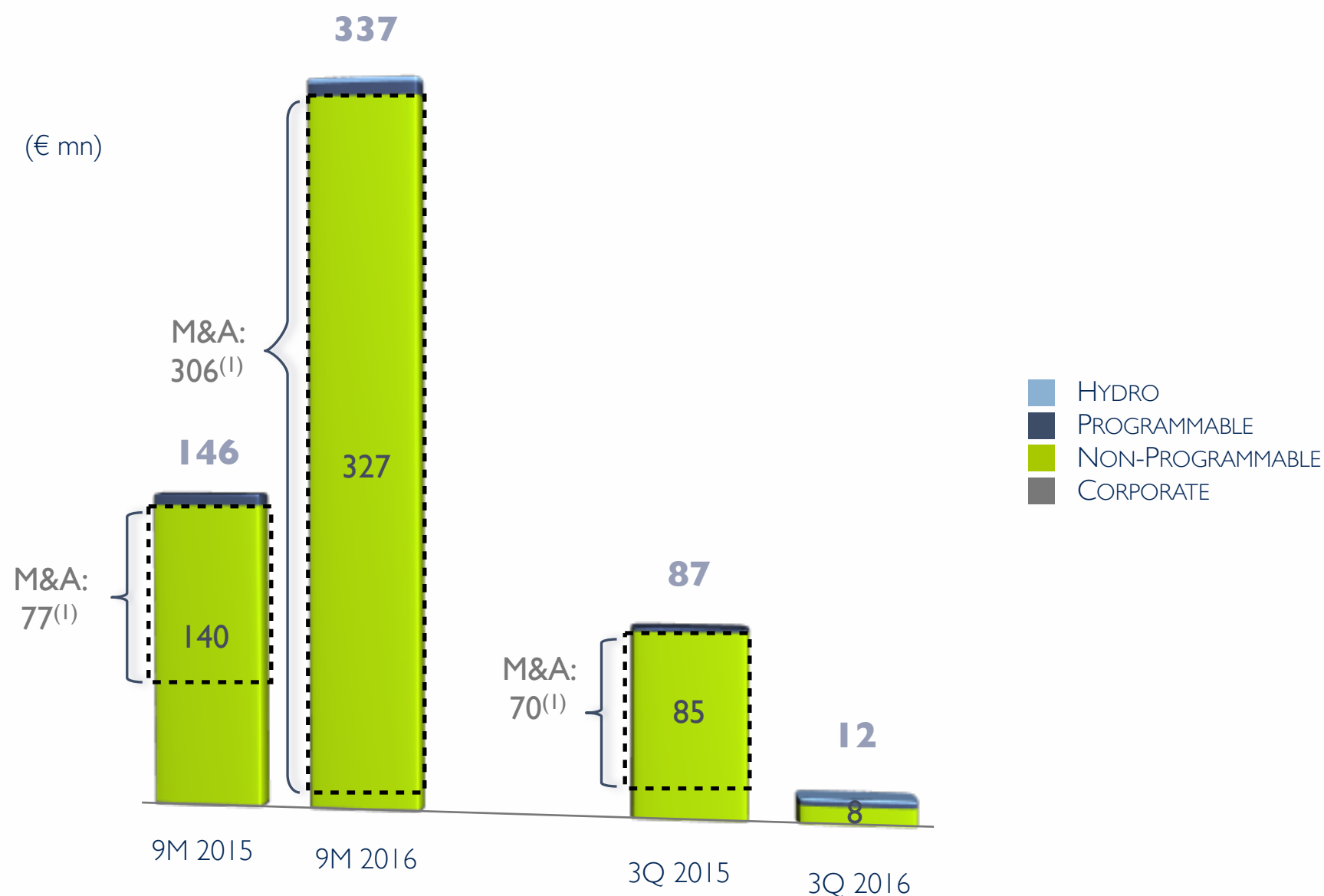
Volumes (GWh)



Strong set of results



ADJUSTED INVESTMENTS



⁽¹⁾ M&A CAPEX include:

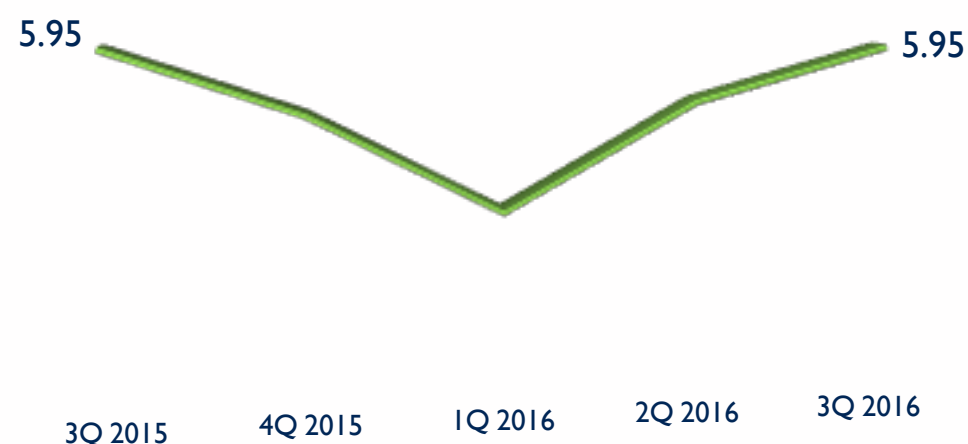
- in 9M 2015: €7mn of equity consideration for the acquisition of two wind farms in Poland now in operation, plus wind acquisition in France (63.4MW) from Macquarie European Infrastructure Fund for ca. €70mn.
- in 9M 2016: investments related to the closing of IMPAX acquisition (which took place on February 2, 2016, amounting to €293mn) and Brockaghboy acquisition (€13mn)
- in 3Q 2015: ca. €70mn for the wind acquisition in France (63.4MW) from Macquarie European Infrastructure Fund.



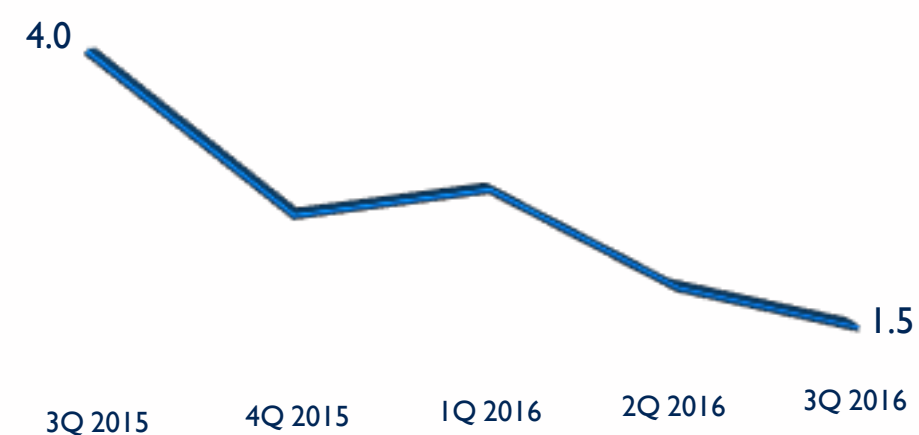
TOTALERG: KEY FIGURES⁽¹⁾



Industry Retail Fuels Volumes (M tons)



EMC Margin (\$/bbl)



9M 2016	9M 2015	Euro millions	3Q 2016	3Q 2015
97	114	Adjusted RC EBITDA	44	61
42	51	Adjusted RC EBIT	26	39
20	21	Adjusted Net Profit	16	24
368	355	NFP	368	355
10.9%	10.5%	TOTALERG retail market share	10.8%	10.5%

⁽¹⁾ Figures refer to 100% of TOTALERG contribution



KEY FINANCIALS



PRO-FORMA REPLACEMENT COST P&L

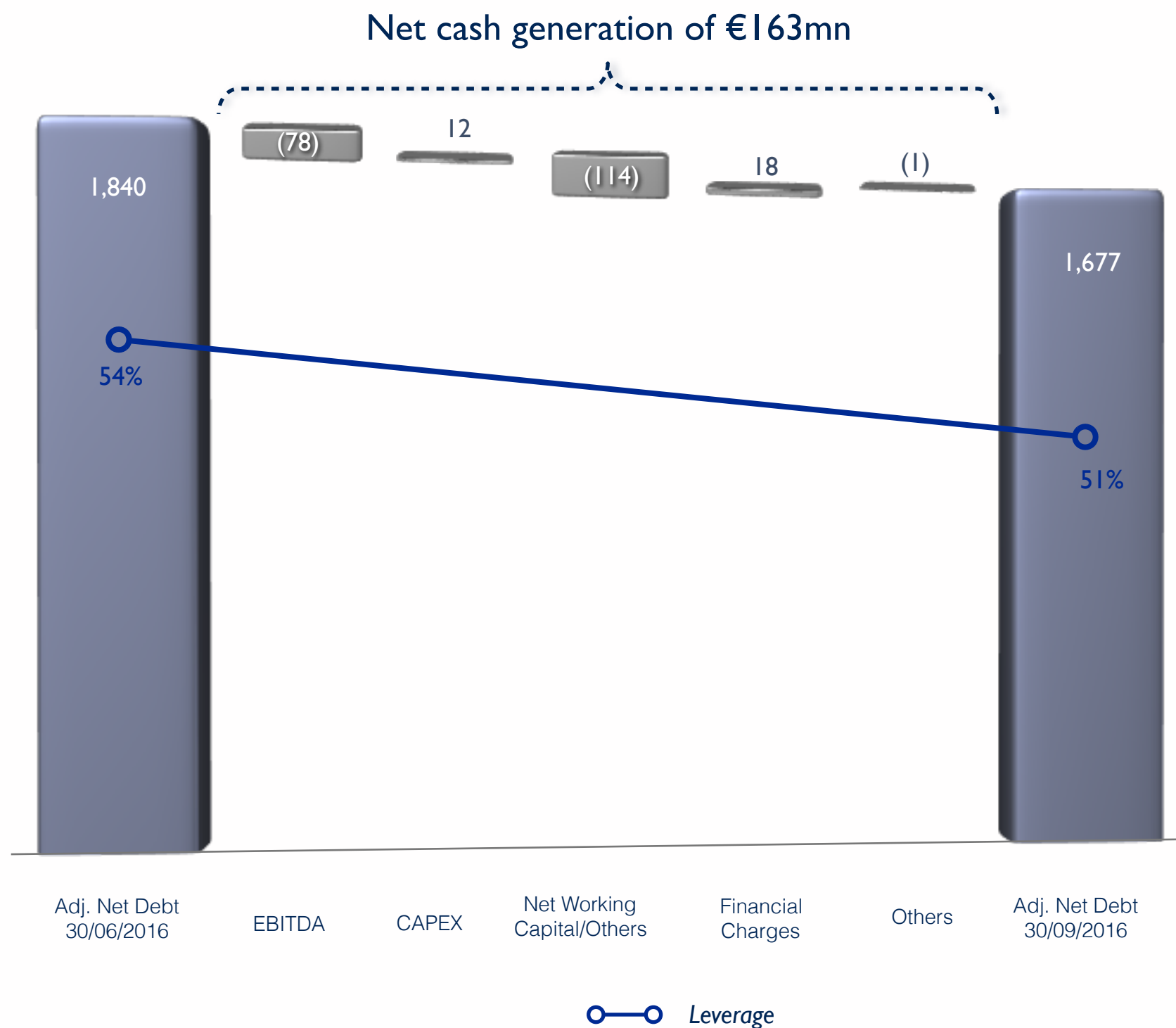


9M 2016	9M 2015	Euro millions	3Q 2016	3Q 2015
351	264	RC Adjusted EBITDA	78	66
(193)	(123)	Amortization and depreciation	(65)	(41)
158	141	RC Adjusted EBIT	13	25
(56)	(45)	Net financial income (expenses)	(18)	(14)
11	11	Net income (loss) from equity investments	9	13
113	107	RC Results before taxes	4	23
(27)	(29)	Income taxes	4	(5)
86	79	RC Results for the period	8	19
(3)	(3)	Minority interests	1	(0)
83	76	RC Net profit	9	19
24%	27%	Tax Rate	(100%)	20%

Note: figures based on NO GAAP measures



3Q 2016 ADJUSTED CASHFLOW STATEMENT



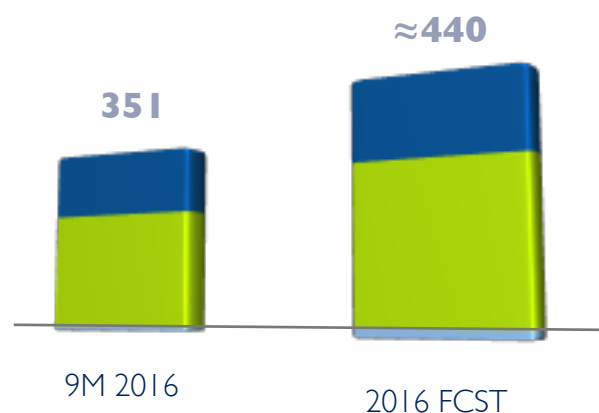


2016 GUIDANCE AND CONCLUSIONS

LUCA BETTONTI, CEO



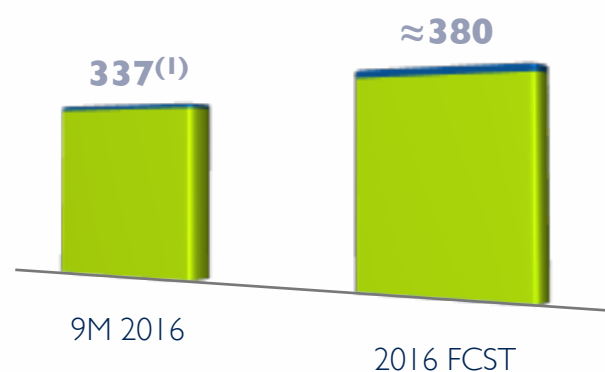
2016 GUIDANCE



EBITDA:

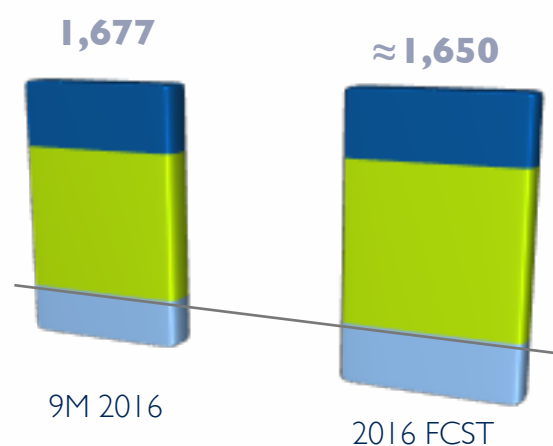
✓ 2016 guidance confirmed at €440mn

PROGRAMMABLE NON-PROGRAMMABLE CORPORATE



CAPEX:

✓ 2016 guidance reduced at €380mn due to slight postponement of Brockaghboy investment



NFP:

✓ 2016 guidance at €1.65bn due to CAPEX reduction and NWC improvement

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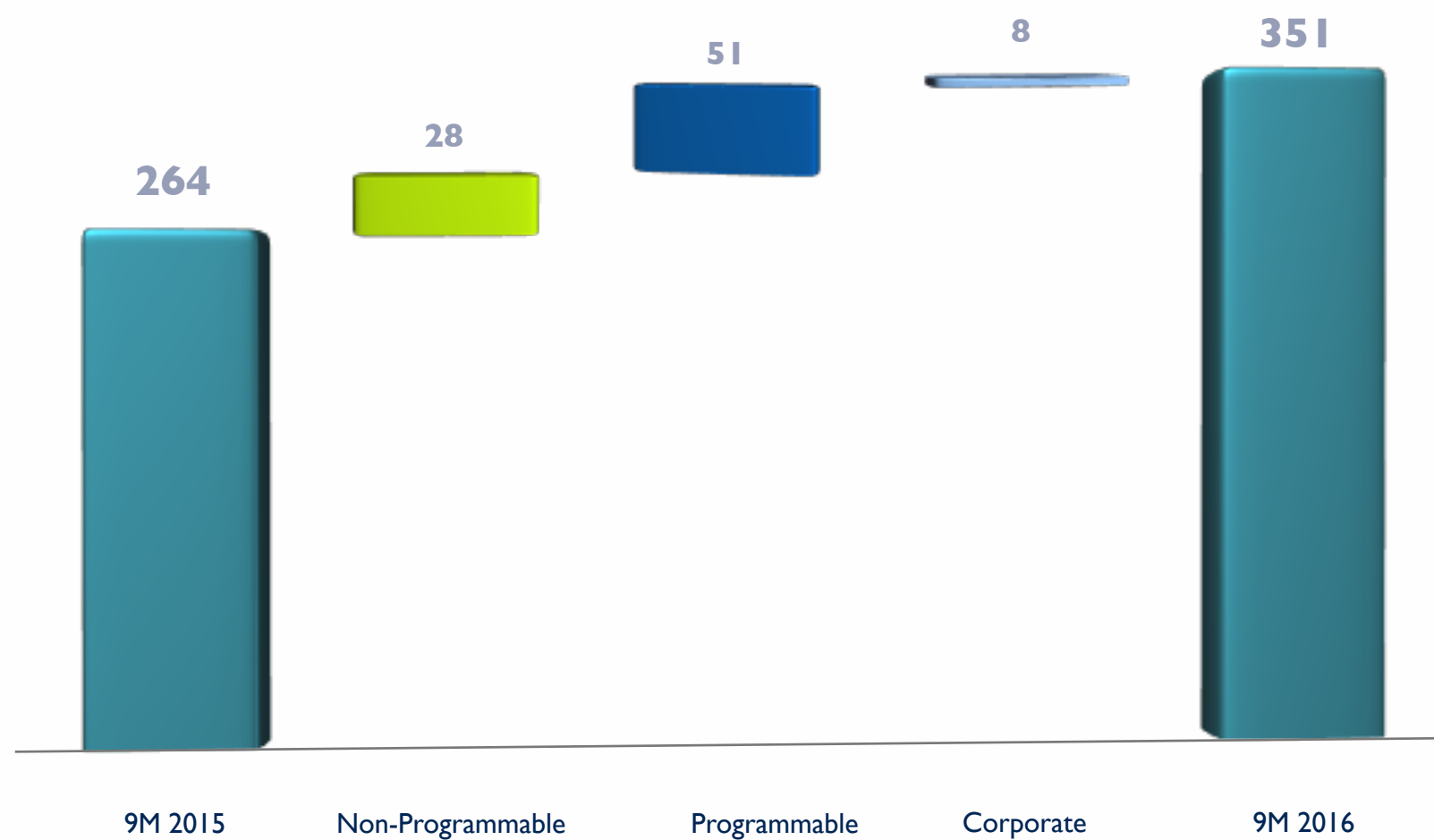
⁽¹⁾ It includes M&A CAPEX related to the closing of IMPAX acquisition (which took place on February 2, 2016, amounting to €293mn) and Brockaghboy acquisition (€13mn)



APPENDIX



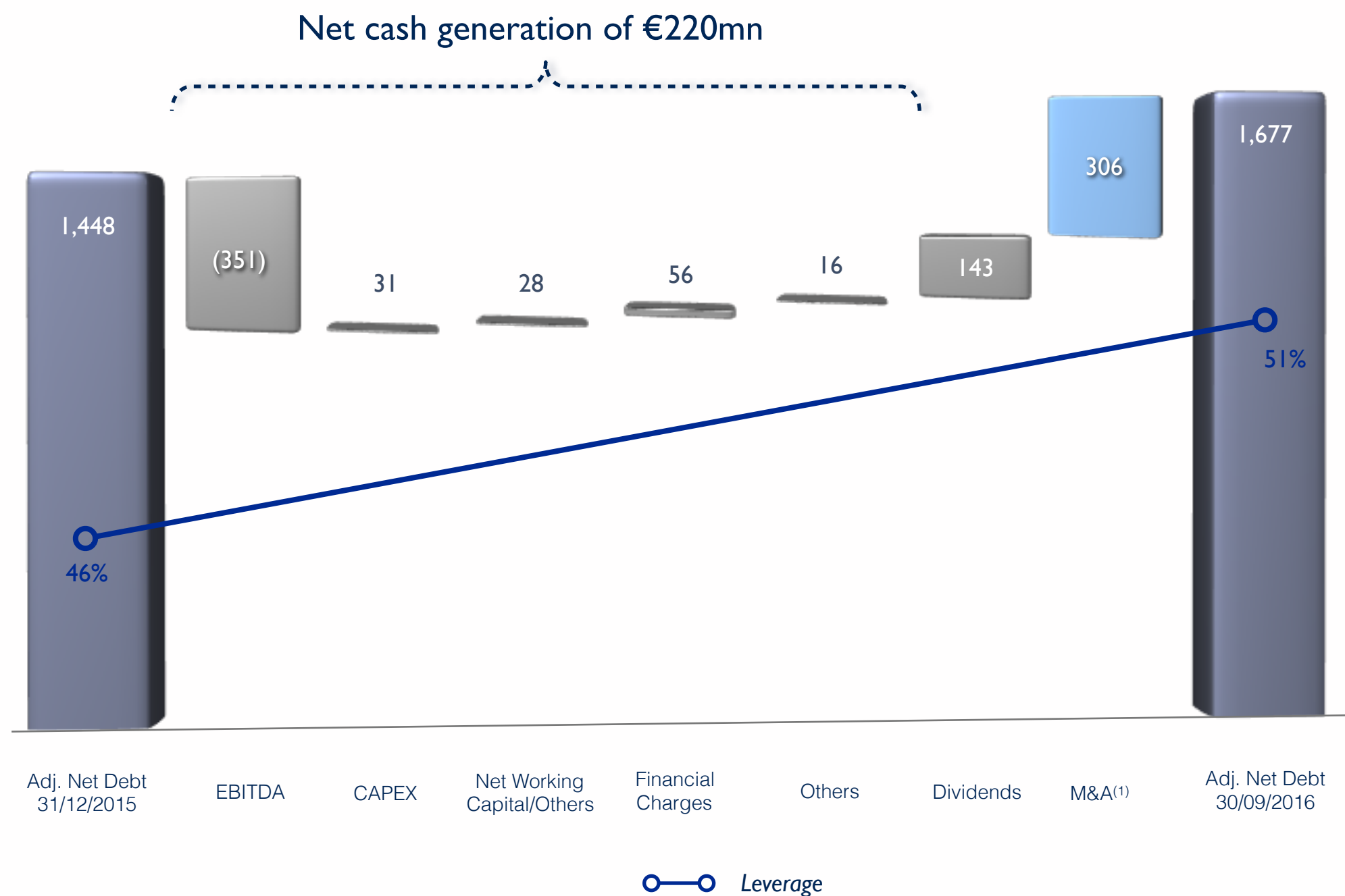
9M 2016 GROUP EBITDA



Improved figures in all ERG divisions



9M 2016 ADJUSTED CASHFLOW STATEMENT



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



9M AND 3Q 2016 RESULTS



	9M 2016	9M 2015	Euro millions	3Q 2016	3Q 2015	
	757	713	Adjusted Revenues	227	216	
↑	351	264	RC EBITDA Adjusted	78	66	↑
↑	230	202	- Non-Programmable	43	45	↓
			<i>of which:</i>			
	179	174	- Italy	34	36	
	51	28	- Abroad	10	9	
↑	129	78	- Programmable	36	27	↑
			<i>of which:</i>			
	70	78	- Thermo	19	27	
	59	0	- Hydro	17	0	
↑	(8)	(16)	- Corporate	(2)	(6)	↑



NON-PROGRAMMABLE: KEY FIGURES (I/2)



9M 2016	9M 2015		3Q 2016	3Q 2015
1,720	1,446	Installed capacity (end-period, MW)	1,720	1,446
		<i>of which:</i>		
1,094	1,087	- Italy	1,094	1,087
252	128	- France	252	128
168	86	- Germany	168	86
82	42	- Poland ⁽¹⁾	82	42
70	77	- Romania ⁽²⁾	70	77
54	27	- Bulgaria ⁽²⁾	54	27
2,631	2,011	Electricity Production (GWh)	583	528
		<i>of which:</i>		
1,711	1,542	- Italy	368	361
378	128	- France	73	57
175	111	- Germany	43	29
138	26	- Poland ⁽¹⁾	35	25
127	146	- Romania ⁽²⁾	38	42
102	58	- Bulgaria ⁽²⁾	26	14

⁽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)



9M 2016	9M 2015	Euro millions	3Q 2016	3Q 2015
RC EBITDA:				
179	174	Italy	34	36
24	8	France	4	3
12	8	Germany	2	2
3	1	Poland ⁽¹⁾	(0)	1
6	7	Romania ⁽²⁾	2	1
5	4	Bulgaria ⁽²⁾	2	1
230	202	Total RC EBITDA	43	45
(125)	(99)	Depreciation	(42)	(33)
105	103	RC EBIT	2	12

⁽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



9M 2016	9M 2015	Euro millions	3Q 2016	3Q 2015
2,032	1,935	Electricity Production (GWh)	740	724
70	78	RC EBITDA	19	27
(22)	(22)	Depreciation	(7)	(7)
48	56	RC EBIT	11	19



ERG HYDRO: KEY FIGURES



9M 2016	9M 2015	Euro millions	3Q 2016	3Q 2015
1,028	n.a.	Electricity Production (GWh)	277	n.a.
59	n.a.	RC EBITDA	17	n.a.
(44)	n.a.	Depreciation	(15)	n.a.
14	n.a.	RC EBIT	3	n.a.



INVESTMENTS



9M 2016	9M 2015	Euro millions	3Q 2016	3Q 2015
327	140	Non-Programmable ⁽¹⁾	8	85
8	5	Programmable	3	2
		<i>of which:</i>		
6	5	- Thermo	2	2
2	0	- Hydro	1	0
1	1	Corporate	0	0
337	146	Adjusted Total	12	87

⁽¹⁾ M&A CAPEX for non-programmable include:

- in 9M 2015: €7mn of equity consideration for the acquisition of two wind farms in Poland now in operation, plus wind acquisition in France (63.4MW) from Macquarie European Infrastructure Fund for ca. €70mn.
- in 9M 2016: investments related to the closing of IMPAX acquisition (which took place on February 2, 2016, amounting to €293mn) and Brockaghboy acquisition (€13mn)
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