



# 2011 Third Quarter Results

Alessandro Garrone

Group CEO

# FORWARD-LOOKING STATEMENTS

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.



## HIGHLIGHTS – KEY FINANCIALS

### 3Q 2011

- Adjusted RC Ebitda at Eu120mn, Eu79mn in 3Q10
- RC Net Profit at Eu8mn, against a loss of -Eu14mn in 3Q10

### 9M 2011

- Adjusted RC Ebitda at Eu229mn, Eu213mn in 9M10
- RC Net Profit at -Eu32mn, -Eu13mn in 9M10

### Balance Sheet at 30.09.2011

- Adj NFP at Eu1,156mn vs Eu1,082mn Adj at 2010 Year-End
- Adjusted Leverage at 37% vs 36% at 2010 Year-End

**Strong results in Power and Renewables, weak in R&M**



# ACQUISITION OF NEW WIND CAPACITY

## ERG Eolica Campania

- Acquisition of IVPC Power 3 finalized on August 5
- 5 wind parks in operation as of 2008 for a total installed capacity of 111.8MW
- EV based on financial data at 30.06.2011: Eu229mn or 2mn/MW
- Equity Value: Eu133mn
- Very good quality assets with productivity above 2100 heq
- All wind parks partly financed through project financing and Law 488 thus benefiting from better financing conditions

## Amaroni

- Acquisition of Amaroni Energia on September 13
- Amaroni wind farm project fully authorized for 22.5MW
- Construction started in the second half of September
- Commercial operation expected at the end of 2012

## Strategic rationale

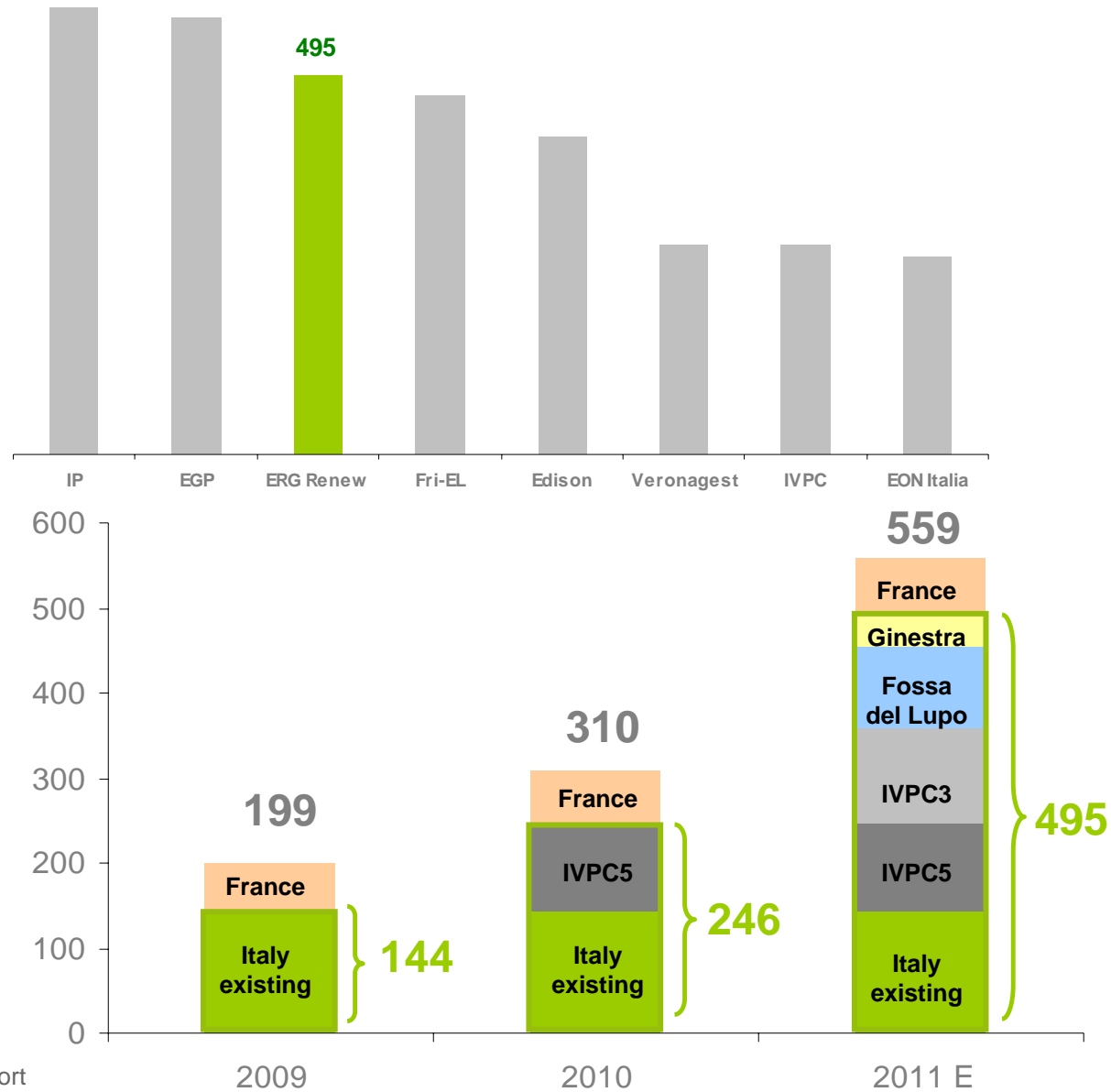
- Further step in the consolidation of the Italian wind sector: ERG Renew became the 3rd wind operator



# ERG RENEW WIND INSTALLED CAPACITY

IT Market Share\*

Wind installed capacity



\* Source: ERG Data and 2010 ANEV Report



# AGREEMENT WITH IREN MERCATO IN POWER BUSINESS

6

## Key points of the deal

- Long term PPA for 2 TWh per year (baseload)
- Cap and floor mechanism on spark spread
- Contract duration 6 years starting 1st January 2012
- Disposal of the power retail going concern
- Agreement on exploring synergies and collaboration on other projects

## Strategic rationale

- Focus on core activity: reliability and efficiency of power assets
- Securization of volume thanks to 'baseload' PPA contract
- Securization of a floor for power generation margins
- Reducing complexity of business model
- ERG power retail business 'as it was' was sub-optimal





## 3Q 2011 Results

Paolo Merli

Corporate Finance, Control and IR Director

## RESULTS OF 9M AND 3Q 2011

9M 2011	9M 2010	Euro millions	3Q 2011	3Q 2010
8,178	6,588	Adjusted Revenues	2,824	2,666
229	213	<b>RC EBITDA Adjusted</b>	120	79
↓ 17	34	- <i>Refining &amp; Marketing</i>	19	5 ↑
↑ 196	186	- <i>Power &amp; Gas</i>	94	78 ↑
↑ 41	20	- <i>Renewables</i>	15	5 ↑
(25)	(26)	- <i>Corporate</i>	(7)	(9)

**Higher RC EBITDA vs. 3Q10 (+52%) and 9M10 (+8%)**



## PRO-FORMA REPLACEMENT COST P&L

9M 2011	9M 2010	Euro millions	3Q 2011	3Q 2010
<b>229</b>	<b>213</b>	<b>RC Adjusted EBITDA</b>	<b>120</b>	<b>79</b>
(176)	(158)	- Amortization and depreciation	(59)	(57)
<b>53</b>	<b>56</b>	<b>RC Adjusted EBIT</b>	<b>61</b>	<b>22</b>
(36)	(35)	- Net financial income (expenses)	(20)	(20)
1	3	- Net income (loss) from equity investments	0	0
<b>17</b>	<b>24</b>	<b>RC Results before taxes</b>	<b>41</b>	<b>2</b>
(20)	(10)	- Income taxes	(18)	(9)
<b>(3)</b>	<b>14</b>	<b>RC Results for the period</b>	<b>23</b>	<b>(7)</b>
(29)	(26)	- Minority interests	(16)	(7)
<b>(32)</b>	<b>(13)</b>	<b>RC Net profit</b>	<b>8</b>	<b>(14)</b>
48	40	- Net gain (loss) on inventory	0	0
97	0	- Net non-characteristic items	(4)	0
<b>113</b>	<b>28</b>	<b>Net profit reported</b>	<b>3</b>	<b>(14)</b>



Note: figures based on NO GAAP measures



Review by business

## COASTAL REFINING: KEY FIGURES

9M 2011	9M 2010	Euro millions	3Q 2011	3Q 2010
83	123	Gross refining margin	25	33
(46)	(28)	Adjusted RC EBITDA	(11)	(18)
(36)	(38)	Adjusted Depreciation	(11)	(13)
(82)	(67)	Adjusted RC EBIT	(22)	(31)
32	38	Investments	8	10

**Tough environment led to margins deterioration**



Note: figures are adjusted for ERG's stake in ISAB Srl (51% until 1Q 2011, and 40% in 2Q and 3Q 2011)

## COASTAL REFINING: PERFORMANCE

12

9M 2011	9M 2010	Euro millions	3Q 2011	3Q 2010
<b>Adjusted RC Refining margin:</b>				
1.84	2.01	US\$/bbl	1.74	0.72
1.31	1.53	Eu€/bbl	1.23	0.56
3,625	5,135	Volumes processed (ktons)	1,287	1,862
(2.16)	0.25	EMC (US\$/bbl)	(2.39)	(0.79)
(1.53)	0.19	EMC (Eu€/bbl)	(1.69)	(0.61)
4.00	1.76	Variance versus EMC (US\$/bbl)	4.13	1.51
2.84	1.34	Variance versus EMC (Eu€/bbl)	2.92	1.17



## INTEGRATED DOWNSTREAM: KEY FIGURES

9M 2011	9M 2010	Euro millions	3Q 2011	3Q 2010
63	62	<b>Adjusted RC EBITDA</b>	30	23
77	83	- <i>Marketing</i>	29	37
(14)	(21)	- <i>Inland refining and logistics</i>	1	(14)
(45)	(40)	<b>Adjusted Depreciation</b>	(15)	(14)
18	22	<b>Adjusted RC EBIT</b>	15	9
25	30	<b>Investments</b>	9	11
11.8%	n.a.	<b>TotalErg retail market share *</b>	11.8%	n.a.
1.0%	n.a.	<b>EOS retail market share</b>	0.9%	1.3%

**Still weak results in refining, flat in marketing**

Note: figures are adjusted for 51% stake in TotalERG as of October 1<sup>st</sup> 2010

\* Estimated market share referring to 100% of TotalERG



# INTEGRATED DOWNSTREAM: INLAND REFINING

9M 2011		3Q 2011
<b>Refining margin at replacement cost</b>		
0.73	US\$/bbl	1.88
0.52	Euro/bbl	1.33
<b>Volumes processed (ktons)</b>		
1,213	Sarpom (Trecate)	418
2,709	Rome	912
<b>3,922</b>	<b>Total volumes</b>	<b>1,331</b>

**Very tough refining scenario**



Note: as of 1Q 2011 volumes relate to 100% of TotalERG stake in Rome (100%) and Sarpom (26%)

## ISAB ENERGY: KEY FIGURES

9M 2011	9M 2010 <sup>*</sup>		3Q 2011	3Q 2010
2,944	2,316	Sales (Gwh)	1,121	1,099
406	348	Sales (Eu mn)	157	145
133	123	RC EBITDA (Eu mn)	59	47
95	89	RC EBIT (Eu mn)	47	34
85%	67%	Net capacity utilization (%)	95%	94%
104	95	CIP6 tariffs (Eu/MWh)	104	95
69	73	EBITDA IT GAAP (Eu mn)	36	23

\* Results include Eu45mn of insurance reimbursement for business interruption recorded in 1H2010



## ERG POWER: KEY FIGURES

16

<b>9M 2011</b>	<b>9M 2010</b>	<b>Euro millions</b>	<b>3Q 2011</b>	<b>3Q 2010</b>
<b>2,278</b>	<b>2,160</b>	<b>Electricity Production (GWh)</b>	<b>808</b>	<b>834</b>
<b>63</b>	<b>63</b>	<b>RC EBITDA</b>	<b>34</b>	<b>31</b>
<b>(24)</b>	<b>(21)</b>	<b>Depreciation</b>	<b>(8)</b>	<b>(8)</b>
<b>38</b>	<b>42</b>	<b>RC EBIT</b>	<b>26</b>	<b>24</b>



## RENEWABLES: KEY FIGURES

9M 2011	9M 2010		3Q 2011	3Q 2010
<b>520</b>	<b>310</b>	<b>Installed capacity *</b>	<b>520</b>	<b>310</b>
<b>468</b>	<b>285</b>	<b>Electricity Production (GWh)</b>	<b>169</b>	<b>92</b>
78	83	of which in France (GWh)	22	19
<b>151</b>	<b>154</b>	<b>Italian price (Eu/MWh)</b>	<b>154</b>	<b>155</b>
68	67	Electricity price (Eu/MWh)	71	68
83	87	Green Certificates price (Eu/MWh)	83	87
<b>86</b>	<b>85</b>	<b>France reference feed-in tariff (Eu/MWh)</b>	<b>86</b>	<b>85</b>
<b>41</b>	<b>20</b>	<b>RC EBITDA (Eu mn)</b>	<b>15</b>	<b>5</b>
<b>(29)</b>	<b>(23)</b>	<b>Depreciation (Eu mn)</b>	<b>(12)</b>	<b>(9)</b>
<b>11</b>	<b>(3)</b>	<b>RC EBIT (Eu mn)</b>	<b>3</b>	<b>(4)</b>



\* Capacity in commercial operation at the end of period

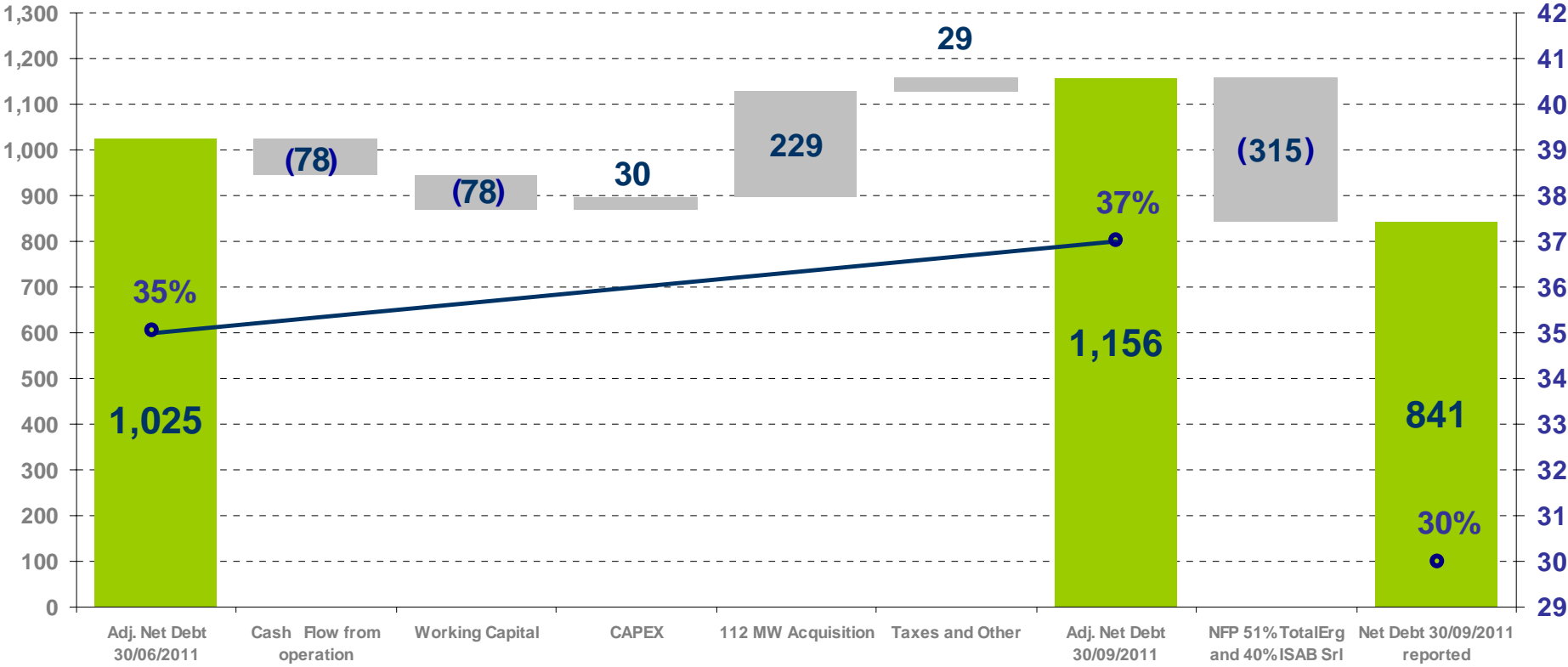
# INVESTMENTS

9M 2011	9M 2010	Euro millions	3Q 2011	3Q 2010
57	68	Refining & Marketing *	17	21
14	71	Power & gas	6	10
44	53	Renewables	7	14
1	3	Corporate	0	1
<b>117</b>	<b>195</b>	<b>Adjusted Total</b>	<b>30</b>	<b>46</b>

\* R&M adjusted for ERG's stake in ISAB Srl (51% in 2010 and 1Q 2011, and 40% since 2Q 2011) and TotalERG (51%). They do not include in 1Q 2011 Eu15mn of capitalized costs as regards ISAB refinery maintenance



# 3Q 2011 ADJUSTED CASH FLOW STATEMENT



—●—●— leverage



# 2011 ECONOMIC GUIDANCE

## Refining & Marketing

- Very weak refining environment
- Marketing benefiting from TotalERG synergies
- Lower volumes as for ISAB shutdown in 1Q and exercise of 11% PUT



## Power & Gas

- Contribution of CCGT for the full year but lower margins expected
- Tough scenario for CCGT, although partly offset by geographical positioning
- ISAB Energy production expected at 3.7TWh (net of scheduled maintenance)



## Renewables

- Contribution of new assets: 102MW full year and 112MW half year.
- Start up of Ginestra and Fossa del Lupo (about 138MW) during 2011
- Grid limitations persists, but lower than in 2010

