



# Fourth Quarter and 2009 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:

#### 4Q 2009:

- Adjusted RC Ebitda at Eu21mn, Eu66mn in 4Q08
- RC Net Profit at –Eu27mn, -Eu12mn in 4Q08

#### FY 2009:

- Adjusted RC Ebitda at Eu92mn, Eu540mn in 2008
- RC net profit at –Eu80mn, Eu84mn in 2008
- DPS proposed at Eu0.40 per share (yield of 4.2%)

#### Balance Sheet at 31.12.2009:

- NPF at Eu662mn (Eu586mn Adj) vs Eu274mn last year
- Leverage at 26% from 12%



# 4Q and 2009 Results

Luca Bettonte  
General Manager



## Results of 4Q and FY 2009

4Q 2009	4Q 2008	Euro millions	2009	2008
1,734	2,012	Revenues	6,237	11,563
21	66	RC EBITDA Adjusted	92	540
(21)	14	- Coastal refining	(43)	230
22	56	- Integrated downstream	88	145
20	(2)	- Power & gas	55	181
9	6	- Renewables	23	17
(10)	(7)	- Corporate	(32)	(33)

**Lower results vs 4Q08 (-69%) and FY08 (-83%)**



## 4Q and FY at a glance - Income statements

4Q 2009	4Q 2008	Euro millions	2009	2008
<b>(32)</b>	<b>14</b>	<b>Adjusted EBIT at replacement cost</b>	<b>(92)</b>	<b>336</b>
(4)	(1)	- 51% ISAB contribution at replacement cost	(23)	(1)
<b>(36)</b>	<b>13</b>	<b>EBIT at replacement cost</b>	<b>(115)</b>	<b>335</b>
18	(574)	- Gain (loss) on inventory	86	(364)
48	(219)	- Non-characteristic items	98	(215)
5	889	- Net income from equity investments	36	892
(9)	51	- Net financial income (expenses)	(18)	(3)
<b>27</b>	<b>159</b>	<b>Pretax reported</b>	<b>86</b>	<b>645</b>
(14)	92	- Income taxes	(41)	5
(20)	39	- Minorities	(38)	(3)
<b>(7)</b>	<b>290</b>	<b>Net profit reported</b>	<b>7</b>	<b>646</b>
(15)	365	- Net gain (loss) on inventory	(64)	232
(5)	(667)	- Net non-characteristic items	(23)	(794)
<b>(27)</b>	<b>(12)</b>	<b>Net profit at replacement cost</b>	<b>(80)</b>	<b>84</b>



Review by business



## Coastal refining: key figures

<b>4Q 2009</b>	<b>4Q 2008</b>	<b>Euro millions</b>	<b>2009</b>	<b>2008</b>
<b>36</b>	<b>122</b>	<b>Gross refining margin</b>	<b>170</b>	<b>700</b>
<b>(21)</b>	<b>14</b>	<b>Adjusted RC EBITDA *</b>	<b>(43)</b>	<b>230</b>
<b>(13)</b>	<b>(16)</b>	<b>Adjusted Depreciation *</b>	<b>(46)</b>	<b>(70)</b>
<b>(34)</b>	<b>(2)</b>	<b>Adjusted RC EBIT *</b>	<b>(90)</b>	<b>161</b>

### Results penalized by worse scenario

\* Adjusted for 51% stake in ISAB Srl as of December 1<sup>st</sup>, 2008



## Coastal refining: performance

4Q 2009	4Q 2008		2009	2008
<b>Refining margin at replacement cost:</b>				
2.22	4.86	US\$/bbl	2.88	7.13
1.50	3.69	Euro/bbl	2.07	4.85
1,569	2,936	Volumes processed (ktons)	6,277	13,253
(1.02)	4.76	EMC (US\$/bbl)	0.63	3.95
(0.69)	3.61	EMC (Eu€/bbl)	0.45	2.69
3.24	0.10	Variance versus EMC (US\$/bbl)	2.25	3.18
2.19	0.08	Variance versus EMC (Eu€/bbl)	1.62	2.16



## Integrated downstream: key figures

<b>4Q 2009</b>	<b>4Q 2008</b>	<b>Euro millions</b>	<b>2009</b>	<b>2008</b>
<b>22</b>	<b>56</b>	<b>RC EBITDA</b>	<b>88</b>	<b>145</b>
19	47	- <i>Marketing</i>	89	117
4	8	- <i>Inland refining and logistics</i>	(1)	27
<b>(14)</b>	<b>(14)</b>	<b>Depreciation</b>	<b>(52)</b>	<b>(52)</b>
<b>8</b>	<b>42</b>	<b>RC EBIT</b>	<b>36</b>	<b>93</b>

**Lower RC EBITDA vs 4Q08 (-60%) and FY08 (-39%)**



## Integrated downstream: marketing

<b>4Q 2009</b>	<b>4Q 2008</b>		<b>2009</b>	<b>2008</b>
<b>511</b>	<b>489</b>	<b>Retail sales (ktons)</b>	<b>2,000</b>	<b>1,950</b>
<b>491</b>	<b>510</b>	<b>Wholesale sales (ktons)</b>	<b>1,640</b>	<b>1,843</b>
<b>7.2%</b>	<b>6.9%</b>	<b>Retail market share</b>	<b>7.1%</b>	<b>6.9%</b>
<b>10.0%</b>	<b>9.5%</b>	<b>Wholesale market share - gasoil</b>	<b>8.5%</b>	<b>8.3%</b>

**Retail performance better than Industry trends**



## Integrated downstream: inland refining

4Q 2009	4Q 2008		2009	2008
<b>Refining margin at replacement cost</b>				
2.03	7.68	US\$/bbl	1.99	6.21
1.37	5.83	Euro/bbl	1.43	4.22
<b>Volumes processed (ktons)</b>				
408	398	Sarpom (Trecate)	1,701	1,911
233	288	Rome	999	1,187
<u>641</u>	<u>686</u>	<u>Total volumes</u>	<u>2,700</u>	<u>3,098</u>



## ISAB Energy: key figures

<b>4Q 2009</b>	<b>4Q 2008</b>		<b>2009</b>	<b>2008</b>
<b>529</b>	<b>268</b>	<b>Sales (Gwh)</b>	<b>2,002</b>	<b>3,435</b>
<b>80</b>	<b>43</b>	<b>Sales (Eu mn)</b>	<b>320</b>	<b>476</b>
<b>12</b>	<b>(11)</b>	<b>RC EBITDA (Eu mn)</b>	<b>66</b>	<b>165</b>
<b>2</b>	<b>(23)</b>	<b>RC EBIT (Eu mn)</b>	<b>23</b>	<b>115</b>
<b>45%</b>	<b>23%</b>	<b>Net capacity utilization (%)</b>	<b>43%</b>	<b>74%</b>
<b>91</b>	<b>142</b>	<b>CIP6 tariffs (Eu/MWh)</b>	<b>91</b>	<b>142</b>
<b>82</b>	<b>9</b>	<b>EBITDA IT GAAP (Eu mn)</b>	<b>155</b>	<b>220</b>



## ERG Power & Gas / NuCe: key figures

<b>4Q 2009</b>	<b>4Q 2008</b>	<b>Euro millions</b>	<b>2009</b>	<b>2008</b>
<b>337</b>	<b>273</b>	<b>Electricity Production (GWh)</b>	<b>685</b>	<b>1,482</b>
<b>8</b>	<b>9</b>	<b>RC EBITDA</b>	<b>(11)</b>	<b>16</b>
<b>(5)</b>	<b>(2)</b>	<b>Depreciation</b>	<b>(11)</b>	<b>(10)</b>
<b>3</b>	<b>7</b>	<b>RC EBIT</b>	<b>(21)</b>	<b>7</b>

Note: Turbogas Sud conferred into ISAB Srl as of December 1<sup>st</sup>, 2008



## Renewables: key figures

<b>4Q 2009</b>	<b>4Q 2008</b>		<b>2009</b>	<b>2008</b>
<b>110</b>	<b>60</b>	<b>Electricity Production (GWh)</b>	<b>322</b>	<b>272</b>
39	28	of which in France (GWh)	108	115
<b>149</b>	<b>189</b>	<b>Italian price (Eu/MWh)</b>	<b>156</b>	<b>190</b>
61	91	Electricity price (Eu/MWh)	68	92
88	98	Green Certificates price (Eu/MWh)	88	98
<b>85</b>	<b>84</b>	<b>France reference feed-in tariff (Eu/MWh)</b>	<b>86</b>	<b>84</b>
<b>9</b>	<b>6</b>	<b>RC EBITDA (Eu mn)</b>	<b>23</b>	<b>17</b>
<b>(7)</b>	<b>(7)</b>	<b>Depreciation (Eu mn)</b>	<b>(27)</b>	<b>(20)</b>
<b>1</b>	<b>(1)</b>	<b>RC EBIT (Eu mn)</b>	<b>(4)</b>	<b>(4)</b>



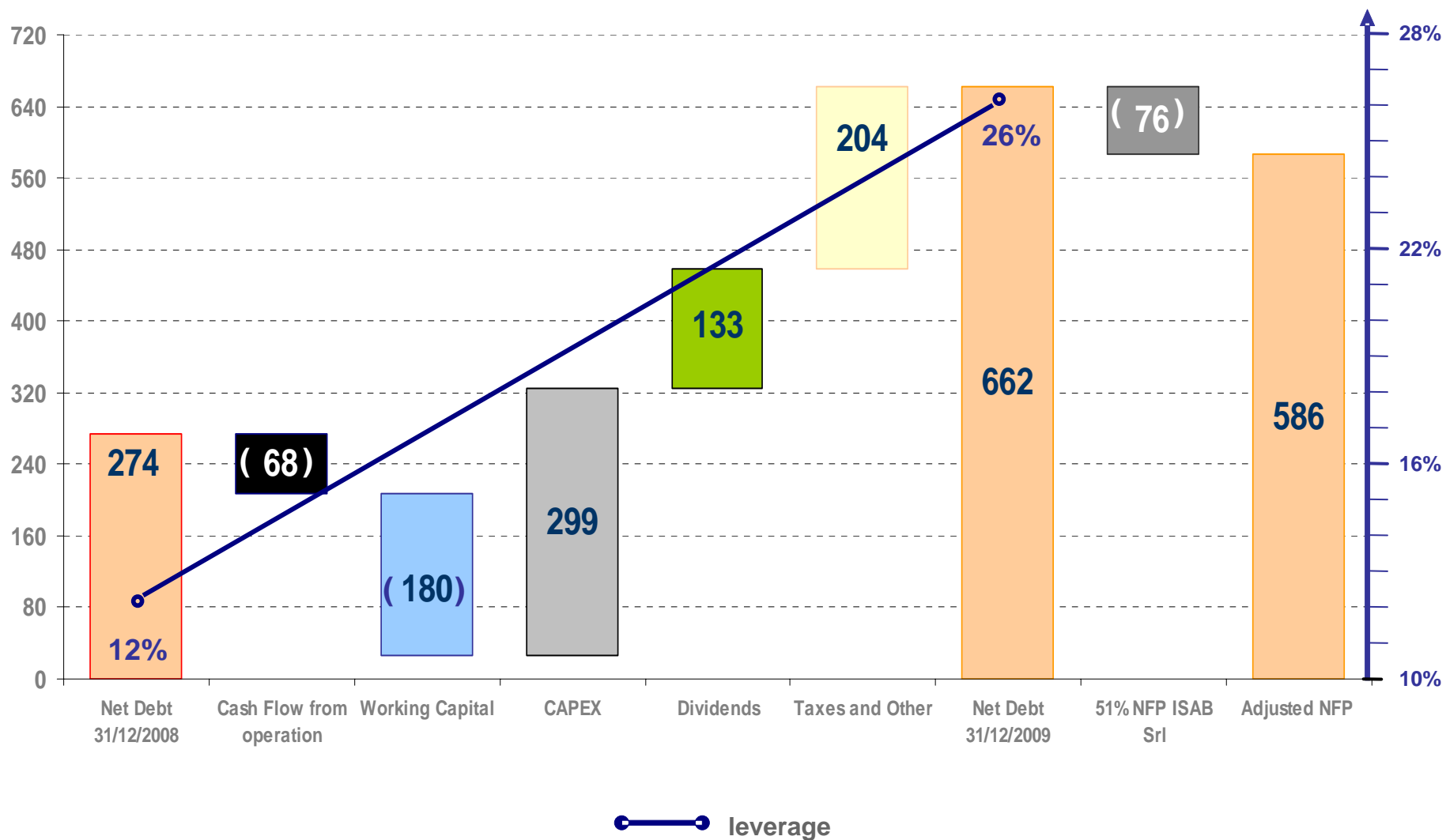
## Investments

<b>4Q 2009</b>	<b>4Q 2008</b>	<b>Euro millions</b>	<b>2009</b>	<b>2008</b>
18	27	Coastal refining *	62	70
16	24	Integrated downstream	54	86
57	42	Power & gas	200	141
61	10	Renewables	89	52
1	2	Corporate	2	5
<b>153</b>	<b>105</b>	<b>Adjusted Total</b>	<b>407</b>	<b>354</b>

\* It includes 51% of ISAB Srl



# FY 2009 Cash flow statement

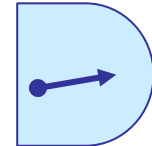




## Economic guidance for 2010

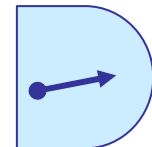
### **Coastal refining:**

- no general shutdown scheduled during the year
- recovery in margin but still challenging environment



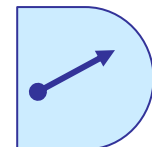
### **Integrated downstream (existing perimeter):**

- increased retail sales and market share
- lower costs associated to ERG Mobile project



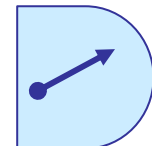
### **Thermoelectric:**

- full contribution of new CCGT as of 2Q 2010
- full contribution of ISAB Energy as of 3Q 2010
- guidance of thermoelectric production of about 6TWh (3 IE, 3 CCGT)



### **Renewables:**

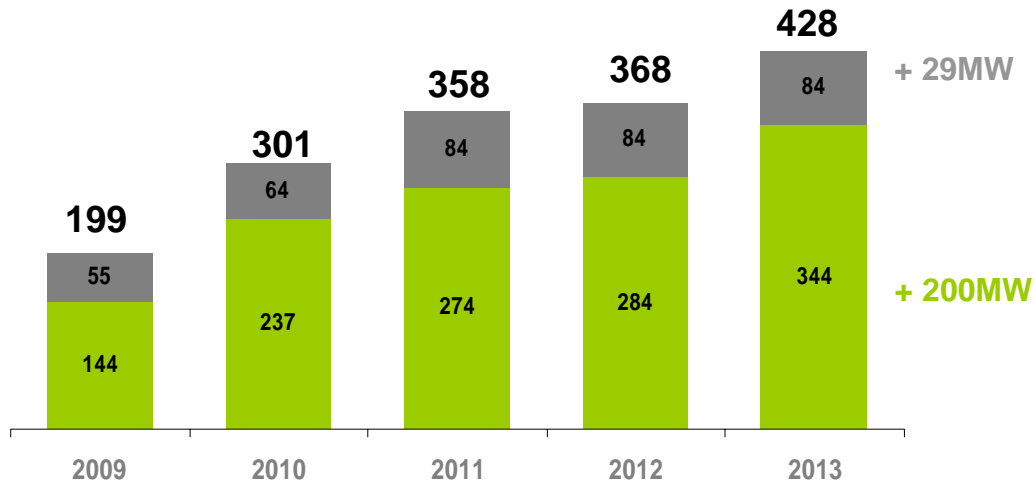
- rise of electricity production as a result of new installed capacity
- still constraints due to maintenance work on the national grid by Terna





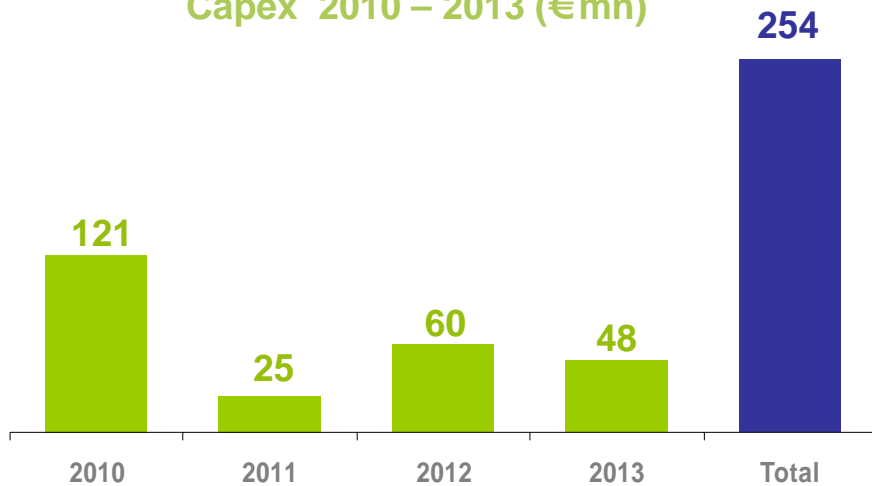
# ERG Renew business plan: main targets

Gross Wind Installed Capacity (MW)

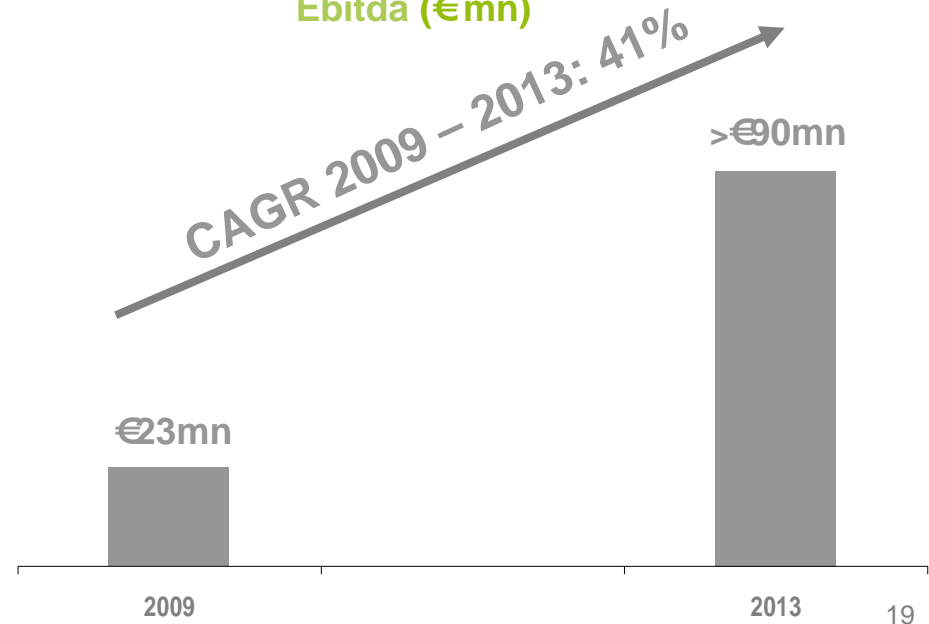


- **Italy:** 70% of additional capacity is already authorized and under/ready for construction
- **France:** Plogastel under construction and Greneville almost completed the authorization process
- **Pipeline:** 60MW to be installed by 2013 and further 40MW to be authorized

Capex 2010 – 2013 (€mn)

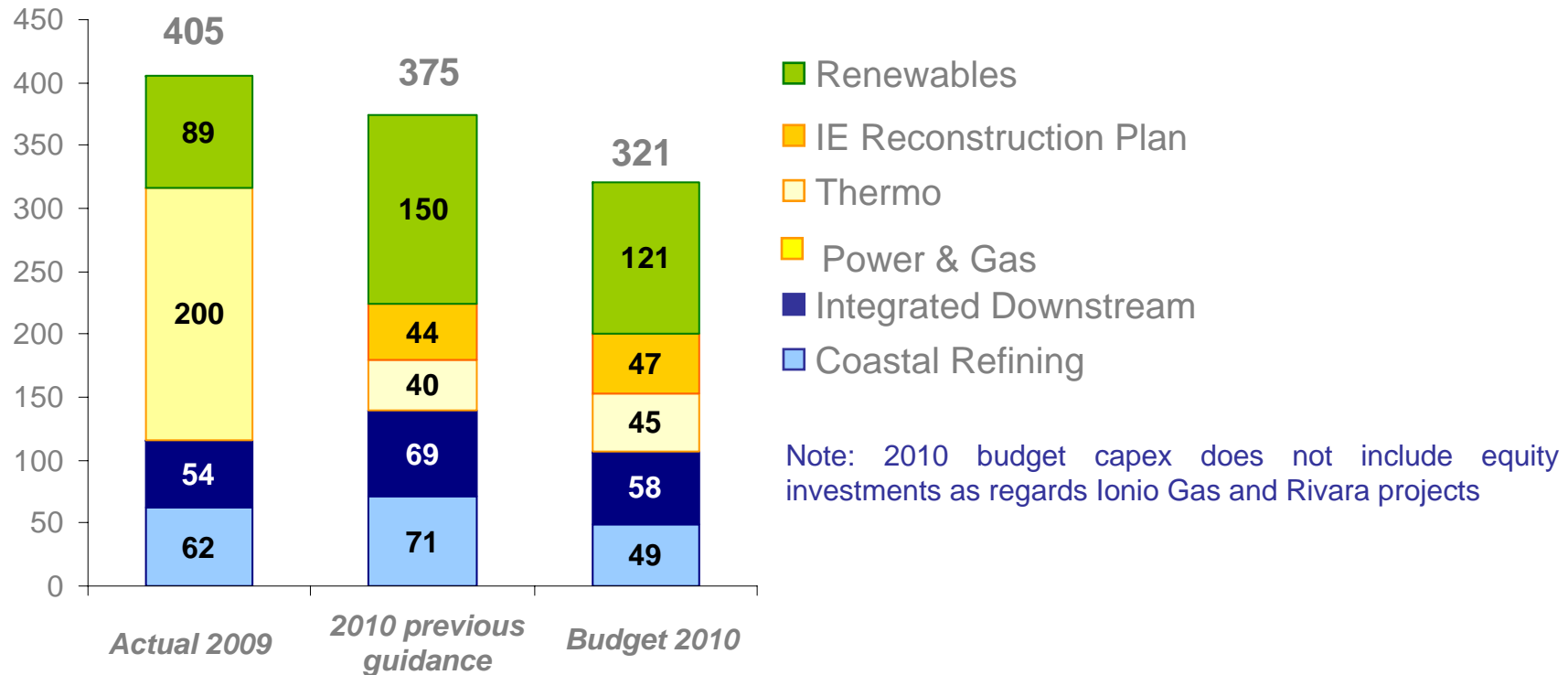


Ebitda (€mn)





## 2010 CAPEX Guidance



- **Renewables:** reduction reflected some cost efficiency and a different lay-out of Fossa del Lupo wind farm which entails 90MW instead of previous 100MW
- **Thermoelectric:** slight difference due to some carry-over from 2009
- **Integrated downstream/Coastal refining:** about 25% reduction in line with previous guidance to reduce capital intensity in the oil segment also in light of weak scenarios



## Final Remarks: strategy moving forward

- Signed an important JVA with TOTAL in the Italian Integrated Downstream
  - ✓ strong industrial rationale and significant synergies expected
  - ✓ closing scheduled for October First
- Group re-structuring to be in place by year-end, reducing complexity:
  - ✓ by creating two BU (Oil/Power) and a GM Direction
  - ✓ streamlining of decision-making processes on a cost-efficient basis
- 480 MW CCGT ramp-up ongoing, full contribution as of 2Q 2010
  - ✓ Project Financing for Eu330mn subscribed
- ISAB Energy re-construction plan on track to be completed by June 2010
  - ✓ insurance reimbursement fully cashed-in
- Ionio Gas: authorization for re-gasification terminal expected by 1H 2010
- ERG Renew: additional 102MW of installed capacity expected by year-end
  - ✓ on track to reach approx 430MW of installed capacity by 2013
  - ✓ on going definition of an action Plan to expand abroad