

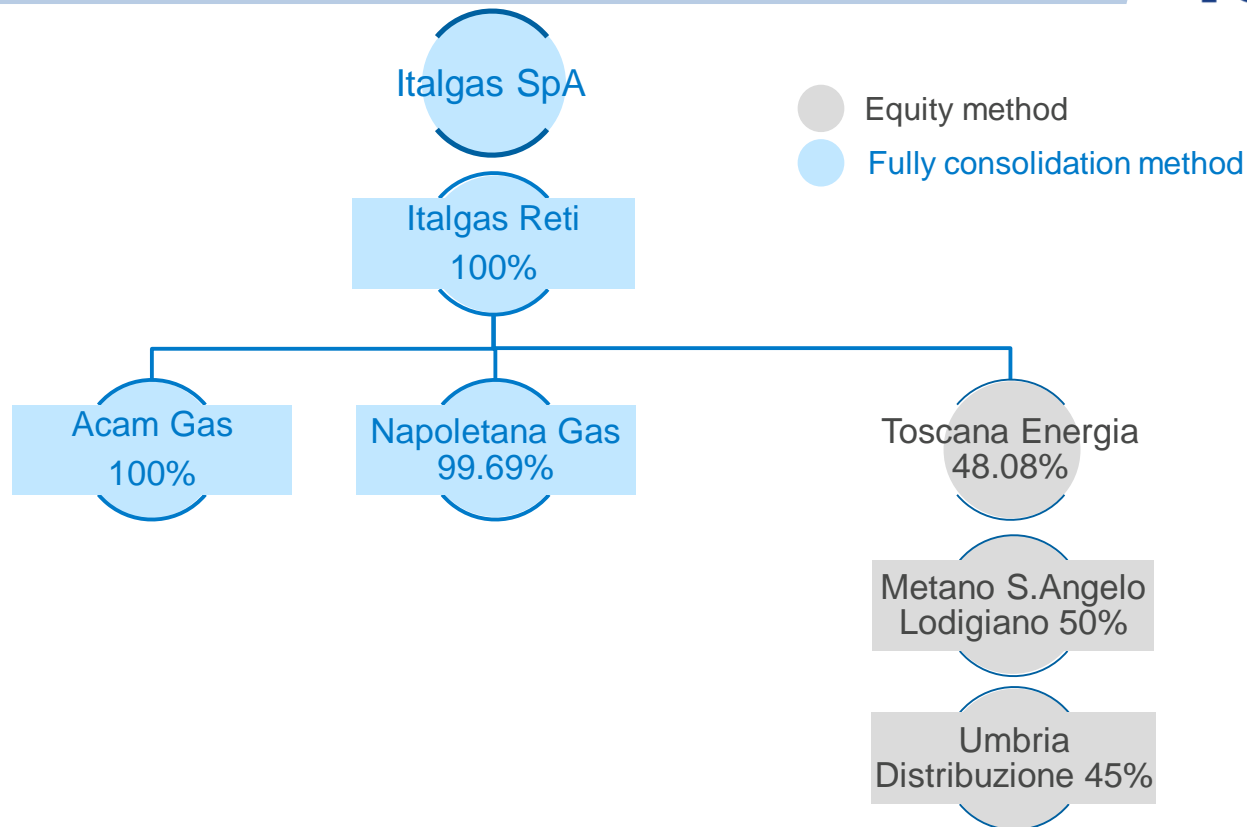


2017 1st Q Consolidated Results

May 5, 2017



Consolidated Perimeter at March 31, 2017



1Q 2017 (vs 1Q 2016): a positive start

[€ mn]

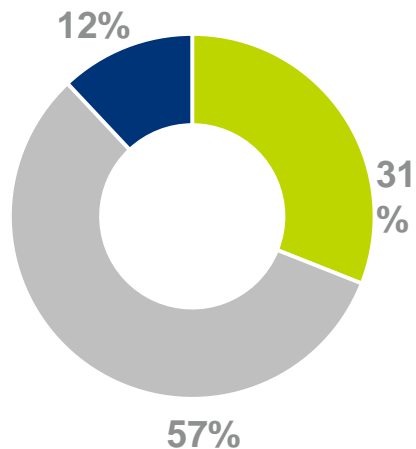
▪ Revenue	€281	↑	9.8%	▪ Operating cash flow	€269	↑	32.5%
▪ EBITDA	€193	↑	19.9%	▪ Capex	€123	↑	75.7%
<i>Adj. EBITDA Margin</i>	69%			▪ Consolidated Net Debt	€3,472	↓	146 ^(*)
▪ EBIT	€104	↑	6.1%				
▪ Net Profit	€72	↑	16.1%				

*1st Q 2016 data are relevant to a perimeter that does not include Italgas SpA
(*) vs year end 2016*

Consistently capex delivery

1Q 2016

€ 70 mn



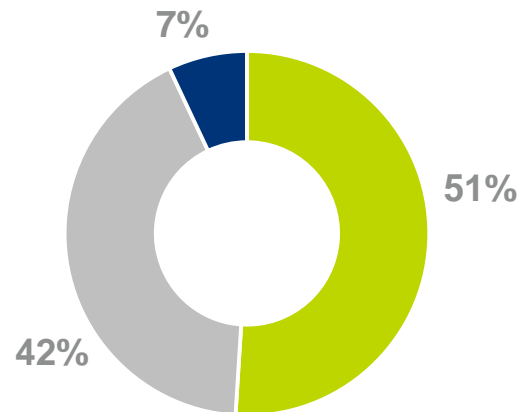
96,000 smart meters installed



- Network
- Metering
- Other

1Q 2017

€ 123 mn



427,000 smart meters installed

Income Statement



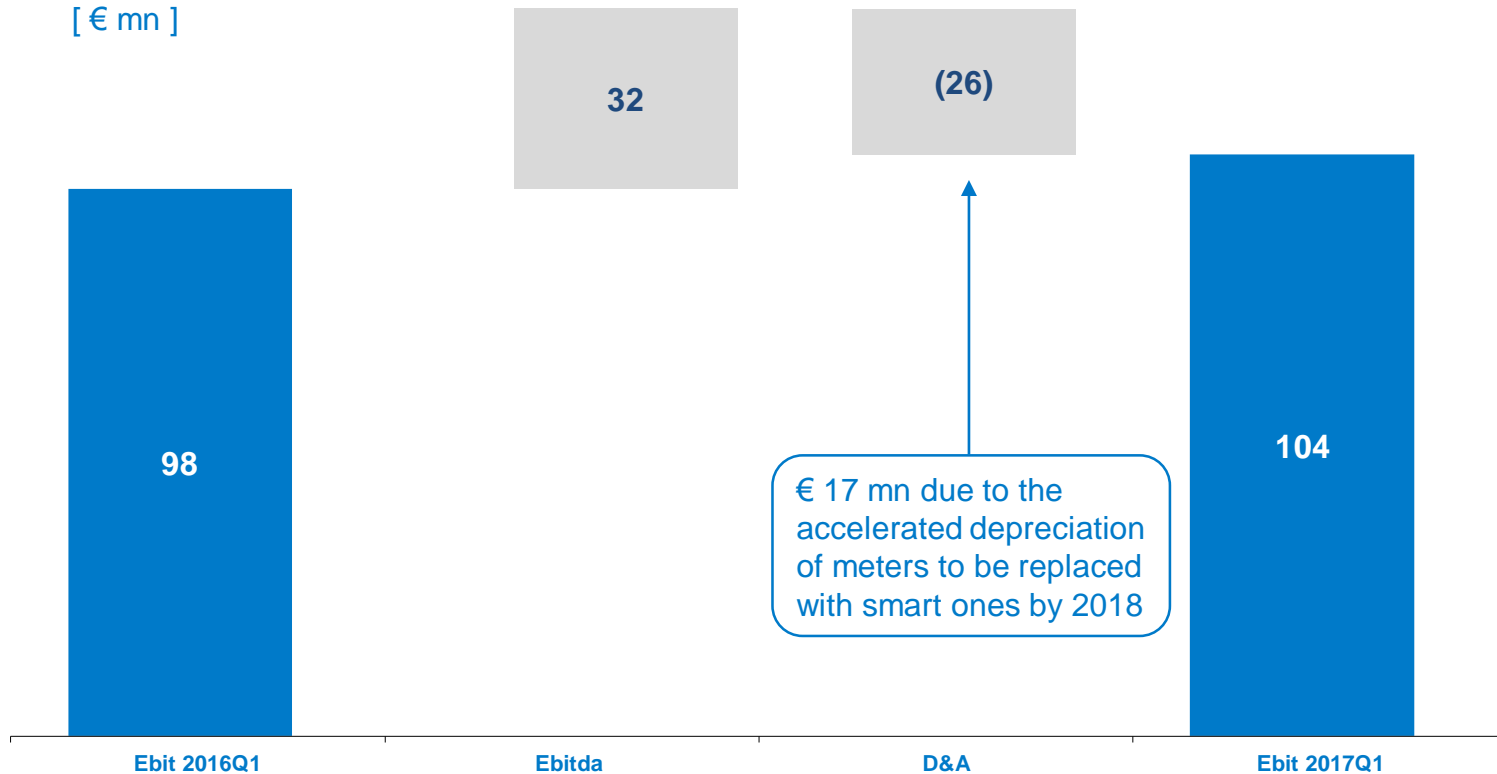
[€ mn]	2016 1° Q	2017 1° Q	Change
Revenues	256	281	+25
Operating expenses	- 95	- 88	+7
EBITDA	161	193	+32
Depreciation & amortisation	- 63	- 89	- 26
EBIT	98	104	+6
Net interest income (expenses)	- 16	- 10	+6
Net income from associates	4	5	+1
EBT	86	99	+13
Income taxes	- 24	- 27	- 3
NET PROFIT	62	72	+10

[€ mn]	2016 1° Q	2017 1° Q	Change
Regulated revenues	249	276	+27
Distribution	239	248	+9
Tariff contribution for meters replacement	-	14	+14
Other distribution revenues	10	14	+4
Other revenues	7	5	- 2
TOTAL REVENUES	256	281	+25

[€ mn]	2016 1° Q	2017 1° Q	Change
Regulated activities	92	84	- 8
Variable costs	4	1	-3
Fixed costs	63	62	-1
<i>Net labour cost</i>	30	33	+3
<i>Net external cost</i>	32	28	-4
Other costs	13	8	-4
Concessions fees	13	13	+
Other activities	3	3	+1
<i>Labour cost</i>	1	1	-
<i>External cost</i>	2	3	+1
TOTAL COSTS	95	88	- 7

EBIT Analysis

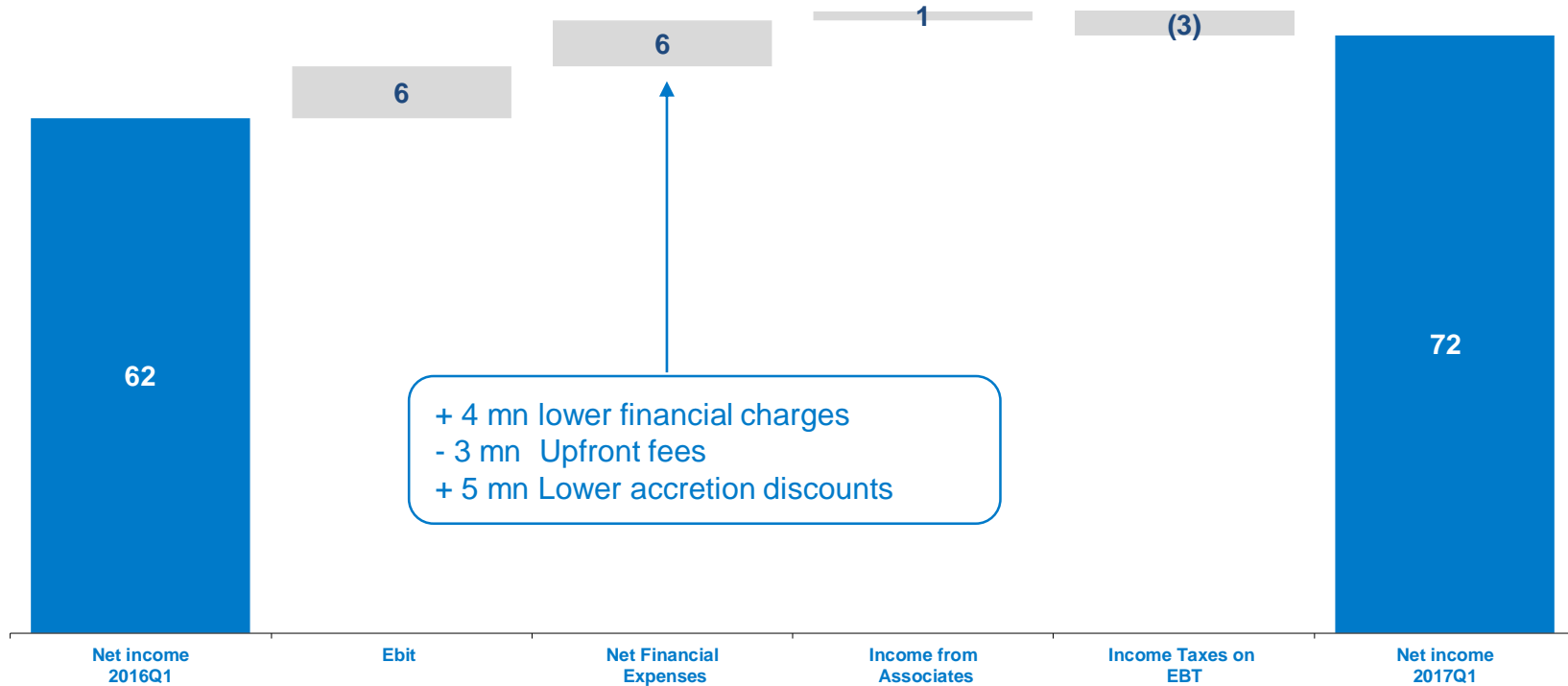
[€ mn]



Consolidated Net Income



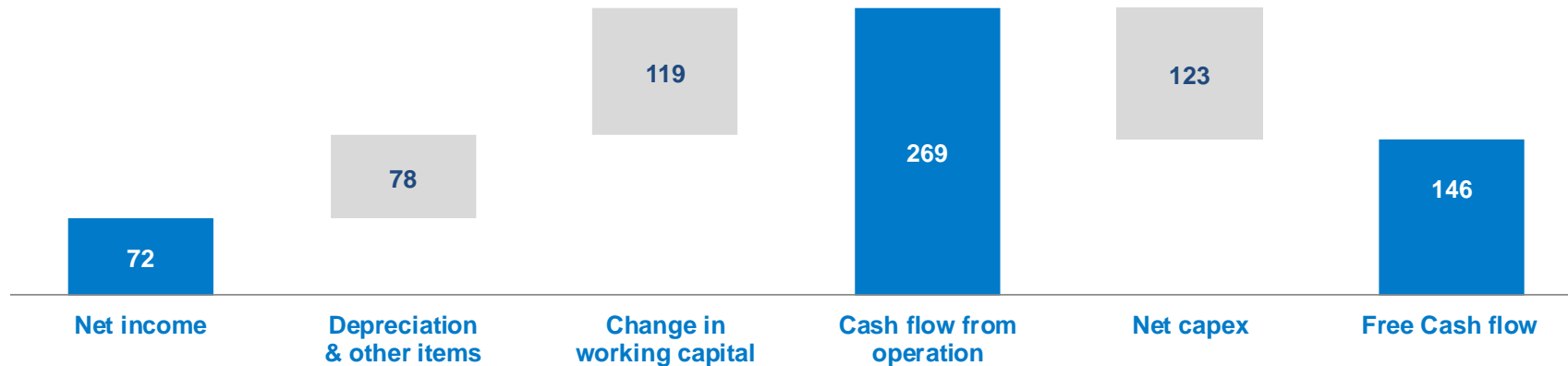
[€ mn]



Consolidated Cash Flow



[€ mn]



Q1 2017 Actions

- **January 19th**: debut dual-tranche Bond issue
 - ✓ **Euro 750mn 0.5% January 2022 (5Y)**
 - ✓ **Euro 750mn 1.625% January 2027 (10Y)**
- **March 14th**: Bond issue, **Euro 650mn 1.125% March 2024 (7Y)**
- The proceeds of the bond issues have been used for the repayment of the Bridge to Bond Facility

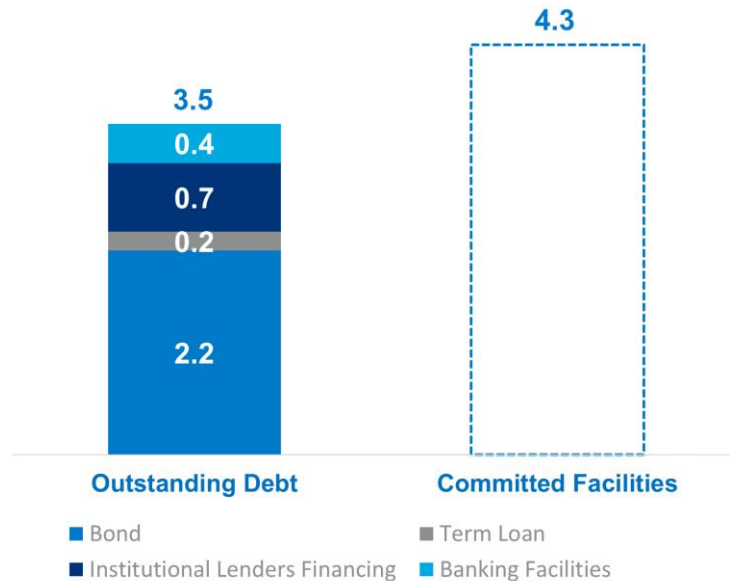
Target Structure achieved

- Debt structure consistent with (i) regulatory profile, (ii) limited exposure to interest rate, (iii) protection of financial outperformance
 - ✓ **Bond issues average maturity more than 7 years**
 - ✓ **Average fixed rate debt ~ 60%**
 - ✓ **Medium-long term debt ~ 80%**
- Appropriate mix of funding sources
- Flexible debt capital structure to manage financial needs related to tender opportunities
- Sound and resilient liquidity profile

Cost of debt secured in line with guidance

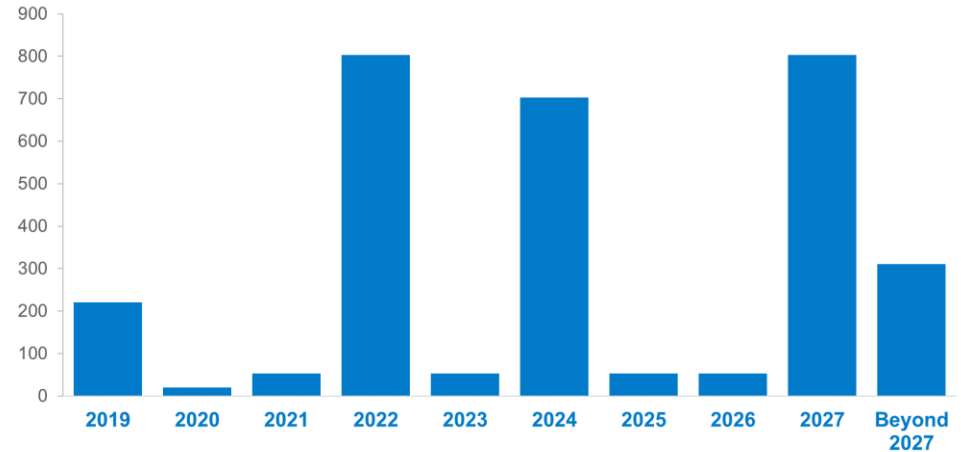
Outstanding Debt and Committed Facilities As of March 31st, 2017

€ bn



Bond Issues and Drawn Committed Facilities Maturity Profile As of March 31st, 2017

€ mn



	Rating	Outlook
Moody's	Baa1	Negative
Fitch	BBB+	Stable

Italgas has undrawn committed credit lines for 1.1 billion Euro^(*)

^(*) 0.3bn Euro of the Banking Facilities are Uncommitted Credit Lines drawn at March 31st, 2017.

Balance Sheet



[€ mn]	Dec, 31 2016	2017 1° Q	Change
Net invested capital	4,682	4,607	-75
Fixed capital	4,793	4,830	+37
Tangible fixed assets	227	226	-1
Net Intangible fixed assets	4,390	4,423	+33
Equity-accounted and other investments	176	181	+5
Net working capital	-9	-121	-112
Receivables	686	722	+36
Liabilities	-695	-843	-148
Provisions for employee benefits	-121	-121	-
Assets held for sale and directly related liabilities	19	19	-
Net financial debt	3,618	3,472	-146
Shareholders' equity	1,064	1,135	+71



Q & A

Italgas's Manager, Claudio Ottaviano, in his position as manager responsible for the preparation of financial reports, certifies pursuant to paragraph 2, article 154-bis of the Legislative Decree n. 58/1998, that data and information disclosures herewith set forth correspond to the company's evidence and accounting books and entries.

This presentation contains forward-looking statements regarding future events and the future results of Italgas that are based on current expectations, estimates, forecasts, and projections about the industries in which Italgas operates and the beliefs and assumptions of the management of Italgas.

In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management are forward-looking in nature.

Words such as 'expects', 'anticipates', 'targets', 'goals', 'projects', 'intends', 'plans', 'believes', 'seeks', 'estimates', variations of such words, and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future.

Therefore, Italgas's actual results may differ materially and adversely from those expressed or implied in any forward-looking statements. Factors that might cause or contribute to such differences include, but are not limited to, economic conditions globally, political, economic and regulatory developments in Italy and internationally.

Any forward-looking statements made by or on behalf of Italgas speak only as of the date they are made. Italgas does not undertake to update forward-looking statements to reflect any changes in Italgas's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

The reader should, however, consult any further disclosures Italgas may make in documents it files with the Italian Securities and Exchange Commission and with the Italian Stock Exchange.



2017 1st Q Consolidated Results

May 5, 2017

