

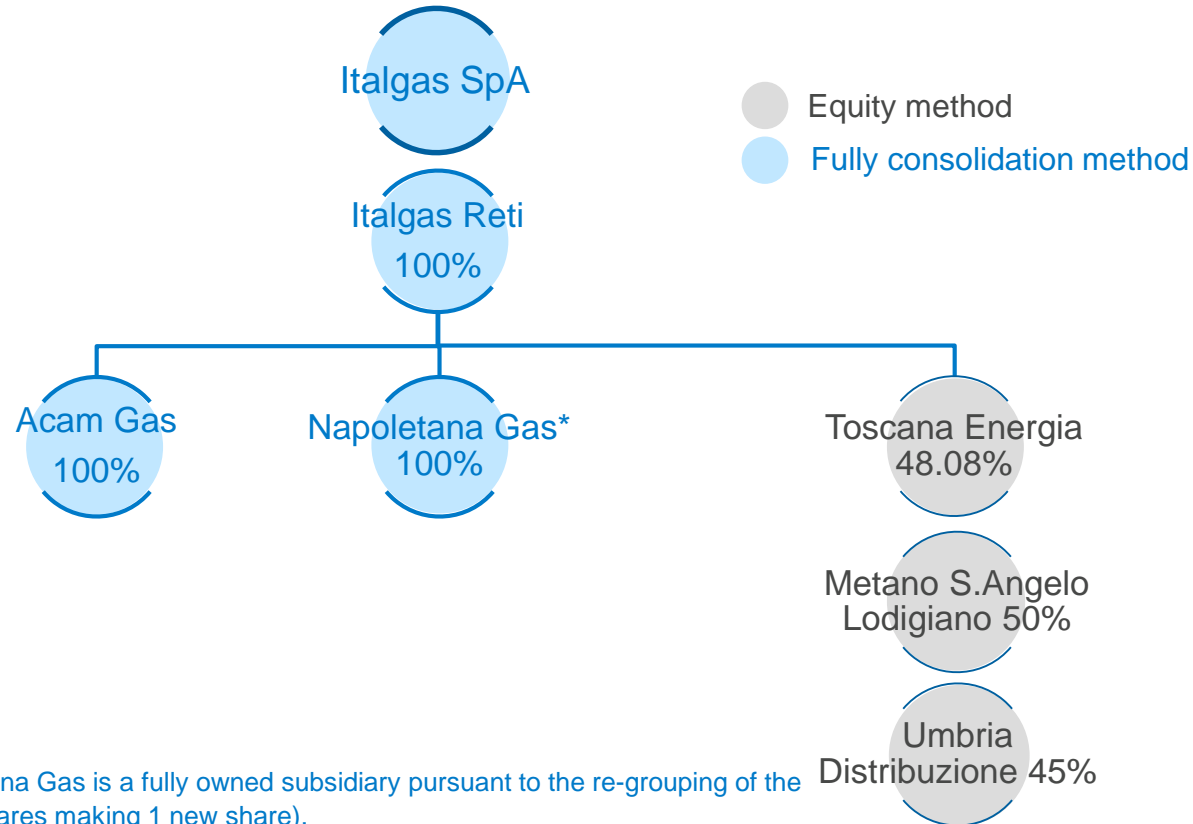


2017 1H Consolidated Results

July 28, 2017



Consolidated Perimeter at 30th June 2017



*As of April 20th , 2017 , Napoletana Gas is a fully owned subsidiary pursuant to the re-grouping of the number of shares (100.000 old shares making 1 new share).

1H 2017: delivering superior results, growth...

[€mn]

▪ Revenue	€565	↑	9.5%	▪ Operating cash flow	€329	↑	12.7%
▪ EBITDA	€390	↑	21.9%	▪ Capex	€243	↑	59.6%
EBITDA Margin	69.1%			▪ Consolidated Net Debt	€3,682*		
▪ EBIT	€204	↑	14.6%				
▪ Net Profit	€140	↑	23.1%				

(*) year end 2016: €3,618 mn

July 1st:
14 territorial units started for more efficient regional management

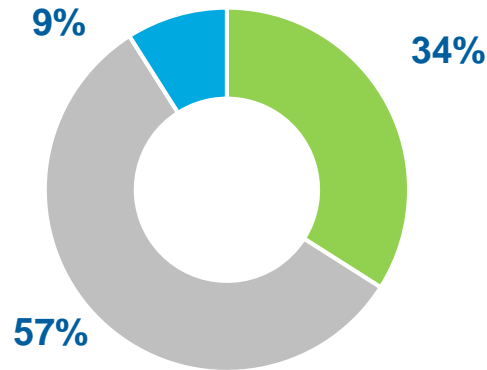


June 27th:
Tender offer delivered for Turin2 ATEM



Impressive capex

1H 2016
€152 mn

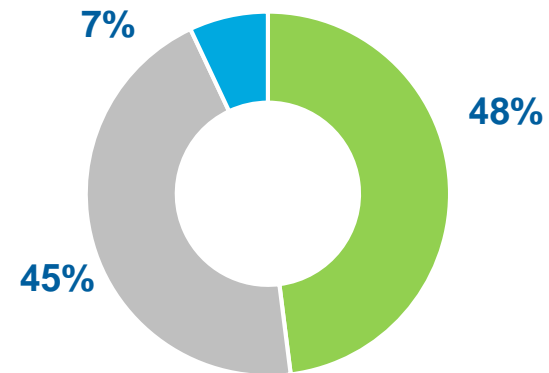


243,000 smart meters installed



- Network
- Metering
- Other

1H 2017
€243 mn



801,000 smart meters installed

Income Statement

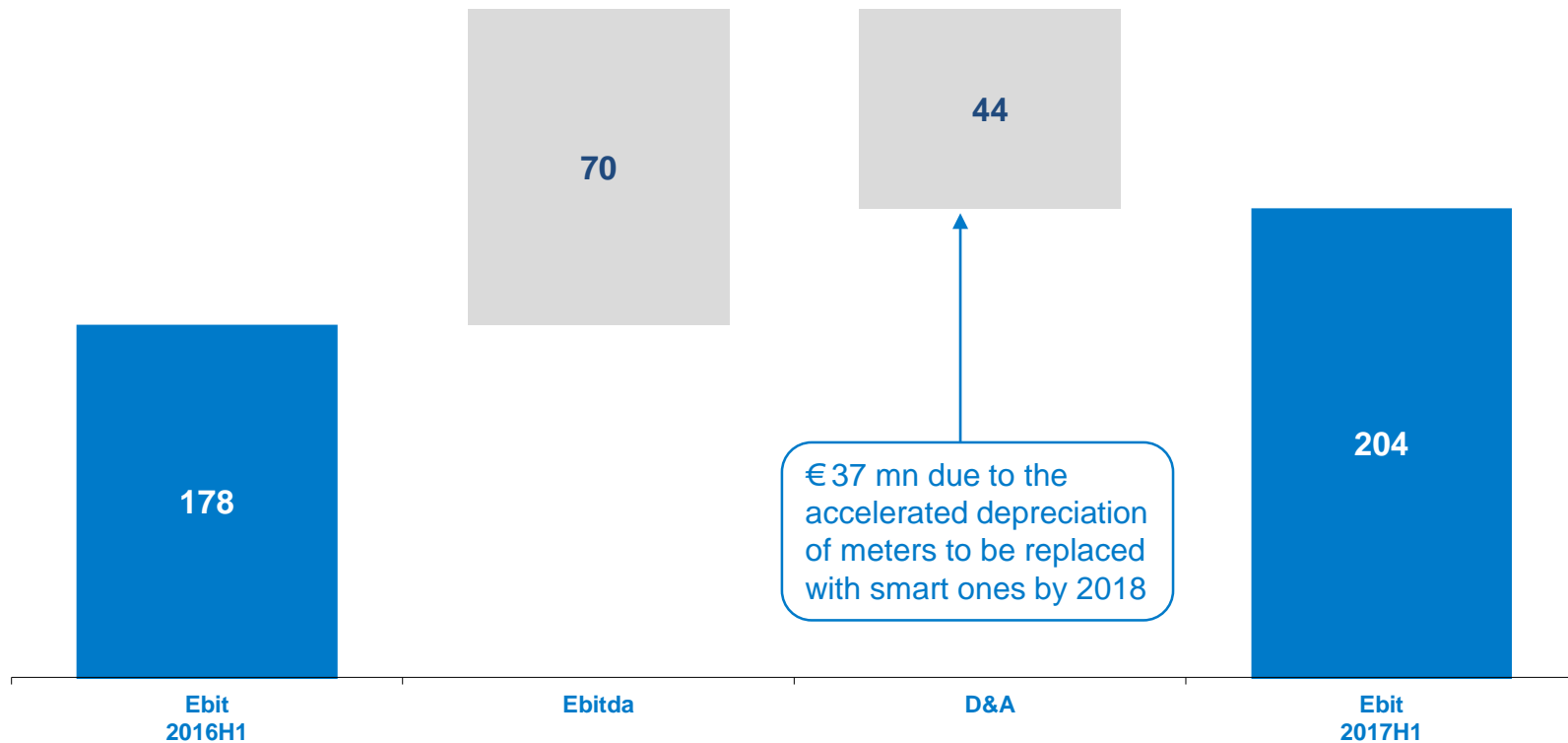
[€ mn]	2016 1st Half	2017 1st Half	Change
Revenues	516	565	49
Operating expenses	-196	- 175	21
EBITDA	320	390	70
Depreciation & amortisation	-142	- 186	- 44
EBIT	178	204	26
Net interest income (expenses)	-29	- 18	11
Net income from associates	10	11	1
EBT	159	197	38
Income taxes	-45	- 57	- 12
NET PROFIT	114	140	26

[€mn]	2016 1st Half	2017 1st Half	Change
Regulated revenues	505	555	50
Distribution	485	499	14
Tariff contribution for meters replacement	-	29	29
Other distribution revenues	20	27	7
Other revenues	11	10	-1
TOTAL REVENUES	516	565	49

[€mn]	2016 1st Half	2017 1st Half	Change
Regulated activities	184	169	-15
Fixed costs	133	131	-2
<i>Net labour cost</i>	65	65	0
<i>Net external cost</i>	68	66	-2
Variable costs	4	3	-1
Other costs	16	7	-8
Tee	5	2	-3
Concessions fees	26	26	0
Other activities	12	6	-6
<i>Net labour cost</i>	1	1	0
<i>Net external cost</i>	11	5	-6
TOTAL COSTS	196	175	-21

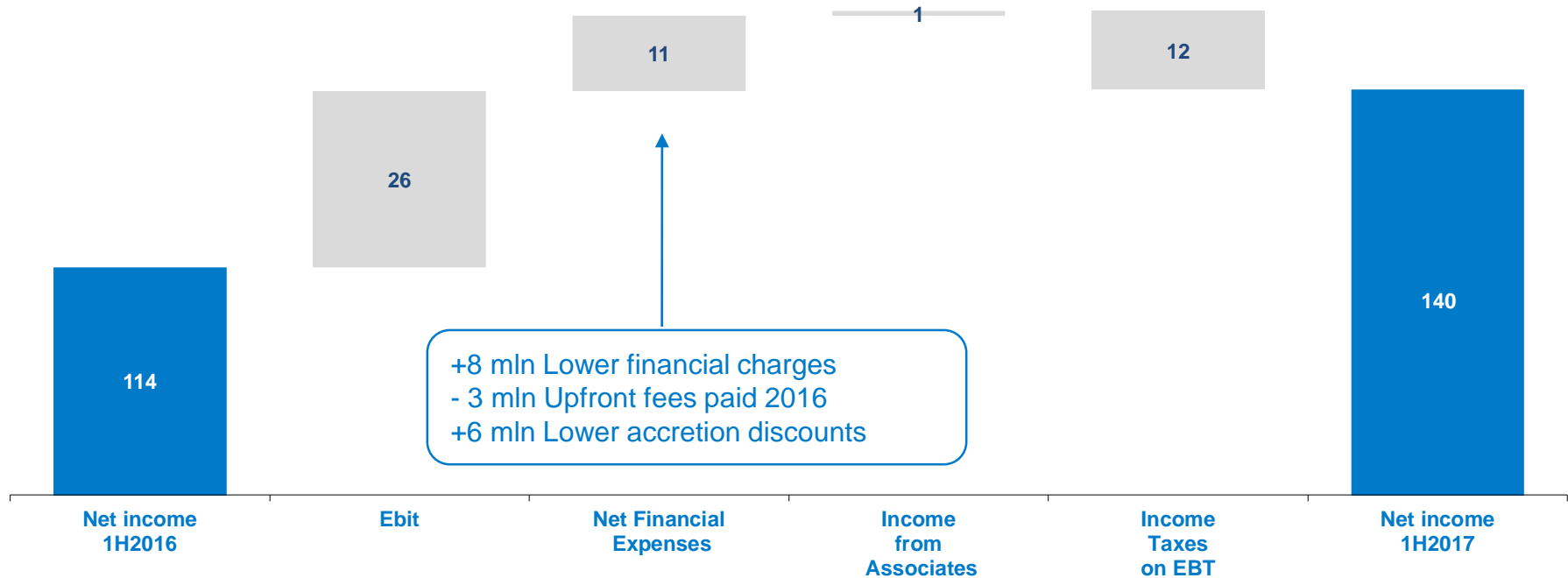
Ebit Analysis

[€mn]



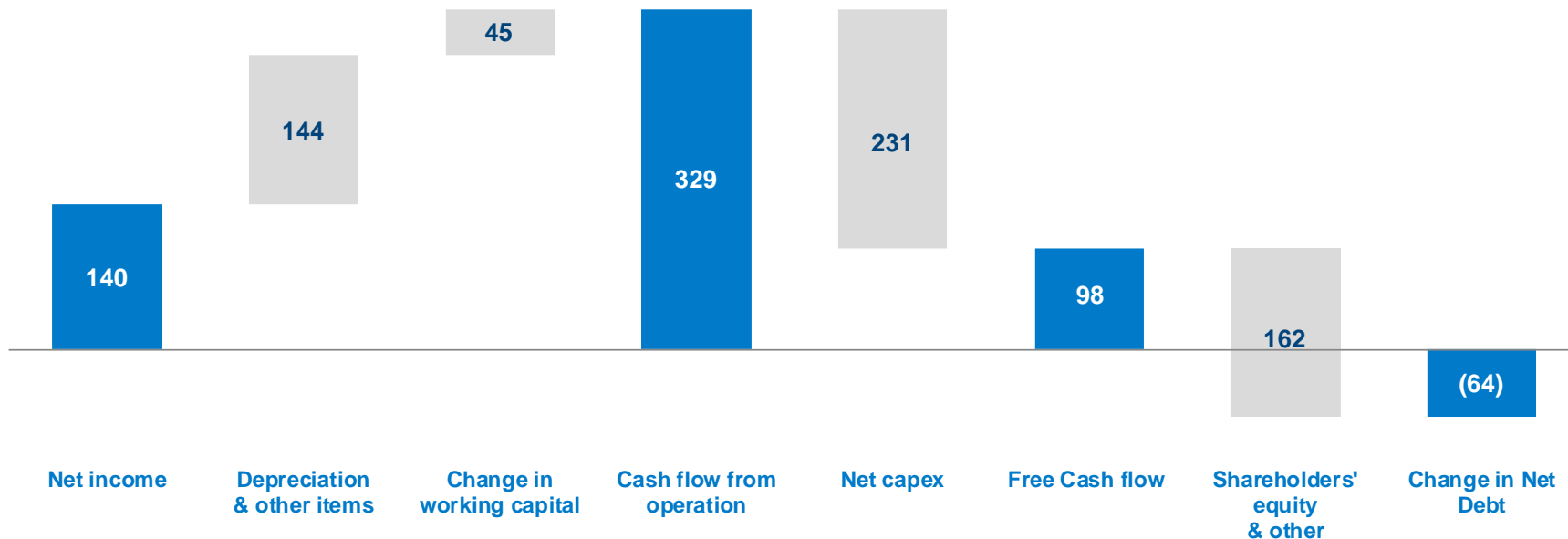
Consolidated Net Income

[€mn]



Consolidated Cash Flow

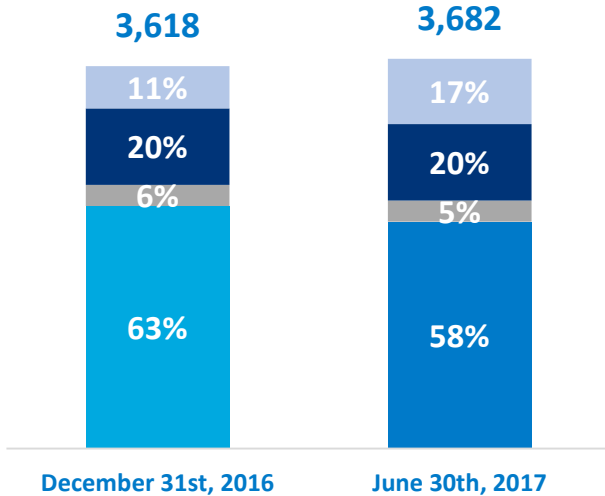
[€mn]



Achieving solid and efficient debt structure

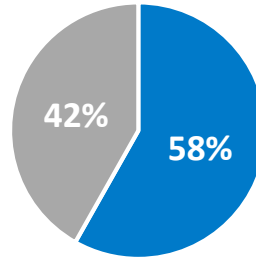
Italgas Net Debt Structure

€ mn



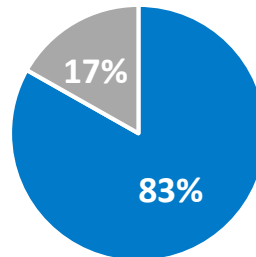
- Bridge to Bond
- Bond
- Term Loan
- Institutional Lenders Financing
- Banking Facilities

Fixed/Floating ratio



- Fixed Rate Debt
- Floating Rate Debt

Short/Medium-Long Term

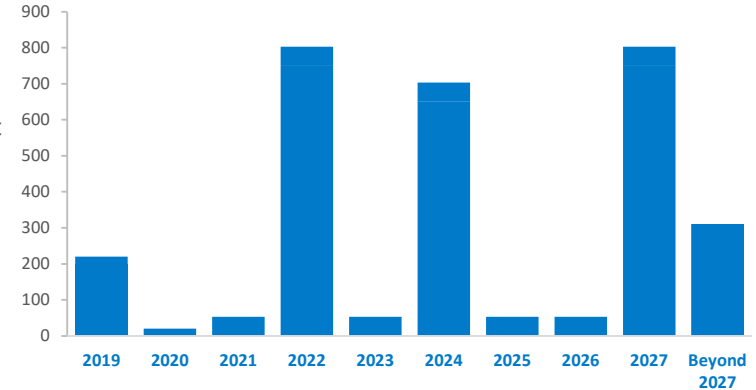


- Medium-Long Term Debt
- Short Term Debt

Debt Maturity Profile

As of June 30th, 2017

€ mn



Balance Sheet

[€ mn]	Dec, 31st 2016	Change	2017 1st Half
Net invested capital	4,682	+38	4,720
Fixed capital	4,793	+39	4,832
Tangible fixed assets	227	-3	224
Net intangible fixed assets	4,487	+44	4,531
Net payables investments	-97	+1	-96
Equity-accounted and other investments	176	-3	173
Net working capital	-9	-2	-11
Receivables	686	-78	608
Liabilities	-695	+76	-619
Provisions for employee benefits	-121	+1	-120
Assets held for sale and directly related liabilities	19	+0	19
Net financial debt	3,618	+64	3,682
Shareholders' equity	1,064	-26	1,038



Q & A



Annex

Income Statement

[€ mn]	2016 2nd Quarter	2017 2nd Quarter	Change
Revenues	260	286	26
Operating expenses	- 101	- 89	12
EBITDA	159	197	38
Depreciation & amortisation	- 79	- 97	- 18
EBIT	80	100	20
Net interest income (expenses)	- 13	- 8	5
Net income from associates	6	6	- 0
EBT	73	98	25
Income taxes	- 21	- 30	- 9
NET PROFIT	52	68	16

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.

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