Third Quarter 2017 Results

(9M 2017)

November 7, 2017

Agenda

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2. Outlook 2017 & New strategic plan 2018-2020
3. 9M17 consolidated results
4. 9M17 results by activity
5. Outlook 2018
6. Conclusions

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1. Highlights

Business performance and main figures

- ✓ Robust performance in Networks
- ✓ Strong growth in International generation
- ✓ Challenging 3Q17 in gas supply with improving outlook for 4Q17
- ✓ Adverse weather conditions continued to weigh in Electricity Spain
- ✓ Natural disasters impacting results
- ✓ 2017 interim dividend of €0.33/share paid fully in cash on September 27, 2017
- ✓ Significant value crystallization via portfolio management: minority disposal (20%) of gas distribution activities in Spain and sale (100%) of Italian operations[1]

(€m)	9M17[1]	9M16[1]	9M16 proforma[2]	9M17 vs. 9M16 proforma[2]
EBITDA	**3,140[3]**	**3,582**	**3,391**	**-7.4%**
Net income	**793**	**930**	**935**	**-15.2%**
Net investments[4]	**1,134**	**1,391**	**1,366**	**-17.0%**
Net debt	**15,723**	**15,423[5]**	**15,423[5]**	**+1.9%**

✓ **Strong performance of regulated activities offset by challenges in the liberalised businesses**

Note:
1 Considering the reclassification of Italian operations as discontinued operations, which has no impact at Net income level
2 Proforma for Electricaribe deconsolidation (9M16 EBITDA and Net income of €191m and €-5m respectively; Net investments of €25m)
3 €28m positive currency translation effects in 9M17 EBITDA
4 Includes financial investments, divestments and others
5 As at 31/12/2016 Electricaribe already deconsolidated

Key highlights

1. Strong performance in Networks and International generation continued
2. Growing renewable energy exposure in Spain
3. Abnormal weather conditions persisted in Electricity Spain
4. Impact of natural disasters on GNF operations
5. CGE Chile restructuring
6. Successful debt optimization drive continued reduction in cost of debt
7. Sale of a 20% minority equity interest in GNF´s Gas distribution business in Spain (GNDB)
8. Sale of Gas distribution and supply activities in Italy

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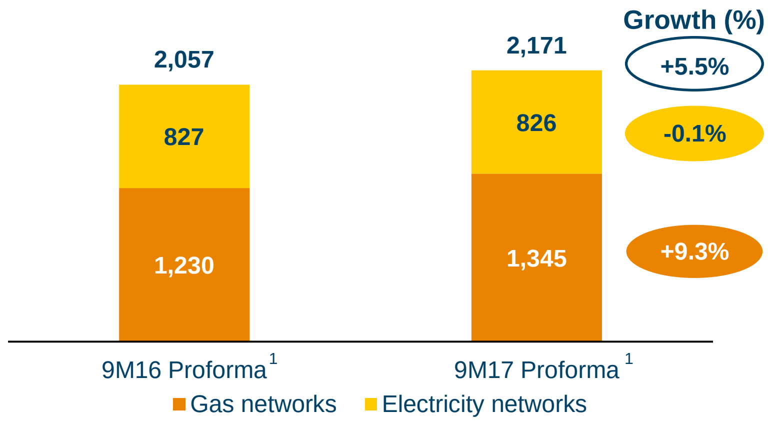
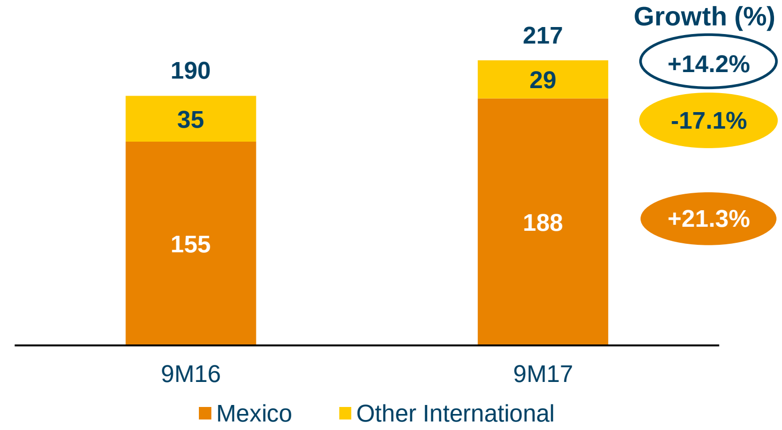
Strong performance in Networks and International generation continued

Networks EBITDA (€m)[1,2]



International generation EBITDA (€m)



Gas networks

- ✓ **LatAm: +15.9% EBITDA growth supported by Chile, Mexico, Brazil and Argentina**
- ✓ **Spain: +3.6% EBITDA growth proforma of restructuring costs**

Electricity networks

- ✓ **LatAm: +1.2% EBITDA growth ex-Electricaribe**
- ✓ **Spain: +2.4% EBITDA growth proforma of restructuring costs**

International generation growth mainly driven by Mexico

- ✓ **Improved availability due to favorable outage schedule in 2017**
- ✓ **Strong performance of excess energy due to higher volumes and better margins**

Brazil PV launch of operations in September 2017

✓ **Robust growth in Networks, notably in Gas networks LatAm, and International generation mainly driven by Mexico**

Notes:

1 Proforma for Electricaribe deconsolidation (9M16 EBITDA of €191m) and restructuring costs of €6.6m and €4.2m in Electricity and Gas networks in Spain respectively in 9M16 vs. €14.1m and €0.6m in Spain Electricity and Gas networks in 9M17 respectively, as part of the efficiency plan

2 Currency translation effects of +€27m

2 Growing renewable energy exposure in Spain

- ✓ 250MW photovoltaic capacity awarded on July 26, on top of the 667 MW wind capacity awarded in May 17

Ongoing renewable projects in Spain 2017YTD

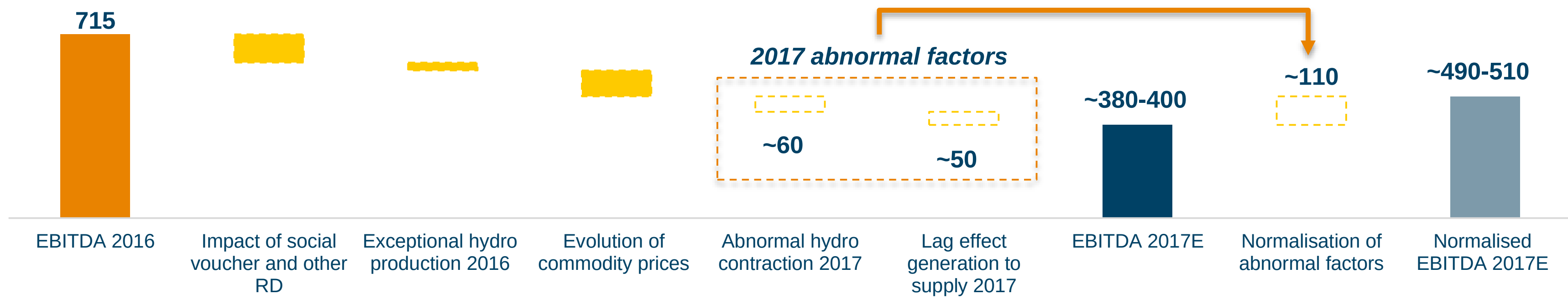
	Capacity awarded (MW)	Total investment	Investment 2018E	Installed capacity (MW) 2018E[2]
1 Wind projects Canary Islands	65	~€95m	~€30m	~ 60
2 Spanish wind renewable auction	678[1]	Max. ~€700m	~€360m	~ 280
3 Spanish PV renewable auction	250	Max. ~€165m	~€120m	~ 100

- ✓ **Renewable capacity in Spain increased +75% to ~2GW**
- ✓ **Total investment of ~ €0.9bn of projects to be commissioned in 2018-2019**

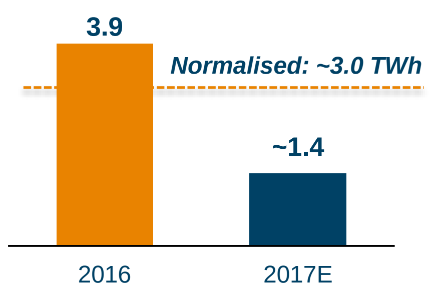
Note:
1 Slightly above awarded 667MW given more advantageous machine configurations in terms of production, capex and opex
2 Installed capacity expected as at the end of December 2018

3 Abnormal weather conditions persisted in Electricity Spain

Electricity Spain normalised EBITDA 2017E (€m)



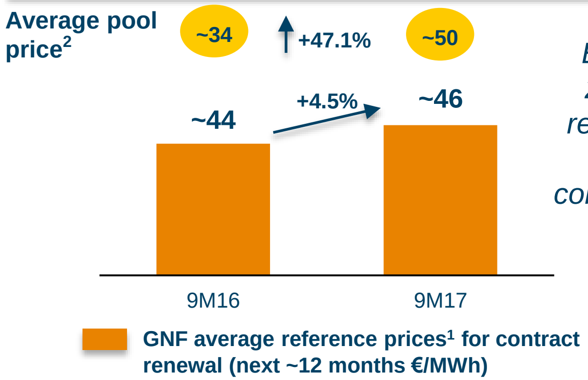
Normalisation of GNF´s hydro production (TWh)



Expected impact in 2018 of a recovery to normalized GNF´s hydro production levels ~3.0TWh

~+€60m

GNF supply recovery (€/MWh)



Expected impact in 2018 driven by the recovery of reference prices[1] and GNF contract renewal profile

~+€50m

✓ **The exceptionally low hydro production and previous year depressed reference prices for supply will have an exceptional negative impact of ~€110m in 2017E EBITDA**

Note:
1 Based on GNF contract renewal profile and underlying 12-month forward Spanish base prices in the Iberian Energy Derivatives Exchange (OMIP)
2 Average price in the daily power generation market

4 Impact of natural disasters on GNF operations

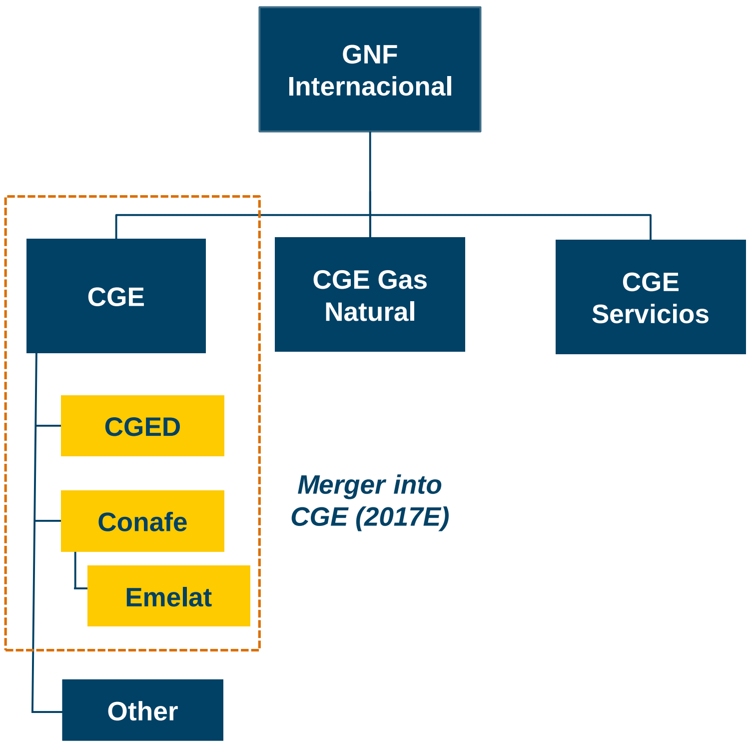
	Country	Description
Civil liabilities & property damages	Chile	✓ Natural disasters (snowstorms and fires) resulting in power outages, civil liabilities and property damages ✓ GNF undertaking the necessary actions to comply with the new regulation interpretation and avoid further penalties
	Moldova	✓ Snowstorms caused infrastructure damages in electricity networks and power outages
Income lost due to temporary halt in operations	Puerto Rico	✓ Hurricane caused temporary halt in operations (Ecoelectrica CCGT and regasification plant) ✓ LNG supply delay with PREPA
	Mexico	✓ Earthquake caused temporary halt in wind farms Bii Hioxo for several weeks

- ✓ **Impact on Profit before tax (PBT) in 9M17 of ~€20m[1]**
- ✓ **Expected impact on PBT 2017E in the range of ~€85m[2,3] (~€70m Net income impact)**

Notes:
1 Of which €5m write-offs
2 Of which €10m write-offs
3 Expected compensation from reinsurance of ~ €30m to be received in 2018 (no impact on 2017 results)

5 CGE Chile restructuring

Merger of electricity distributors



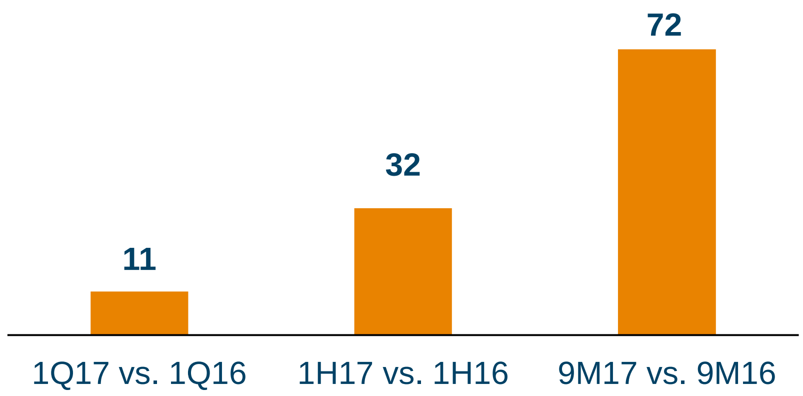
Rationale and impacts

- ✓ **Corporate restructuring and simplification driving to:**
  - Improved corporate governance
  - Operational efficiencies via consolidation of corporate functions/costs and processes optimisation
- ✓ **Completion of mergers of electricity distributors expected in 4Q17**
- ✓ **Positive impact on GNF´s earnings of ~€115m due to reversal of deferred tax liabilities which arose in the acquisition of CGE Chile (November 2014)**

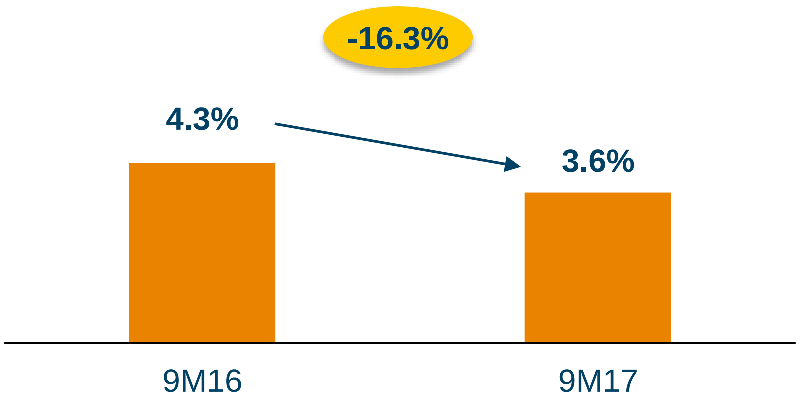
✓ CGE Chile corporate optimization and restructuring continues and is expected to deliver additional efficiencies in the following years

6 Successful debt optimization drive continued reduction in cost of debt

Evolution of financial results post-tax[1] savings (€m)



Average cost of debt[2]



- ✓ Debt refinancing / extension with improved terms of ~€3.0bn in 3Q17 (of which €2.4bn credit facilities and €0.6bn loans) for a total 2017YTD credit/loan optimisation of ~€6.6bn in aggregate
- ✓ Expected average cost of gross financial debt of ~3.5% for the year 2017 (80 bps below 2016 average)

✓ Liability management efforts progressively positively impacting financial results

Notes:
1. Proforma for ECA deconsolidation and the reclassification of Italian operations
2. Pre-tax cost of financial debt

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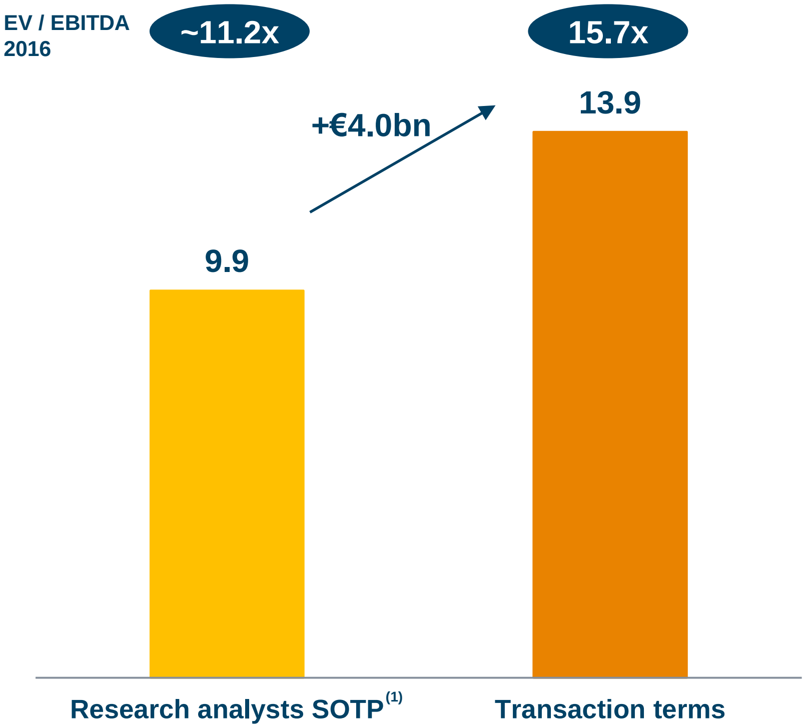
Sale of a 20% minority equity interest in Gas distribution business in Spain (GNDB)

Transaction description

- ✓ **Sale of a 20% equity interest[2] in GNDB to a consortium formed by Allianz and CPPIB**
  - GNDB remains a core asset of GNF's portfolio
  - The transaction crystallizes significant value for GNF's current shareholders
- ✓ **On track to achieve completion on 1Q18**
- ✓ **GNF will receive proceeds of €1,500m, 100% in cash, upon completion of the transaction**
- ✓ **The transaction generates capital gains with a positive impact on shareholder's equity of approximately €1.0bn (no P&L impact)**

GNDB enterprise value (€bn)



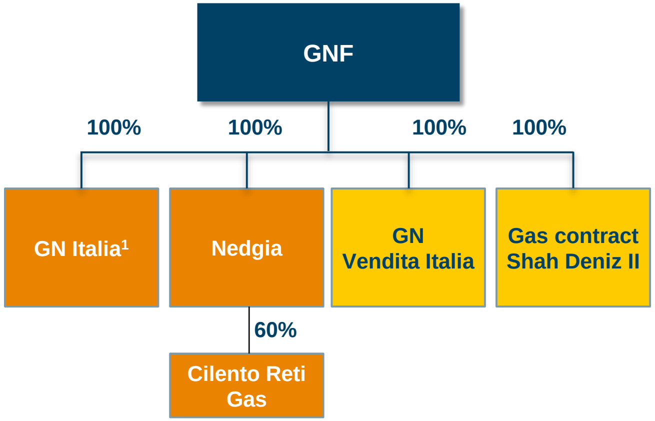
✓ **Significant value crystallization of a cornerstone asset in GNF´s portfolio**

Note:
1 Based on broker notes from Morgan Stanley (July 2017), Citi (July 2017), Credit Suisse (June 2017), BAML (May 2017), Societe Generale (July 2017), and BPI (Apr 2017)
2 GNDB 20% minorities equivalent to ~ €80m Net income per annum

Sale of Gas distribution and supply activities in Italy (I)

Transaction description

- ✓ Sale (100%) of GNF´s gas distribution activities in Italy together with services company GN Italia1 to 2i Rete Gas
- ✓ Sale (100%) of GNF's gas and electricity supply activities in Italy to Edison (including long term gas contract securing 11 TWh/year from the end of 2020)



Acquired (100%) by 2i Rete Gas

Acquired (100%) by Edison

Key terms and metrics

	Aggregate Italian operations
Enterprise Value	€1,020m
Purchase price	~€759m[2]
Capital gains (post-tax)	~€190m
Expected closing	4Q17 – 1Q18
EBITDA 2016	~€83m[3]
Earnings 2016	~€31m
Capex 2016	~€34m

✓ **Successful sale of GNF's Italian operations maximizing its value and generating post-tax capital gains of ~€190m**

Notes:
1 GN Italia is a services company which will continue to deliver corporate services to both Nedgia and GN Vendita Italia through the appropriate TSAs
2 Aggregate purchase price (equity value) considering total net debt and minorities of €261m and subject to final customary adjustments prior to or at completion
3 Italian operations total 9M17 EBITDA of €58m

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Sale of Gas distribution and supply activities in Italy (II)

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Transaction rationale

1 GNF competitive positioning

- ✓ Limited probability of maintaining competitive position in the upcoming retendering for local distribution licenses in Italy
- ✓ Lack of critical mass / market share to act as a consolidator vs. larger Italian players

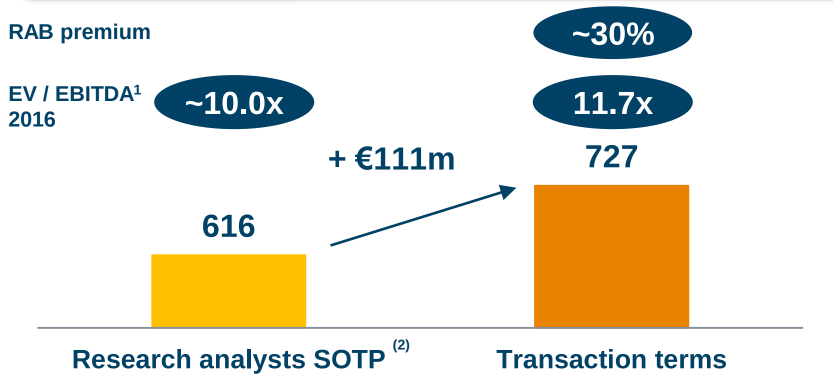
2 Returns

- ✓ Profitability below GNF´s average cost of capital

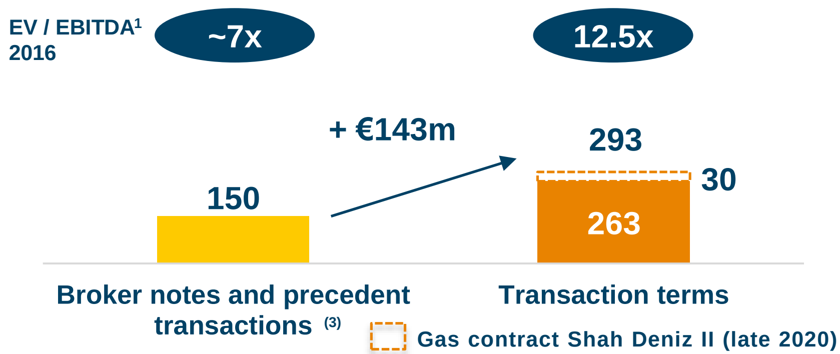
3 Value maximization

- ✓ Attractive selling price vis a vis regulatory asset base and competitive position

Gas distribution EV (€m)



Gas and electricity supply EV (€m)



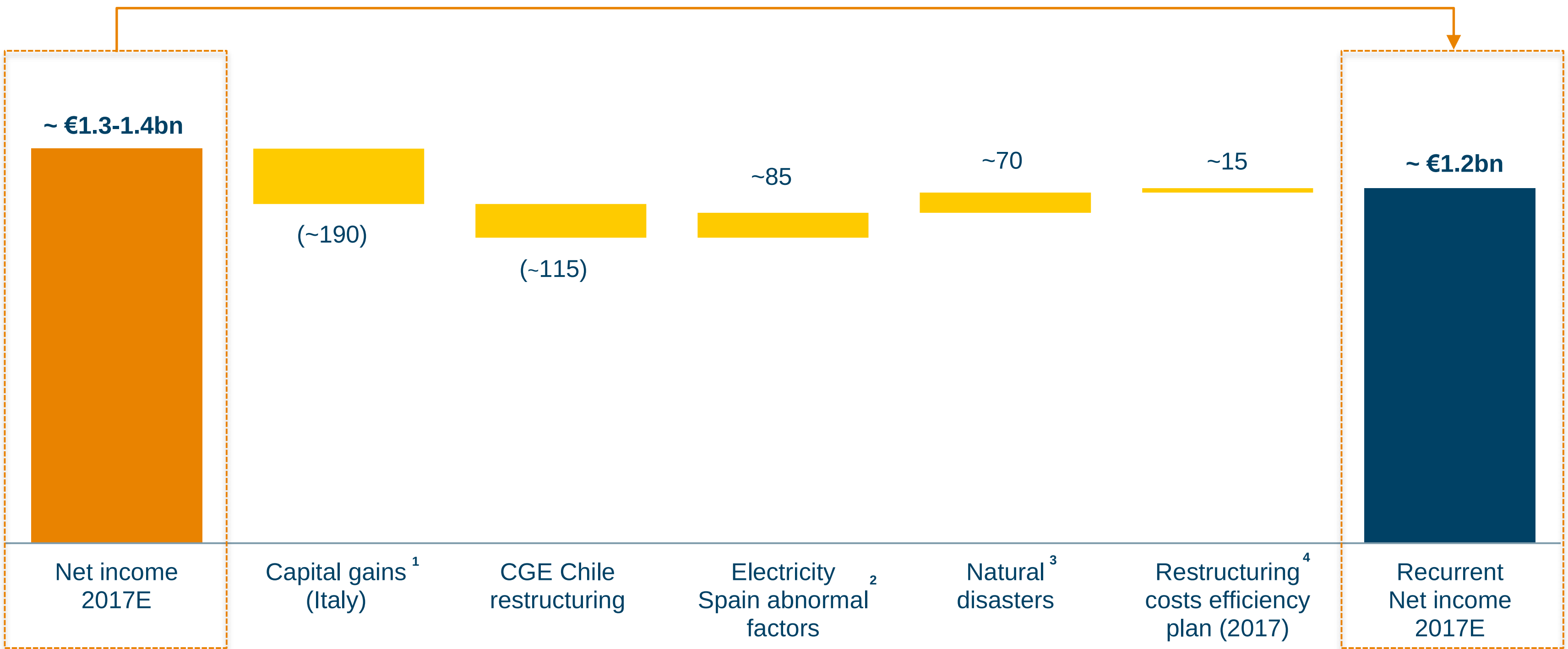
✓ **The transaction crystallizes significant value for GNF's shareholders**

Notes:
1 Based on 2016 reported EBITDA of €62m and €21m for Nedgia and GN Vendita Italia respectively (EV/EBITDA for GNVI excluding gas contract from Shah Deniz II)
2 Based on average broker valuation of GNF´s Italian gas distribution business
3 Based on broker notes, precedent transactions in gas supply Southern Europe and GNF internal analysis

2. Outlook 2017 & New strategic plan 2018-2020

Outlook 2017

2017E Net income: bridge to recurrent operations



- ✓ **Net income 2017E still within the target range (~€1.3-1.4bn) subject to completion of Italian disposals**
- ✓ **Dividend policy maintained for 2017 results**

Notes:

1 Post-tax capital gains for disposals in Italy (completion expected between 4Q17 and 1Q18 subject to competition authorities and regulatory approvals)
2 Based on ~€110m EBITDA impact in 2017 due to abnormal circumstances in Electricity Spain
3 Based on ~€85m pre-tax impact of exceptional natural disasters in 2017
4 Based on one off restructuring costs of €21m in 2017E as part of efficiency plan

New strategic plan 2018-2020

New strategic plan 2018-2020 to drive medium / long-term shareholder value

- ✓ **Global macro and energy sector outlook has evolved**
- ✓ **GNF profile has changed: Electricaribe deconsolidation, 20% GNDB disposal, 100% Italy disposal**
- ✓ **Proceeds from GNDB and Italian transactions expected in 4Q17 - 1Q18**
- ✓ **New efficiency plan 2018-2020 has been launched**

- ✓ **New strategic plan 2018-2020 to determine the optimal use of proceeds considering GNF's future investment plan, debt target levels and shareholder remuneration**
- ✓ **GNF aims to continue offering an attractive shareholder remuneration**

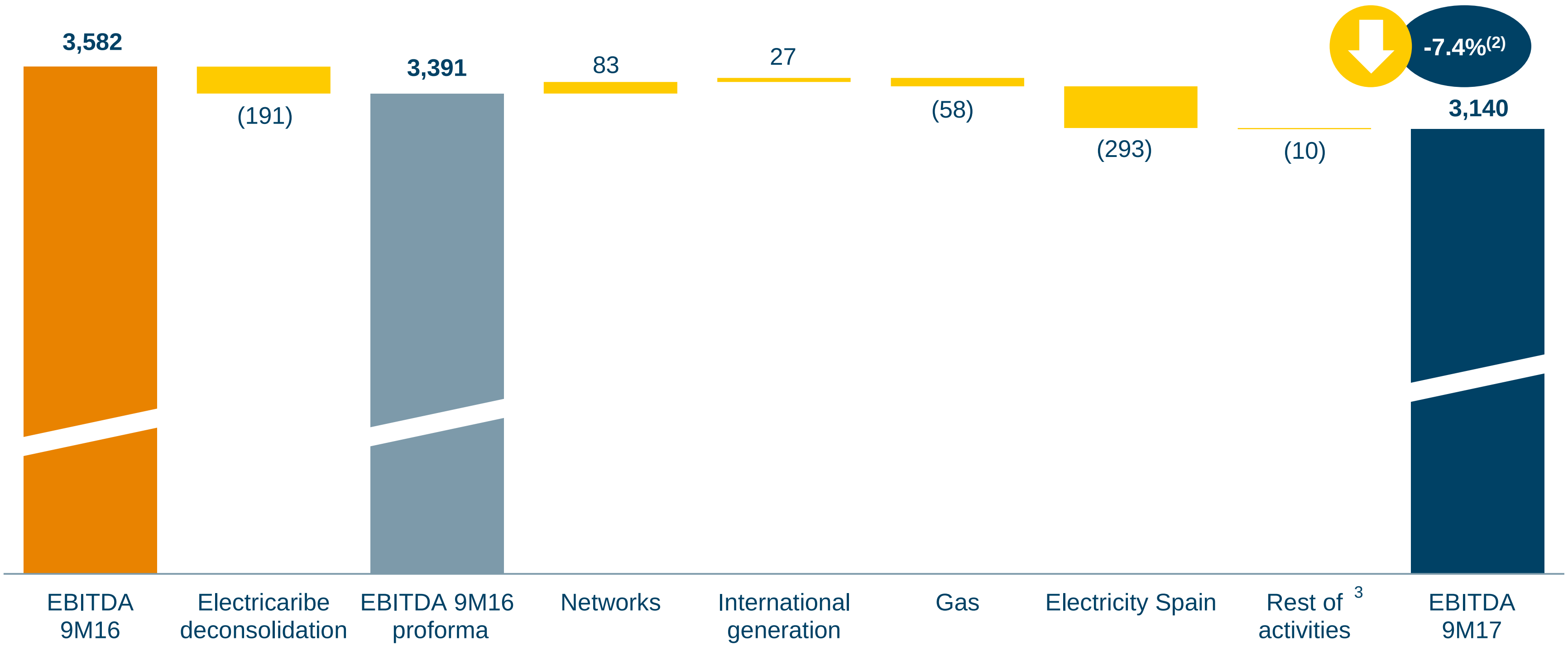
- ✓ **Release of new strategic plan 2018-2020 together with 2017YE results during GNF's Investor Day at the end of February 2018**

3. 9M17 consolidated results

EBITDA evolution

9M17 vs. 9M16

EBITDA[1] (€m)



✓ **Robust performance of regulated and contracted activities partially mitigating the negative impact of Electricity Spain**

Note:

1 Considering the reclassification of Italian operations as discontinued operations

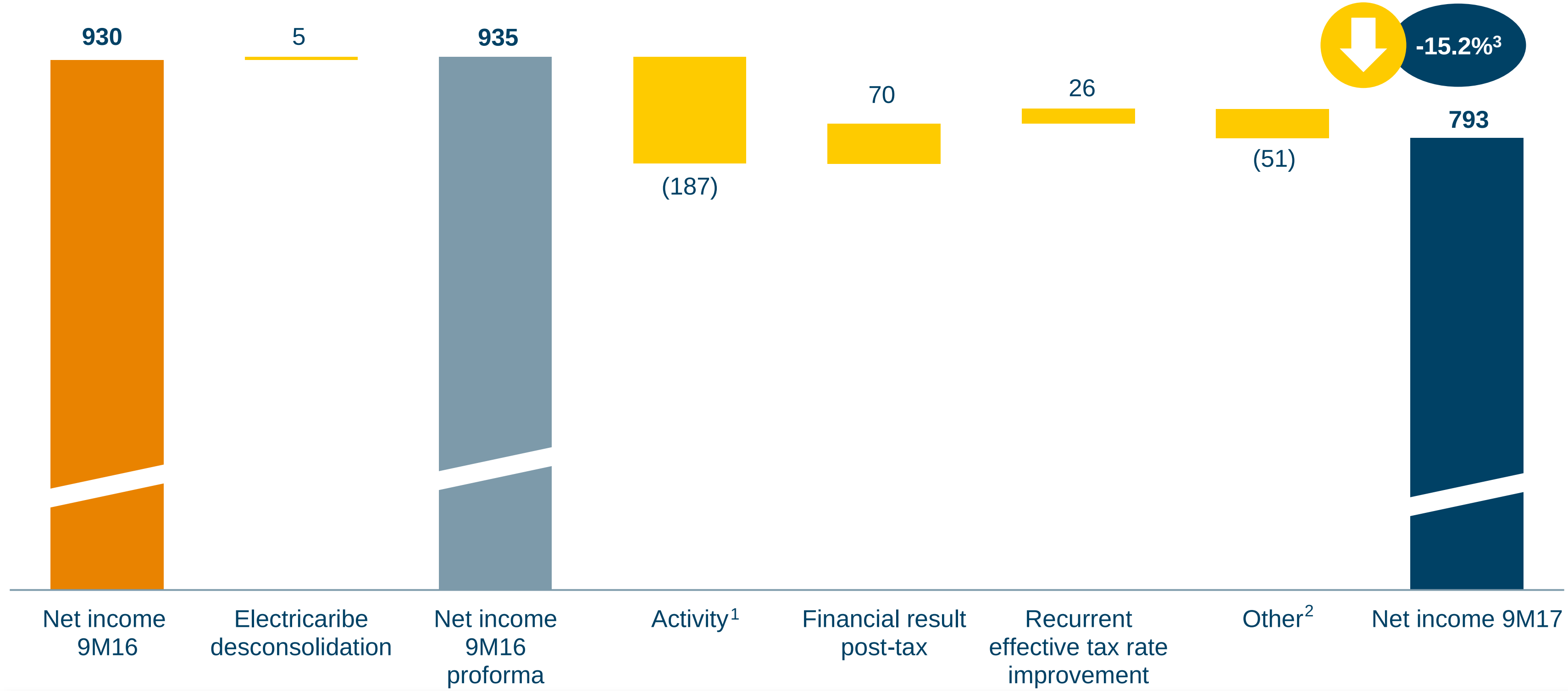
2 Pro-forma for Electricaribe deconsolidation

3 Including - €15m EBITDA impact of natural disasters

Net income evolution

9M17 vs. 9M16

Net income (€m)

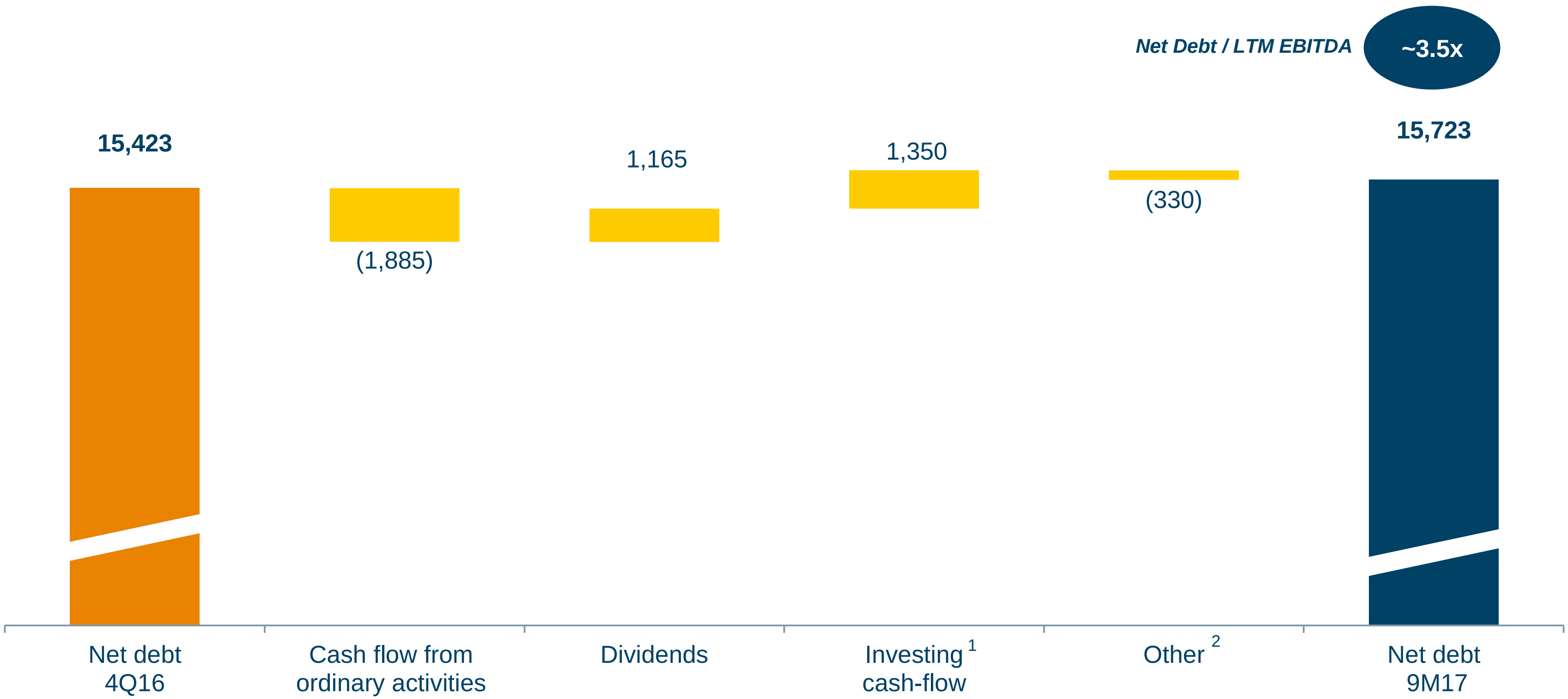


✓ **Strong focus on financial management partially mitigating the negative impact of activity (mainly Electricity Spain)**

Notes:
1 Includes EBITDA (ex. Electricaribe), depreciation & amortization, provisions and tax effects; negative impact mainly due to Electricity Spain and natural disasters
2 Other includes equity income, discontinued operations results and non-controlling interests
3 Pro-forma for Electricaribe deconsolidation

Net debt evolution

Net debt (€m)



✓ Net debt of ~€13.5bn proforma of 20% GNDB disposal and 100% disposal of Italian operations (Net Debt / LTM EBITDA proforma of ~3.0x)

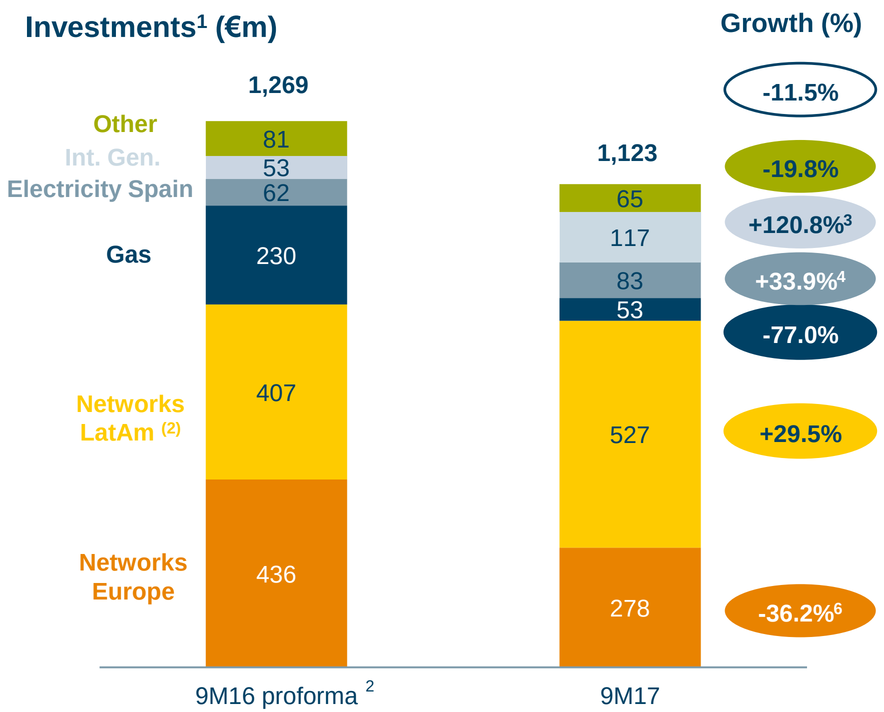
✓ **Stable Net debt despite cash dividend payments in June and September 2017 and growth investments**

Notes:

1 Refers to investments actually paid in the period

2 Including €210m net debt effect as a result of the transfer of Italian operations to available for sale non-current assets and liabilities, currency translation effect in consolidation and other cash flow items

Investments
9M17 vs. 9M16



- ✓ Total investments growth of 3.6% vs. 9M16 excluding the LNG tanker investment of €206m in 9M16
- ✓ Networks Europe comparison affected by the one off acquisition of LPG connection points in 9M16 (€80m)
- ✓ Capex 2017E of c. ~€2.0bn (€0.4bn below budget) due to delayed delivery into 2018 of the 2 new LNG tankers expected this year
- ✓ Growth capex of €584m (52% of overall capex)
- ✓ Networks LatAm and international generation growth capex of €380m (65% of growth capex)

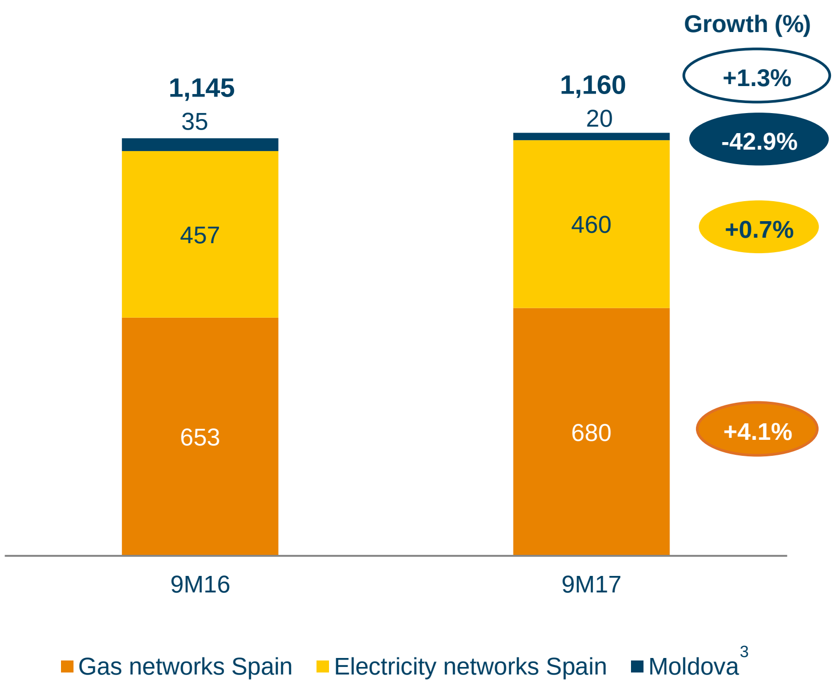
✓ Growth investments underpinning EBITDA growth, notably in Networks LatAm and international generation

Notes:
1 Material and intangible investments; excluding financial investments and divestments
2 Proforma for deconsolidation of Electricaribe (9M16 investments of €25m)
3 Mainly explained by +€68m growth capex in Brazil PV projects and +€22m in Australia wind
4 Mainly Canary Islands (wind projects)

4. 9M17 results by activity

Networks Europe

EBITDA[1] (€m)



Electricity

- ✓ **Spain: +2.4%[2] EBITDA growth driven by higher net sales and accrued investments brought into operation**
- ✓ **Moldova impacted by regulatory changes**
- ✓ **Investments underpin EBITDA growth: €161m in 9M17 (of which €34m growth capex)**

Gas

- ✓ **Spanish activity supported by the acquisition of ~230,000 LPG connection points in 4Q16 and a net increase in natural gas connection points of ~ 37,000 vs. 9M16**
- ✓ **Investments underpin EBITDA growth: €117m in 9M17 (of which €89m growth capex)**

✓ **+2.0% EBITDA growth in a robust regulated activity, once restructuring costs from current efficiency plan are excluded**

Note:
1 Considering the reclassification of Italian operations as discontinued operations (Italy gas distribution EBITDA of €44m for both 9M16 and 9M17)
2 Excluding €7.5m incremental restructuring costs incurred in 9M17 as part of current efficiency plan
3 Moldova with a €2m positive currency translation effect in 9M17

Networks LatAm

Gas distribution

EBITDA (€m)

Country	9M17	9M16	Variation	Change (%)	Net increase in connection points vs. 9M16 (´000)
Chile	175	151	24	+15.9%	~22
Colombia	104	128	(24)	-18.8%	~111
Brazil	209	173	36	+20.8%	~50
Mexico	137	120	17	+14.2%	~111
Other[1]	39	1	38	>100%	~18[2]
TOTAL	664	573	91[3]	+15.9%	~ 312

- ✓ Chile: Increased sales in the residential and commercial segments
- ✓ Colombia: Comparison affected by the atypical demand and dry 2016 (“El Niño phenomenon”)
- ✓ Brazil: Growth in volumes and updated inflation indexes (IGPM) along with positive translation effect
- ✓ Mexico: Significant volume increase and updated indexed tariffs
- ✓ Argentina: EBTIDA increased from €3m in 9M16 to €42m in 9M17 driven by the regulatory review (April 2017)
- ✓ Investments underpin EBITDA growth: €253m in 9M17 (of which €167m growth capex) and more than ~ 312,000 new connection points vs. 9M16

✓ **Strong growth supported by robust results in Chile, Mexico and Brazil as well as the 1st of 3-stage review application of the comprehensive regulatory review in Argentina**

Note:
1. Argentina & Peru Gas distribution
2. Argentina only
3. Currency translation effects of +€19m

Networks LatAm

Electricity distribution

EBITDA (€m)

Country	9M17	9M16	Variation	Change (%)	Sales growth (%)
Chile	238	227	11	+4.8%	+2.6%
Panama	79	92	(13)	-14.1%	+0.8%
Argentina	15	9	6	+66.7%	-0.2%
TOTAL[1] (excl. ECA)	332	328	4[2]	+1.2%	+0.9%

- ✓ Chile: Higher sales and operating efficiencies offset the lower margins of the tariff review and perimeter changes[3]
- ✓ Panama: Impacted by lower demand and customers' refunds as compensation for higher charges in the period 2002-06
- ✓ Argentina: Positive impact of updated indexed tariffs despite slight decrease in sales due to higher tariffs across utilities
- ✓ Investments underpin EBITDA growth: €274m in 9M17 (of which €120m growth capex)

✓ **Solid performance in Electricity networks driven by Chile and Argentina**

Note:

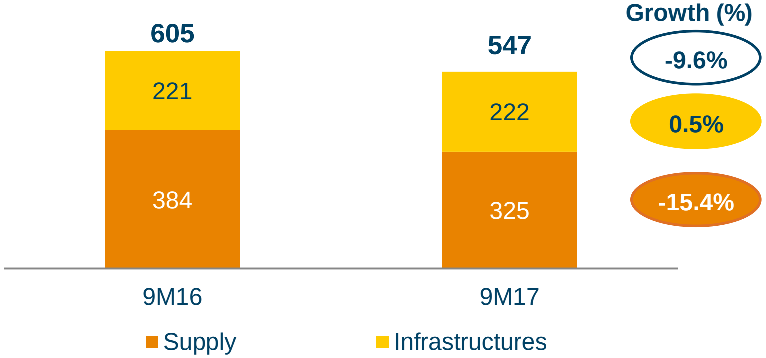
1 Excludes Electricaribe for comparability purposes (9M16 EBITDA of €191m)

2 Currency translation effects of +€6m

3 Disposal of small O&M electricity company (Tecnet) and small concrete builder for electricity networks company (Hornor) in 4Q16

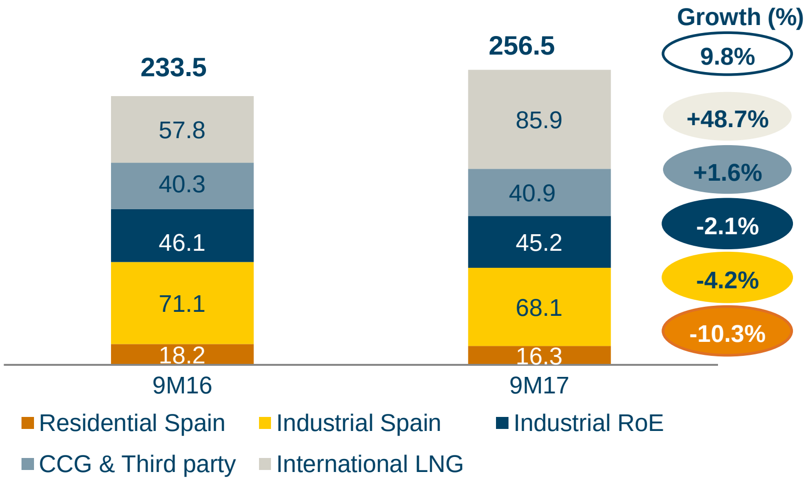
Gas

EBITDA (€m)[1,2]

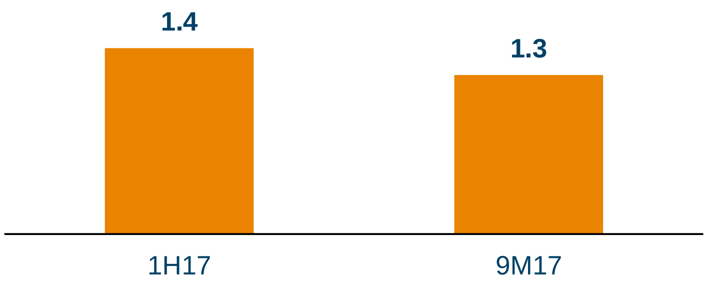


- Stable results in infrastructure
- Higher sales (+9.8%) driven by a significant increase in international LNG (+48.7% vs. 9M16) offset by lower residential sales in Spain (-10.3%)
- Margin pressure on Spanish industrial segment in 3Q17, showing recent signs of a turning point and recovery
- Narrowing of LNG – Brent spread particularly acute in July-August 2017, although improving in 4Q17 and for 2018 on the back of higher demand expectations in Asia

Gas sales (TWh)



Gas supply margin evolution EBITDA[2] (€/MWh)



✓ Positive contribution of new volumes partially offset margin pressure on Spanish industrial segment, which is showing recent signs of a turning point and recovery

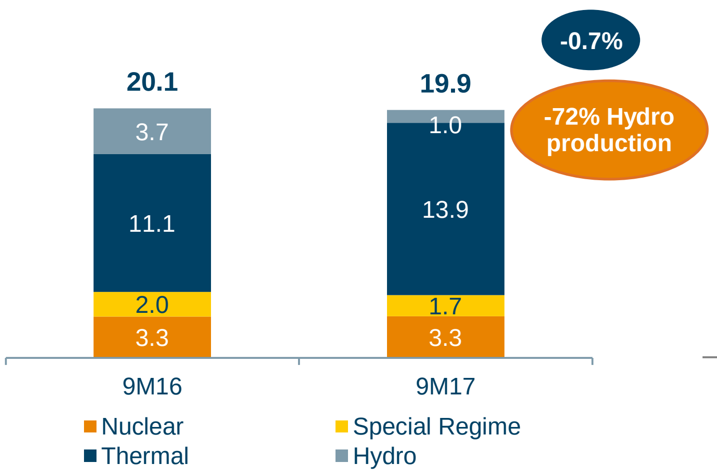
Notes:

1 Currency translation effects of +€1m in infrastructures

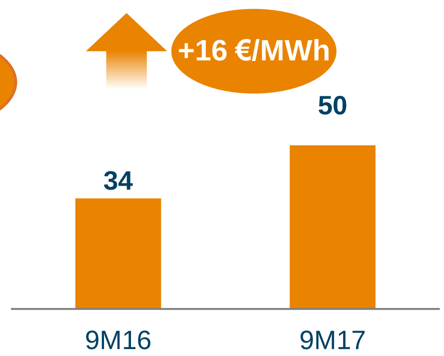
2 Excludes EBITDA from Italian gas supply operations of €14m both in 9M16 and 9M17; unitary margins adjusted to reflect the lost of margins to final customer (industrial and residential segments) while keeping margins from wholesale supply to Italy as part of International LNG sales

Electricity Spain

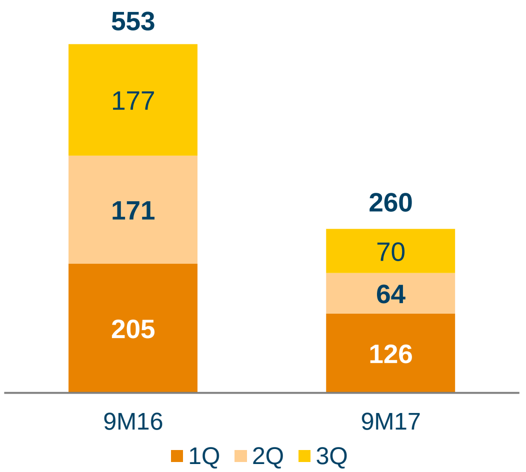
GNF production (TWh)



Pool price[1] (€/MWh)



EBITDA (€m)



EBITDA 2017E vs. 2016 impact

€315-335m

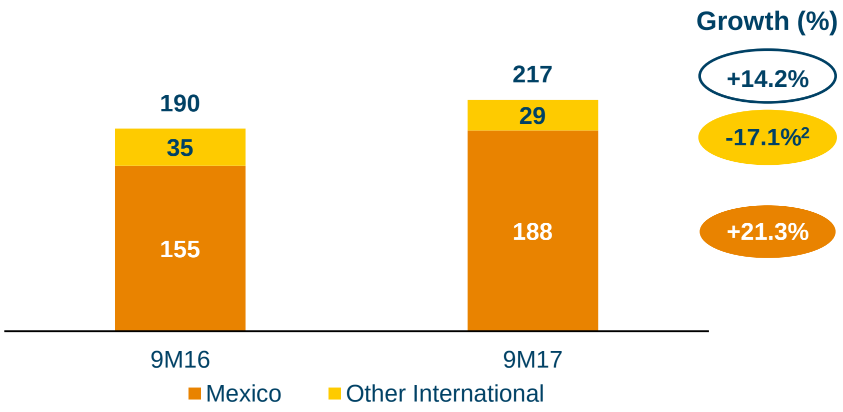
- ✓ **Higher generation costs:**
  - Hydro represented only 5% production in 9M17 vs. 18% 9M16
  - Higher commodity prices
- ✓ **Supply margins affected by higher pool prices with sale prices at particularly low levels, given the exceptionally low forward prices on which they were set in 9M16**

✓ **Abnormal weather conditions continued in 3Q17 impacting EBITDA 2017E guidance in Electricity Spain; improving outlook for 4Q17 driven by the recovery of supply prices**

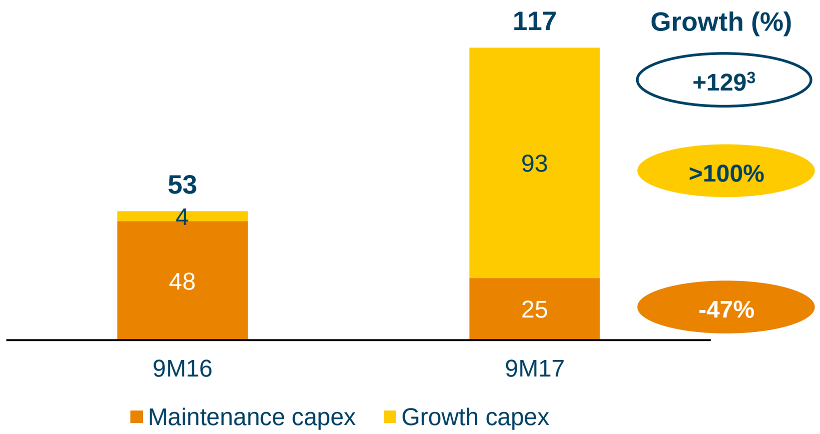
Note:
1 Average price in the daily power generation market

International generation

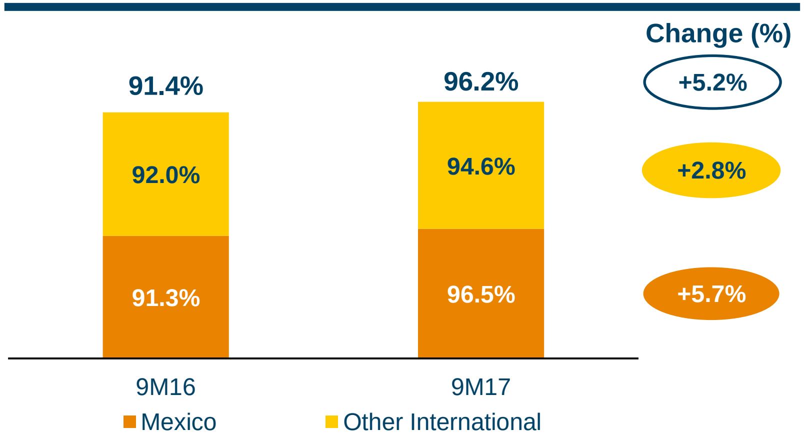
EBITDA (€m)[1]



Investments (€m)



Total availability (%)



International generation growth mainly driven by Mexico

- ✓ **Improved availability due to favorable outage schedule in 2017**
- ✓ **Strong performance of excess energy due to higher volumes and better margins**

Brazil PV launch of operations in September 2017

✓ **International generation continues to deliver strong growth through profitable investments**

Notes:
1 No currency translation effect
2 Dominican Republic down due to lower production and lower prices in the spot market following end of (PPA) contract with distributors
3 Mainly explained by +€68m growth capex in Brazil PV projects and +€22m in Australia wind

5. Outlook 2018

Outlook 2018

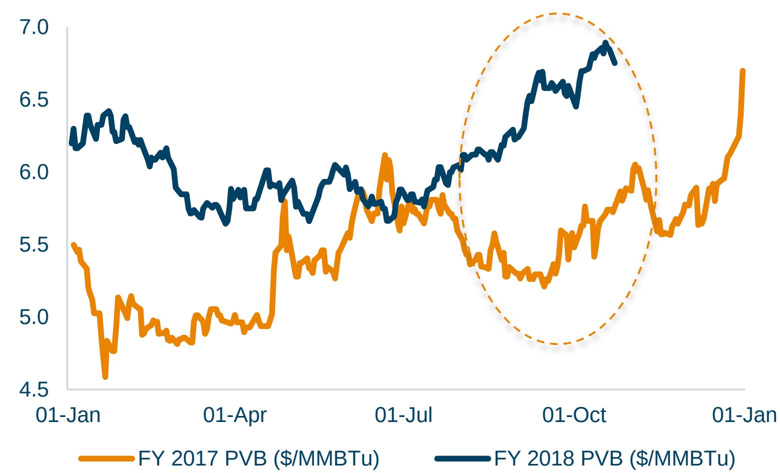
	GNF activities	Outlook 2018	Key drivers
EBITDA	Networks	↑	✓ Continued investment/organic growth (Mexico, Chile) ✓ Argentina regulatory review (full impact in April 2018)
	Gas	= ↑	✓ Ordinary review of gas procurement contracts ✓ Significant progress in new business initiatives ✓ Improving trends in international LNG prices, and recent signs of a turning point in Iberia
	Electricity Spain	↑	✓ Normalization of hydro production levels ✓ Higher supply prices with upward trend of reference indexes ✓ Newly installed renewable capacity
	International generation	↑	✓ Secured growth with the launch of Brazil PV (2H17) and Australia wind (2H18)
	Efficiency plan	=	✓ New efficiency plan 2018-20 incremental savings partially offset by one-off restructuring costs
	FX translation effect	↓	✓ Unfavorable foreign exchange outlook based on forward curves (USD, CLP, BRL, MXN, COP, ARG)
Net income	Cost of debt	↑	✓ Liability management efforts progressively positively impacting financial results
	Tax rate	=	✓ Maintained at 21.5% (recurrent tax rate)

✓ **Improving outlook 2018 vs. 2017; targets 2018 under review as part of the new strategic plan 2018-2020, taking into consideration recent developments in portfolio management**

Outlook 2018
Focus on gas supply (I)

	Outlook 2018	Key drivers
Volumes	= ↓	✓ **Stable / slightly down** vs. 2017 given early quantities from Cheniere in 2017 and Italian disposal ✓ Volume sales for 2018 already **contracted and secured >75%**
Procurement	↑	✓ Positive expectations in **ordinary review of procurement contracts** due in 2018 (~50% of GNF´s total procurement contracts)
Prices evolution Iberia	=	✓ Recent signs of a **turning point in Iberia** ✓ PVB[1] **prices for full calendar year 2018** compare favorably vs. 2017

PVB[1] (FY 2018E vs. FY 2017E)



Source: Tullett Prebon

✓ **Positive expectations in ordinary review of procurement contracts and contracted sales >75% for 2018**

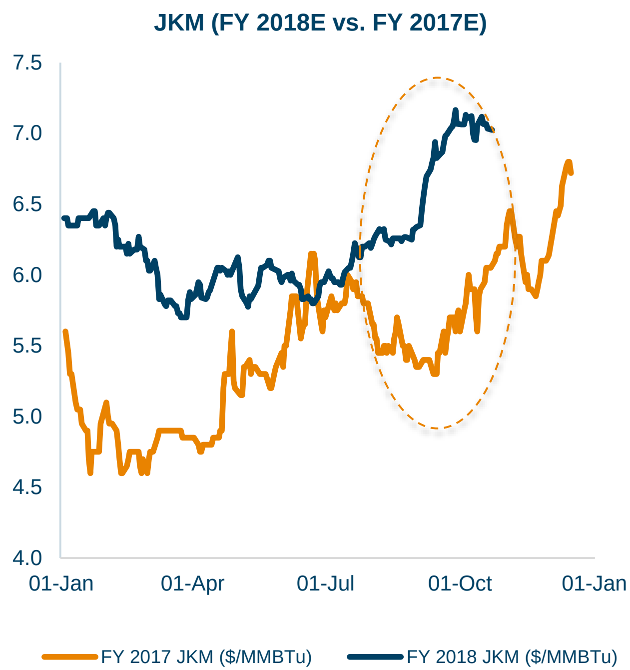
✓ **Recent signs of a turning point in Iberia support expectations of margin recovery in 2018**

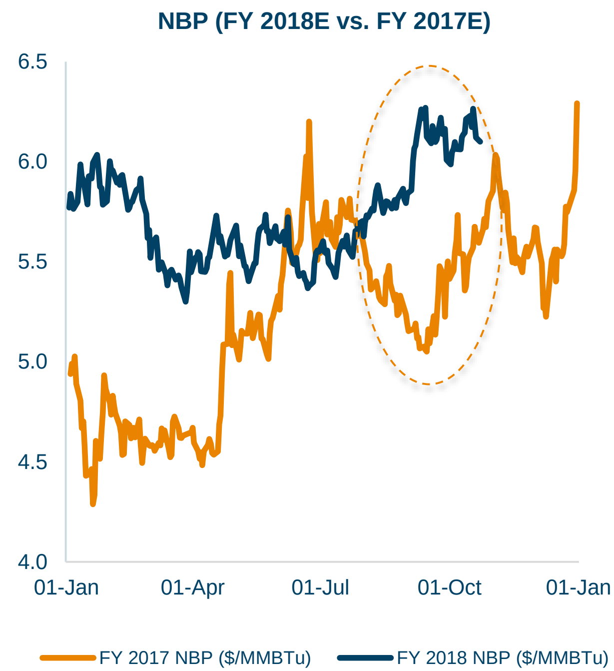
Notes:
1 Punto virtual de balance (Spanish main index for gas market)

Outlook 2018

Focus on gas supply (II)

	Outlook 2018	Key drivers
Prices evolution International LNG		✓ **Improving trends in international LNG** on the back of higher **demand expectations in Asia,** also supporting **higher prices in Europe** ✓ JKM and NBP **prices for full calendar year 2018** compare favorably vs. 2017





Source: Tullett Prebon and ICE

✓ **Improving trends in international LNG on the back of higher demand expectations in Asia, also supporting higher prices in Europe**

Outlook 2018
Focus on gas supply (III)

	Outlook 2018	Key drivers
GNF positioning	= ↑	✓ **Progress in new business initiatives** geared towards profitable mid-sized customers and attractive market segments (**FSRU, small scale solutions, bunkering**) ✓ Good progress in ensuring **contracted sales to end customers at attractive terms** (e.g. PREPA) with volume sales for 2018 already **contracted and secured >75%** ✓ Leveraging on GNF logistics and flexibility to capture **upside from short term opportunities** on the back of increased price volatility / tensions (e.g. sales to middle east via recent tender)

✓ **Grounds for a better outlook in 2018 driven by GNF´s positioning and progress in new business initiatives, improving trends in international LNG prices, and recent signs of a turning point in Iberia**

Outlook 2018

Focus on Electricity Spain

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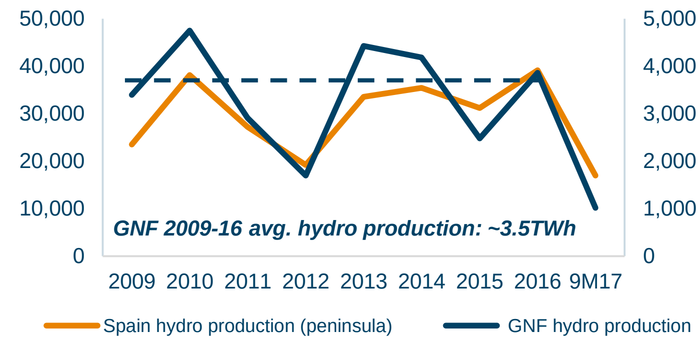
	Outlook 2018	Key drivers

Normalisation of hydro production

- ✓ Expected recovery to **normalized hydro production levels ~3.0TWh**
- ✓ GNF generation mix and CCGT capabilities to benefit from short-term high thermal production (4Q17-1Q18)

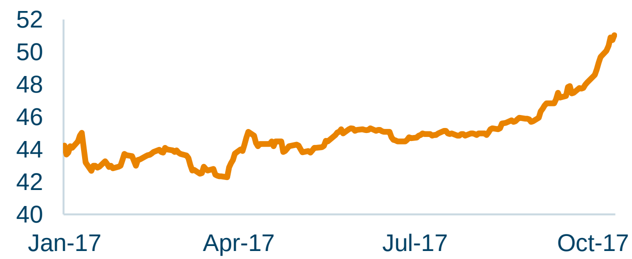
Hydro production GNF vs. system (GWh)



Recovery of supply prices

- ✓ Progressive **recovery of OMIP prices** for 2018 (used as reference for new contracts and renewals) reflecting the higher generation costs
- ✓ Average **OMIP prices for 2018** increased from **45€/MWh** in July - August to **51 €/MWh** in October (**up +12%**)

OMIP prices evolution for 2018 (€/MWh)



Source: OMIP

PVPC[1]

- ✓ Reduced margins in PVPC[1] caused by increased regulatory requirements and higher impact of the social voucher in 2018

✓ **Expected recovery of Electricity Spain on the back of normalized hydro production levels and recovery of supply prices**

Note:
1 Small consumer voluntary price

6. Conclusions

Summary and conclusions

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Results 9M17

- ✓ Strong performance of regulated activities, notably in Gas networks and International generation
- ✓ Challenges in the liberalized business largely related to abnormal weather conditions expected to subside
- ✓ Net income 2017E in the target range (~€1.3-1.4bn) subject to completion of Italian disposals and related capital gains

Outlook 2018

- ✓ Positive outlook 2018, following a very challenging 2017YTD, deeply affected by abnormal circumstances in Electricity Spain and natural disasters
- ✓ Release of new strategic plan 2018-2020 together with 2017YE results during GNF's Investor Day at the end of February 2018
- ✓ GNF aims to continue offering an attractive shareholder remuneration

✓ **New strategic plan 2018-2020 to drive medium / long-term shareholder value**

Third Quarter 2017 Results

(9M 2017)

Questions & Answers

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Appendices

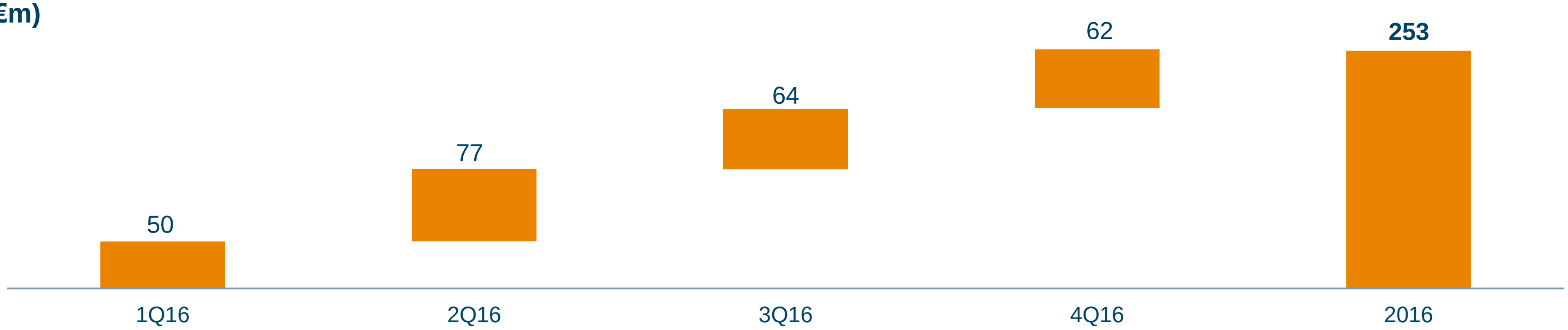
1. Financials

Consolidated income statement

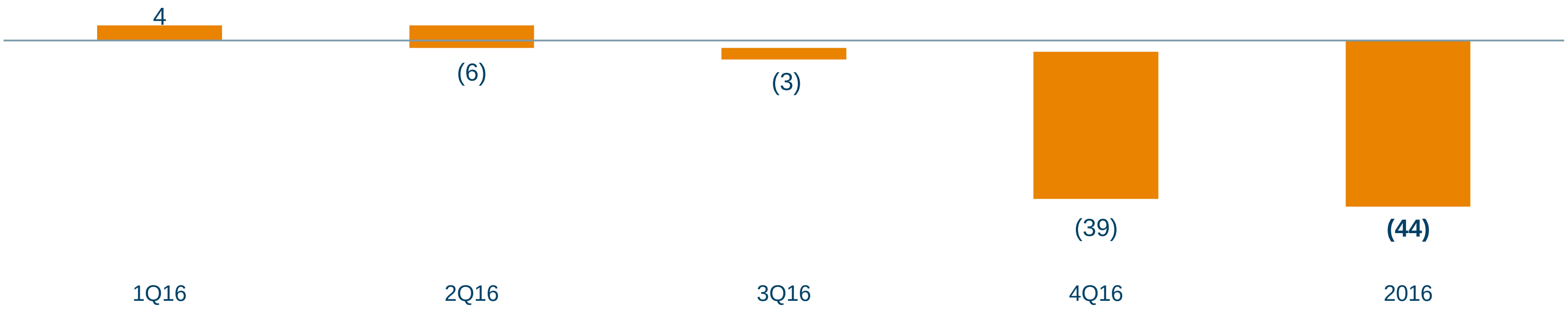
(€m)	9M17	9M16	Change %
Net Sales	17,940	16,576	+8.2%
Purchases	(12,796)	(10,940)	+17.0%
Gross Margin	5,144	5,636	-8.7%
Personnel Costs, Net	(724)	(745)	-2.8%
Taxes	(341)	(344)	-0.9%
Other Expenses, Net	(939)	(965)	-2.7%
EBITDA	3,140	3,582	-12.3%
Depreciation and Impairment losses	(1,247)	(1,286)	-3.0%
Provisions	(102)	(218)	-53.2%
Other	-	-	-
Operating Income	1,791	2,078	-13.8%
Financial Results, Net	(495)	(627)	-21.1%
Equity Income	17	2	-
Income before tax	1,313	1,453	-9.6%
Corporate tax	(282)	(339)	-16.8%
Discontinued operations results	22	66	-66.7%
Non-Controlling Interests	(260)	(250)	+4.0%
Net Income	793	930	-14.7%

Electricaribe EBITDA & Net income contribution – 2016

2016 EBITDA (€m)



2016 Net income (€m)



Consolidated income statement with reclassification of Italian operations and ECA deconsolidation

(€m)	9M17	Italy	9M17 ex. Italy	9M16	Italy	9M16 ex. Italy	ECA	9M16 ex. ECA/Italy	%2017/ 2016
Energy margin	4,512	97	4,415	5,019	96	4,923	334	4,589	(3.8)
Other	730	1	729	714	1	713	8	705	3.4
Gross Margin	5,242	98	5,144	5,733	97	5,636	342	5,294	(2.8)
Personnel Costs, Net	(738)	(14)	(724)	(759)	(14)	(745)	(35)	(710)	2.0
Taxes	(342)	(1)	(341)	(345)	(1)	(344)	(31)	(313)	8.9
Other Expenses, Net	(964)	(25)	(939)	(989)	(24)	(965)	(84)	(881)	6.6
EBITDA	3,198	58	3,140	3,640	58	3,582	192	3,390	(7.4)
Depreciation and Impairment losses	(1,266)	(19)	(1,247)	(1,305)	(19)	(1,286)	(27)	(1,259)	(1.0)
Provisions	(108)	(6)	(102)	(223)	(5)	(218)	(122)	(96)	6.3
Operating Income	1,824	33	1,791	2,112	34	2,078	43	2,035	(12.0)
Financial Results, Net	(497)	(2)	(495)	(629)	(2)	(627)	(41)	(586)	(15.5)
Equity Income	17	-	17	2	-	2	-	2	750.0
Income before tax	1,344	31	1,313	1,485	32	1,453	2	1,451	(9.5)
Corporate tax	(291)	(9)	(282)	(349)	(10)	(339)	(8)	(331)	(14.8)
Discontinued operations results	-	(22)	22	44	(22)	66	-	66	(66.7)
Non-Controlling Interests	(260)	-	(260)	(250)	-	(250)	1	(251)	3.6
Net Income	793	-	793	930	-	930	(5)	935	(15.2)

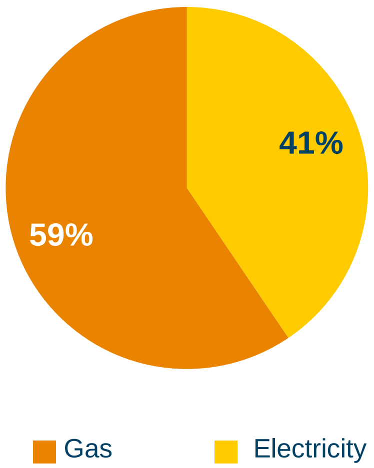
EBITDA breakdown

(€m)	9M17	9M16 proforma[1]	Change (€m)	Change (%)
Gas networks	1,344	1,226	118	+9.6
Spain	680	653	27	+4.1%
LatAm	664	573	91	+15.9%
Electricity networks	812	820[1]	(8[1])	-1.0%[1]
Europe	480	492	(12)	-2.4%
LatAm	332	328[1]	4[1]	+1.2%[1]
Gas	547	605	(58)	-9.6%
Infrastructure	222	221	1	+0.5%
Supply	325	384	(59)	-15.4%
Electricity	477	743	(266)	-35.8%
Spain	260	553	(293)	-53.0%
International	217	190	27	+14.2%
Other[2]	(40)	(3)	(37)	-
Total EBITDA	**3,140**	**3,391[1]**	**(251)[1]**	**-7.4%[1]**

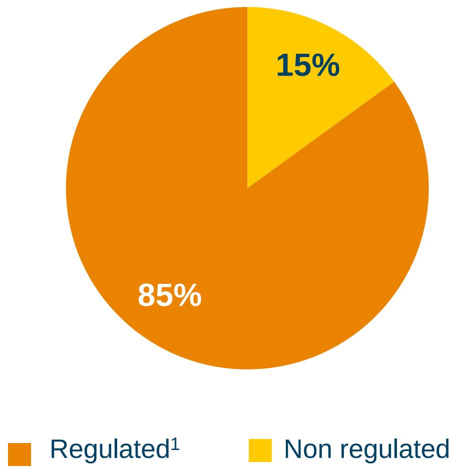
Note:
1 Proforma for deconsolidation of Electricaribe (9M16 EBITDA of €191m)
2 Includes negative impact of €15m due to natural disasters

EBITDA analysis

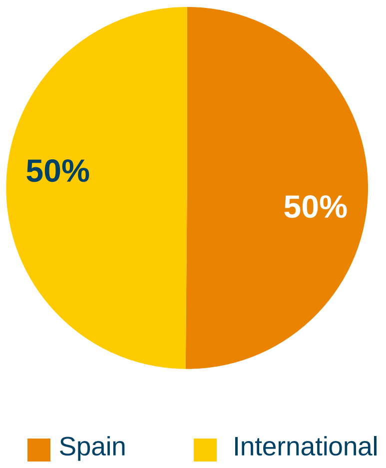
Gas/Electricity



Regulated(1)/Non regulated



Spain/International



Note:
1 Includes contracted activities (EMPL, International generation, renewables)

Currency translation effect on EBITDA

Gas Distribution

EBITDA (€m)

Country	9M17	9M16	Currency translation	Activity
Argentina	42	3	0	39
Brazil	209	173	17	19
Chile	175	151	2	22
Colombia	104	128	5	(29)
Mexico	137	120	(5)	22
Peru	(3)	(2)	0	(1)
TOTAL	664	573	19	72

International generation

EBITDA (€m)

Country	9M17	9M16	Currency translation	Activity
Mexico	188	155	0	33
Rest	29	35	0	(6)
TOTAL	217	190	0	27

Electricity Distribution

EBITDA (€m)

Country	9M17	9M16	Currency translation	Activity
Argentina	15	9	(1)	7
Chile	238	227	7	4
Panama	79	92	0	(13)
Moldova	20	35	2	(17)
TOTAL (excl. ECA)[1]	352	363	8	(19)

Gas

EBITDA (€m)

Country	9M17	9M16	Currency translation	Activity
Gas Infra	222	221	1	0
TOTAL	222	221	1	0

Total currency translation effect: +€28m

Note:
1 Excluding Electricaribe for comparability purposes (9M16 EBITDA of €191m)

Net investments

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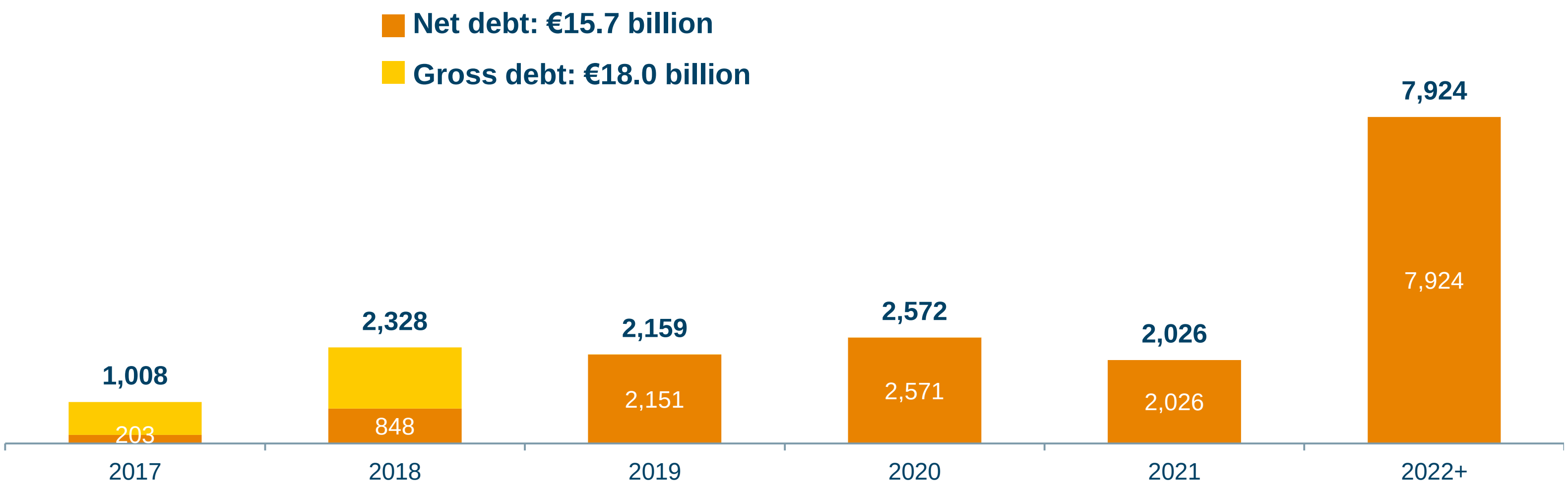
(€m)	9M17	9M16	Change €m	Change %
Gas networks	370	453	(83)	-18.3%
Europe	117	264	(147)	-55.7%
LatAm	253	189	64	+33.9%
Electricity networks	435	415	20	+4.8%
Europe	161	172	(11)	-6.4%
LatAm	274	243	31	+12.8%
Gas	53	230	(177)	-77%
Infrastructures	14	6	8	-
Supply	39	224	(185)	-82.6%
Electricity	200	115	85	+73.9%
Spain	83	62	21	+33.9%
International	117	53	64	+120.8%
Other	65	81	(16)	-19.8%
Total tangible + intangible	**1,123**	**1,294**	**(171)**	**-13.2%**
Financial	31	366	(335)	-91.5%
Total gross investments	**1,154**	**1,660**	**(506)**	**-30.5%**
Disposals and other	(20)	(269)	249	-92.6%
Total net investments	**1,134**	**1,391**	**(257)**	**-18.5%**

Financial structure (I)

A comfortable debt maturity profile

As of September 30, 2017
(€m)



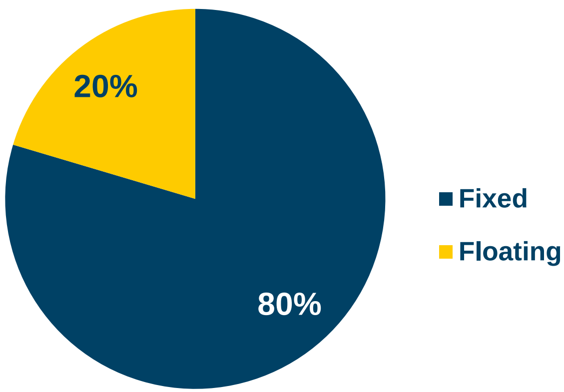
- Average life of Net debt ~ 5.5 years
- 81% of Net debt maturing from 2019 onwards
- €300m 12-year private bond issuance in September 2017 (coupon 1.875%)
- Debt refinancing / extension with improved terms of ~€3.0bn in 3Q17 (of which €2.4bn credit facilities and €0.6bn loans) for a total 2017YTD credit/loan optimisation of ~€6.6bn in aggregate

Financial structure (II)

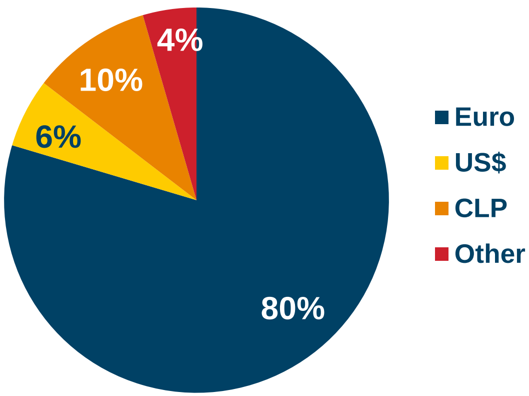
An efficient net debt structure

As of September 30, 2017

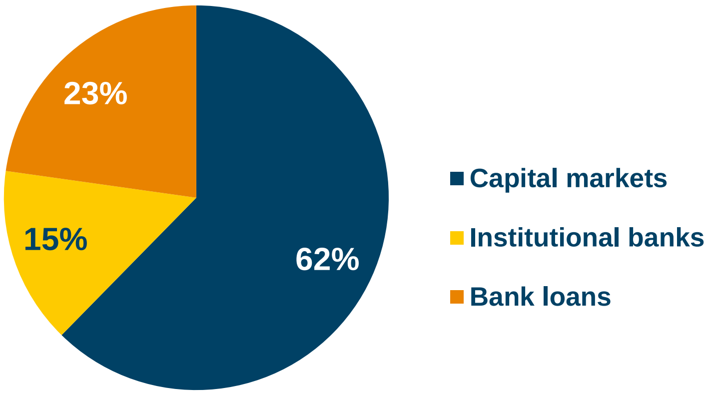
Majority of debt at fixed rates at a very competitive cost



Conservative currency exposure policy



Diversified financing sources



Financial structure (III)

Strong liquidity position

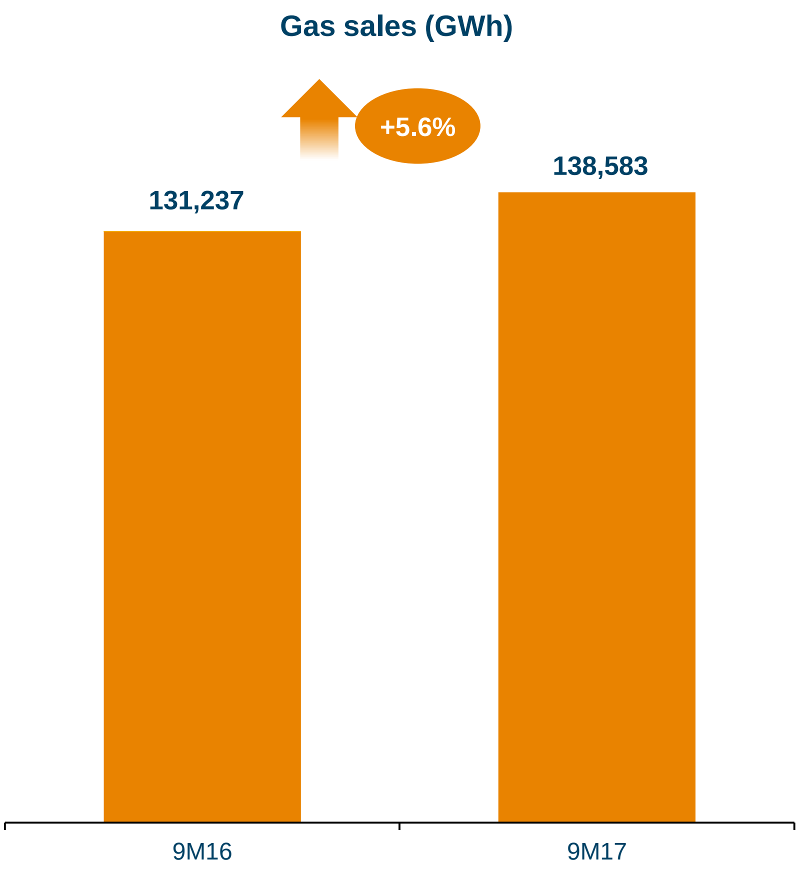
As of September 30, 2017 (€m)	Limit	Drawn	Undrawn
Committed lines of credit	7,591	451	7,140
Uncommitted lines of credit	506	150	356
EIB loan	52	-	52
Cash	-	-	2,231
TOTAL	8,149	601	9,779

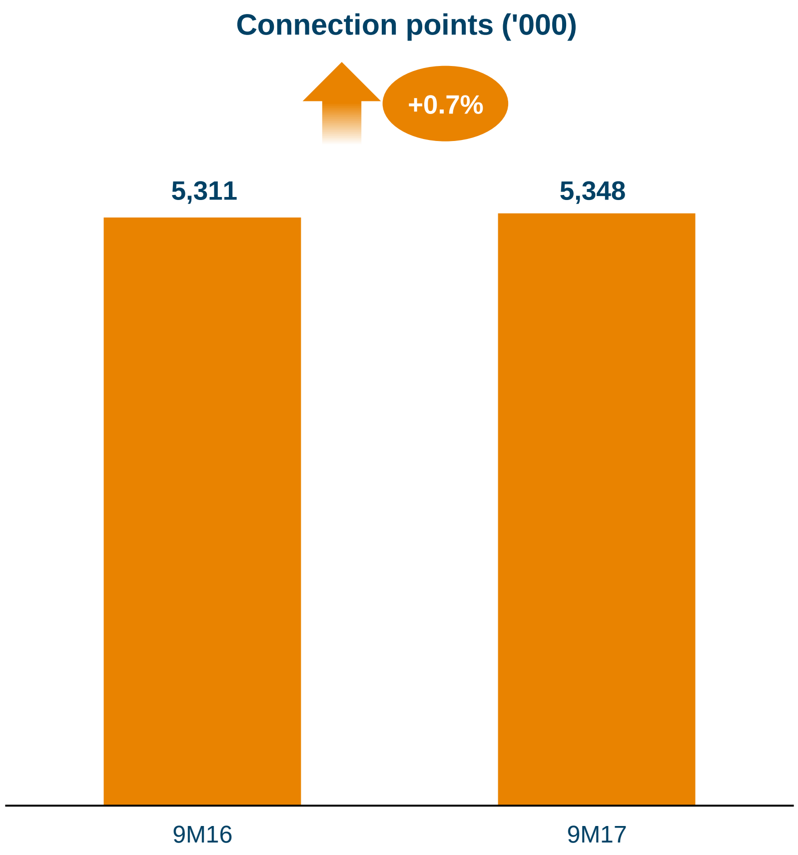
- Additional capital market capabilities of ~€6,200m both in Euro and LatAm (Mexico, Chile, Panama and Colombia) programs

2. Operating figures

Networks

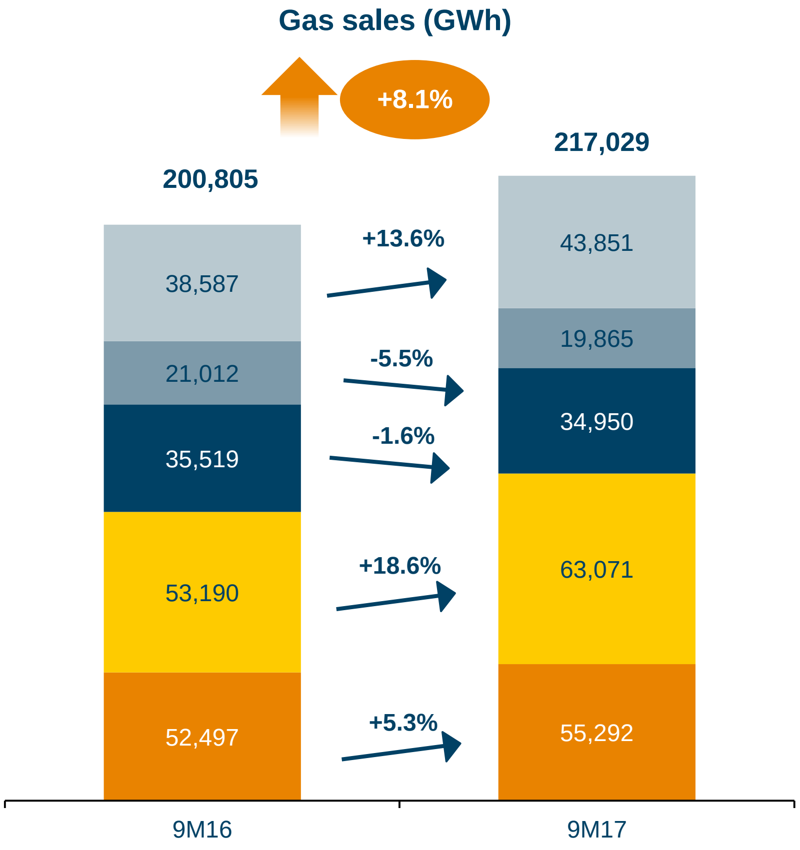
Gas distribution Spain

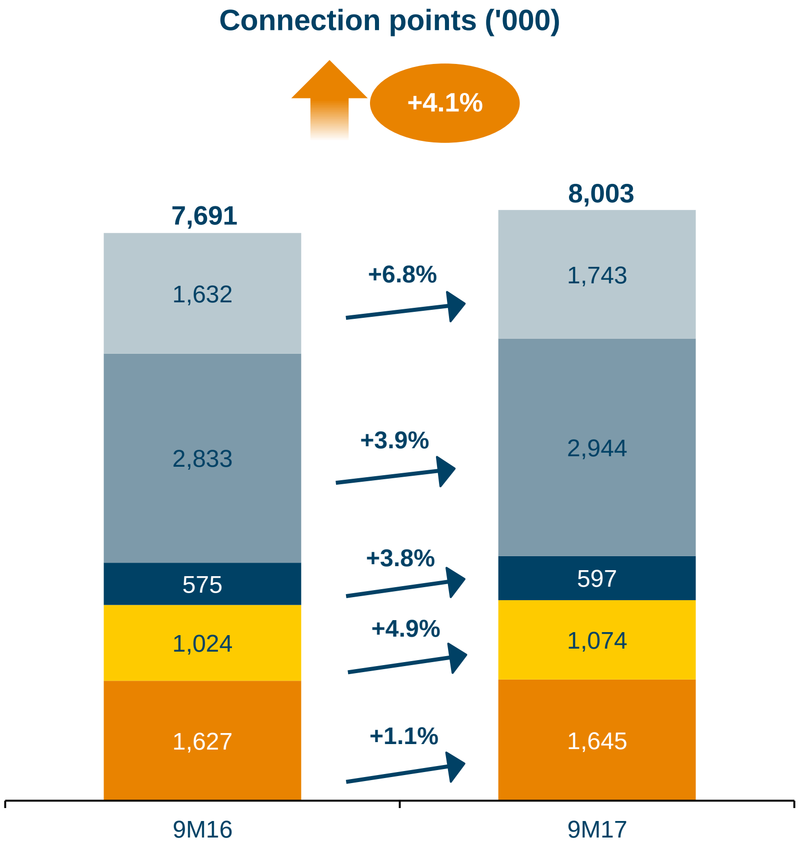




Networks

Gas distribution LatAm



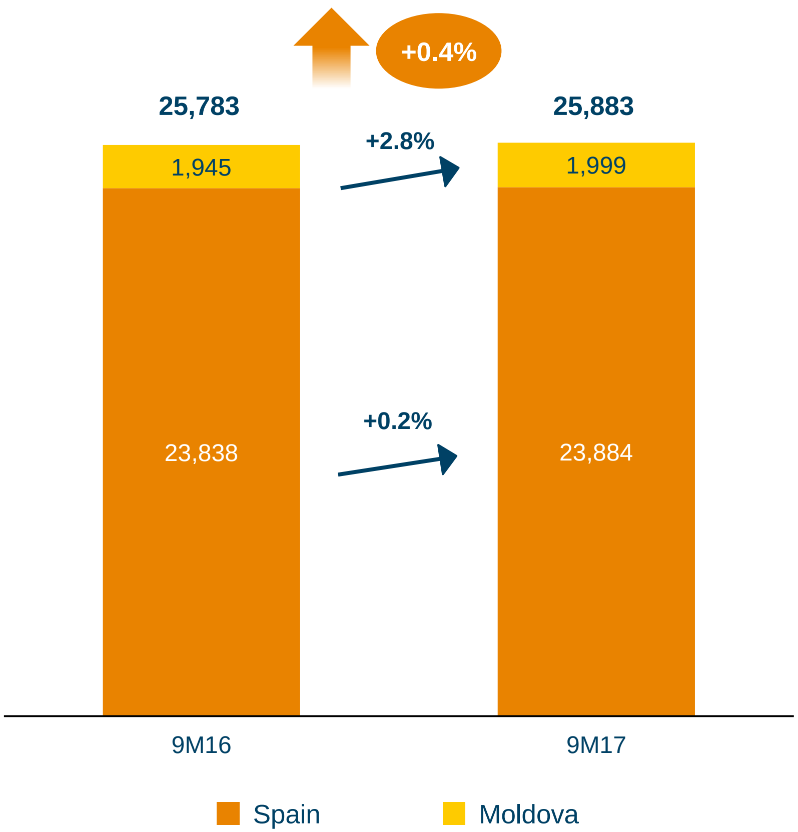


Argentina Brazil Chile Colombia Mexico

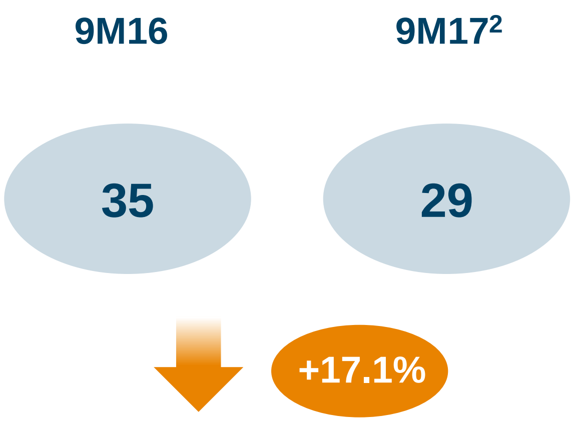
Networks

Electricity distribution Europe

Electricity sales (GWh)



TIEPI[1] (Spain)
(minutes)

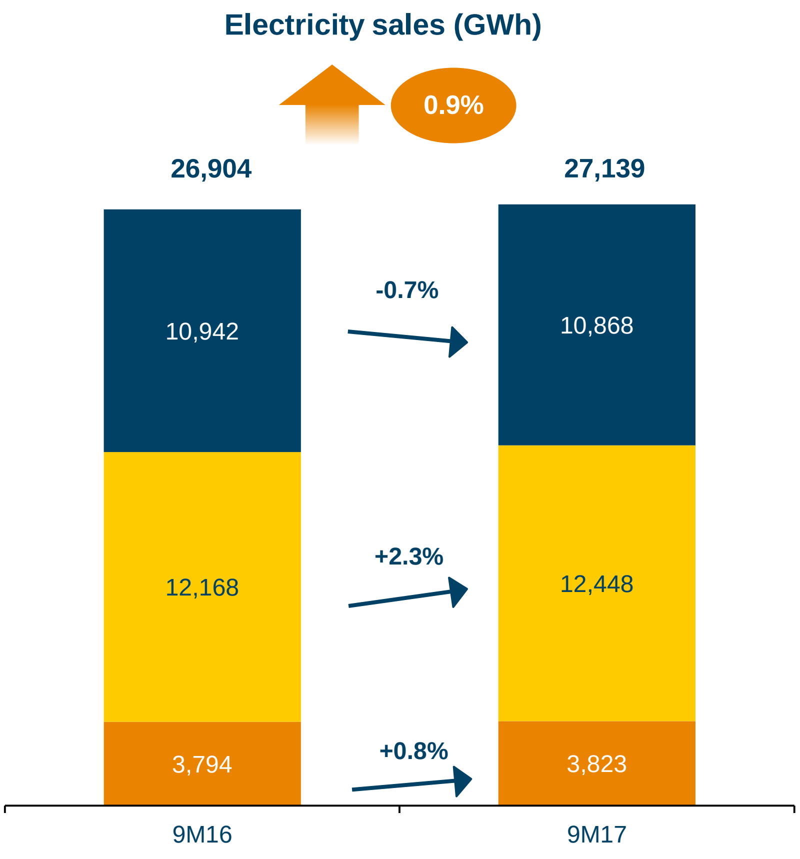


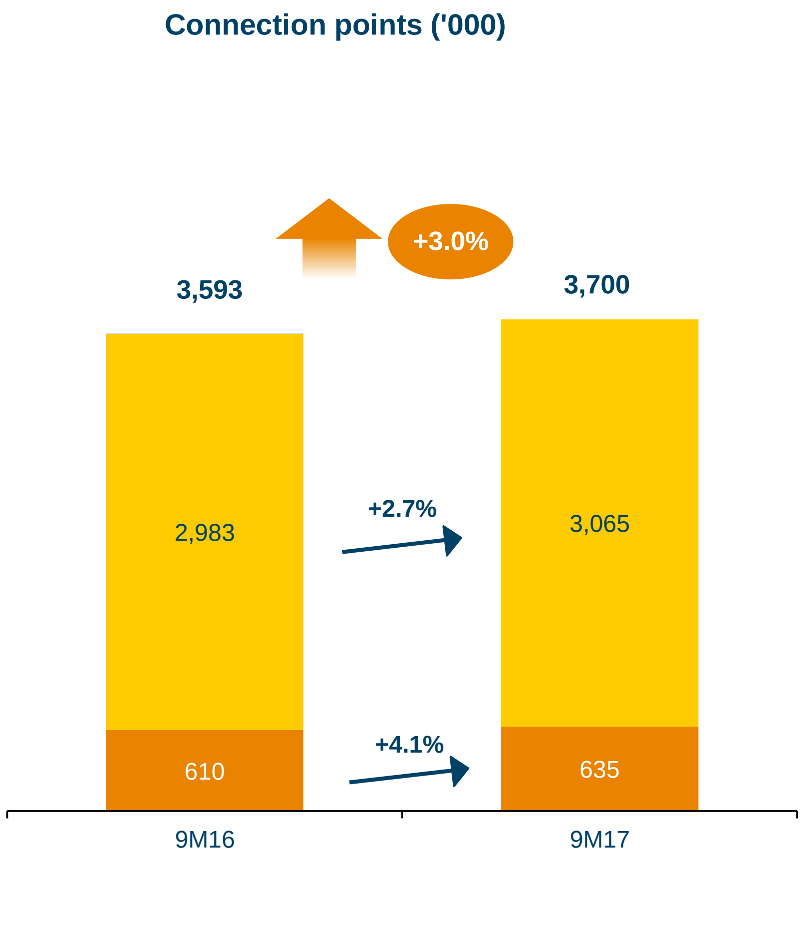
Note:

1. "Tiempo de interrupción equivalente de la potencia instalada" = Equivalent time of power supply interruption for the installed capacity
2. Excluding impact of weather storms in Galicia in February 2017

Networks

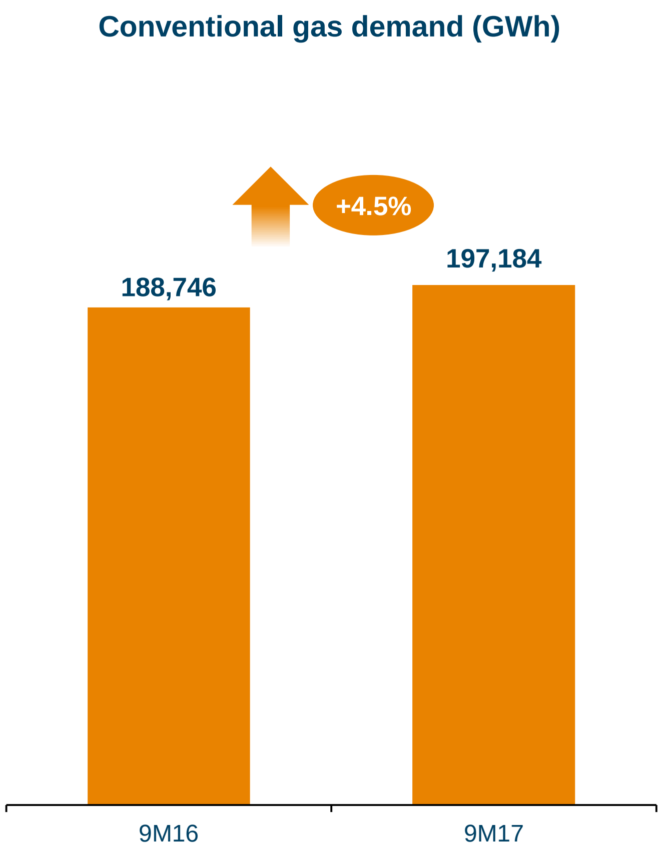
Electricity distribution LatAm[1]



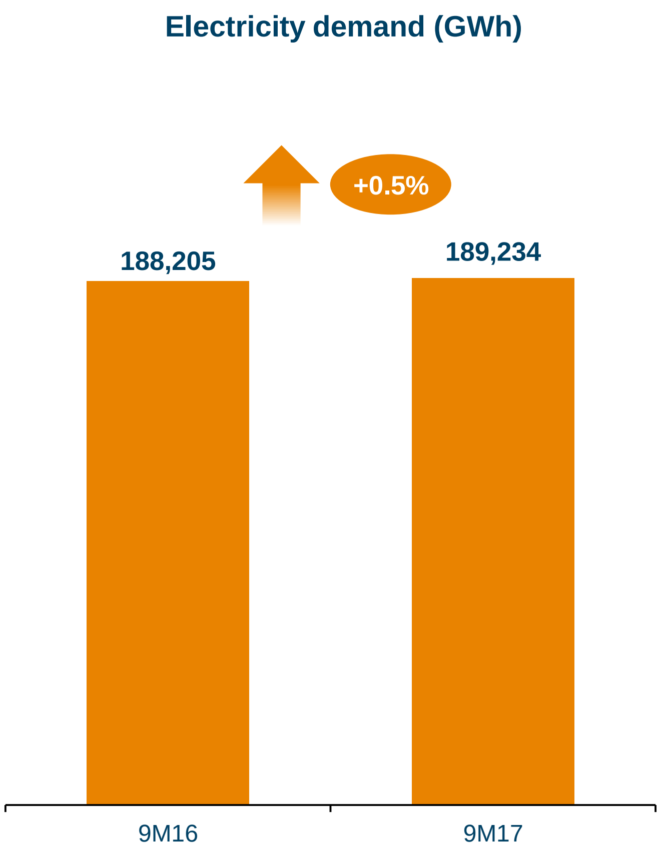


Note:
1 Proforma for Electricaribe in 9M16
2 Includes data for CGE's subsidiaries in Argentina

Gas and electricity demand in Spain



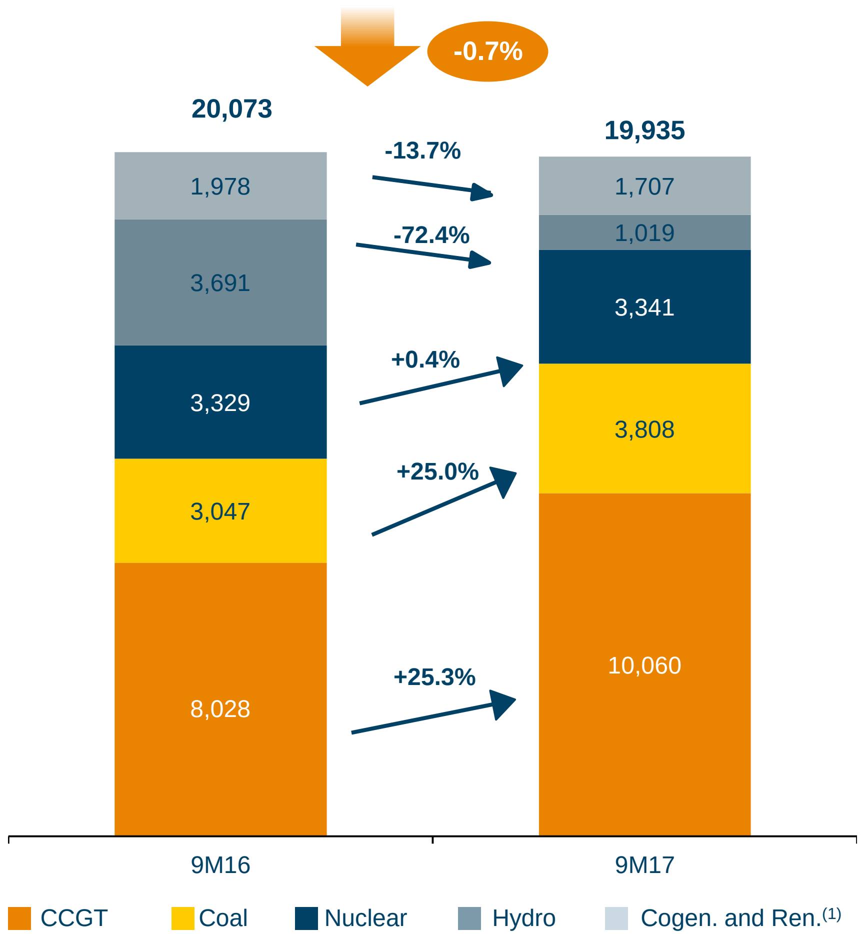
Source: Enagás



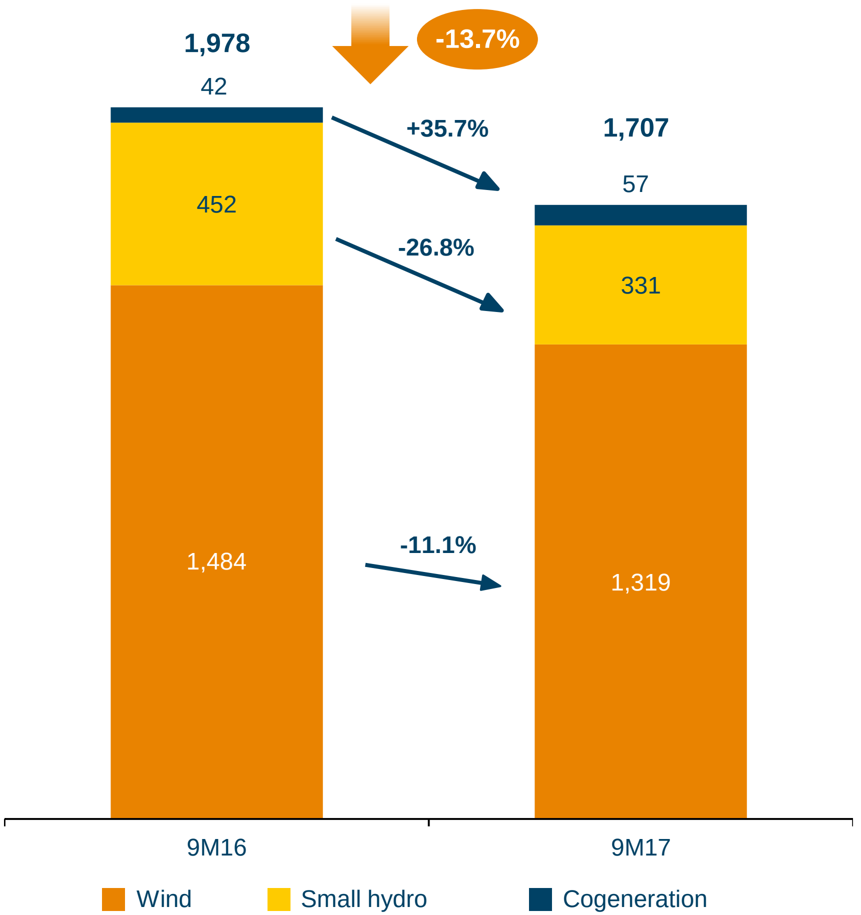
Source: REE

Electricity
Spain (I)

GNF's total production (GWh)



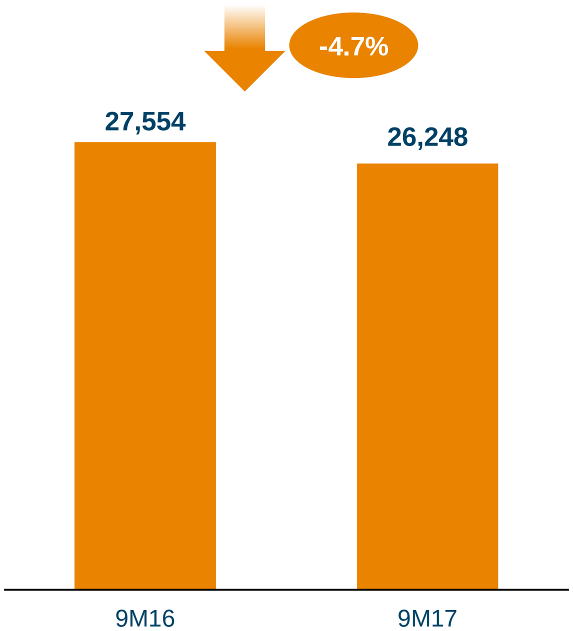
GNF's total production in cogeneration and renewables[1] (GWh)



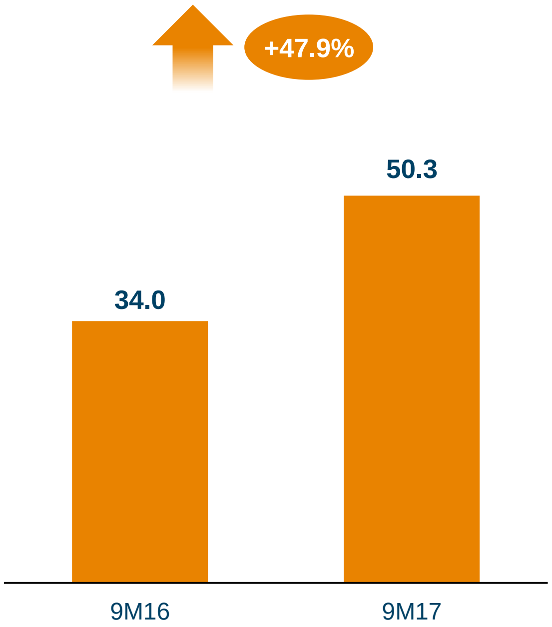
Note:
1 Formerly "Special Regime"

Electricity
Spain (II)

GNF electricity sales (GWh)

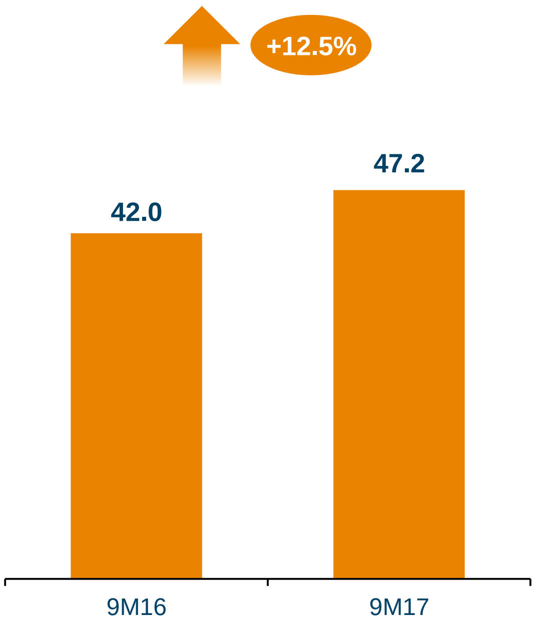


Average pool price[1] (€/MWh)



Source: REE

Average OMIP prices[2] (€/MWh)

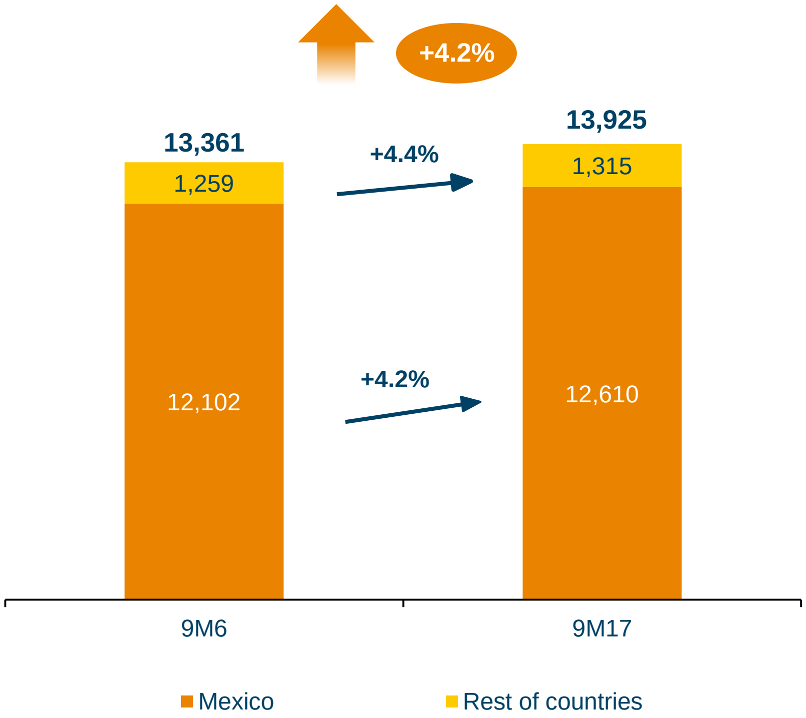


Source: OMIP

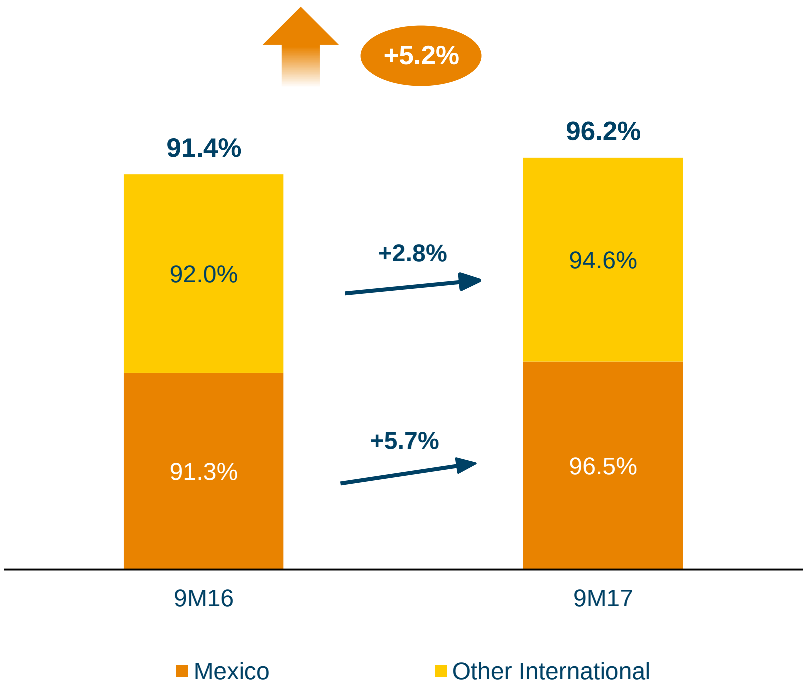
Notes:
1 Average price in the daily power generation market
2 Monthly average of the 12-month forward Spanish base prices in the Iberian Energy Derivatives Exchange (OMIP) in the period

Electricity
International generation

Total production (GWh)

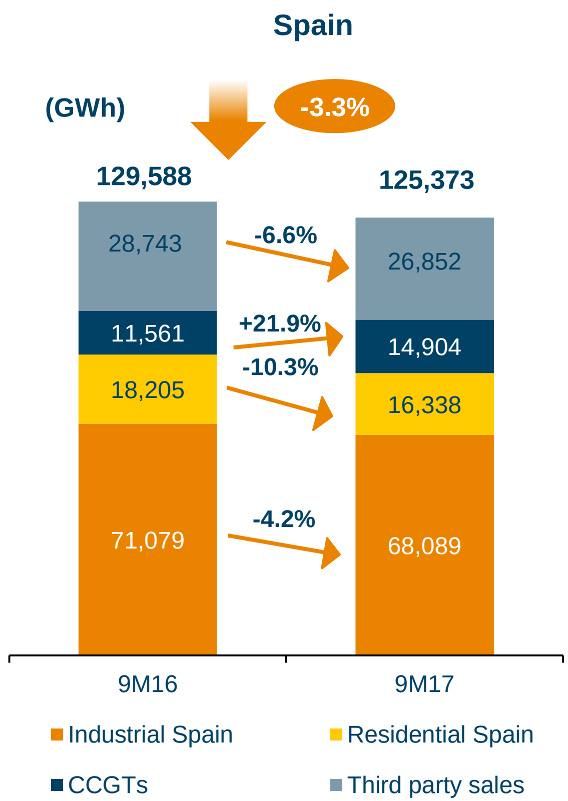


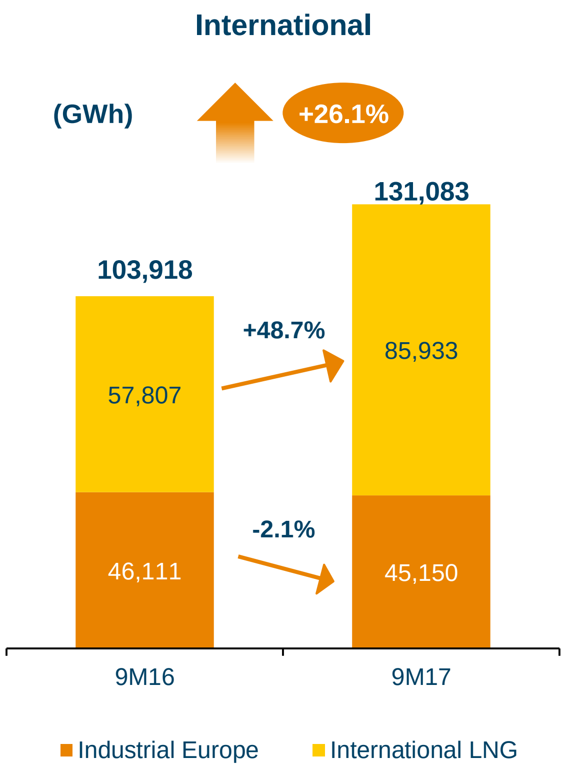
Total availability (%) [1]



Notes:
1. The average of net electric energy available in a period of time divided by electric energy calculated as the net capacity by the hours of the period

Gas
Gas sales by markets[1]



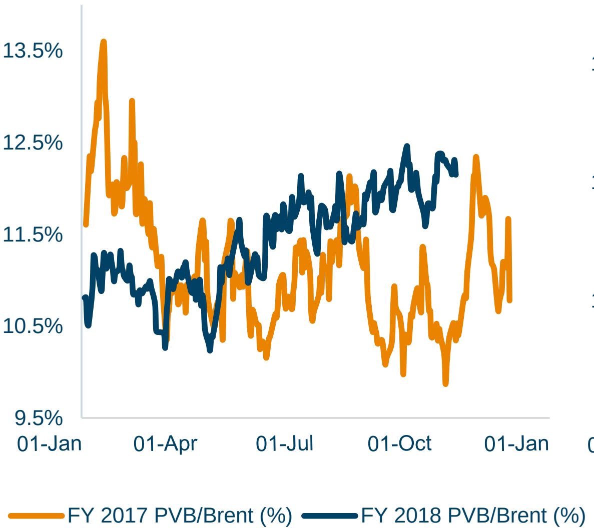


Total sales +9.8%

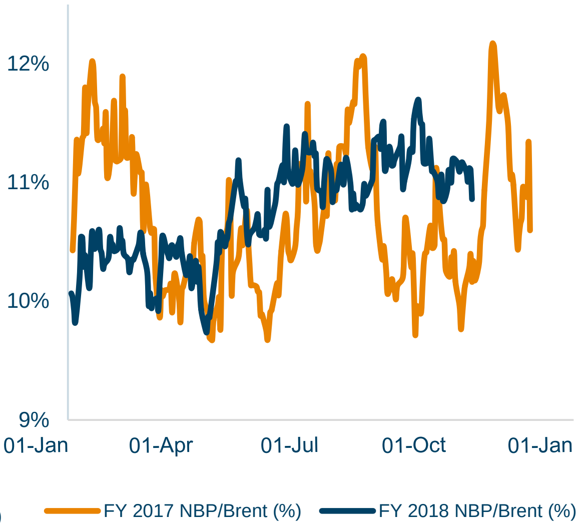
Notes:
1 Includes wholesale sales to Italy although excluding commercialization to end customer

Gas
Evolution of reference prices vs. Brent

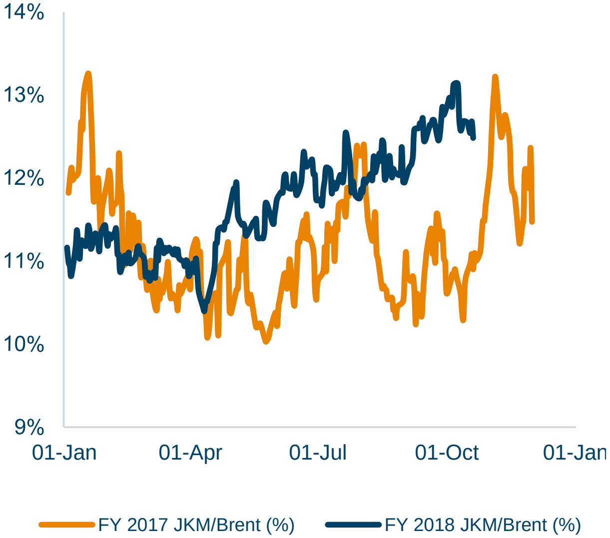
PVB vs. BRENT (FY 2018E vs. FY 2017E)



NBP vs. BRENT (FY 2018E vs. FY 2017E)



JKM vs. BRENT (FY 2018E vs. FY 2017E)



- **PVB, JKM and NBP prices show upside vs. 2017 also in relative terms vs. Brent**

Source: Tullett Prebonand ICE

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