



First Quarter 2005 Consolidated Results

Milan, 12 May 2005

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1st Quarter 2005 Group Results

Financial highlights 1Q05

• Turnover: 72,3 million

• EBITDA: 7,0 million

• EBIT: 0,8 million

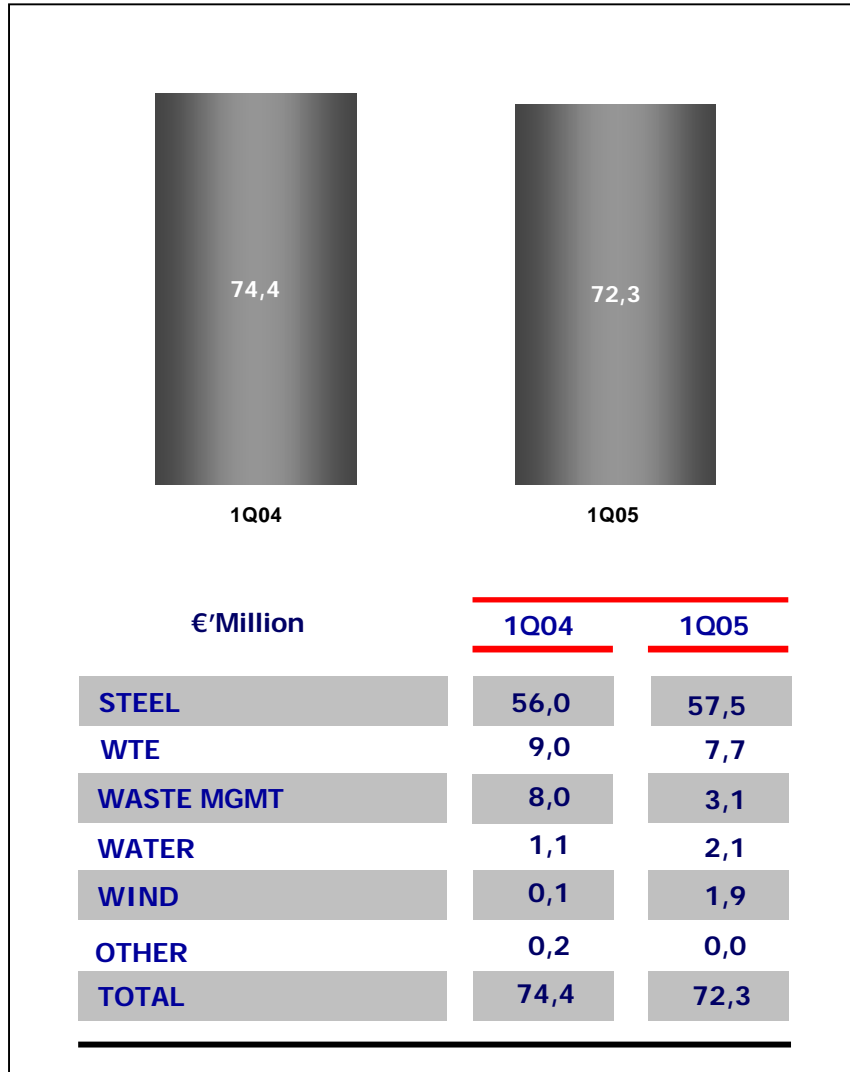
• EBT: (1,9) million

• Net Financial Position: (167,0) million

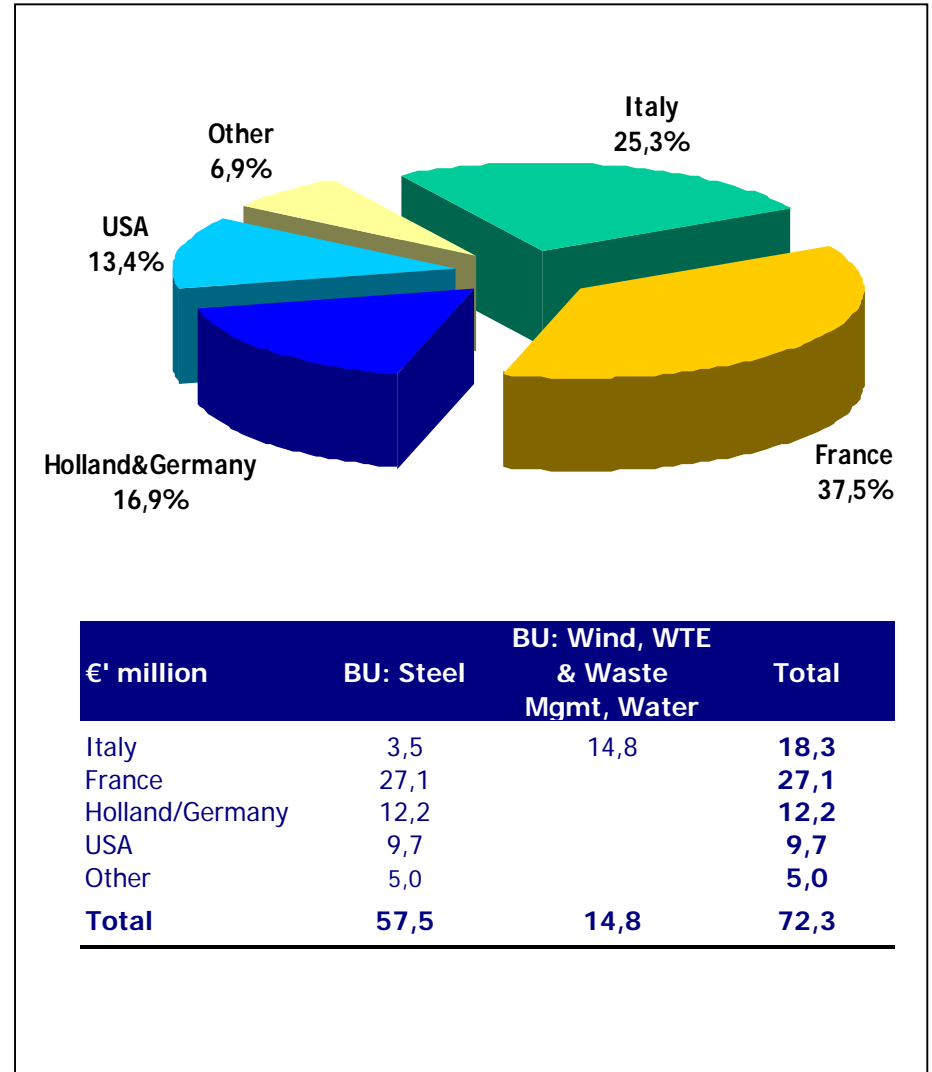
• Headcount: 806

1Q05 Consolidated Turnover

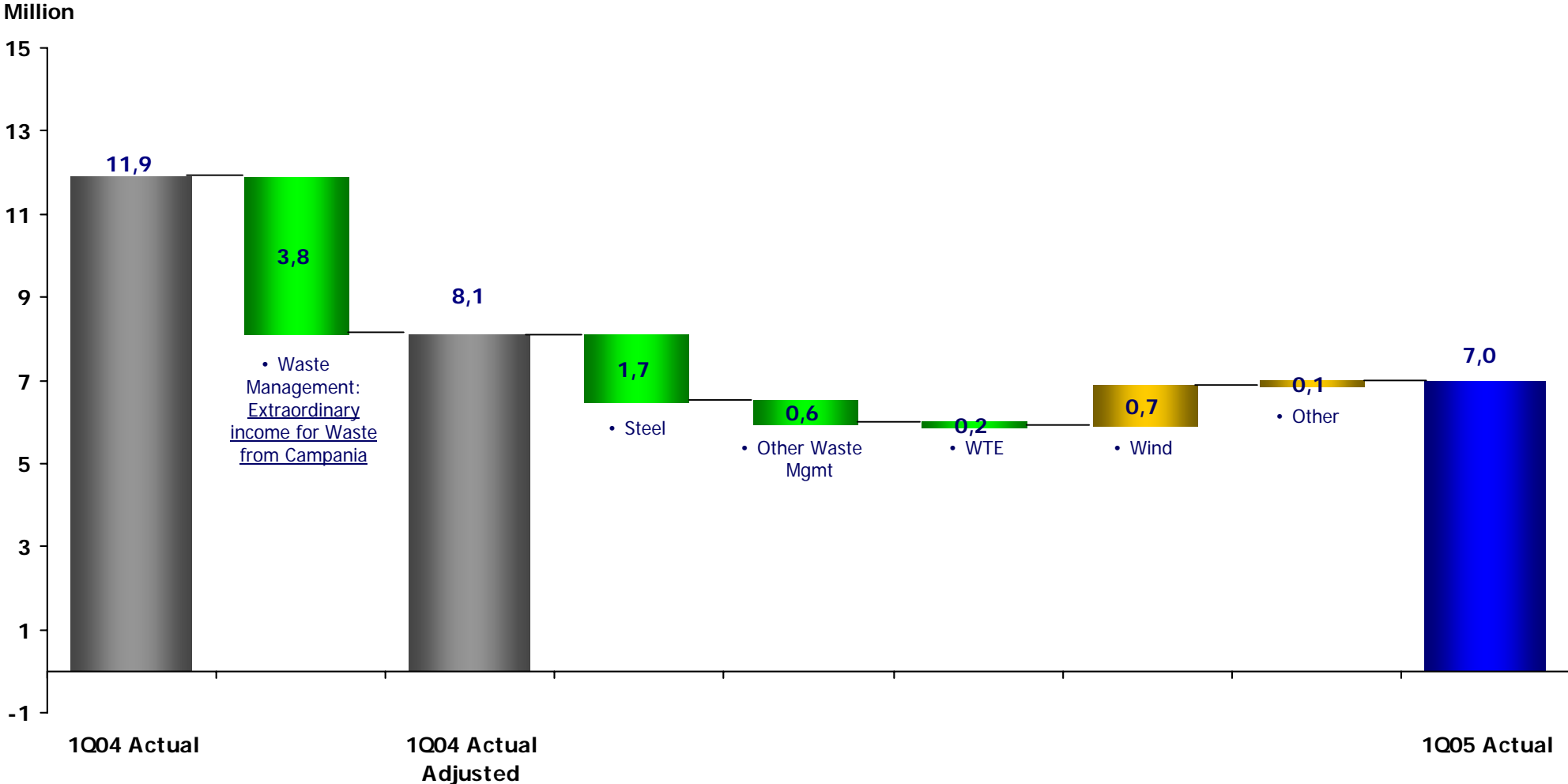
Business Unit breakdown



Geographical breakdown

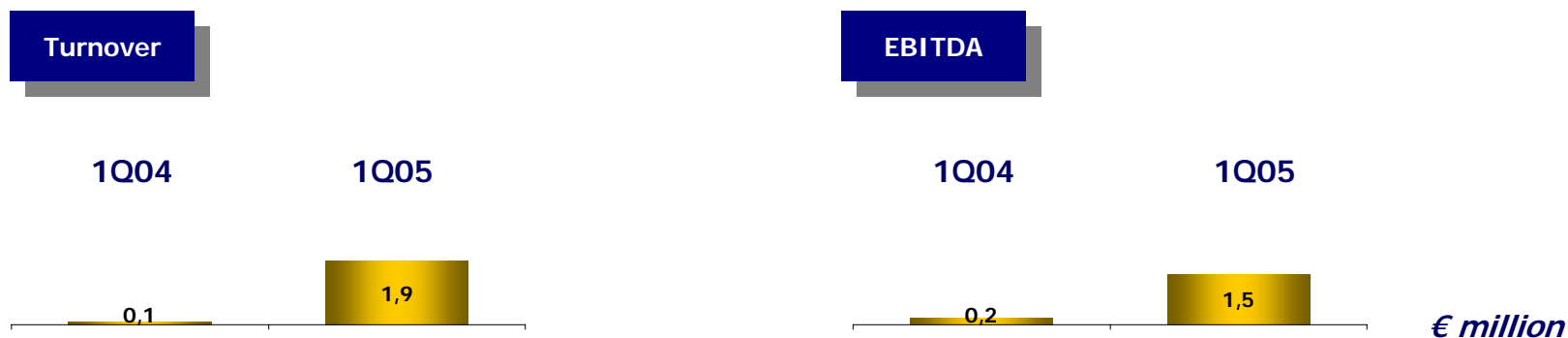


EBITDA 1Q04 vs 1Q05: Bridge analysis



Breakdown by Business Unit

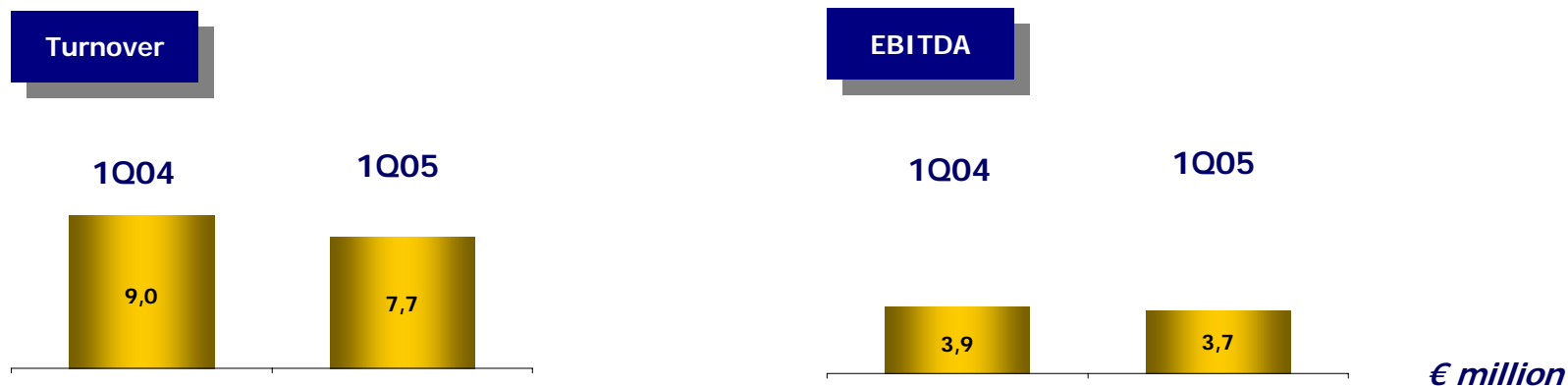
Wind



- Turnover increase due to the start up of the wind farm of EOS 1 Troia S. Vincenzo (38MW, 19 turbines of 2MW – construction completed at the end of March 2005)
- Total electricity output of 10,4 GWh of Troia S. Vincenzo was related to 17 turbines gradually on stream during the first quarter of the present year
- EOS 1 revenues include Green Certificates for € 1 million
- In May 2005, Enertad has signed with Vestas Italia the agreement for the supply of 15 wind turbines, with nominal power of 2MW each, with the option of a further 5, for the new wind farm of Troia San Cireo. The construction of the farm, which has already started, will take place in two phases: the first phase provides for 30 MW by the end of 2005 and a second phase, relating to a further 10 MW, on conclusion of the site and technical studies in course and to be completed by the first half of 2006

WTE and Waste management

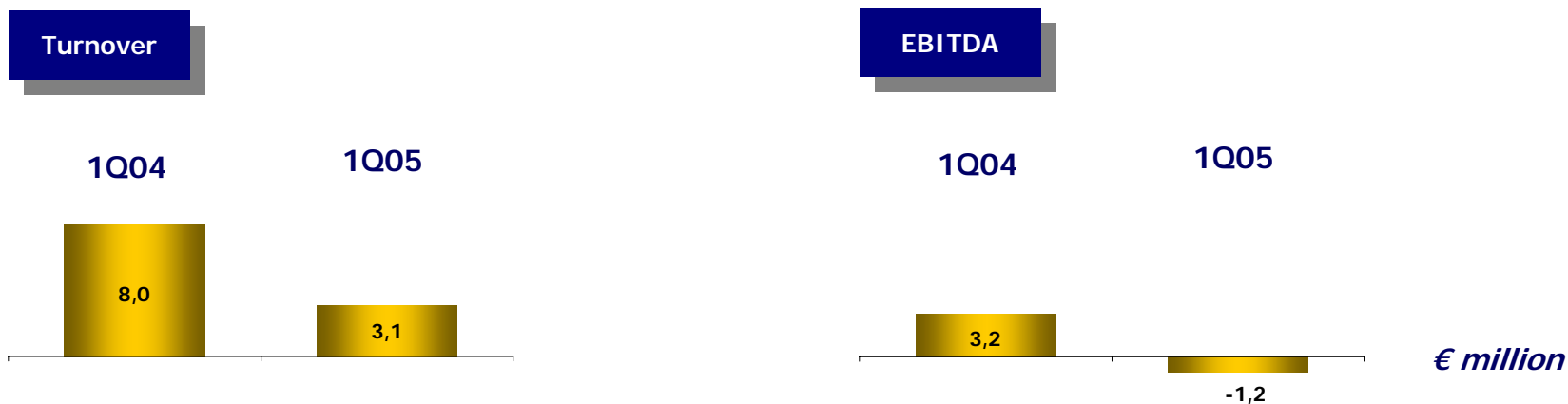
Waste to Energy



- Turnover decrease mainly due to an extraordinary maintenance shutdown of Terni En.A. plant at the end of March 2005; the plant re-started operations in the first decade of April 2005
- Electricity production was 17,8 GWh for Terni En.A. and 21,2 GWh for EALL
- At EBITDA level, higher operating efficiencies compensated lower revenues

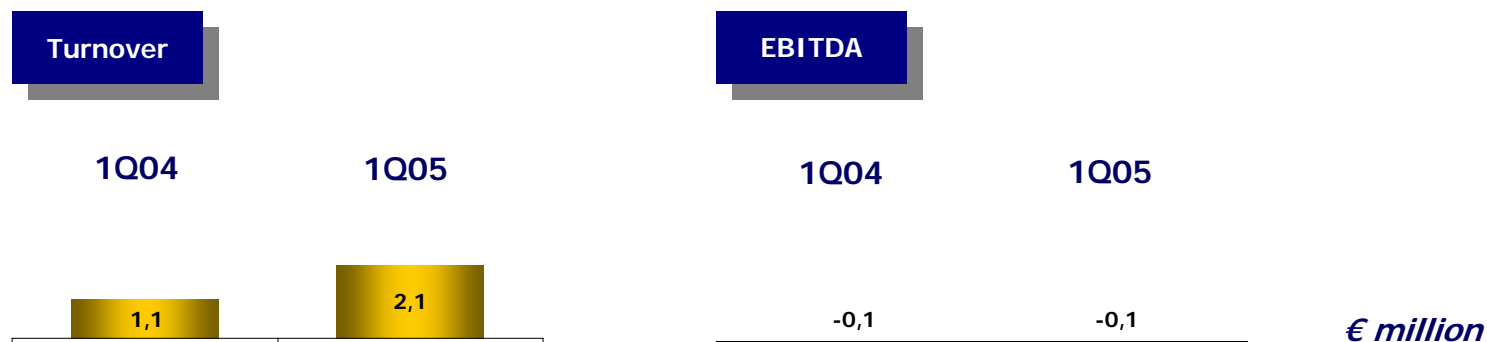
WTE and Waste Management

Waste management



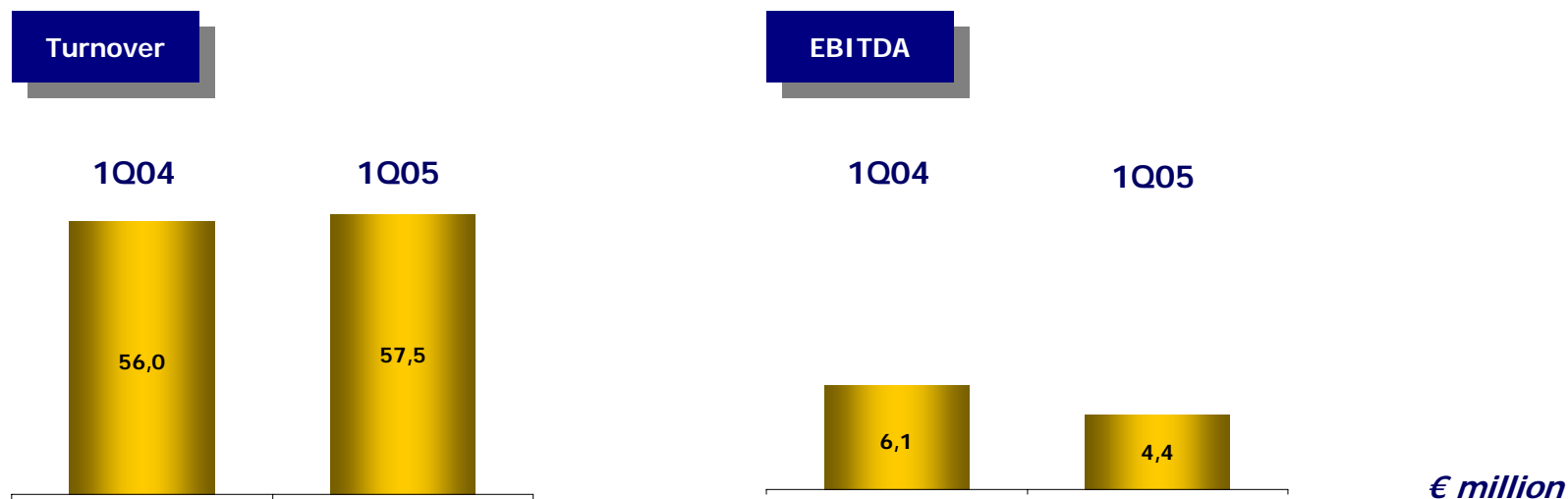
- Ebitda decrease was mainly due to the termination of the extraordinary waste from Campania region to the Orvieto landfill (April 2004) and to the start up inefficiencies of the new initiatives in the CDR production
- Starting from July 2005 Orvieto landfill is expected to benefit from an agreement signed in March 2005 with several municipalities of Regione Umbria for the handling of additional volumes of urban waste to the landfill (24Kton/year) at a tariff of €58/ton

Water



- Revenues increase due to the consolidation of SODAI, joint venture between EnerTAD (51%) and Trenitalia (49%) which operates 23 plants for liquid waste treatment located in North and Central Italy
- Positive EBITDA contribution of Sodai was compensated by lower levels of business of the other companies of the Water Business Unit

Steel



- Turnover increase due to higher sales of steel based products (+€2,1 million in 1Q05), partially offset by the sales of other metal based products (-€0,7 million in 1Q05)
- Total 1Q05 revenues have been characterised by higher selling prices which have been partially compensated by a decrease in selling volumes, except for US market where the increasing volumes have offset a decreasing trend of prices
- In spite of the increase of revenues, EBITDA decreased from €6,1 million to €4,4 million because of declining of selling margin in line with the 1Q05 sector trend

Profit & Loss Accounts: 1Q04 – 1Q05

€'Million	1Q04	1Q05
REVENUES	74,4	72,3
EBITDA	11,9	7,0
Depreciation & amortization	(5,2)	(6,2)
EBIT	6,7	0,8
Financial Interests	(2,7)	(2,8)
Extraordinary Items	(0,2)	0,1
EBT	3,8	(1,9)

Depreciation & amortization:

- 1Q05 increase mainly related to investments in wind sector, to the consolidation of Sodai and to the amortization of costs for 2004 Share Capital Increase (August 2004)

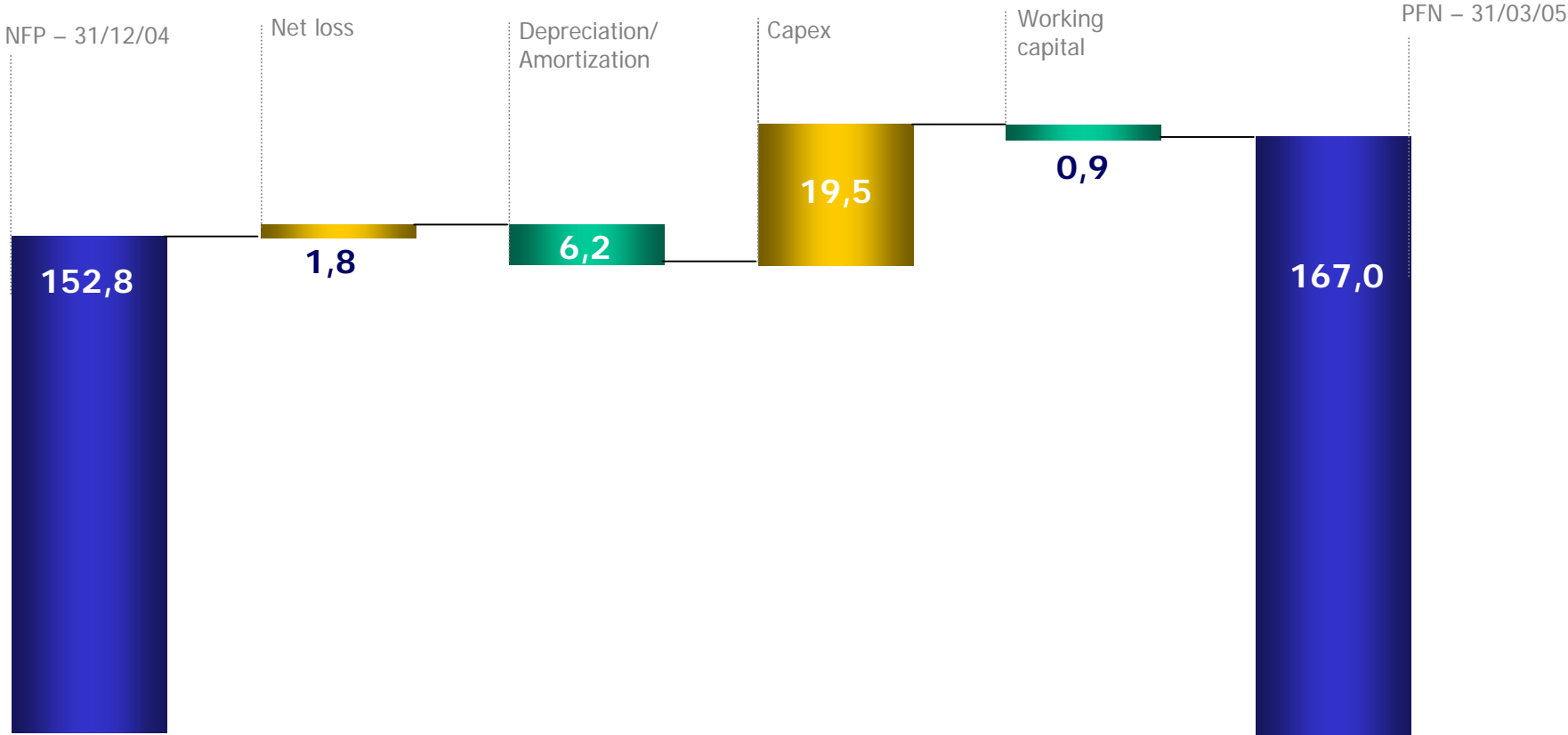
Extraordinary items:

- Increase mainly related to an insurance refund, partially compensated by personnel leaving indemnities

Headcount (n.) **807*** **806**

* - as at 31/12/04

Net Financial Position: Bridge analysis



€'Million

NFP movements:
31/12/04 – 31/03/05

- 14,2

Net Financial Position: Structure analysis

€'Million	31.12.04	31.03.05
Financial assets	9,9	9,9
Receivables from subsidiaries	1,0	1,1
Receivables from parent companies	37,2	37,7
Cash and banks	43,2	50,1
Convertible bonds	(76,9)	(78,0)
Banks debts	(128,8)	(149,9)
Other financial payables	(38,4)	(37,9)
Total	(152,8)	(167,0)
Non recourse debt: <i>% on NFP</i>	63,0 41,2%	82,8 49,6%