



Third Quarter 2005 Consolidated Results

Milan, 10 November 2005

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Highlights

Highlights: consolidated financial results

€'million ⁽¹⁾	3Q05	3Q04	9M05	9M04
TURNOVER	71,3	68,0	219,1	217,3
EBITDA	7,9	5,1	22,0	22,7
Depreciation & amortization	(3,7)	(4,4)	(14,1)	(14,7)
EBIT	4,2	0,7	7,9	8,0
Financial Interests	(3,5)	(3,1)	(10,6)	(9,1)
EBT	0,7	(2,4)	(2,7)	(1,1)
Net Financial Position			(229,2)	(214,8) ⁽²⁾

• IAS/IFRS effects 9M05

Turnover

- Turnover (Italian GAAP)	219,3
- IAS/IFRS effects	(0,2)
- Turnover (Ias compliant)	219,1

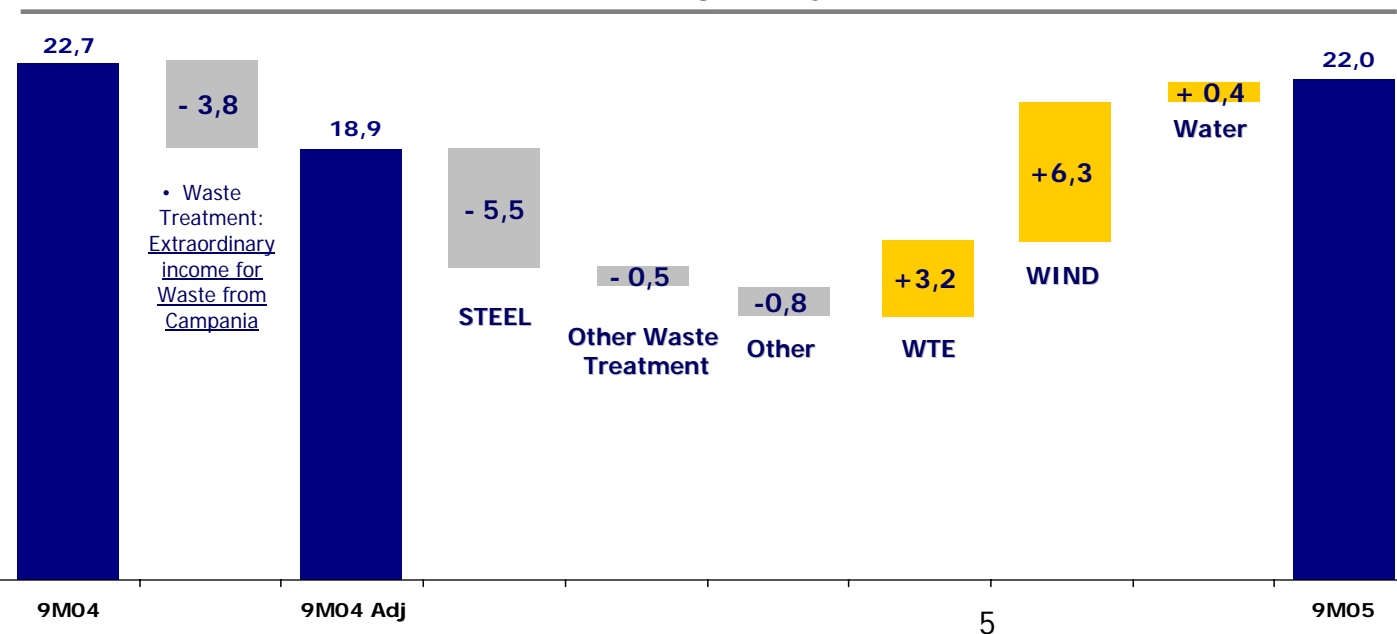
EBITDA

- EBITDA (Italian GAAP)	22,1
- IAS/IFRS effects	(0,1)
- EBITDA (Ias compliant)	22,0

(1) - all figures are IAS compliant

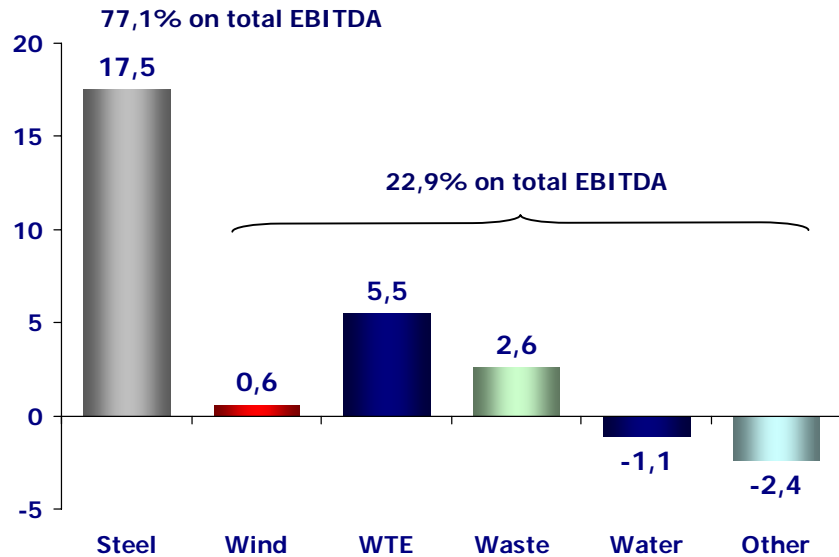
(2) - as at 30 June 2005

EBITDA Bridge analysis

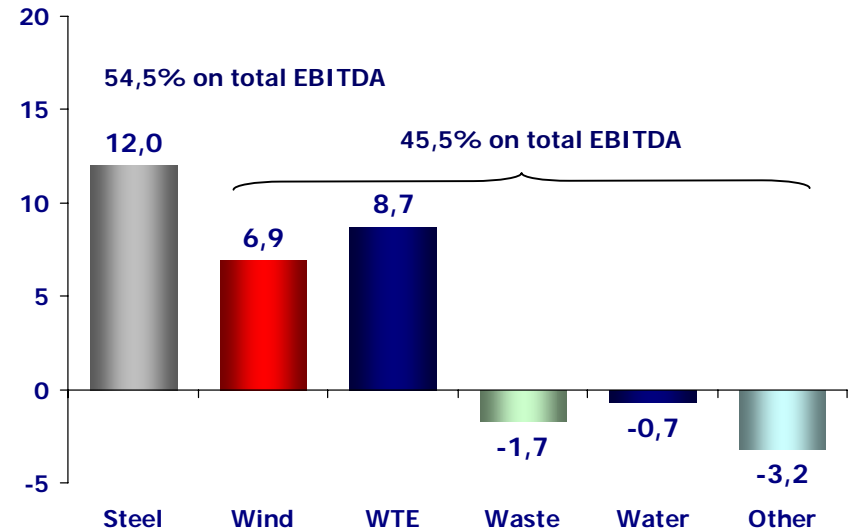


Highlights: EBITDA breakdown

EBITDA 9M04 (Total = 22,7 M€)



EBITDA 9M05 (Total = 22,0 M€)



- Strong growth in Wind and stable growth WTE
- Declining margins in Steel

- Perspective contribution of Steel less than 1/3 of total EBITDA

Highlights: Steel business disposal

▶ **Strategic Plan: complete rationalization and portfolio focusing in 2005-2006**

▶ **In 2006 growth of Wind and WTE should compensate Steel business disposal, maintaining 2005 level of total margin**

▶ **Proceeds from Steel business disposal should strengthen financial structure and support the planned growth in renewables (Wind and WTE)**

▶ **Assigned mandate to Rothschild to advise in the financial restructuring and disposal of Steel business**

Business Unit analysis

1H05 Operating and financial results

	III° Quarter 2005	III° Quarter 2004	Difference 2004-2005	9 months 2005	9 months 2004	Difference 2004-2005
Production (GWh)	18,1	0,7	17,4	48,3	3,0	45,3
- Troia S. Vincenzo	17,3	0,0	17,3	45,1	0,0	45,1
- Viticuso	0,8	0,7	0,1	3,2	3,0	0,2
Turnover (€'million)	3,3	0,2	3,1	8,1	0,4	7,7
EBITDA (€'million)	2,9	0,1	2,8	6,9	0,6	6,3

➤ Troia S. Vincenzo

- Wind farm on stream during 1Q05; regime production since July 2005
- Green certificate prices: €108,9/MWh (GRTN reference price)

➤ Viticuso

- Wind farm production limited to 3,5 MW until new line completion (1H06)

➤ Troia S. Cireo

- Signed project finance agreement on September 2005
- Construction started in July 2005; completion expected by end 2005; turbines gradually in production from November 2005 to January 2006

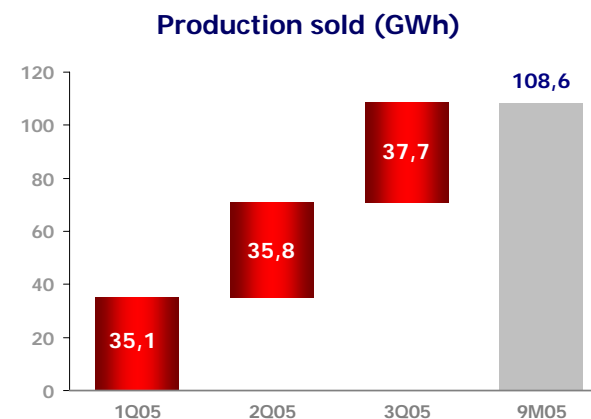
➤ New authorizations

- Extension of current farms: 4MW Troia S. Vincenzo; 3MW Viticuso; 10 MW Troia S. Cireo (to be authorized within the year)

1H05 Operating and financial results

	III° Quarter 2005	III° Quarter 2004	Difference 2004-2005	9 months 2005	9 months 2004	Difference 2004-2005
Production sold (GWh)	37,7	32,3	5,4	108,6	113,7	(5,1)
- EALL	18,5	16,0	2,5	58,2	55,7	2,5
- TERNI ENA	19,2	16,3	2,9	50,4	58,0	(7,6)
Power fee (€' million)	7,7	6,0	1,7	21,6	20,9	0,7
- EALL	3,8	3,0	0,8	11,6	10,2	1,4
- TERNI ENA	3,9	3,0	0,9	10,0	10,7	(0,7)
Turnover (€'million)	8,8	6,7	2,1	24,2	23,3	0,9
EBITDA (€'million)	2,6	1,6	1,0	8,7	5,5	3,2

- Eall average monthly production in 3Q05 (6,1 GWh) substantially on line with average monthly production in 1H05 (6,6 GWh), although affected by 18 days planned maintenance shutdown in July 2005
- Terni Ena production in 3Q05 confirmed clearance of technical problems that affected 1H05 production:
 - average monthly production in 3Q05 (6,4 GWh)
 - average monthly production in 1H05 (5,2 GWh)
- Results have been positively affected also by higher CIP6 tariffs
- 9M05 EBITDA includes non recurrent costs for €1,1 million (of which €0,8 million in 3Q05) related to Energie Pulite (WTE project in Friuli Venezia Giulia, presently in stand by)



Waste Management

1H05 Operating and financial results

	III° Quarter 2005	III° Quarter 2004	Difference 2004-2005	9 months 2005	9 months 2004	Difference 2004-2005
Volumes (tons'000)						
- Waste disposed (Orvieto landfill - SAO)	20,6	21,7	(1,1)	65,6	121,5	(55,9)
- Waste treated (CDR plant)	22,9	13,7	9,2	75,0	53,1	21,9
<i>of which special waste</i>	<i>46,4%</i>	<i>43,2%</i>	<i>3,2%</i>	<i>41,3%</i>	<i>38,6%</i>	<i>2,7%</i>
Turnover (€'million)	3,9	3,5	0,4	10,5	16,3	(5,8)
EBITDA (€'million)	0,0	(0,5)	0,5	(1,7)	2,6	(4,3)

- SAO (Orvieto landfill and waste treatment services):
 - 9M04 exceptionally high revenues and EBITDA due to extraordinary waste quantities with higher prices from Campania region conferment to Orvieto landfill
 - 3Q05 results have been affected by the deferral of extra ATO 4 waste flow to Orvieto landfill up to the beginning of 2006 (only conferment of waste from Municipality of Todi commenced in September 2005)
- CDR plant: high volumes of urban waste (unfavorable supply contract still in place) negatively affected EBITDA, partially compensated by higher volumes of special waste

1H05 Operating and financial results

	III° Quarter 2005	III° Quarter 2004	Difference 2004-2005	9 months 2005	9 months 2004	Difference 2004-2005
Volumes (tons'000)						
- SODAI	77,1	67,4	9,7	256,1	149,4	106,7
Turnover (€'million)	1,9	2,4	(0,5)	6,5	5,2	1,3
EBITDA (€'million)	(0,3)	(0,2)	(0,1)	(0,7)	(1,1)	0,4

- 9M05 turnover increased compared to the same period of 2004 following the consolidation of SODAI, starting from April 2004
- 3Q05 turnover decrease compared to 3Q04 due to lower activity of DSI caused by delays in the renewal of authorization
- At EBITDA level, positive contribution of SODAI was compensated in the 3Q05 by the lower margins of other companies (mainly DSI)

1H05 Operating and financial results

	III° Quarter 2005	III° Quarter 2004	Difference 2004-2005	9 months 2005	9 months 2004	Difference 2004-2005
Volumes (tons'000)	17,6	19,2	(1,6)	58,2	62,0	(3,8)
Turnover (€'million)	53,3	55,0	(1,7)	169,6	171,8	(2,2)
EBITDA (€'million)	3,3	4,5	(1,2)	12,0	17,5	(5,5)

- 9M05 turnover has been characterized by lower volumes sold (58.174 ton in 2005 compared to 62.041 in 2004)
- EBITDA decreased from €17,5 million to €12 million also due to declining selling margins in line with overall sector trend
- Strengthening commercial efforts to mitigate decline market conditions

Net Financial Position

Net Financial Position

NFP (€' million)	9M05	1H05
Overdraft and cash	(46,1)	(48,7)
Receivables from parent companies ⁽¹⁾	38,8	38,3
Other financial receivables	5,4	6,0
Total current financial receivables	(1,9)	(4,4)
Bank debts	(20,4)	(20,4)
Financial derivatives	(3,5)	(3,8)
Other financial payables	(28,9)	(9,6)
Total current financial payables	(52,8)	(33,8)
Non current financial receivables	11,8	11,8
Convertible bonds	(75,5)	(75,3)
Bank debts	(71,1)	(68,8)
Other financial payables	(24,0)	(28,9)
Financial derivatives	(15,7)	(15,4)
Non current financial payables	(186,3)	(188,4)
NFP	(229,2)	(214,8)

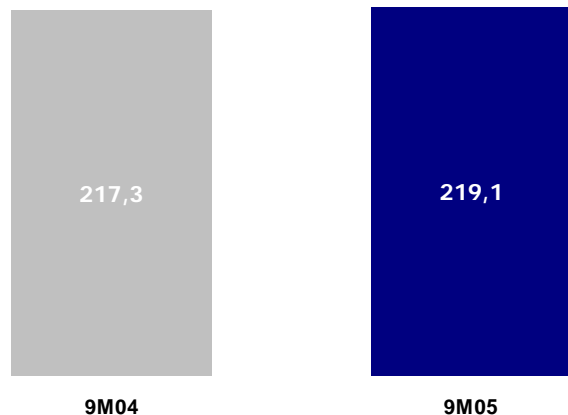
(1) - € 35,7 million cashed on November, 8

IAS effects (€'million)	1H05	FY04
NFP (Italian GAAP)	(198,9)	(152,8)
Put option Sodai SpA	(15,4)	(14,8)
Financial derivatives (interest swap)	(3,8)	0,0
Accessories charges to project finance	2,1	0,8
Accessories charges to convertible bond	1,4	1,8
Other	(0,2)	0,0
NFP (IAS compliant)	(214,8)	(165,0)

Back up

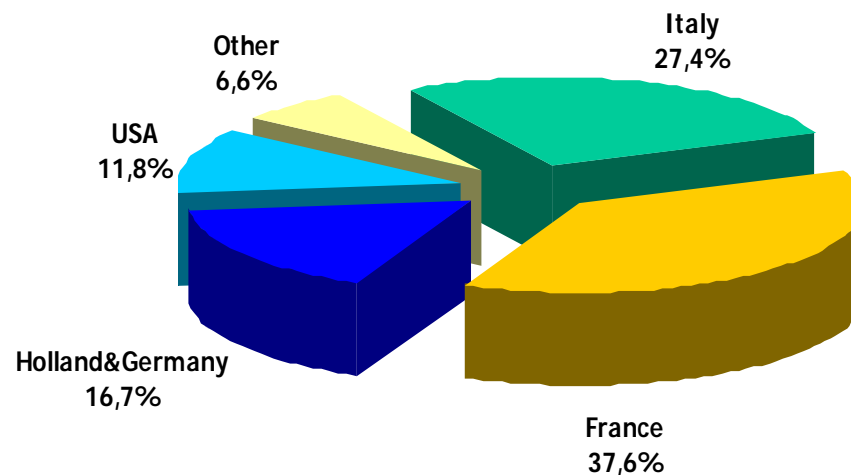
Consolidated Turnover

Business Unit breakdown



€'million	9M05	9M04
STEEL	169,6	171,8
WTE	24,2	23,3
WASTE TREATMENT	10,5	16,3
WATER TREATMENT	6,5	5,2
WIND	8,1	0,4
OTHER	0,2	0,3
TOTAL	219,1	217,3

Geographical breakdown



€'million	BU: Steel	BU: Wind, WTE Waste, Water	Total
Italy	10,4	49,5	59,9
France	82,3		82,3
Holland/Germany	36,5		36,5
USA	25,8		25,8
Other	14,6		14,6
Total	169,6	49,5	219,1