

First Quarter 2007 Consolidated Results

Milan, May 10th, 2007



▶ First Quarter 2007 Highlights

▶ 1Q 2007 Financial Results

▶ Business Unit Analysis

▶ Outlook short term

▶ Changing regulations preview

First Quarter 2007 Highlights

1Q07 performance

- Production higher than expected due to stronger wind: 48,9 GWh; +7,8% compared to 1Q06 due also to S. Cireo wind farm fully operational
- Ebitda from "continuing operations": € 7,6 mn (+27% compared to 1Q06)
- Net Profit: € 2,8 million (€4,9 mn in 1Q06 due to contribution of business divested in 2006)
- NFP: - € 21,3 million (- € 18,0 mn as at December 31, 2006)

Financing

- January – More favorable conditions agreed with MCC (Capitalia) and Efibanca for project financing of new wind parks
- March – Debt restructuring: switch from expensive short term credit lines to medium term lines
- April – Cash-in of € 1,1 mn, from earn-out component of sale price of WTE business to ACEA
- May – Cash-in of € 0,9 mn from sale back to Trenitalia of 3 Sodai Italia plants

Wind development program

- February – Purchase of the newly authorized 40MW wind farm project at Ginestra-Campania Region
- February – Approved new strategic plan (2007-2010), targeting 390 MW (of which 77 MW already operating) installed by 2010 year end, for a total capex of €460 mn
- May – Placed order with Vestas for Faeto wind park turbines: 12 x 2MW Vestas V90; first turbines to be delivered in December 2007, construction and completion by end I Q 2008

I Q 2007 Financial Results

Consolidated Profit and Loss

Figures stated using the same consolidation perimeter - € million

	1Q07 A	1Q06 A
Revenues (continuing operations)	11,5	9,4
<i>of which Wind</i>	10,0	7,9
EBITDA (continuing operations)	7,6	6,0
<i>of which Wind</i>	8,8	7,0
<i>EBITDA/REVENUES %</i>	66%	64%
EBIT (continuing operations)	5,5	4,4
EBT (continuing operations)	4,8	2,5
Result from continuing operations	2,8	2,2
Result from discontinued operations	0,0	2,7
TOTAL NET RESULT	2,8	4,9
<i>of which:</i>		
• <i>Group Net Result</i>	2,8	4,7
• <i>Minority Interests</i>	0,0	0,2

(+ €2,1 million; +22%)

(+ €1,6 million; +26,6%)

Depreciation and Amortization:

- €2 million (+€0,5 million vs. IQ 2006) for S. Cireo wind park started up in February 2006

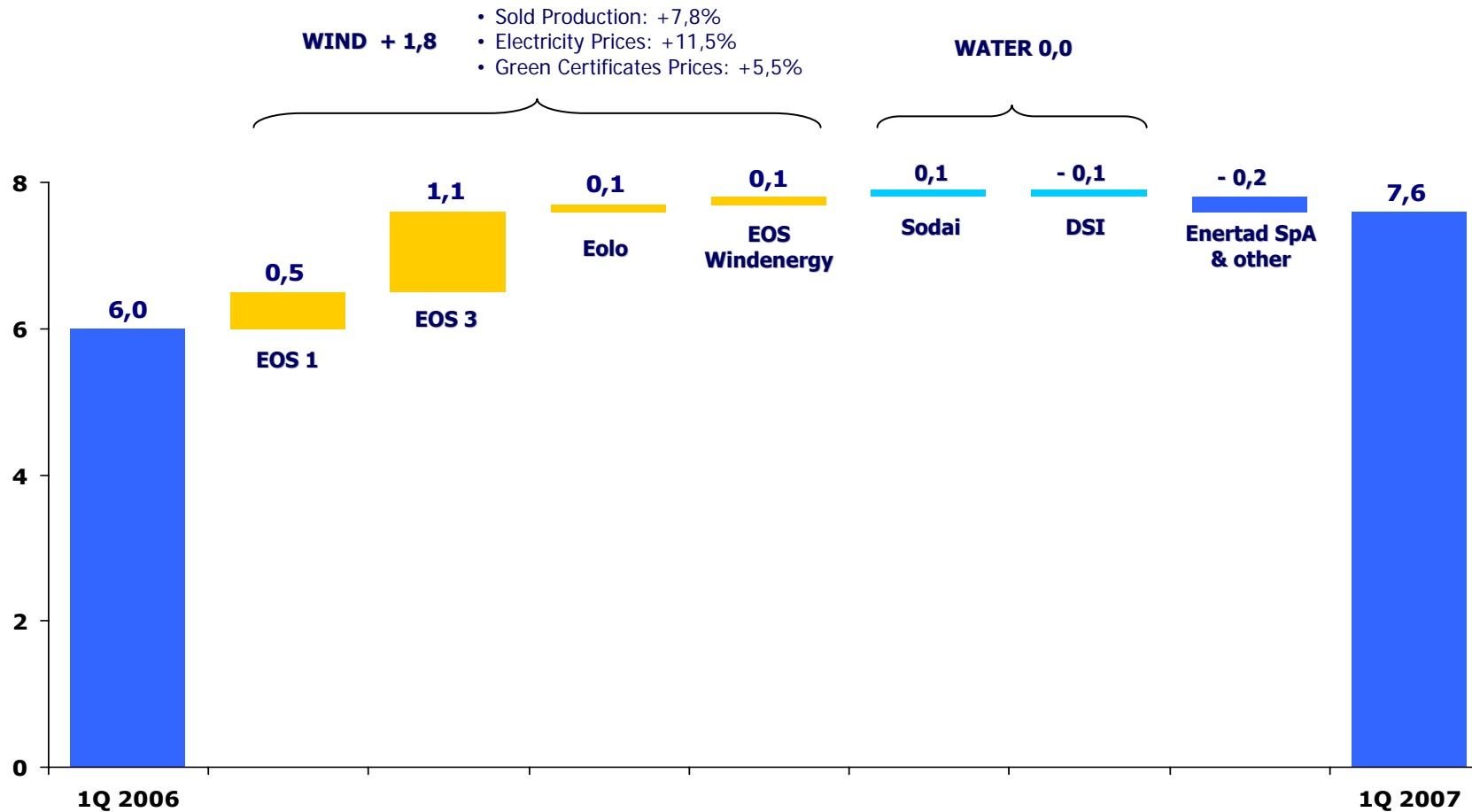
Net financial charges:

- €0,7 million financial charges (-€1,3 million vs. IQ 2006) due to syndicated loan and convertible bond reimbursements, respectively June 2006 and November 2006

Taxes:

- €2 million taxes (+€1,8 million vs. IQ 2006) due to compensation in 2006 with losses carried forward

EBITDA Bridge Analysis – €mn



Balance Sheet

€ mn	31.03.07	31.12.06
Fixed assets	127,8	119,9
Staff leaving indemnities	(0,4)	(0,5)
Net working capital	38,3	40,3
Total invested capital	165,7	159,7
Third party interest	0,3	0,3
Group equity	144,1	141,4
Net financial position	21,3	18,0
Total financial resources	165,7	159,7

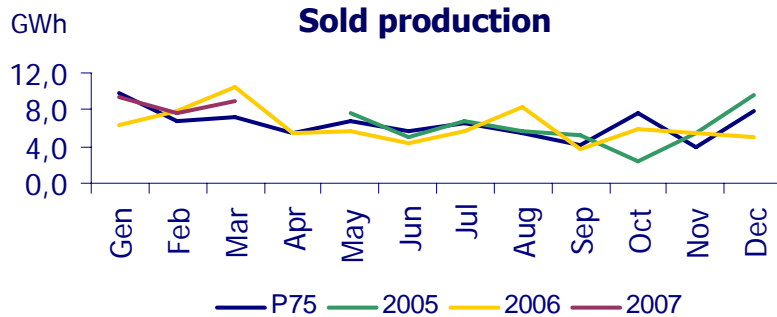
Net Financial Position

€ mn	31.03.07	31.12.06	Δ
Cash	67,4	64,6	2,8
Bank loans s.t. *	(15,3)	(30,7)	15,4
Bank loans m.l.t. *	(72,0)	(50,6)	(21,4)
Financial receivables	14,4	14,4	0,0
Fixed Financial assets	0,4	0,3	0,1
Other financial instruments	(16,1)	(16,0)	(0,1)
Net Financial Position	(21,3)	(18,0)	(3,3)
<i>* Total Bank loans of which non recourse</i>	<i>(87,3) (65,1)</i>	<i>(81,3) (58,8)</i>	<i>(6,0) (6,3)</i>

Business Unit Analysis

	1Q 2007	1Q 2006	Δ % 07-06
Total sold production (GWh)	48,9	45,4	7,8%
<i>of which:</i>			
EOS 1 - Troia S. Vincenzo	26,0	24,5	6,1%
EOS 3 - Troia S. Cireo	19,8	17,2	15,1%
Eolo - Viticuso	3,1	3,7	-16,2%
Prices (€/MWh)			
Electric energy	80,9	72,6	11,5%
Green Certificates (estimates)	115,0	108,9	5,5%
Ebitda (€mn)	8,8	7,0	25,7%
<i>of which:</i>			
EOS 1 - Troia S. Vincenzo	4,7	4,2	11,9%
EOS 3 - Troia S. Cireo	3,5	2,4	45,8%
Eolo - Viticuso	0,6	0,5	20,0%
Eos Windenergy	0,0	(0,1)	n.a.

EOS 1 – Troia S. Vincenzo



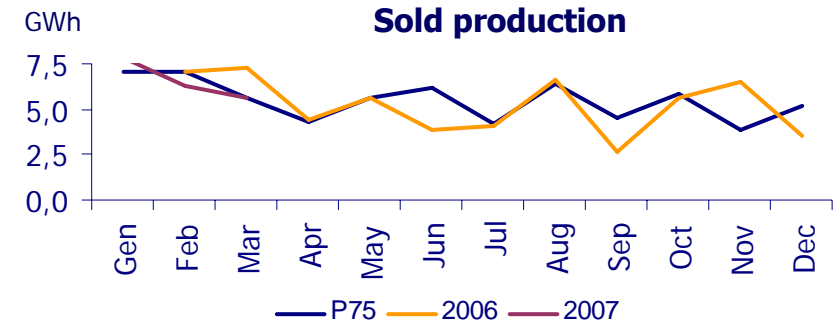
Variance on P75

MWh	1Q 2007	24 mth
Sold production	25.968	152.657
P75	23.865	154.712
Δ %	8,8%	-1,3%

Technical performance

- Turbine "contractual" mechanical availability (hours):
1Q 2007 = 99,44% (wind farm); "guaranteed" availability 97%
- 1Q 2007 Transmission line losses (MWh): 1,7%

EOS 3 – Troia S. Ciro



Variance on P75

MWh	1Q 2007	12 mth
Sold production	19.797	64.349
P75	19.740	65.790
Δ %	0,3%	-2,2%

Technical performance

- Turbine "contractual" mechanical availability (hours)
1Q 2007 = 98,52% (wind farm); "guaranteed" availability 97%
- 1Q 2007 Transmission line losses (MWh): 3,1%
- Transmission line outages (MWh): to be quantified

	1Q 2007	1Q 2006	Δ % 07-06
Volumes (kmc/ktons)	101,9	106,8	-4,5%
- SODAI	96,9	101,2	-4,2%
- DSI	5,0	5,6	-10,0%
Revenues (€ mn)	1,5	1,6	-6,3%
- SODAI	1,1	1,1	0,0%
- DSI	0,4	0,5	-20,0%
Ebitda (€ mn)	0,2	0,2	0%
- SODAI	0,2	0,1	<i>n.a.</i>
- DSI	0,0	0,1	<i>n.a.</i>

SODAI

- Despite decreasing liquid waste volumes, Revenues and Ebitda are in line with 2006, due to other operating income and increase (+2%) in treatment tariff

DSI

- Decreasing liquid waste volumes, partially compensated by an increase in solid waste volumes, treated at a higher tariff

Outlook short term

Wind development program

- Margins from operational wind farms will benefit from new transmission line at Eolo wind park (completion expected July 2007) and problem solving on transmission line at San Cireo
- Faeto project (24MW) implementation: civil works starting up, and wind turbines ordered. Completion is estimated by end 1Q 2008
- Contract for supply of turbines to other authorized wind parks is under negotiation. Targeting order placement by mid 2007 (current estimate of delivery time between 18 and 24 months)

Financial structure

- New project financing frame agreement with MCC and Efibanca (euribor 6 months + 90 b.p. interest rate) will significantly reduce financing costs of all new authorized parks (Enertad has appointed MCC/Efibanca as arrangers for financing of Ginestra and Joppolo in addition to Faeto and Tursi)
- Restructured corporate debt (€ 16 million) through a switch from an expensive short term to medium term line; interest cost saving of about 265 b.p.

Government amendment to Bersani's energy draft law, DDL n° 691 (to be approved)

- Domestic demand for green certificates sustained by:
 - ✓ Increase in mandatory production quota from renewable sources ("quota d'obbligo") to continue at an annual rate of 0,35% from 2007 to 2012;
 - ✓ More stringent rules on renewables "certifications" for energy imports

- From 2008, where the production of green certificates in the previous year is higher than the mandatory production quota, the GSE will purchase these excess certificates at the average price realised in trading by the GME in the previous year
The above-mentioned price will be communicated by GME to GSE before January 31 of each year from 2008

- Reference price for GC issued by GSE is defined as the difference between 180 €/MWh and previous year average wholesale electricity price; subject to possible further adjustments by Economic Development Ministry

- Incentive period differentiated by electricity production from renewable sources: 10 years for Wind sources
 - ✓ Repowering after first 10 years of operation, as at Ministry Decree 24 October 2005 (2nd article), is not amended

- This document has been prepared by EnerTAD solely for the use at investors and analysts meetings
- This document does not constitute an offer invitation to purchase or subscribe any shares and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever
- Some information contained herein and other material discussed at the meetings may include forward looking information based on EnerTAD current beliefs and expectations. These statements are based on current plans, estimates, projections, and projects and therefore you should not place undue reliance on them
- Forward looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward looking statement. Such factors include, but are not limited to: changes in global economic business, changes in the price of certain commodities including electricity and gas, the competitive market and regulatory factors
- Moreover, forward looking statements are valid only at the date are made