



Third Quarter 2007 Consolidated Results

Milan, November 9th, 2007

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- ▶ 3Q and 9M 2007 Financial Results
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- ▶ Recent developments
- ▶ Wind regulatory scenario: new elements

Third Quarter 2007 Highlights

▶ 3Q07 performance

- Greater production of electricity (41 GWh; +24% compared to 3Q06) from windier conditions, especially in August
- Ebitda from "continuing operations": € 6,5 million (+18,2% compared to 3Q06)
- Group Net Result: € 1,4 million (+€ 0,6 million compared to 3Q06) including a write-down of €0,8 million consequent to the settlement relating to long due financial receivable from the former shareholder Fintad International
- NFP: - € 29,6 million (- € 18,0 million as at December 31, 2006)

▶ Wind development program

- French wind parks. On 31st October Enertad purchased 5 companies (total installed capacity of 55,2 MW) at a price of € 29,5 million (enterprise value € 82,2 million)
- Tursi wind park. On September 26, 2007, the Basilicata Regional Council requested the suspension of the works, although this wind park had obtained the authorisation in accordance to the "ordinary" procedure before the enactment of Legislative Decree 387/2003 ("Autorizzazione Unica"). Enertad is evaluating a joint (with the promoter) appeal to Regional Administrative Court (TAR).
- Faeto wind park. Construction in progress. Expected to be on stream starting from 2Q 2008
- Eolo wind park. Works on the new electrical line completed. Expected to be at regime by year end

▶ Water Services

- Arbitration procedure Enertad/Trenitalia: nominated both side arbitrators. Arbitration President to be appointed

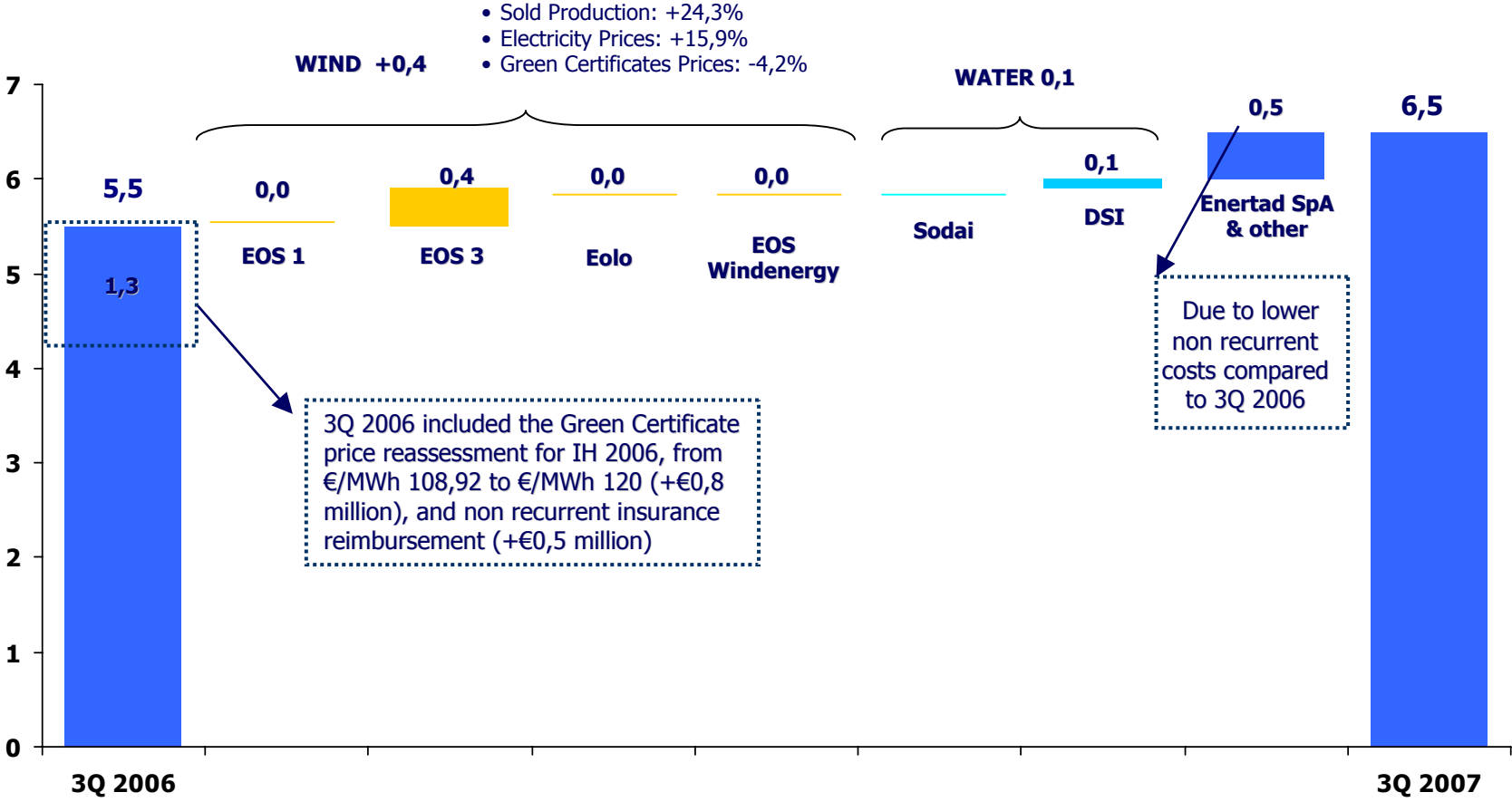
▶ Financing

- August – Obtained a € 25 million medium long term loan from Natixis to support the Company's investment plan, and a € 10 million short term loan from Banco di Brescia

3 Q and 9M 2007 Financial Results

EBITDA from "continuing operations" – 3Q 2007

€mn



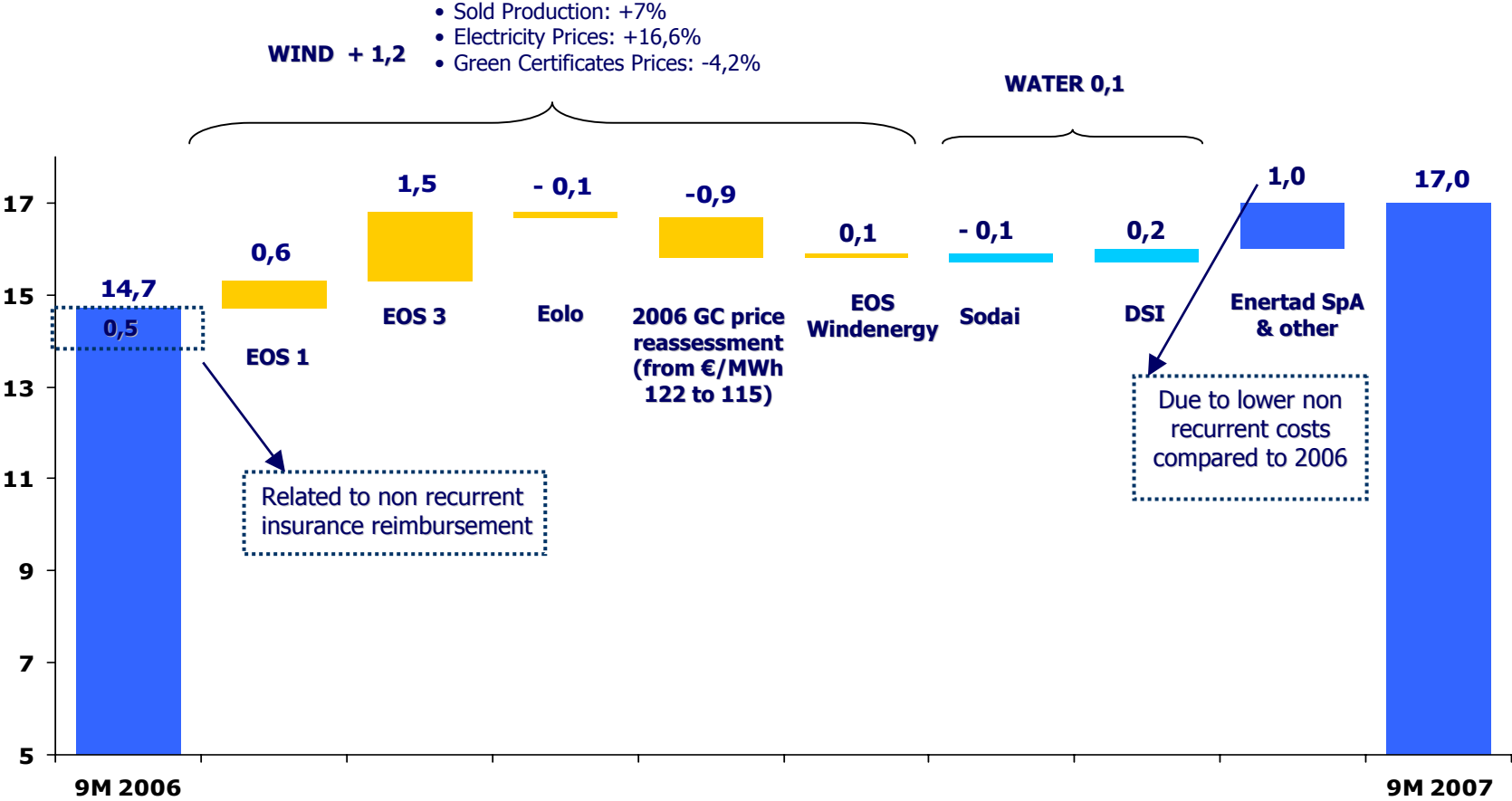
Consolidated Profit and Loss – 3Q 2007

Figures stated using the same consolidation perimeter - € million

	3Q07 A	3Q06 A	
Revenues (continuing operations)	9,9	9,9	(+€1,0 million; +18,2%)
<i>of which Wind</i>	<i>8,5</i>	<i>8,0</i>	
EBITDA (continuing operations)	6,5	5,5	EBITDA 2006 included the Green Certificate price reassessment for IH 2006, from 108,92 to 120 €/MWh (+€0,8 million), and non recurrent insurance reimbursement (+€0,5 million)
<i>of which Wind</i>	<i>7,5</i>	<i>7,1</i>	
<i>EBITDA/REVENUES %</i>	<i>66%</i>	<i>56%</i>	
EBIT (continuing operations)	4,5	3,2 *	Depreciation and Amortization: € 2 million <ul style="list-style-type: none"> +€0,5 million vs. 3Q 2006 for S. Ciro wind park started up in February 2006
EBT (continuing operations)	2,9	1,6	Net financial charges: €1,6 million <ul style="list-style-type: none"> lower financial charges balanced by € 0,8 million write-down on financial receivable
Result from continuing operations	1,4	1,3	Taxes: €1,5 million <ul style="list-style-type: none"> +€1,2 million vs. 3Q 2006 which benefited from losses carried forward
Result from discontinued operations	0,0	(0,5)	
TOTAL NET RESULT	1,4	0,8	
<i>of which:</i>			
• <i>Group Net Result</i>	<i>1,5</i>	<i>0,8</i>	
• <i>Minority Interests</i>	<i>(0,1)</i>	<i>0,0</i>	

EBITDA from "continuing operations" – 9M 2007

€mn



Consolidated Profit and Loss – 9M 2007

Figures stated using the same consolidation perimeter - € million

	9M07 A	9M06 A	
Revenues (continuing operations)	28,5	26,4	(+ €2,1 million; +8%)
<i>of which Wind</i>	<i>24,0</i>	<i>21,5</i>	
EBITDA (continuing operations) (before 2006 GC price reassessment)	18,0	14,7	(+ €3,3 million; +22%)
<i>of which Wind</i>	<i>20,2</i>	<i>19,1</i>	
<i>EBITDA/REVENUES %</i>	<i>63%</i>	<i>56%</i>	
EBITDA (continuing operations)	17,0	14,7	(+ €2,3 million; +16%)
<i>of which Wind</i>	<i>20,2</i>	<i>19,1</i>	
<i>EBITDA/REVENUES %</i>	<i>60%</i>	<i>56%</i>	
EBIT (continuing operations)	10,9	8,0 *	
EBT (continuing operations)	8,2	2,8	
Result from continuing operations	4,6	2,0	
Result from discontinued operations	0,0	(0,2)	
TOTAL NET RESULT	4,6	1,8	
<i>of which:</i>			
• <i>Group Net Result</i>	<i>4,7</i>	<i>1,6</i>	
• <i>Minority Interests</i>	<i>(0,1)</i>	<i>0,2</i>	

Depreciation and Amortization: € 6,1 million

- +€1,6 million vs. 9M 2006 mainly due to S. Ciro wind park started-up in February 2006

Net financial charges: € 2,7 million

- -€2,7 million vs. 9M 2006. See comments for 3Q

Taxes: € 3,6 million

- +€2,8 million vs. 9M 2006 which benefited of losses carried forward

* Net of €2,3 million provision



Balance Sheet and Net Financial Position

Balance Sheet

€ mn	30.09.07	31.12.06
Fixed assets	137,3	119,9
Staff leaving indemnities	(0,5)	(0,5)
Net working capital	39,4	40,3
Total invested capital	176,2	159,7
Third party interest	0,2	0,3
Group equity	146,4	141,4
Net financial position	29,6	18,0
Total financial resources	176,2	159,7

Net Financial Position

€ mn	30.09.07	31.12.06	Δ
Cash	71,6	64,6	7,0
Bank loans s.t. *	(19,7)	(30,7)	11,0
Bank loans m.l.t. *	(81,7)	(50,6)	(31,1)
Financial receivables	15,3	14,4	0,9
Fixed Financial assets	0,4	0,3	0,1
Other financial instruments	(15,5)	(16,0)	0,5
Net Financial Position	(29,6)	(18,0)	(11,6)
<i>* Total Bank loans</i>	<i>(101,4)</i>	<i>(81,3)</i>	<i>(20,1)</i>
<i>of which non recourse</i>	<i>(57,6)</i>	<i>(46,8)</i>	<i>(10,8)</i>
<i>(net of project financing tied-up cash)</i>	<i>(21,0)</i>	<i>(10,0)</i>	

Business Unit Analysis

Wind: Production and Revenues by park

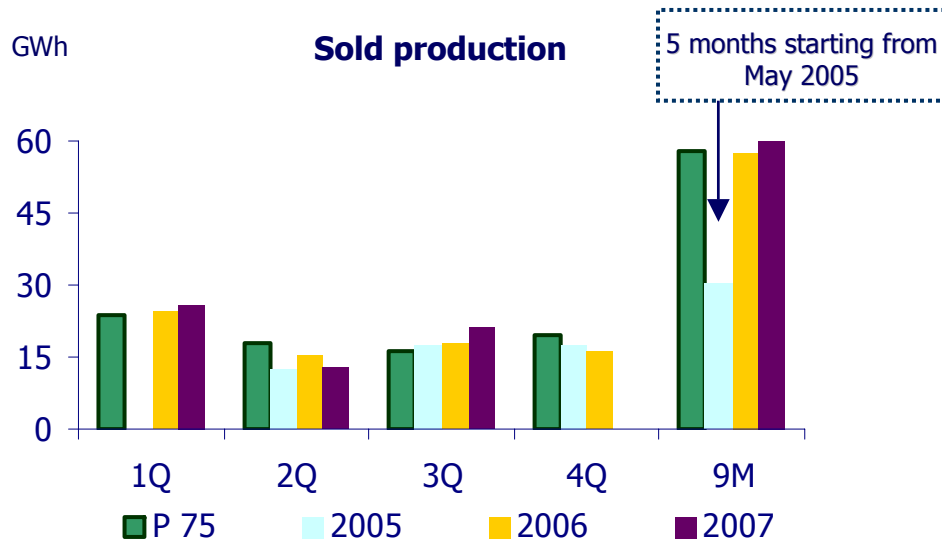
3Q 2007	3Q 2006	Δ % 07-06		9M 2007	9M 2006	Δ % 07-06
41,0	33,0	24,3%	Total sold production (GWh)	117,0	109,3	7,1%
			<i>of which:</i>			
21,3	18,0	18%	EOS 1 - Troia S. Vincenzo	60,2	57,7	4%
18,1	13,4	35%	EOS 3 - Troia S. Cireo	50,2	44,5	13%
1,6	1,6	0%	Eolo - Viticuso	6,6	7,1	(7%)
			Prices (€/MWh)			
82,3	71,0	15,9%	Electric energy	81,6	70,0	16,5%
115,0 *	120,0	(4,2%)	Green Certificates	115,0 *	120,0	(4,2%)
8,5	8,0	6,7%	Revenues (€mn)	24,0	21,5	11,6%
4,3	3,9	10%	EOS 1 - Troia S. Vincenzo	12,0	11,1	8%
3,6	3,1	16%	EOS 3 - Troia S. Cireo	10,0	8,3	20%
0,3	0,4	(25%)	Eolo - Viticuso	1,3	1,4	(7%)
0,3	0,6	(50%)	Eos Windenergy & other	0,7	0,7	0%

* estimated

Of which 0,8 €/mn for GC price reassessment from €/MWh 108,92 to 120
Comparing 3Q07 vs. restated 3Q06, revenue increase would be higher than 18%

EOS 1 and EOS 3 operating performance

EOS 1 – Troia S. Vincenzo

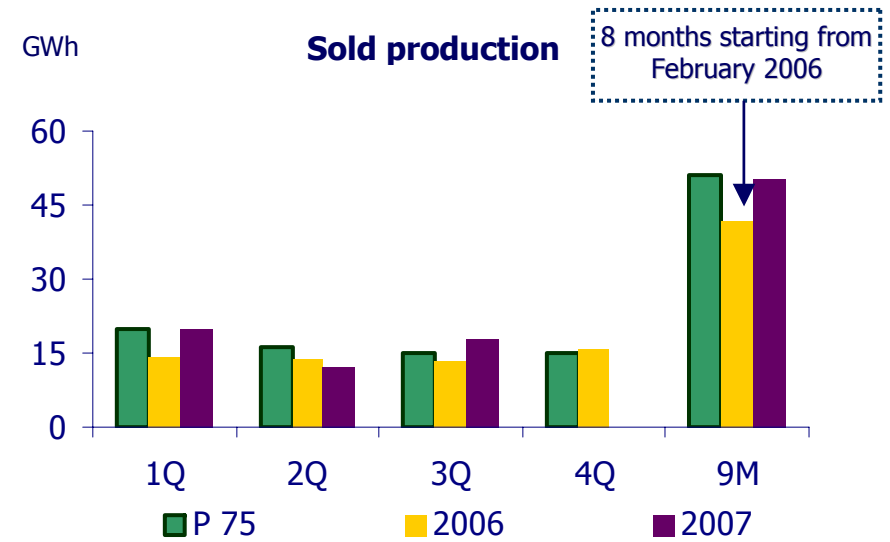


Technical performance

- Turbine “contractual” mechanical availability (hours):
3Q 2007 = 95,2%* (wind farm); “guaranteed” availability 97%
- 3Q 2007 Transmission line losses (MWh): 2,2%

* High temperatures in Foggia area caused some shutdowns of WTGs that required some interventions. Extraordinary maintenance was concentrated in this period

EOS 3 – Troia S. Ciro



Technical performance

- Turbine “contractual” mechanical availability (hours)
3Q 2007 = 92,4%* (wind farm); “guaranteed” availability 97%
- 3Q 2007 Transmission line losses (MWh): 3,1%

* Overheating implied bearings substitution on some WTGs. Extraordinary maintenance was concentrated in this period

Water Services: operating and financial results

3Q 2007	3Q 2006	Δ % 07-06		9M 2007	9M 2006	Δ % 07-06
75,7	80,6	(6,1%)	Volumes (kmc/ktons)	273,7	294,4	(7,0%)
68,1	75,8	(10%)	- SODAI (<i>liquid waste</i>)	254,9	280,7	(9%)
7,6	4,8	58%	- DSI:	18,8	13,7	37%
4,4	2,9	52%	<i>liquide waste</i>	10,9	9,4	16%
3,2	1,9	68%	<i>solid waste</i>	7,9	4,3	84%
1,4	1,5	(6,7%)	Revenues (€ mn)	4,6	4,4	4,5%
0,7	1,0	(30%)	- SODAI	2,9	3,2	(9%)
0,7	0,5	40%	- DSI	1,7	1,2	42%
0,0	(0,1)	n.a.	Ebitda (€ mn)	0,2	0,1	100%
(0,1)	(0,1)	0%	- SODAI	0,1	0,3	(67%)
0,1	0,0		- DSI	0,1	(0,2)	n.a.

SODAI

- Lower liquid waste volumes in 9M 07 partially compensated at EBITDA level by increase (+2%) in treatment tariff

DSI

- Higher EBITDA in 2007 due to increase in solid waste volumes at a higher treatment tariff

Recent developments

Acquisition of Theta in France

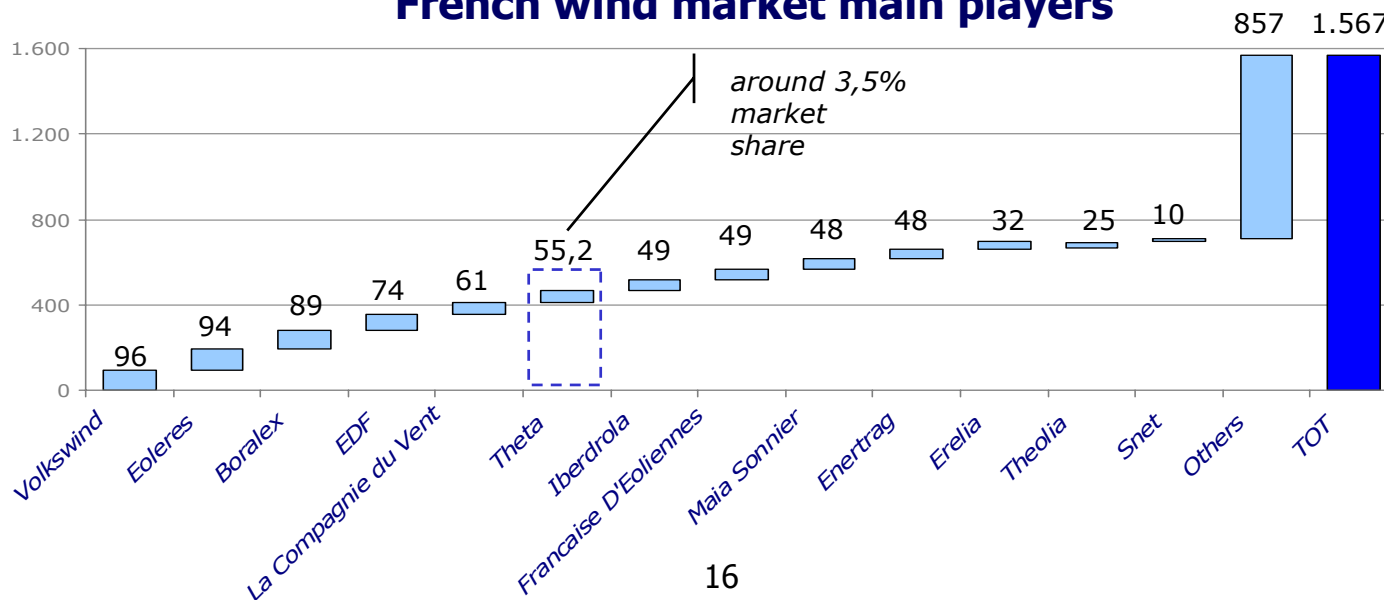
French wind market

- ✓ Good anemology and good potential growth
- ✓ Incentive scheme less attractive but more visible and stable
- ✓ Simpler and shorter authorization process than in Italy
- ✓ Fragmented market, consolidation in progress

Strategy

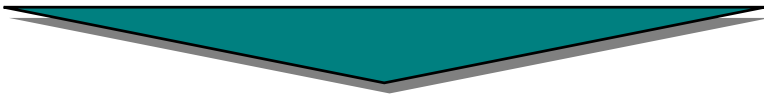
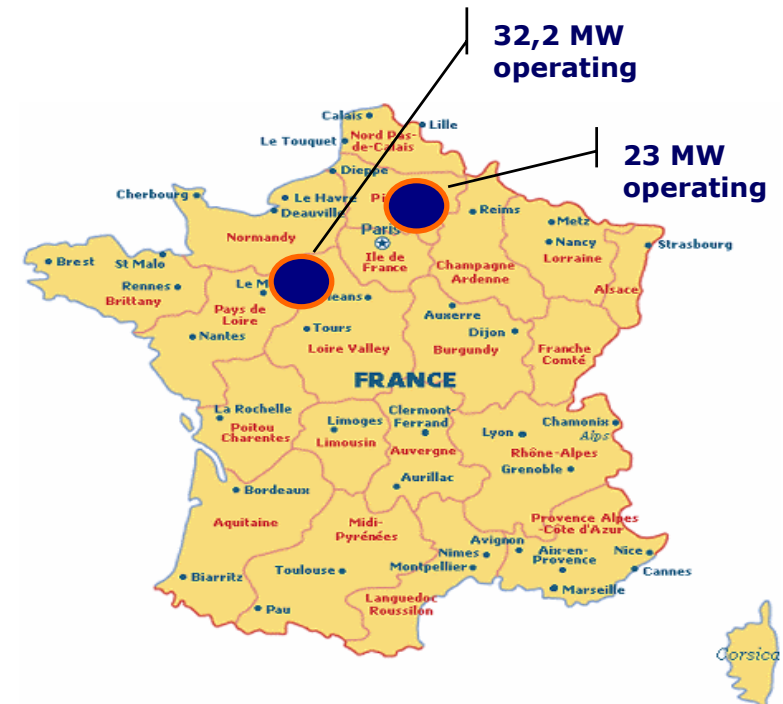
- Geographical diversification
- Theta is a base for future development in France and it provides significant contribution to short term Ebitda

French wind market main players



Project summary:

- 5 wind farms operating in France since the end of 2006 for a total installed capacity of 55.2 MW (24 Nordex N90 WTGs of 2.3 MW each);
- Enterprise Value: Euro 82.2 million (Euro 1.49 million/MW); Equity Value: Euro 29.5 million;
- Acquisition financing: Euro 25 million by a medium/long term credit line and Euro 4.5 million by cash;
- Incentive scheme: Feed-in-tariff for 15 years, price at €/MWh 82 (2006 base) for the first 10 years, price adjusted for load factor differences (greater than 2.400 hours per year) for the following 5 years;
- All wind parks are financed by Project Financing with a 80/20 leverage, tenor 12 years.



55,2 MW at regime since the end of 2006

Total yearly production 126 GWh, 26% average load factor (2.280 eh/year)

- On 5th October ERG Power & Gas (ERG Group) and Acciona Eolica CESA approved a demerger plan for ERG CESA Eolica, a 50/50 joint venture in the wind sector. Final demerger is expected to take effect from February 1st, 2008
- The portfolio projects of the newco (100% ERG Power & Gas), resulting from the demerger will include: wind farm at Pian dei Corsi (1,6 MW), as well as the wind farm at Fossa del Lupo (110 MW), the wind farm at Vicari (37,5 MW), which are currently under construction and a pipeline of projects under development
- ERG is proposing to integrate in Enertad all their renewable activities including the newco and other minor activities in wind energy generation and mini-hydro
- Enertad will analyse the proposal with the support of a financial and a legal advisors (selection in progress)

Existing plants: on 7th November, GSE issued the 2007 reference price for Green Certificates at a value of €/MWh 137,49

New plants: Government proposal (to be approved within 2008 Italian Budget Law)

- Domestic demand for green certificates sustained by the increase in mandatory quota from renewable sources (“quota d’obbligo”) to continue at an annual rate of **0,75%** from 2007 to 2012;
- From 2008, the GSE will assign green certificates to **new** renewable plants (**on stream after December 31st, 2007**) multiplying the total energy production by a coefficient: for wind plants this is equal to **1.0**, except for off-shore wind plants (**1.1**)
- 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 the GME to the GSE before January 31 of each year from 2008. Until 25% of domestic energy consumption derives from renewable sources, the GSE will have to purchase green certificates expiring during the year, if required by renewable energy producers
- The reference price for green certificates issued by the GSE is defined as the difference between **180 €/MWh** and previous year average wholesale electricity price; subject to possible further adjustments by the Economic Development Ministry every 3 years
- Incentive period differentiated by electricity production from renewable sources: **15 years** for Wind sources
 - ✓ Incentive scheme for repowering after first 10 years of operation, as per Ministry Decree 24 October 2005 (2nd article), is not amended

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