FY 2009 RESULTS AND 2010-2013 BUSINESS PLAN

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FORWARD LOOKING STATEMENTS

This document contains certain forward-looking information that is subject to a number of factors that may influence the accuracy of the statements and the projections upon which the statements are based.

There can be non assurance that the projections or forecasts will ultimately prove to be accurate; accordingly, the Company makes no representation or warranty as to the accuracy of such information or the likelihood that the Company will perform as projected.

4Q & FY 2009 PERFORMANCE

4Q 2009

- Electricity production at 109.5GWh: +84% YoY
- EBITDA at €8.9mn, vs. -€0.8mn in 4Q 2008
- EBIT at -€12.0mn vs. -€16.2mn in 4Q 2008
- Group Net Result: -€17.6mn vs. -€19.7mn in 4Q 2008
- CAPEX were €61.4mn

FY 2009

- Electricity production at 317.2GWh, + 23% YoY
- EBITDA at €23.1mn vs €9.9mn in FY 2008
- EBIT at -€15.0mn vs. -€16.6mn in FY 2008
- Group Net Result: -€28.0mn vs. -€24.4mn in FY 2008
- CAPEX in the period were €88.8mn
- NFP at 31/12/2009 was €291mn, vs. €254mn last year

4Q & FY 2009 RESULTS

4Q & FY 2009 EBITDA

4Q 2009	4Q 2008	% of change	Euro Millions	FY 2009	FY 2008	% of change
16.4	**12.2**	***34.3%***	**Operating Revenues**	**50.5**	**43.4**	***16.2%***
8.9	**(0.8)**		**EBITDA**	**23.1**	**9.9**	***132.3%***
7.4	1.1	*571.8%*	*- Wind Italy*	*25.3*	13.3	*90.3%*
2.4	1.8	*35.2%*	*- Wind France*	*6.6*	7.9	*-15.5%*
9.8	**2.9**	*240.2%*	***TOTAL WIND***	***31.9***	***21.1***	***51.0%***
(0.1)	(0.1)		*- Mini-Hydro*	0.1	(0.1)	
0.5	(0.2)		*- Water Services*	1.1	(0.1)	
(1.4)	(3.5)		*- Holding Costs*	(10.0)	(11.0)	

4Q 2009 EBITDA at €8.9mn vs. -€0.8mn in 4Q08 as a result of:
- Rise in domestic (+126.3%) and French production (+ 36.6%)
- Negative price effect in Italy (electricity price and GCs)
- Provision for €1mn related to Vicari wind park
- Provisions and write-offs for total € 6.5mn in 4Q2008

FY 2009 EBITDA at €23.1mn vs €9.9mn last year as a result of:
- Rise in domestic production (+45.4%) and drop in French production (-6.2%)
- Negative price effect in Italy (electricity price and GCs)
- Provision for €1mn related to Vicari wind park
- Provisions and write-offs for total € 6.5mn in 4Q2008

Rise in domestic production, Terna's limitations in Puglia, lower electricity and GCs prices, slowdown in France

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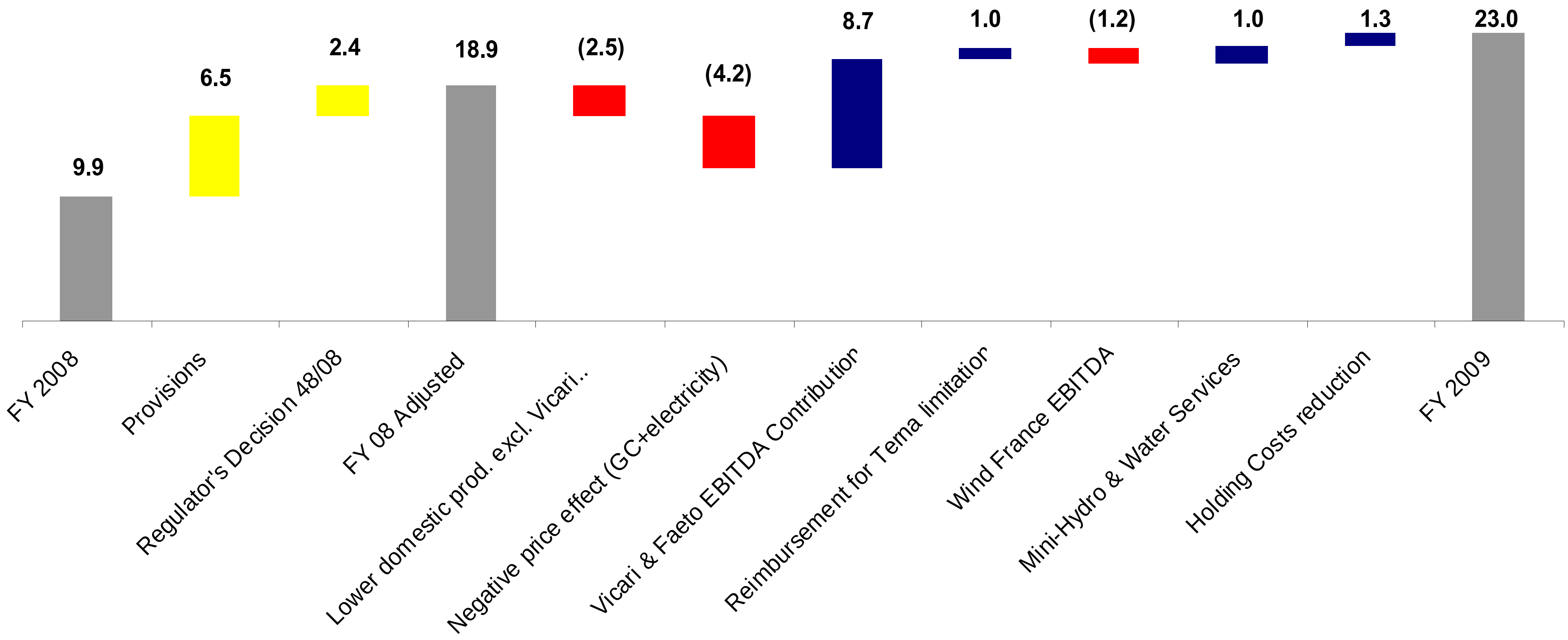
FY 2009 EBITDA AT A GLANCE



Positive contribution from Vicari and Faeto, Terna's limitations in Puglia, lower electricity and GCs prices, slowdown in France and Holding cost savings

KEY FINANCIALS

4Q 2009	4Q 2008	Euro Millions	FY 2009	FY 2008
16.4	12.2	Operating Revenues	50.5	43.4
8.9	**(0.8)**	**EBITDA**	**23.1**	**9.9**
54.2%	-6.9%	*Margin*	*45.7%*	*22.9%*
(6.0)	(6.2)	Depreciation	(23.2)	(17.4)
(14.9)	(9.2)	Write-offs	(14.9)	(9.2)
(12.0)	**(16.2)**	**EBIT**	**(15.0)**	**(16.6)**
-72.9%	-132.8%	*Margin*	-65.0%	-38.3%
(2.4)	(3.8)	Net Financial income (Expenses)	(11.4)	(8.2)
(3.3)	(5.1)	Net income from participations	(3.9)	(5.8)
(17.7)	**(25.1)**	**Pre-Tax Profit**	**(30.3)**	**(30.7)**
0.1	5.4	Taxes	2.5	6.4
(0.0)	(0.2)	Minorities	(0.2)	(0.1)
(17.6)	**(19.9)**	**Net Profit**	**(28.0)**	**(24.4)**
		Net Debt	**291.0**	**254.3**
61.4	**9.6**	**Capex**	**88.8**	**41.7**

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BALANCE SHEET AND CASH FLOW

Balance Sheet

Euro Millions	31/12/2009	31/12/2008
Fixed assets	401.9	353.7
Staff Leaving Indemnities	(0.5)	(0.4)
Net Working capital	(3.1)	35.9
Net Invested capital	**398.3**	**389.2**
Third parties interest	0.4	0.2
Group Equity	**107.3**	**135.0**
Net Debt	**291.0**	**254.3**
Total Financial Resources	**398.3**	**389.2**

Consolidated Cash Flow

Euro Millions	31/12/2009
Operating Profit	**(15.0)**
Depreciation & Amort.	38.1
Working capital	41.6
CASH FLOW FROM OPERATING ACTIVITIES	**64.7**
CAPEX	(88.8)
CASH FLOW FROM INVESTMENT ACTIVITIES	**(88.8)**
Interests	(11.4)
CASH FLOW FROM FINANCIAL ACTIVITIES	**(11.4)**
Change in consolidation perimeter	(1.2)
TOTAL CASH FLOW	**(36.7)**
NFP at 31/12/2008	**(254.3)**
NFP at 30/06/2009	**(291.0)**

- Net Invested Capital at €398.3mn, vs. €389.2mn at the end of 2008
- Cash Flow negative at €36.7mn
- Net debt at €291.0mn, vs. €254.3mn at 31/12/2008

WIND ITALY: KEY FIGURES

4Q 2009	4Q 2008	% of change	Euro Millions	FY 2009	FY 2008	% of change
10.9	**7.8**	*39.6%*	**Revenues**	**33.5**	**25.2**	*33.0%*
7.4	**1.1**		**EBITDA**	**25.3**	**13.3**	*90.3%*
68.3%	*14.2%*		*Margin (%)*	*75.4%*	*52.7%*	
(4.0)	(11.4)		Depr., amort. & Prov.	(15.3)	(17.0)	
3.4	**(10.3)**		**EBIT**	**10.0**	**(3.7)**	
31.3%			*Margin (%)*	*29.9%*	*-14.9%*	

4Q 2009 Revenues: +39.6% YoY
- Higher volumes: from 30.7GWh to 70.8GWh
- Lower electricity price, from 90.9€/MWh to 60.8€/MWh
- Lower price for GCs, from 98€/MWh to 88€/MWh

4Q 2009 EBITDA: €7.4mn vs €1.1mn
- Full contribution of Vicari and Faeto
- €1mn of provision for Vicari wind park

4Q 2009 EBIT: €3.4mn vs -€10.3mn

FY 2009 Revenues: +33.0% YoY
- Higher volumes: from 144.1GWh to 209.6GWh
- Lower electricity price, from 85.9€/MWh to 66.4€/MWh
- Lower price for GCs, from 98€/MWh to 88€/MWh

FY 2009 EBITDA: +90.3% YoY to €25.3mn
- Full contribution of Vicari and entry into operation of Faeto
- €1mn of provision for Vicari wind park

FY 2009 EBIT: €10mn vs - €3.7mn

Higher production, Terna's limitations in Puglia, lower electricity and GCs prices

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WIND ITALY: PRODUCTION AND PRICES BY PARK

4Q 2009	4Q 2008	Δ % 09-08		FY 2009	FY 2008	Δ % 09-08
70.8	**30.7**	***130.4%***	**Total Sold Production (GWh)**	**209.6**	**144.1**	***45.4%***
			of which			
18.2	12.3	*47.2%*	San Vincenzo	57.7	68.3	*-15.5%*
15.2	10.3	*47.8%*	San Cireo	49.6	58.5	*-15.2%*
4.4	4.5	*-1.6%*	Viticuso	15.2	13.1	*16.5%*
21.0	3.6		Vicari	59.4	3.6	
11.8	-		Faeto	26.4	-	
0.2	-		Pian dei Corsi	1.3	0.6	
			Prices (Eur/GWh)			
60.8	90.9	-33.1%	Electric Energy	66.4	85.9	-22.6%
88.4	98.0	-9.8%	Green Certificates	88.4	98.0	-9.8%

- Higher electricity production in FY 2009 (+45.4%): Vicari and Faeto wind parks contribution more than offset lower production at San Vincenzo and San Cireo (due to limitations in Puglia)

partly offset

- Lower electricity price (-22.6%) and lower GCs price (-9.8%)

WIND FRANCE: OPERATING & FINANCIAL RESULTS

4Q 2009	4Q 2008	% of change	Euro Millions	FY 2009	FY 2008	% of change
3.3	**2.4**	***35.9%***	**Revenues**	**9.3**	**9.7**	***-3.5%***
2.4	**1.8**	***35.2%***	**EBITDA**	**6.6**	**7.9**	***-15.5%***
73.4%	*73.8%*		*Margin (%)*	*71.1%*	*81.3%*	
(1.8)	(1.7)		Depr., amort. & Prov.	(7.0)	(7.0)	
0.7	**0.0**		**EBIT**	**(0.4)**	**0.9**	
20.3%	*1.7%*		*Margin (%)*	*-3.8%*	*9.0%*	
38.7	**28.3**	***36.6%***	**Total Sold Production (GWh)**	**107.6**	**114.7**	***-6.2%***
			of which			
7.6	6.0	*26.1%*	Hetomesnil	21.4	23.2	*-7.7%*
7.3	5.4	*34.9%*	Le Mardeaux	21.2	21.9	*-3.1%*
7.9	4.9	*60.6%*	Le Carreau	21.3	22.2	*-4.0%*
7.4	5.9	*25.6%*	Lihus	19.9	23.5	*-15.0%*
8.5	6.1	*39.9%*	La Bruyere	23.7	23.9	*-1.1%*
			Prices (Eur/GWh)			
85.1	85.4	*-0.4%*	Feed-in tariff	85.7	83.8	*2.2%*

4Q 2009 Revenues: at €3.3mn, up 35.9% YoY
- Electricity produced 38.7GWh, up 36.6% YoY
- Feed-in tariff: 85.1 €/MWh

4Q 2009 EBITDA: at €2.4mn, up 35.2% YoY

4Q 2009 EBIT: at €0.7mn, vs. €0.0mn last year, after depreciation for €1.8mn

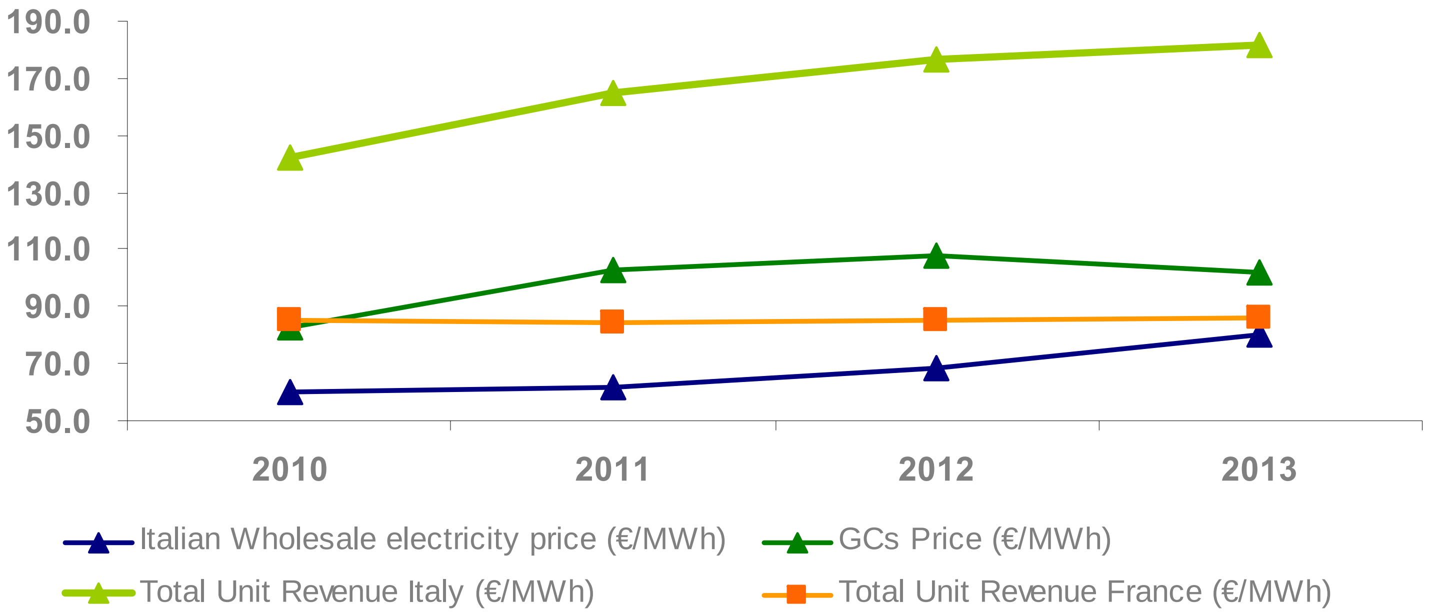
FY 2009 Revenues:at €9.3mn, down 3.5% YoY
- Electricity produced 107.6GWh, down 6.2% YoY
- Feed-in tariff: 85.7 €/MWh

FY 2009 EBITDA: at €6.6mn, down 15.5% YoY

FY 2009 EBIT: at -€0.4mn, vs. €0.9mn last year, after depreciation for €7mn

2010-2013 BUSINESS PLAN

KEY ASSUMPTIONS



Italy

- **GCs** to be sold within 1 year after producing
- **Zonal Price advantage in Sicily in the plan period**
- **Zonal price Southern Italy lower than PUN** in the plan period

France

- **Feed-in tariff:** €82/MWh inflated

HIGHLIGHTS 2010-2013

Wind Italy

- On track with the construction of 2 wind parks in Italy: strong plan visibility
- On track with the obtainment of authorization for 60MW from pipeline to be installed by 2013
- Strong effort to obtain further authorization in the plan period for at least 40MW

Wind France

- Plogastel construction on track and the finalization of the authorization process for Greneville
- Developing the business plan of Cita Wind

Defining strategy to build-up a European Portfolio

- Strong commitment to exploit growth opportunities abroad, with focus on Eastern Europe
- Business plan through the right mix of ‘buy and make’ to be defined in the course of 2010
- Strategic partnership as an option to expand in those countries

Photovoltaic

- Construction phase for the project inside ISAB Energy’s facilities in Sicily
- Seeking growth opportunities in the sector
- Remaining committed to Organic solar research

Water Services and Mini-hydro businesses

- Non core assets, to be disposed of within the end of 2010

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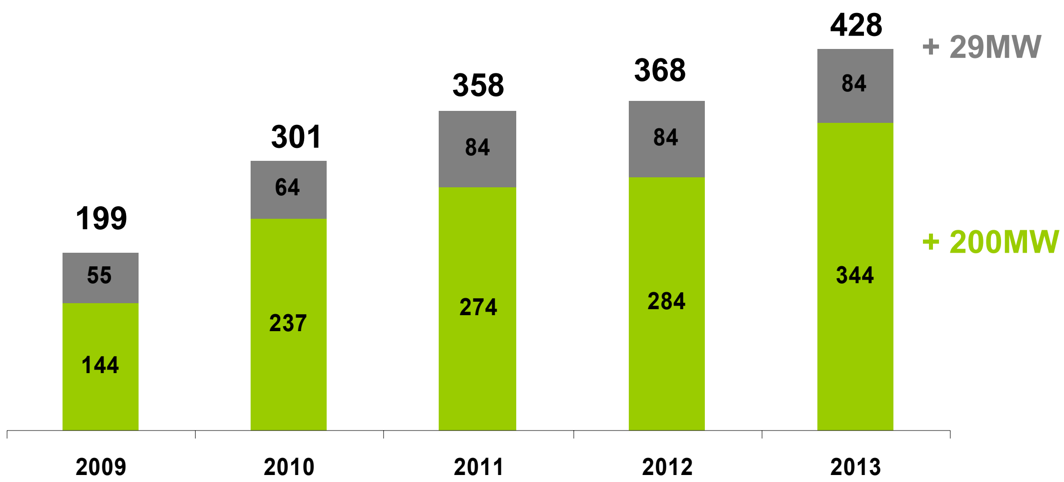
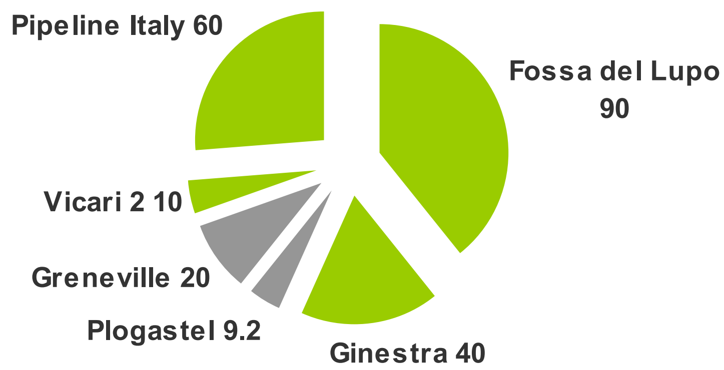
EVOLUTION OF WIND INSTALLED CAPACITY & PRODUCTION

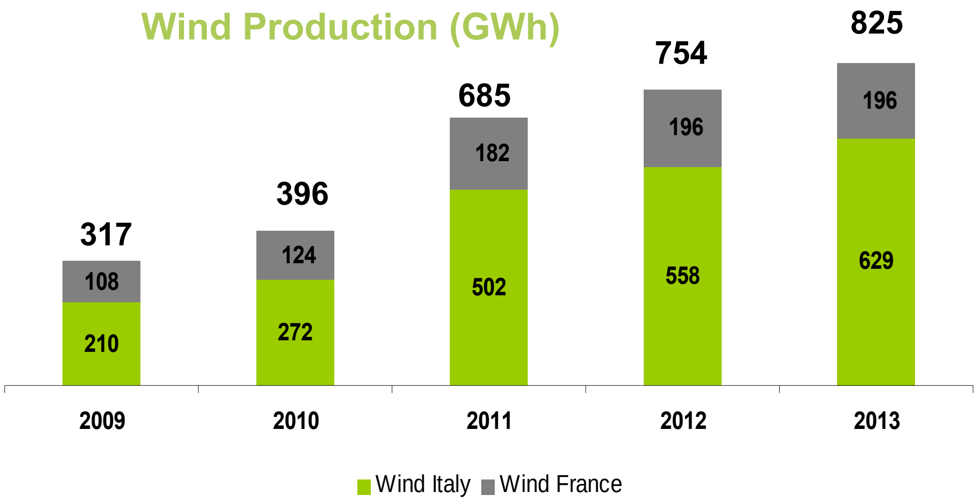
Gross Wind Installed Capacity (MW)



Additional capacity (2010–2013)

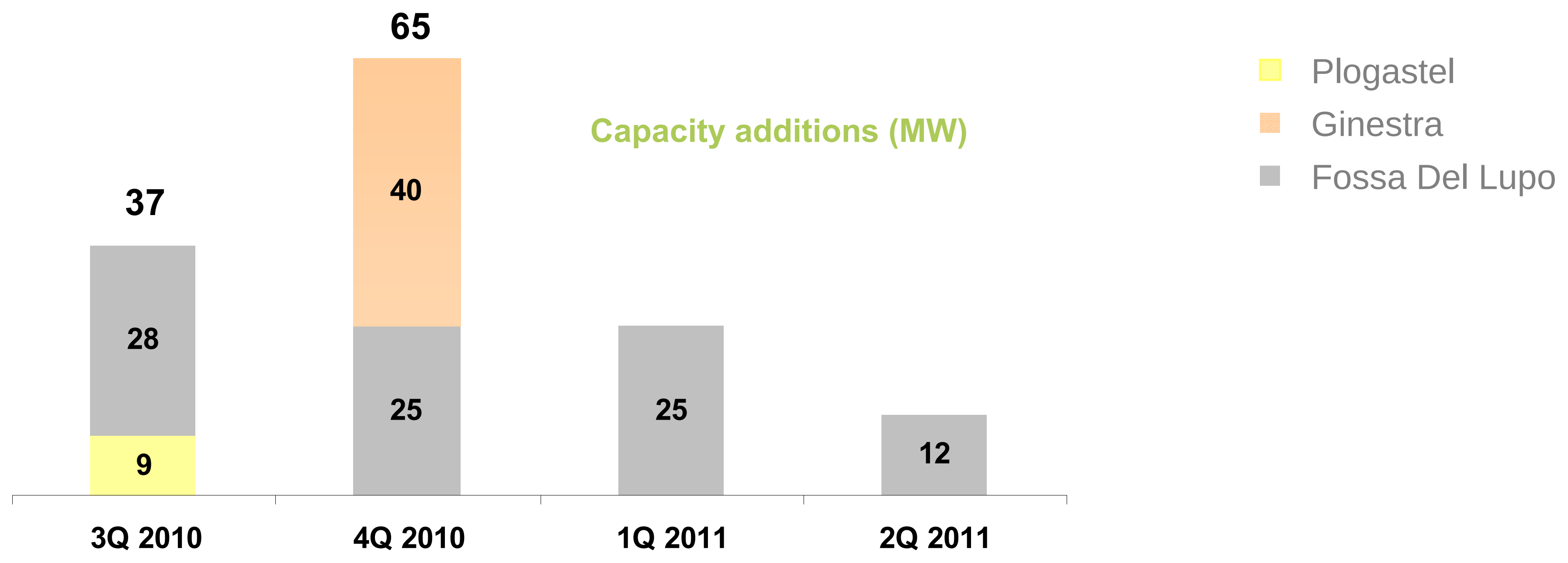


Wind Production (GWh)



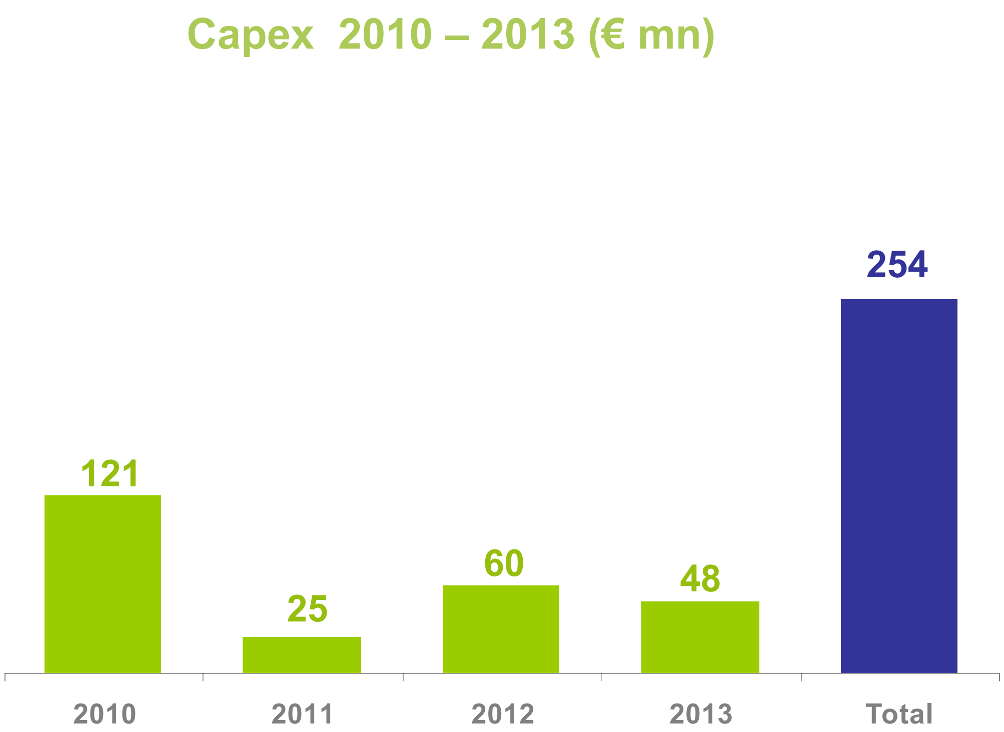
- **Italy:** Ginestra and Fossa del Lupo in construction, Vicari 2 almost authorized and pipeline Italy in an advanced stage of authorization
- **France**: Plogastel under construction and Greneville is completing the authorization process

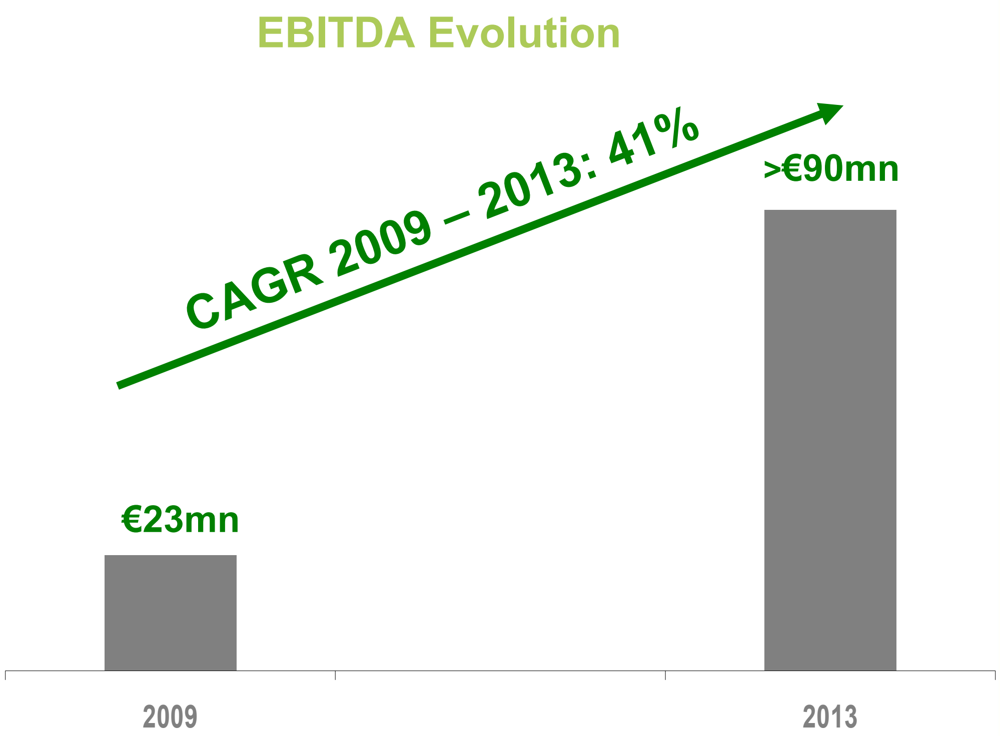
2010/2011 INSTALLED CAPACITY ADDITIONS: TIMETABLE



- Expected 102 MW to be installed by year-end, out of which 37MW in Q3 and 65MW in Q4
- Fossa Del Lupo split in four installments to be fully completed by 1H2011
- Economic contribution of 2010 capacity additions to be mostly seen as of 2011

CAPEX & EBITDA EVOLUTION





- CAPEX: €254mn financed also by the support of ERG parent company
- EBITDA: to post a 41% CAGR in the period

FINAL REMARKS

FINAL REMARKS

Wind:

- **On track to deliver 430 MW of installed capacity, 80% Italy and 20% France**
  - ✓ exploiting further growth in Italy and France leveraging on owned pipeline
- **Defining an expansion plan, on top of above targets**
  - ✓ focus on Eastern Europe, with a high potential and appealing regulatory framework
  - ✓ finding the right mix between ‘buy and make’ approach
  - ✓ partnership as a way to pursue growth in those countries

Defining the expansion in the Photovoltaic Business

- ✓ diversification in the photovoltaic electricity generation with the right critical mass
- ✓ committed to exploit M/L term potential of organic solar

Disposal of non-core assets: water services and mini-hydro

- ✓ to be disposed by year-end: mandates under assignment

Backed by ERG strong commitment to Renewables