First Half Results 2009

28 August 2009

1H 2009 RESULTS - SUMMARY

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1H 2009 MAIN FIGURES

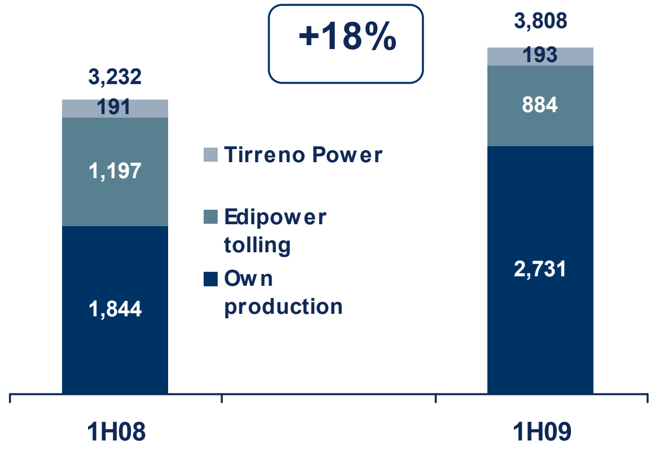
Euro million	1H09	1H08	Δ	Δ %
Revenues	1,200	1,193	*7*	*1%*
EBITDA	211	197	*14*	*7%*
EBIT	142	133	*9*	*6%*
Profit Before Taxes	91	111	*(19)*	*-18%*
Group Net Profit	37	90	*(52)*	*-58%*
Group Net Profit without one-off tax items	74	69	*6*	*8%*

1H09 KEY DRIVERS

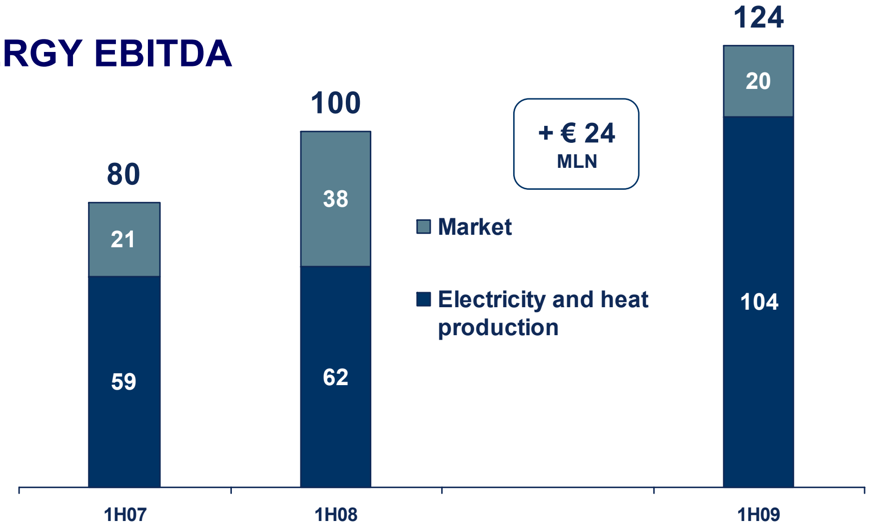
EBITDA KEY DRIVERS

- In an unfavourable scenario, IRIDE free market energy activities posted an EBITDA increase of 24% (peak among its peers), backed by an efficient asset portfolio and a stable customer base. Total production increased by 18% and electricity end users increased by 17%.
- Flat regulated energy services and water services suffered mainly due to lower volumes.
- EBITDA growth for all IRIDE Energy affiliated companies (Edipower +4%, Tirreno Power +33% and Plurigas +95%) with a further increase at profit level.

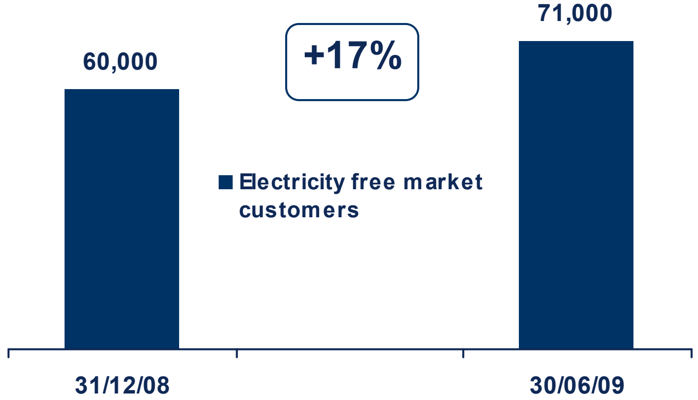
ELECTRICITY GENERATED (GWh)



ENERGY EBITDA



CUSTOMERS IN THE FREE ELECTRICITY MARKET (No)



MAIN STRATEGIC ACHIEVEMENTS

	2009 MAIN ACHIEVEMENTS	PROJECT DETAILS
 	• **Completion of authorisation process** • **Start of construction works** • **Capex reduced from € 320 mln to € 280 mln**	• Installed capacity: 400 MWe & 220 MWt • Completion of works: October 2011 • Turin volumes heated after TO Nord: 56 mln
 	• **Vessel in Dubai shipyard** • **20-year commercial agreement signed with E.On, limiting project risk** • **Positive Opinion from MSE for 100% TPA exemption**	• Regas authorized capacity: 3.75 BCM/y • Completion of works on terminal: end 2010 • 100% of regasification capacity granted by E.On under tolling agreement on a use or pay basis • Up to 1,200 MCM of gas for IRIDE
Genoa ATO **Water concession extension**	• **The Authority renewed the concession to IRIDE Acqua Gas for water services in the province of Genoa** • **Concession in force up to 2033**	• Tariff increase of 5% for the first 9 years • 7% remuneration on the invested capital • Additional margin from capex management • € 736 mln capex 2009-2033 of which € 700 mln for IRIDE Group

OLT - Offshore LNG Toscana

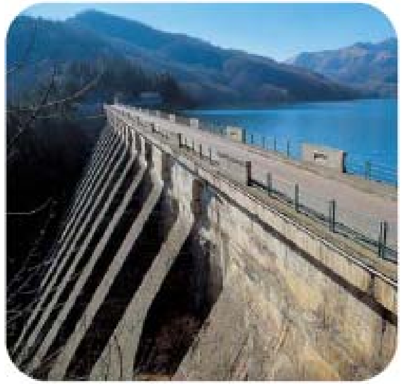
- In May 2009 IRIDE Mercato, E.ON Ruhrgas and E.ON Europa entered into a MoU relating to OLT (46.79% E.On Europa and 46.79% IRIDE Group through IRIDE Mercato and ASA Livorno).
- In the event the TPA exemption is granted by the Ministry of Economic Development (MSE), E.ON Ruhrgas will initially book the full exempted regasification capacity of the terminal over 20 years (the useful life of the terminal), on a take or pay basis at a tariff based on AEEG Resolution No. 92/08.
- IRIDE will enter into a gas supply agreement with E.ON Ruhrgas which, under certain conditions, will secure IRIDE up to 1.2 BCM/y of gas.
- The terminal is intended to be financed using limited recourse financing and, in the event of successful agreement, a minority stake in OLT could be sold to an Infrastructural Fund.

OLT KEY FIGURES

- Project Cost: € 680 mln for 100% of the plant
- Authorised Capacity: 3.75 BCM.
- Low environmental impact: 12 miles from the coast.
- Start of operation: 2011
- LNG Storage: 4 spherical Moss-type tanks, total capacity 138,000 m^3 at -163°C
- LNG Transfer: LNG loading will occur by direct transfer from LNG carriers moored alongside the LNG receiving terminal

Genoa ATO

- In August 2009 the Genoa ATO granted IRIDE Acqua Gas the concession to operate the water services in the Province of Genoa up to 2033.
- This achievement will enable IRIDE to improve the water services in Genoa within a stable regulatory framework.
- IRIDE will benefit from the remuneration on net invested capital according to present regulations and from project management activities linked to the investment cycle.
- The tariff increase will be able to offset decreasing volumes recorded during 2009.

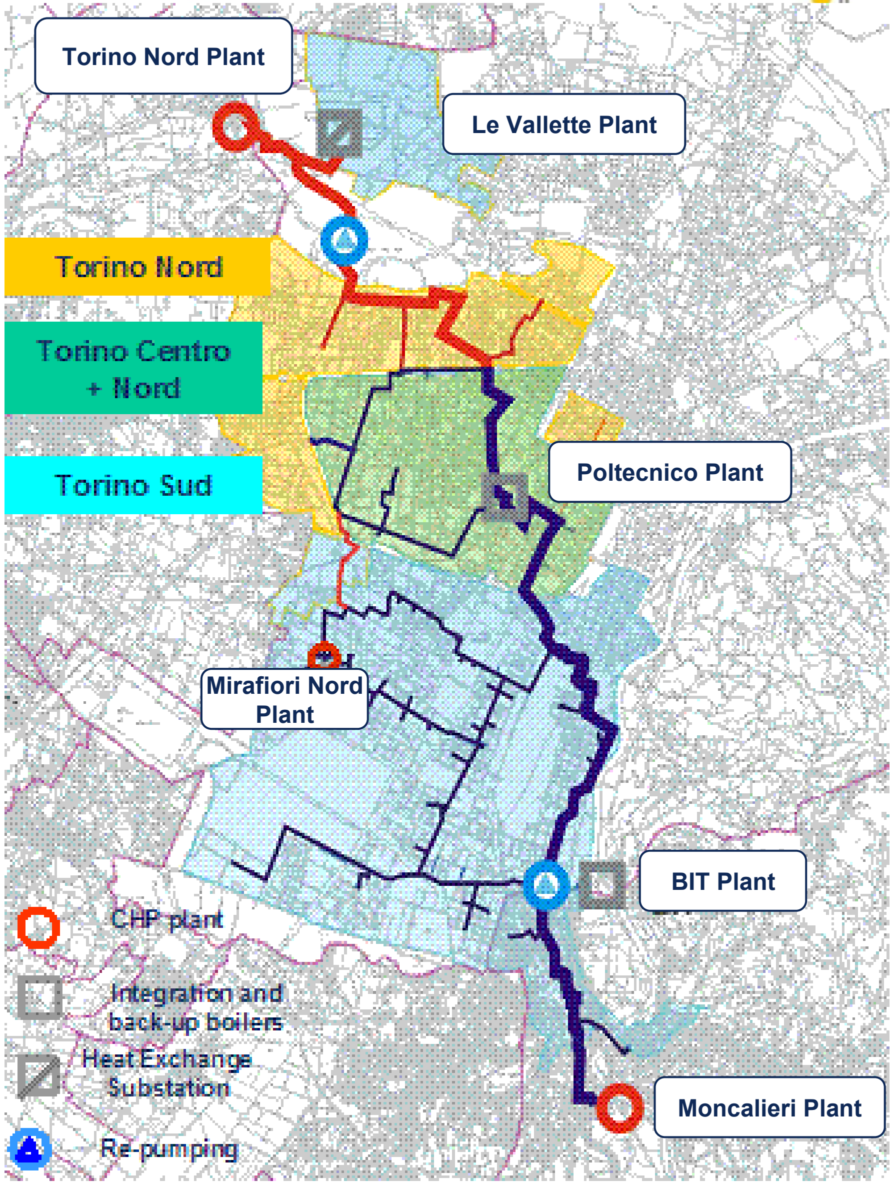


GENOA ATO KEY FIGURES

- € 736 mln capex 2009-2033 of which about € 700 mln for the IRIDE Group
- €24 mln of public funding for capex in the first 5 years
- Tariff increase of 5% for the first 9 years
- 7% remuneration on the invested capital
- Additional margin from capex management

TORINO NORD

- CHP plant and DH network fully authorised and plant under construction.
- Efficiency in CHP mode up to 85%
- Energy savings: 100,000 PET/year
- CO^2 emissions avoided: 300,000 tonnes/year



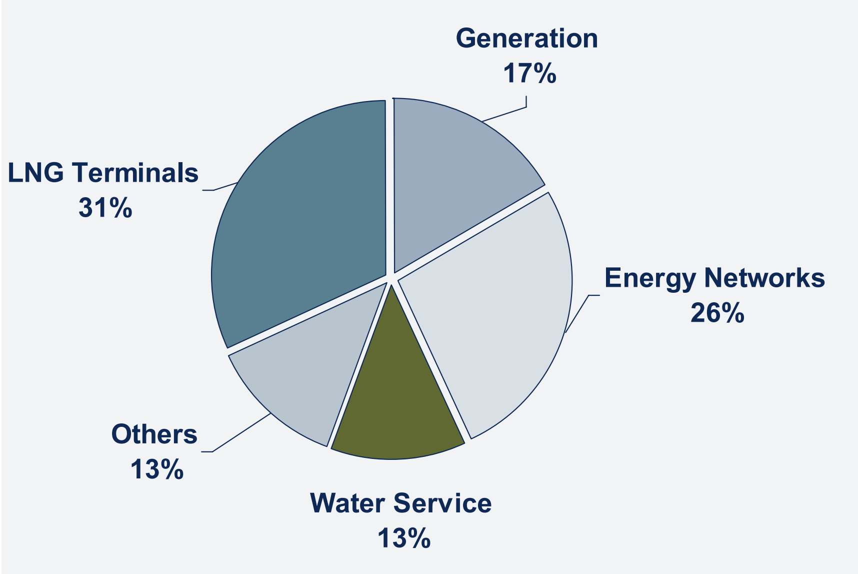
TORINO NORD PLANT KEY FIGURES

- Capex: € 280 mln for the plant and 3 boilers, and € 90 mln for the DH network (IRIDE stake)
- Electrical capacity: 390 MW
- Thermal capacity: 220 MW
- Start of operation: October 2011
- Expected electricity production: over 2,000 GWh/y
- Expected thermal production: 800 GWh/y (88% from CHP, 12% from integration and back-up boilers)
- Additional volumes heated 15 mln m^2

1H09 CAPEX

1H09 capital expenditures of € 120 mln

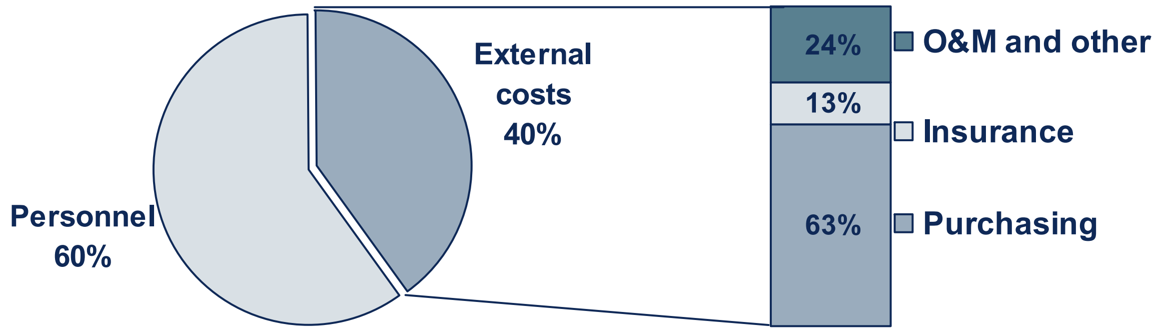
- ***Valle Orco repowering***
  - Bardonetto and Villa plants: at 100% of total works
  - Rosone plant: at 40% of total works; 2 out of 4 units already repowered; repowering to be completed in October 2010
  - Telessio plant: at 8%of total works; repowering to be completed in December 2010
- ***Livorno OLT - Offshore LNG Terminal***:
  - works at more than 30% (excluding vessel purchase)
  - vessel in Dubai shipyard
- ***Electricity distribution - electronic meters***
  - replacement at 72%
  - 90% of the new meters already integrated into the remote meter reading system
- ***Water network***
  - capex increased by 21%
- ***Torino Nord CHP plant***: works entrusted in July and construction site opened on 24 August



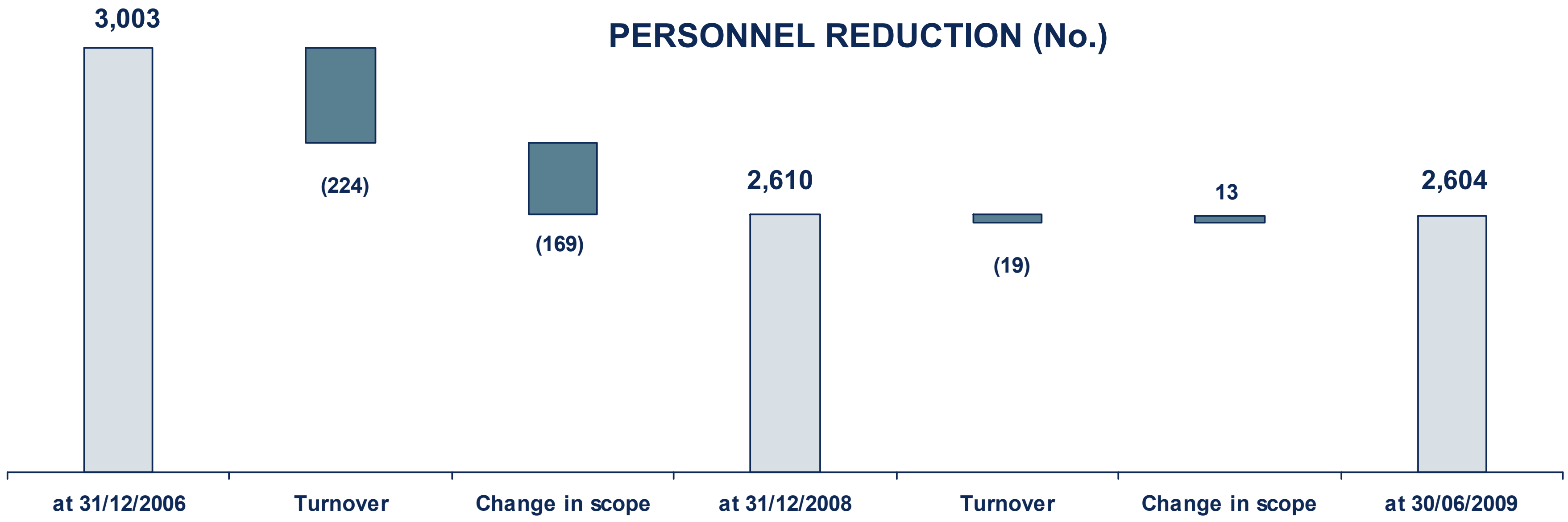
SYNERGIES

- In line with the plan for targeted synergies, in terms of early retirement and internal reorganization, as well as external cost cutting
- Synergies achieved: over € 20 mln on annual basis

1H 2009 Synergies: € 10 mln

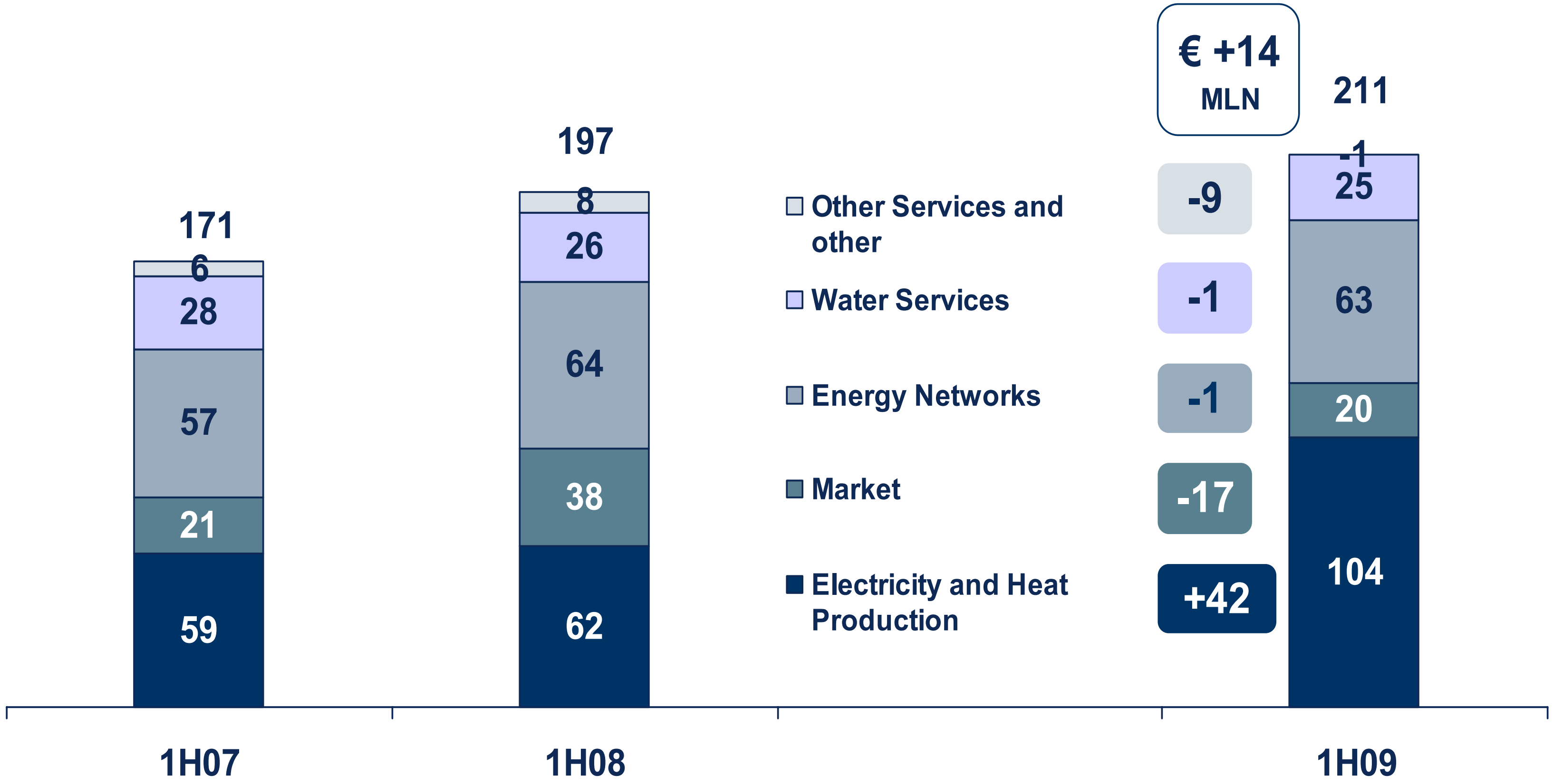


PERSONNEL REDUCTION (No.)



1H 2009 EBITDA BREAKDOWN

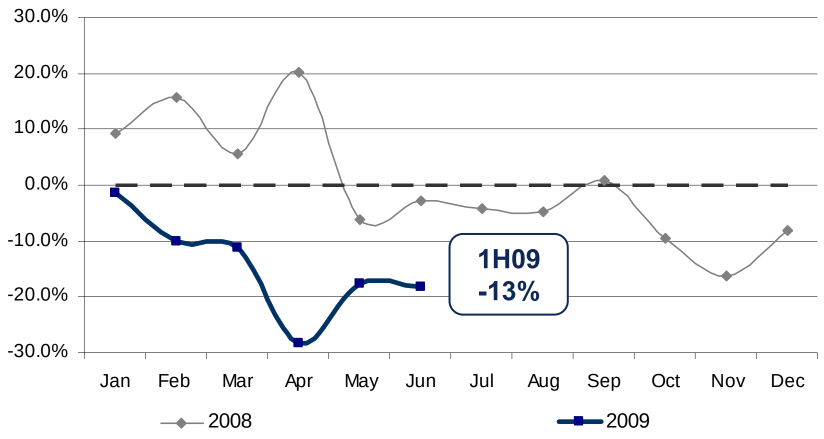
- Strong performance of electricity and heat production from own plants overcame the weak market scenario
- Stable margins achieved in regulated activities, though they were affected by the change in distribution of revenues during the period for the gas networks and lower volumes in water services



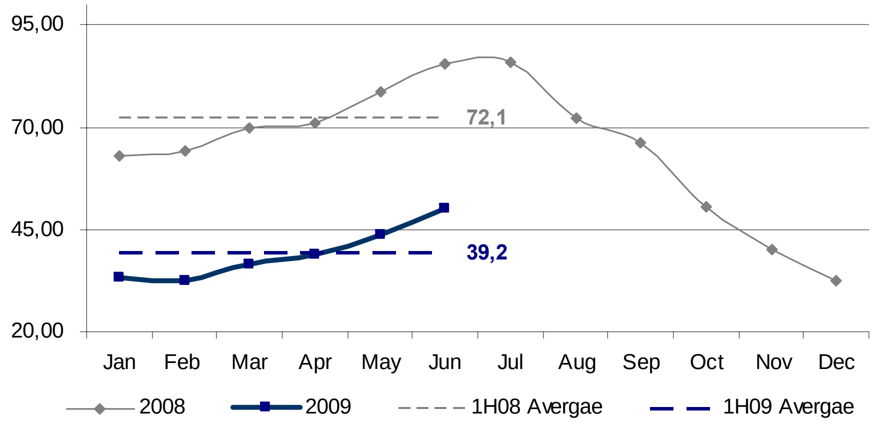
1H 2009 OIL AND GAS SCENARIO

- In 1H09 Italian gas demand dropped by 13% for industrial and thermoelectric consumptions, while civil uses were steady
- Average Brent price was 53 $/bbl (-52%) and 40 €/bbl (-45%)
- High volatility of EUR/USD exchange rate and of oil prices affected short-term gas margins

MONTHLY CHANGE IN ITALIAN GAS DEMAND

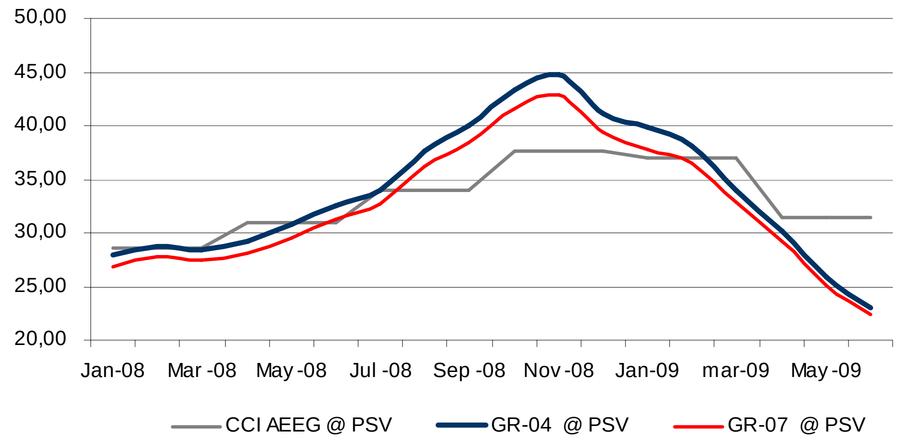


Brent Price (€/bbl)



EUR/USD Exchange rate for the previous month

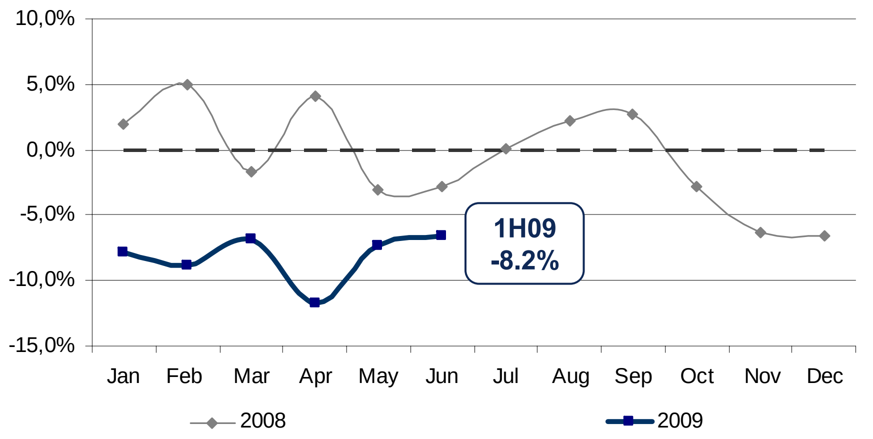
Gas prices (€cent/s m²)



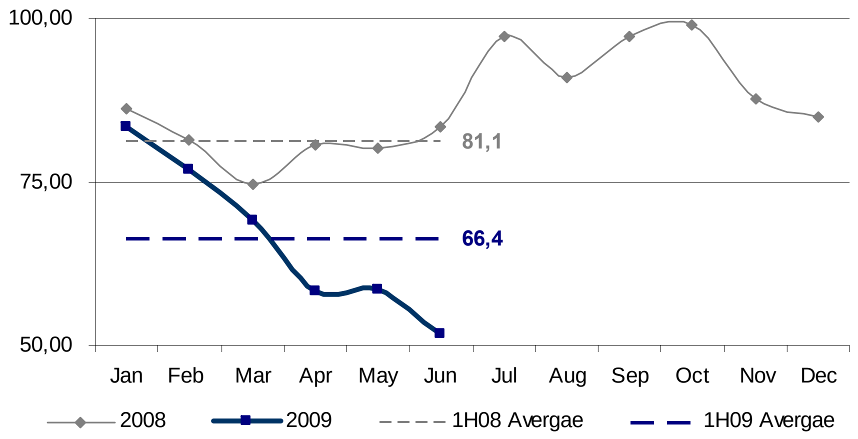
1H 2009 ELECTRICITY SCENARIO

- In 1H09 Italian Electricity demand dropped by 8.2%
- Electricity production dropped by 11.9% driven by thermoelectric production (-20.1%) and despite an increase in hydroelectric production (+34.6%)
- Average electricity Pool price was € 66.4 MWh (-18%)
- Heavy reduction in spark spreads from Pool Prices
- Average GC price was € 90 MWh (+11%)

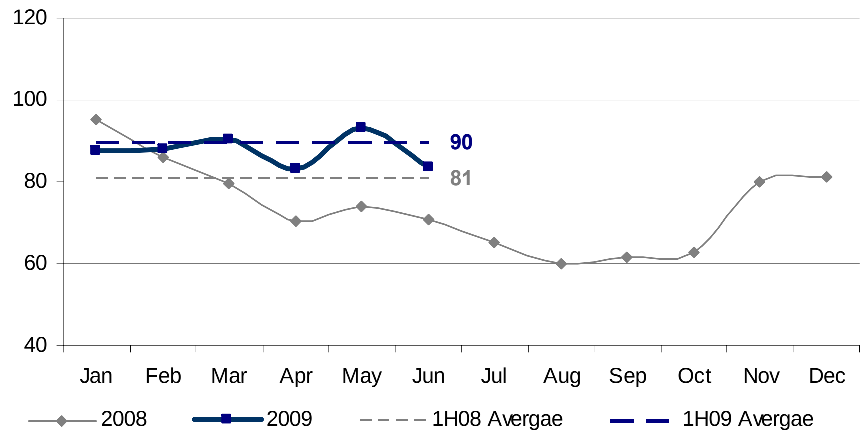
MONTHLY CHANGE IN ITALIAN ELECTRICITY DEMAND



ITALIAN POOL PRICE



GREEN CERTIFICATE PRICE (€/MWH)



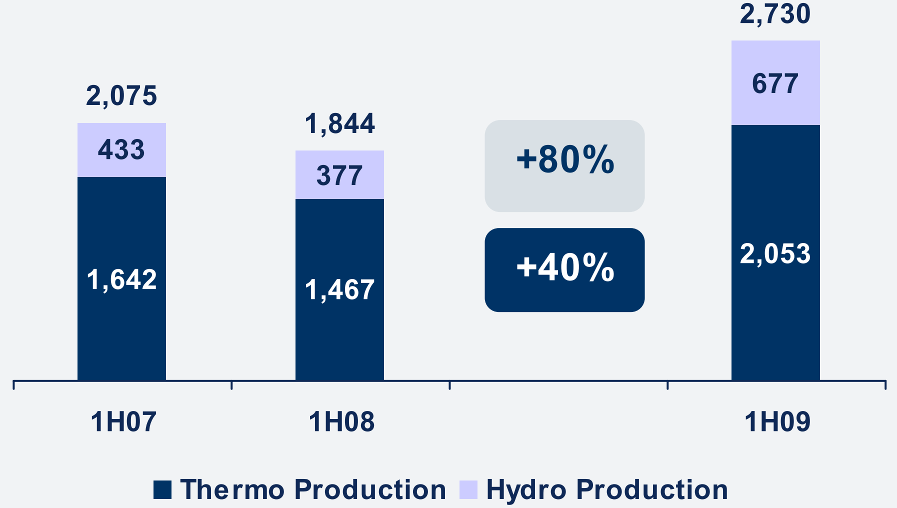
GENERATION OF ELECTRICITY AND HEAT

1H09 vs 1H08

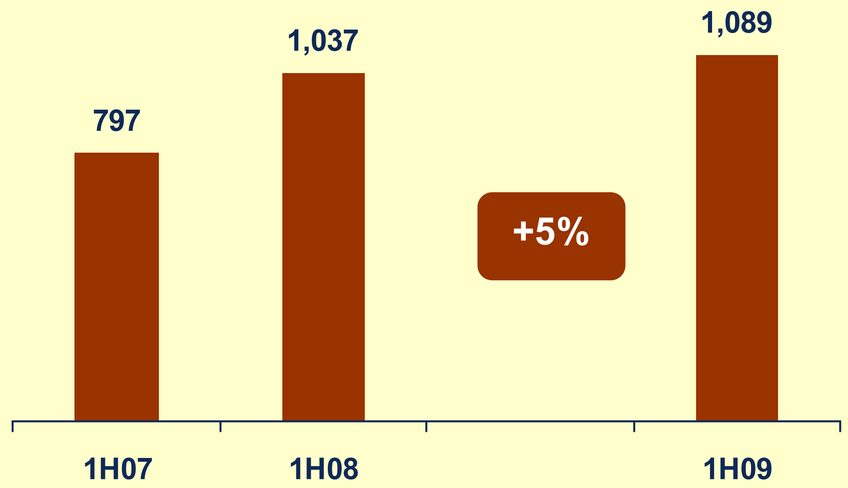
- ⇧ Additional production from Moncalieri GT2
- ⇔ Stable production from existing thermo plants during winter season
- ⇧ Higher availability of hydro plants (Pont Ventoux and Valle Orco) and higher rainfalls
- ⇩ Lower electricity price
- ⇧ Higher margin on heat sales
- ⇩ One-off net liabilities for € 9 mln relating to items of previous years

	1H09	1H08	Δ €MLN	Δ%
Revenues	372	253	+119	47%
EBITDA	104	62	+42	68%
EBIT	76	41	+35	85%

ELECTRICITY PRODUCTION (GWh)



HEAT PRODUCTION (GWh)



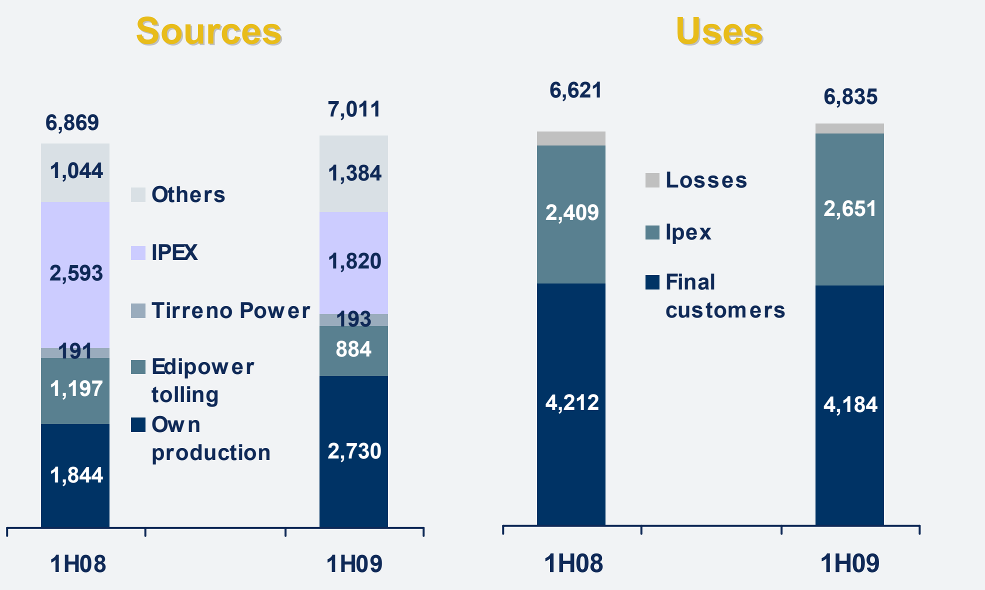
MARKET

1H09 vs. 1H08

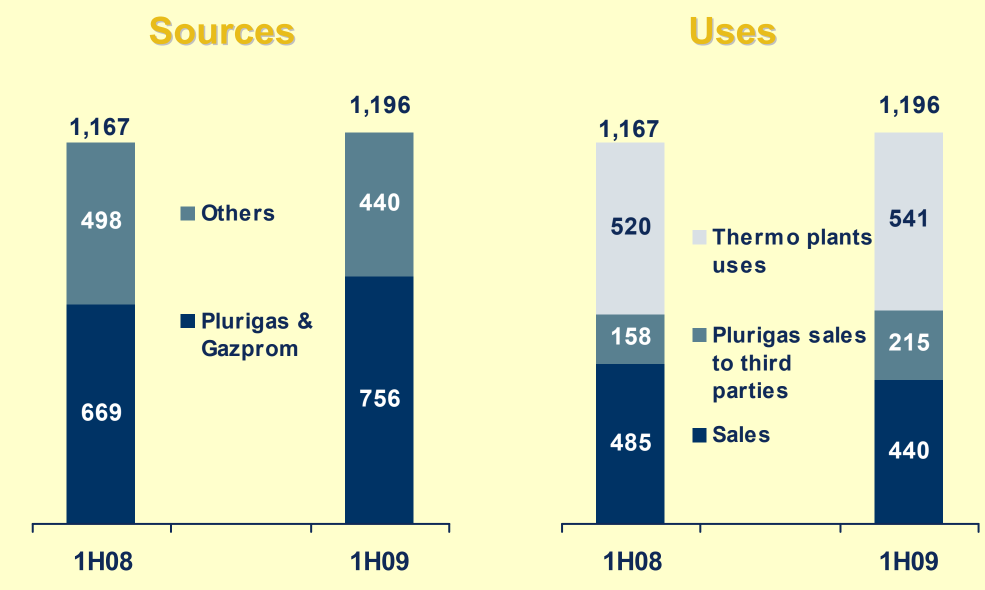
- Demand reduction squeezed margins and volume of electricity produced by Edipower plants
- € 8 mln in profits due to energy derivatives recorded in 1H08 which were absorbed by year-end
- One-off liabilities of € 4 mln relating to items of previous years
- Strong results for Plurigas, equity consolidated

	1H09	1H08	Δ €MLN	Δ%
Revenues	**1.219**	**1.180**	**+39**	**3%**
EBITDA	**20**	**38**	**(17)**	**-46%**
gas and heat	14	15	(2)	-12%
electricity	7	22	(15)	-69%
EBIT	**14**	**34**	**(20)**	**-59%**

ELECTRICITY PORTFOLIO (GWh)



GAS PORTFOLIO (GWh)

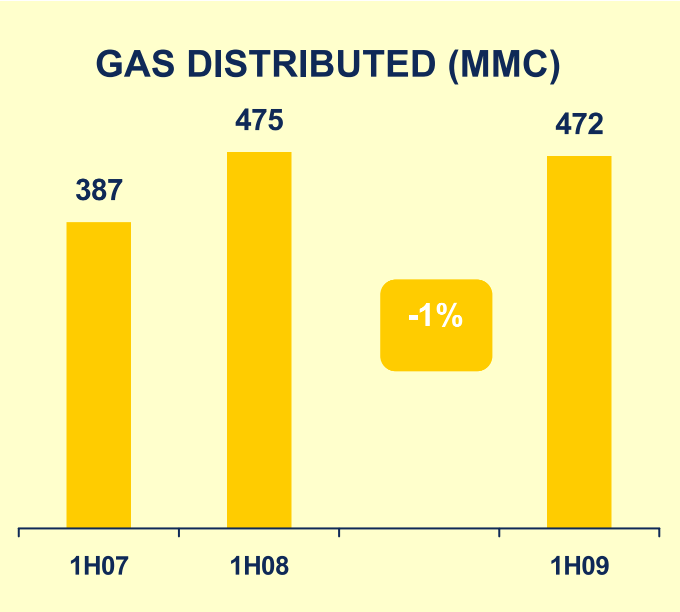


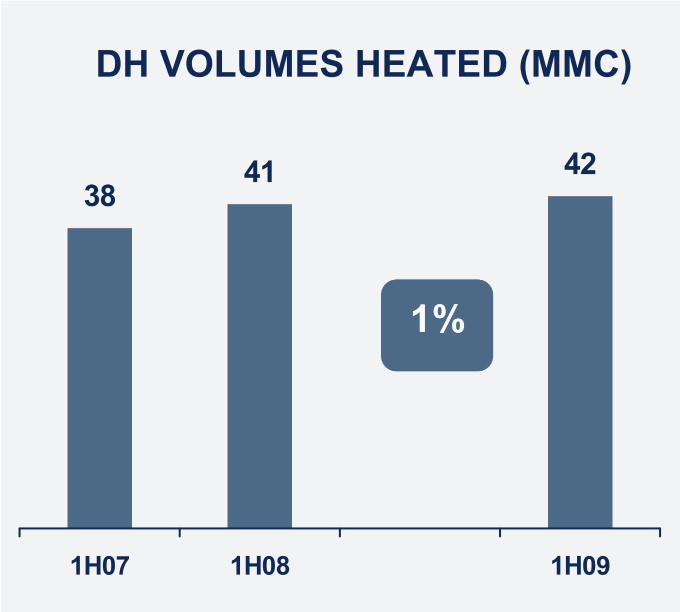
ENERGY NETWORKS

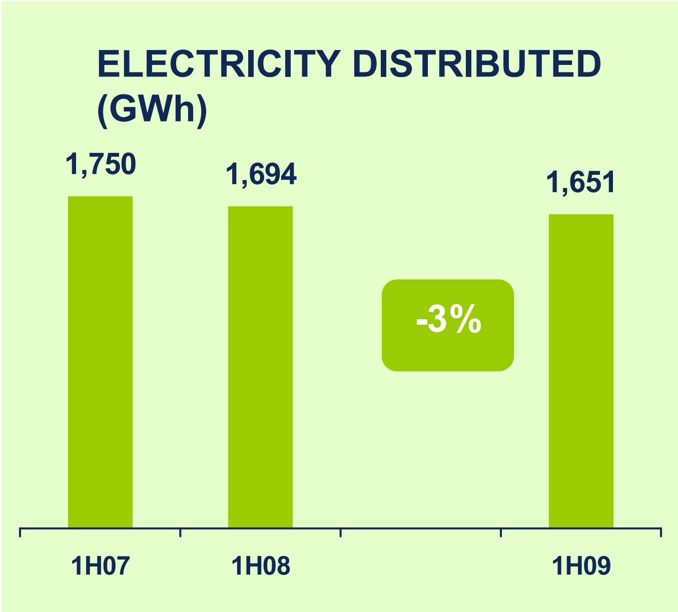
1H09 vs. 1H08

- Efficiencies enabled an increase in margins of electricity networks (+7%) despite lower volumes (-3%)
- New accounting method for revenues affected Gas and DH networks by € 1 mln with a recovery by year-end
- AES Torino: new tariffs will be applied as from 2H09 and are expected to be in line with the previous regulatory period

	1H09	1H08	Δ €MLN	Δ%
Revenues	118	119	(1)	-1%
EBITDA	63	64	(1)	-1%
gas and DH	37	39	(2)	-6%
electricity	26	25	+2	7%
EBIT	42	37	+5	12%







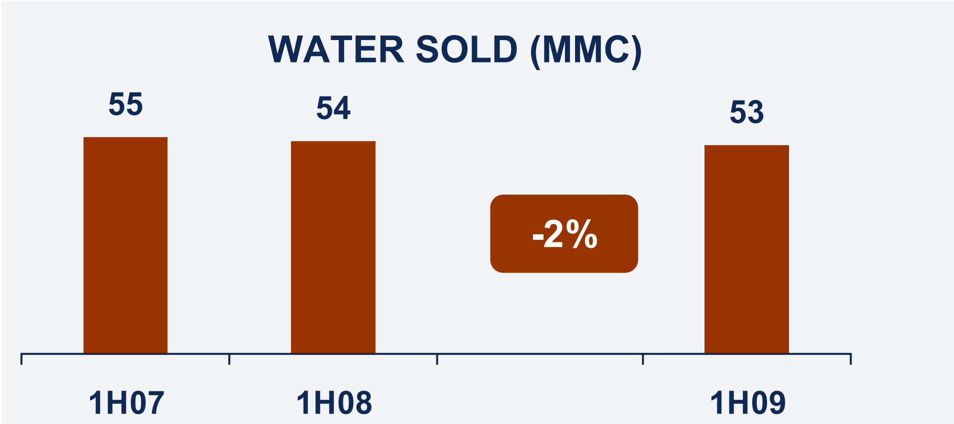
WATER SERVICES AND OTHER SERVICES

WATER SERVICES

- Lower volumes sold by Mediterranea delle Acque (-3%), equal to a decrease of € -2.9 mln in revenues
- Such reduction has been partially compensated by efficiencies and works for third parties (€ +1.2 mln)

Stable tariff in Genoa ATO in the period before concession renewal obtained on 11 August 2009

	1H09	1H08	Δ €MLN	Δ%
Revenues	76	77	(1)	-1%
EBITDA	25	26	(2)	-6%
EBIT	12	15	(3)	-17%



SERVICES AND OTHER

- Stable performance of IRIDE Servizi
- One-off € 4.5 mln in costs of the Holding company for IRIDE-ENIA merger and an additional € 4 mln for consolidation adjustments

	1H09	1H08	Δ €MLN	Δ%
Revenues	46	49	(3)	-7%
EBITDA	-1	8	(9)	-112%
EBIT	-2	6	(9)	-134%

FROM EBITDA TO NET PROFIT

	1H09	1H08	Δ MLN €	Δ %
EBITDA	211	197	14	7%
D&A - Accruals	(69)	(64)	(5)	8%
EBIT	142	133	9	6%
Fin. exp.	(53)	(24)	(28)	>100%
P&L of associates and write-off	2	2	0	14%
PBT	91	111	(19)	(18)%
Taxes	(52)	(18)	(34)	>100%
Net Profit from Ongoing Operations	39	93	(53)	(58)%
Profit from Discontinued Op.	-	0.2	(0.2)	(100)%
Net Profit	39	93	(54)	(58)%
Group Net Profit	37	90	(52)	(58)%

- Increase in D&A for Moncalieri GT2 and Pont Ventoux
- Increase in bad debt provision

- Of which € 30 mln for the tax moratorium

- Of which € 7 mln for the tax moratorium (net of tax shield on interest).
- 2008 figures included € 21 mln for the release of deferred taxes

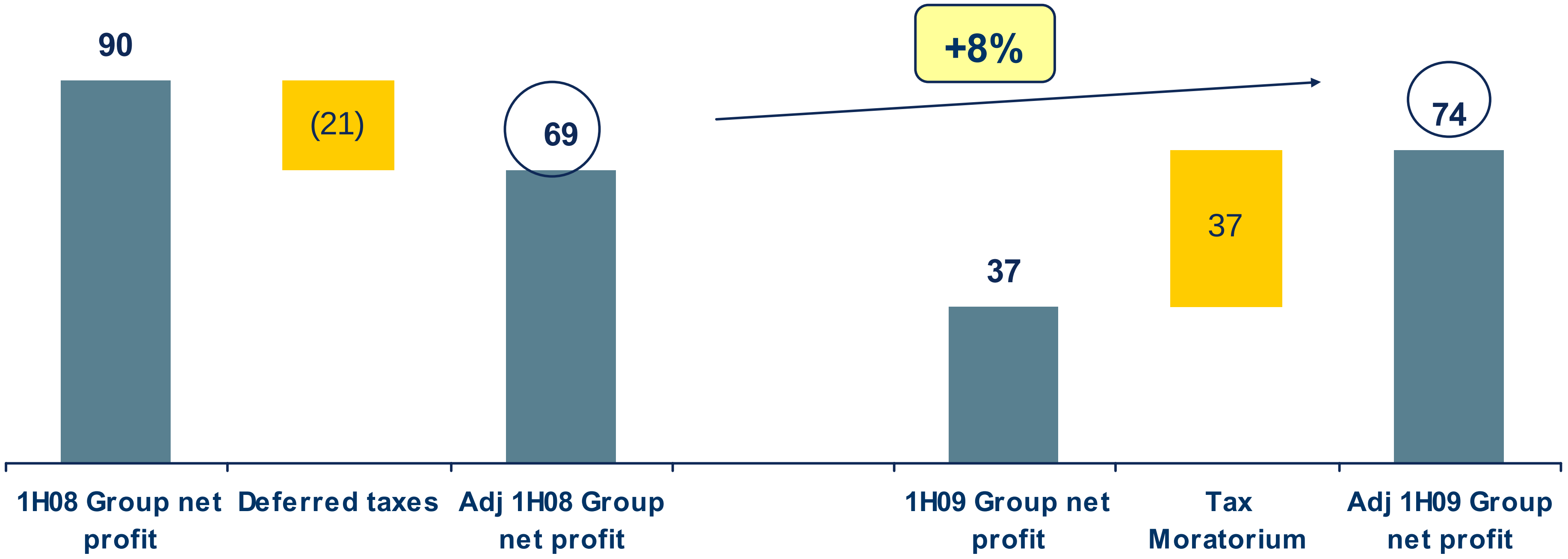
- Change in one-off tax items (€ 58 mln):
  - 1H09: € -37 mln (tax moratorium)
  - 1H08: € +21 mln (deferred tax issue)

NET PROFIT AND EXTRAORDINARY TAX ITEMS

- Change in net profit has been affected by one-off tax items
  - € 37 €mln in costs for tax moratorium in 1H09
  - € 21 mln in profit for issue of deferred tax net of the substitute tax in 1H08
- Net of extraordinary tax items, Group net profit grew by 8%

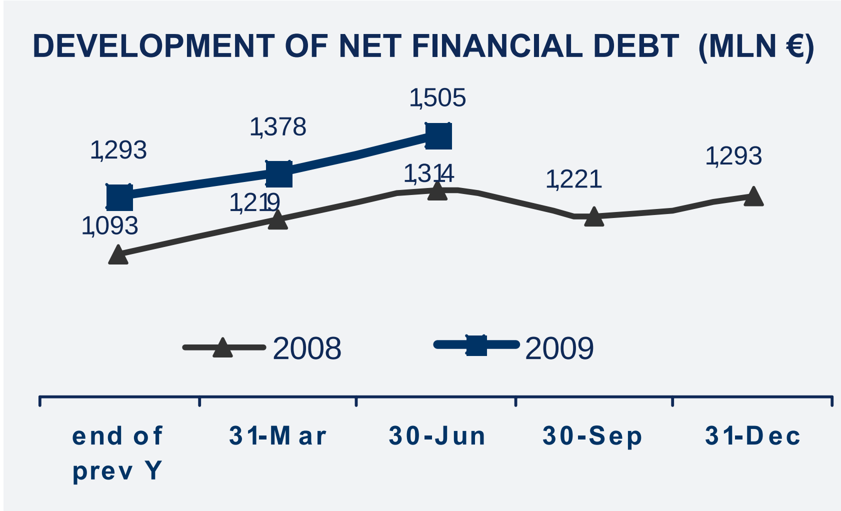
	One-off tax effect (Mln €)	*1H*	*FY*
2008	Deferred tax	+21	+21
	Moratorium		-15
	Total one-off tax effect	**+21**	**+6**
2009	Deferred tax	-	- (*)
	Moratorium	-37	-37
	Total one-off tax effect	**-37**	**-37 (*)**

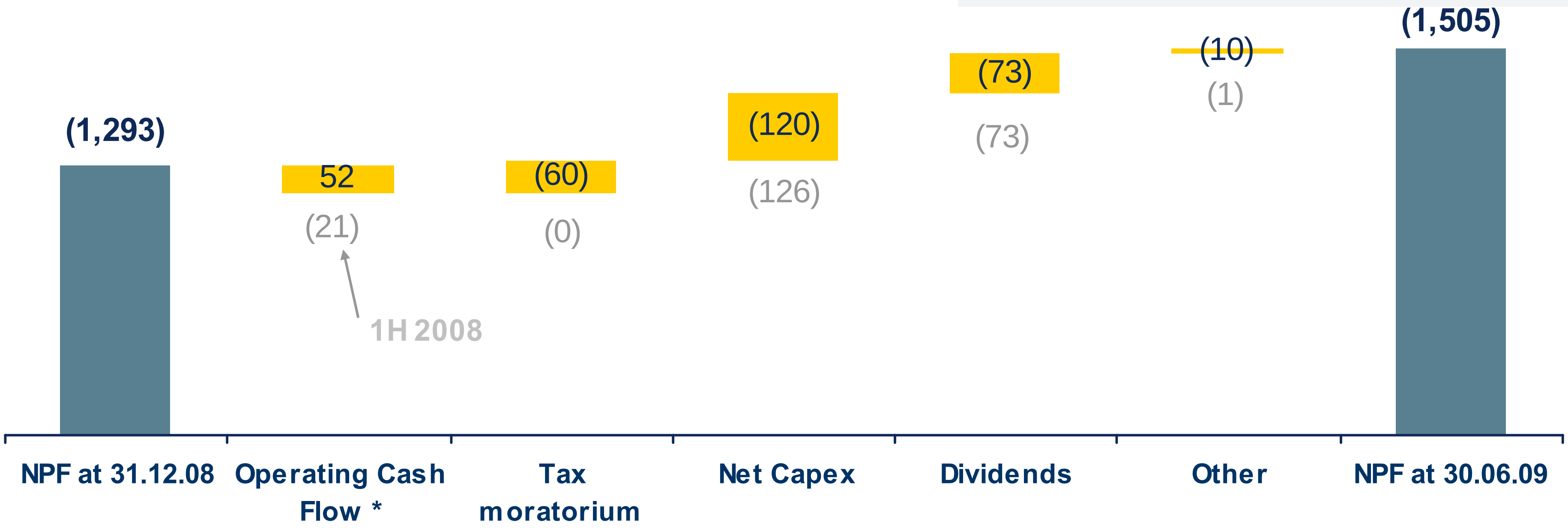
*In 2009 no extraordinary deferred tax is expected



1H09 FINANCIALS

- Average cost of debt: 3.25% (4.5% in 1H08)
- Floating Interest Rate Debt: 26%
- New financing in the first half: € 130 mln





* Net of tax moratorium payment

Annexes

RECLASSIFIED PROFIT AND LOSS ACCOUNT

2008	IRIDE GROUP - P&L	1H 09	1H 08	var %
2.482	**Consolidated Revenue**	**1.200**	**1.193**	**0,6**
(2.118)	Operating costs	(990)	(996)	(0,6)
(1.980)	-External expenseses	(917)	(925)	(0,9)
(138)	-Personnel expense	(72)	(71)	2,5
364	**EBITDA**	**211**	**197**	**6,9**
(138)	Depreciation, amortisation and provisions	(69)	(64)	8,0
226	**EBIT**	**142**	**133**	**6,4**
(51)	Total financial income/(expense)	(53)	(24)	(*)
6	Profit/(loss) of associates and write-off	2	2	14,1
181	**Profit/(loss) before tax**	**91**	**111**	**(17,5)**
(66)	Income tax expense	(52)	(18)	(*)
114	**Profit/(loss) for the period from continuing operations**	**39**	**93**	**(57,5)**
0,4	Profit/(loss) for the period from discontinued operations	-	0	(100,0)
115	**Profit/(loss) for the period**	**39**	**93**	**(57,6)**
111	- Consolidated profit/(loss) for the period	37	90	(58,4)
3	-Profit attributable to minority interest	2	3	(36,6)

RECLASSIFIED BALANCE SHEET

1H 08	IRIDE GROUP - BS	1H 09	2008	var %
2,537	Non-current assets	2,754	2,692	2.3
12	Other non-current assets (liabilities)	12	14	(15.4)
408	Net working capital	361	232	56.0
(67)	Deferred tax assets (liabilities)	(55)	(30)	82.1
(148)	Provisions and benefits	(162)	(160)	1.5
11	Assets (liabilities) held for sale	11	6	(*)
2,753	**Net invested capital**	**2,921**	**2,753**	**6.1**
1,439	**Equity**	**1,417**	**1,460**	**(3.0)**
1,001	Medium and long-term net financial indebtedness	784	731	7.2
312	Short-term net financial indebtedness	720	562	28.2
1,314	**Net financial indebtedness**	**1,505**	**1,293**	**16.3**
2,753	**Own funds and net financial indebtedness**	**2,921**	**2,753**	**6.1**

CASH FLOW STATEMENT

IRIDE GROUP - CF	1H 09	1H 08	var %
A. Opening cash and cash equivalents	**72**	**27**	***(*)***
B. Cash flow from operating activities	**(8)**	**(21)**	***(60)***
-Profit/(loss) for the period/year	39	93	*(58)*
- Total adjustments: amortisation, depreciation, net provisions and impairment losses on investments	55	27	*(*)*
- Profit from discontinued operations	-	(0)	*(100)*
- Variation in deferred tax liabilities and non-current assets (liabilities)	27	(11)	*(*)*
- Total variation in net working capital	(130)	(129)	*0*
C. Cash flows used in investment activities	**(120)**	**(126)**	***(5)***
- Total investments	(124)	(138)	*(10)*
- Proceeds from the sale of investments and transfer of discontinued operations net of transfered cash flows ; changes in consolidation scope; assets held for sale	4	7	*(43)*
- Other variations in financial and non-current assets	0	5	*(96)*
D. Free cash flow (B+C)	**(129)**	**(147)**	***(13)***
E. Total cash flow from financing activities	**77**	**172**	***(55)***
- Distribution of dividends	(73)	(73)	*(1)*
- Share capital increase	-	2	*(100)*
- Other changes in equity	(10)	(3)	*(*)*
- Variation in financial payables (receivables)	70	154	*(54)*
- New loans	130	122	*7*
- Repayment of loans	(40)	(31)	*31*
F. Cash flow for the period/year (D+E)	**(51)**	**24**	***(*)***
G. Closing cash and cash equivalents (A+F)	**21**	**52**	***(59)***

Disclaimer

The Manager in charge of drawing up the corporate accounting documents and the Chief Financial Officer of IRIDE S.p.A., Mr. Massimo Levrino, hereby declares, pursuant to paragraph 2 of article 154 bis of the Consolidated Finance Act (Legislative Decree No 58/1998), that the accounting information contained in this presentation is consistent with the accounting documents, records and books.

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Notice is also given that projected data are valid only on the date they are produced. Except for those cases in which the applicable statutes require otherwise, IRIDE assumes no obligation to provide updates of the abovementioned estimates and projected data.