



**2006 Results
and
2007-2011 Strategic Guidelines**

Investor Presentation

Milan, 5 April 2007

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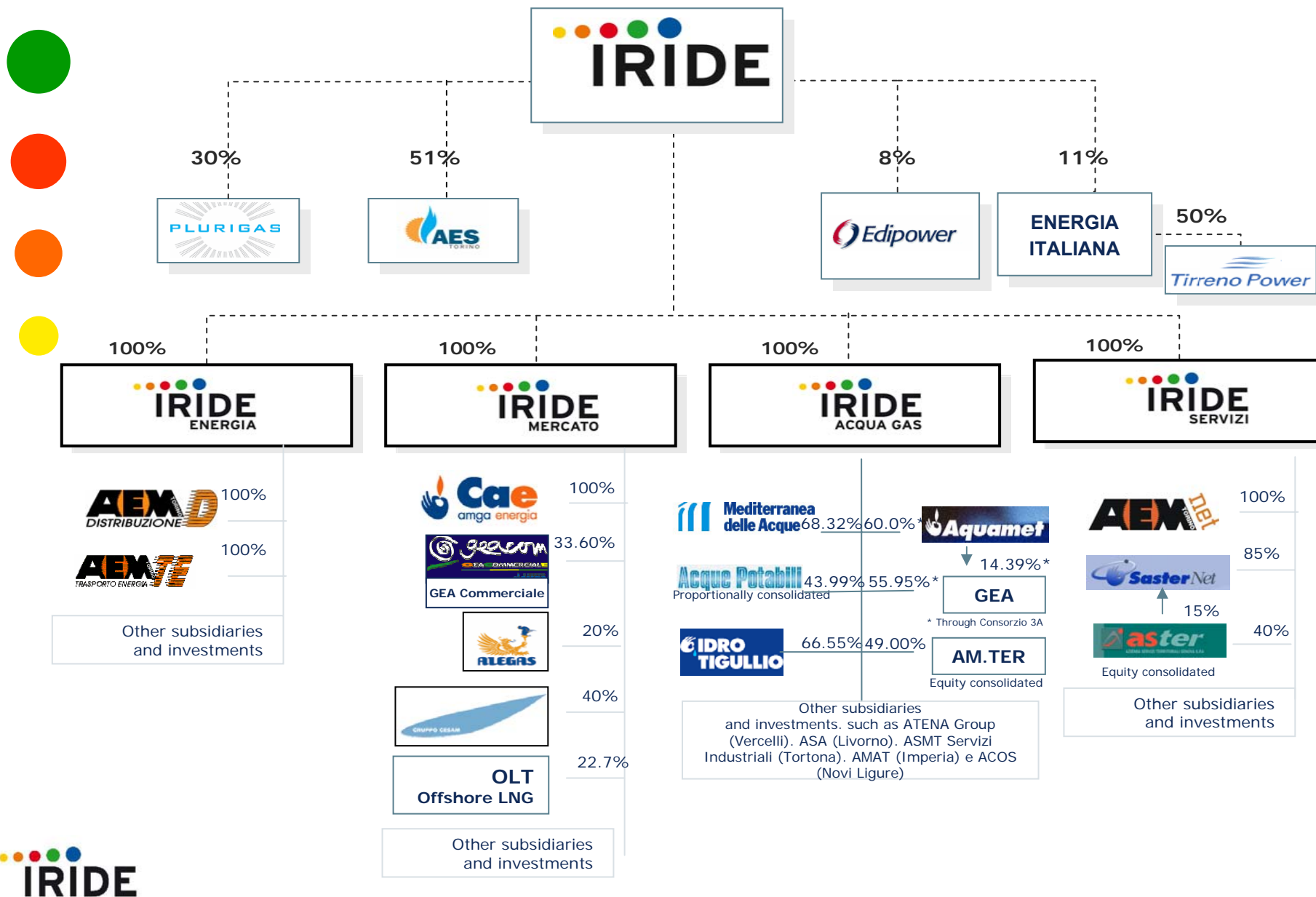
- 2007-2011 Investment Plan
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Iride at a glance



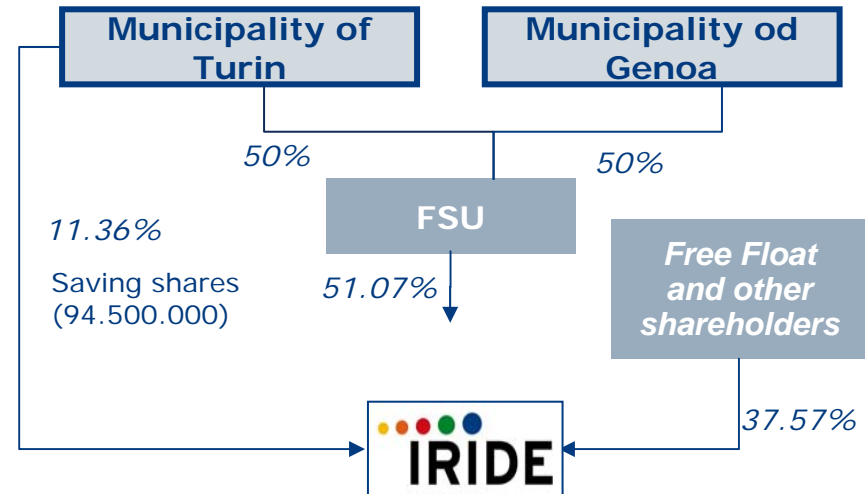
IRIDE GROUP STRUCTURE



Shareholder structure (fully diluted after total warrants exercise)

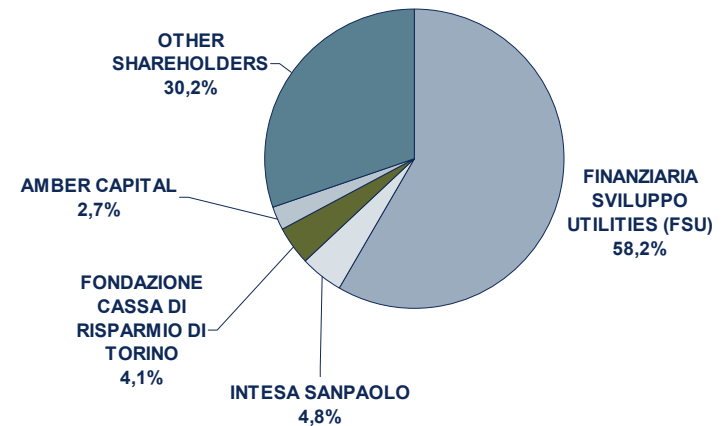
Each of the Municipalities holds a 50% stake in the financial holding company, which has a 51% fully-diluted stake in the listed company IRIDE.

Warrants still to be exercised are 14.2 millions corresponding to 7.1 millions of ordinary shares, correspond to 0,86% of current share capital and are included in the “Free float and other shareholders”



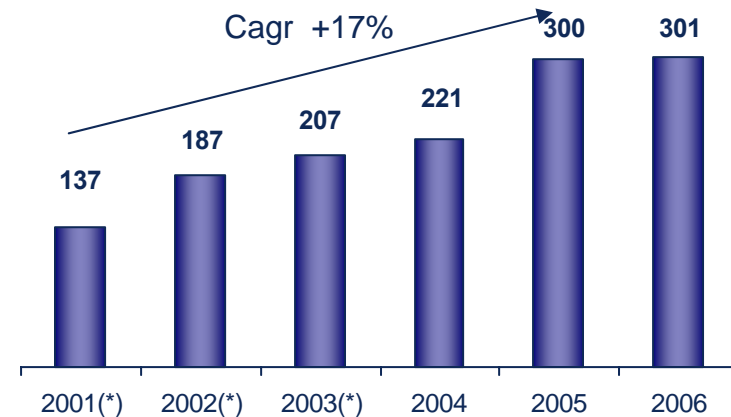
Voting Shareholders (% on ordinary share capital)

The remaining 11.4% stake held directly by the Municipality of Turin in the new listed Group has been converted from ordinary to saving shares without voting rights and with same financial rights of ordinary shares.



EBITDA grew from 137 to 301 € Mln

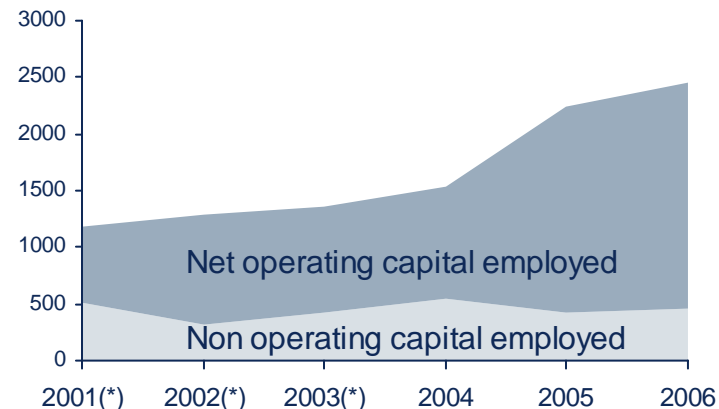
EBITDA more than doubled from 2001 to 2006 thanks to a significant investment plan made of internally developed projects (57%) and acquisitions (43%) both in generation and regulated business.



19% of Net Capital Employed related to ongoing projects

The contribution of past investments in terms of economic margins has not been fully reflected in 2006 earnings:

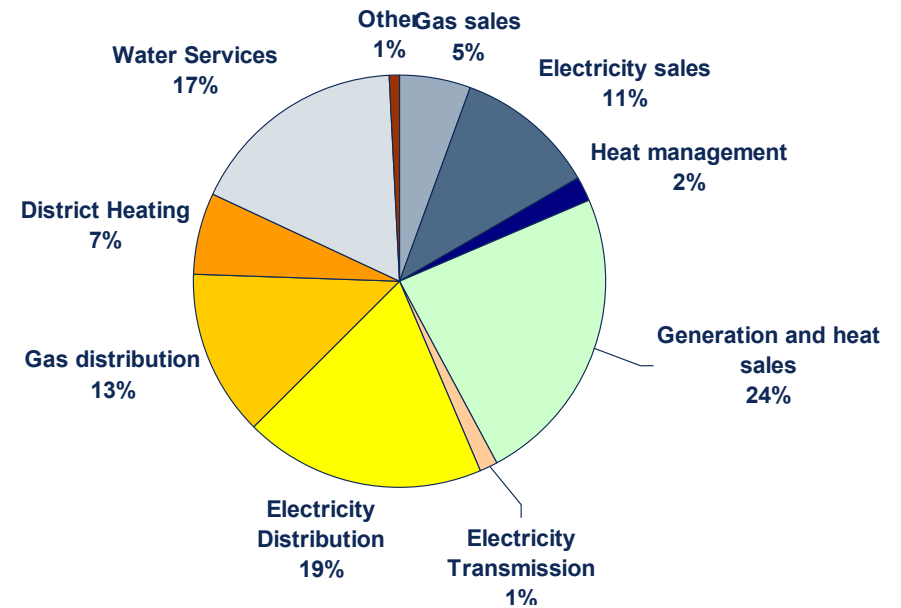
- Pont Ventoux-Susa plant, with a production of 123 GWh, in 2006 is at 30% of its capacity
- The new 390 MW CCGT (Moncalieri 3rd unit) and Pont Ventoux-Susa have not contributed to EBITDA for the green certificates component which accounts for € 55 mln in terms of EBITDA



Ebitda Breakdown

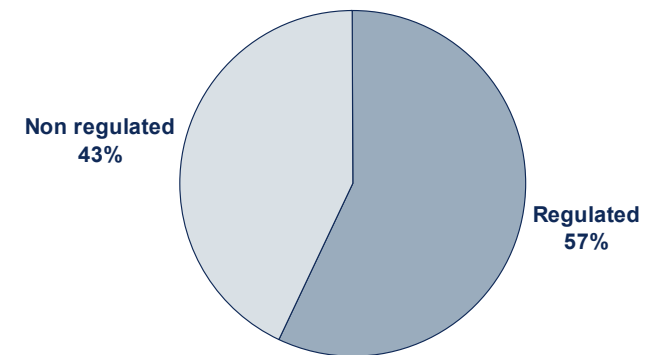
Business contribution to 2006 EBITDA is the following:

Market: (gas and electricity sales and heat manag*)	18%
Generation and heat sales*:	24%
Networks: (gas and el. distribution and DH*)	40%
Water services:	17%
Others:	1%



Low risk profile

The contribution of regulated business is 57% on total EBITDA leaving room for further development of non regulated business (upstream gas and electricity).



Asset Positioning

With 495 MWe of Hydro and 608 MWe of Co-Generating Plants is well positioned in the generation of electricity from renewable sources.

IRIDE is also the owner of its networks (gas, electricity, district heating and water).

Hydro-electric capacity	MWe
Pont Ventoux	150,0
Valle Orco	295,4
Valle Susa	27,4
Fiume Po	11,9
Brugneto	10,2
Total Hydro	495

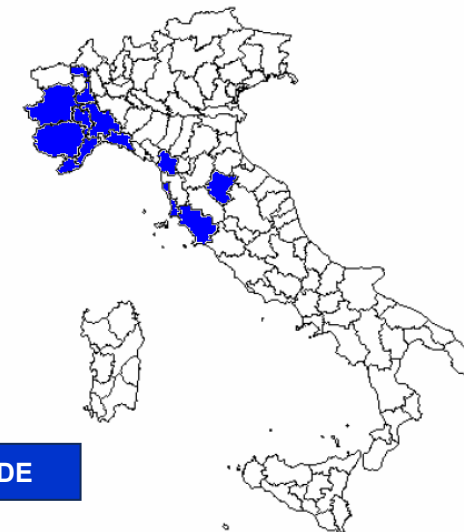
Hydro	495
Thermo	608
Total	1103

Thermo-electric capacity	MWe
GT2	141
GT3	383
Total Moncalieri	524
Mirafiori	22
Le Vallette	31,6
Sanpierdarena	30
Total Other	83,6
Total Thermo	608

Market Positioning

IRIDE is well-positioned in North-Western and Tyrrhenian Areas of Italy with the opportunity to exploit further value from the local presence.

IRIDE has the industrial control of most small local utilities of North West with the possibility to create further synergies in energy and water services.



IRIDE



2006 Results

Industrial Growth compensated by negative climate conditions and one off items

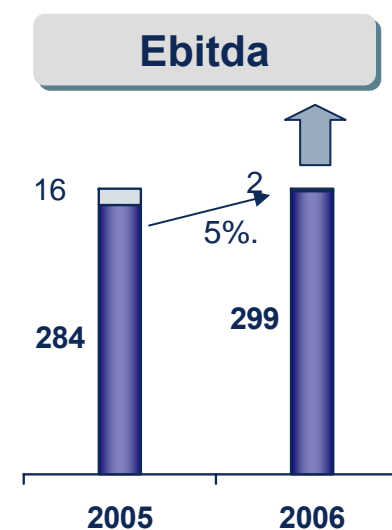
The increase of Hydro and Thermo Generation and Water Cycle has been compensated by unfavorable weather conditions in 4Q'06, by one-off items related to the merger that took place in 2006 and by positive items reported in FY05 (Plurigas and AEM Torino Distribuzione).

Net of positive items of 2005, EBITDA would have grown by 5%.

Climate conditions had a negative impact on Hydro Generation with a reduction of 100 GWh (lack of rainfall) and on gas distribution with a reduction of 60 MMC (-7%). The adverse climate conditions had a negative effect of about 15 €Mln on IRIDE economics.

In '06 5 €Mln of merger costs were reported (AEM / Amga and Ge Acque / Adfg).

	2006	2005 ⁽¹⁾	Δ %
Revenues	2,507	1,816	38.0%
Ebitda	301	300	0.4%
Ebit	179	192	(7.4)%
Net Profit	83	95	(12.6)%
Net Debt	1,105	1,006	9.9%



Industrial Growth compensated by negative climate conditions and one off items

Generation, limited growth due to lack of rainfall Green Certificates (PV & GT3) to be reported.

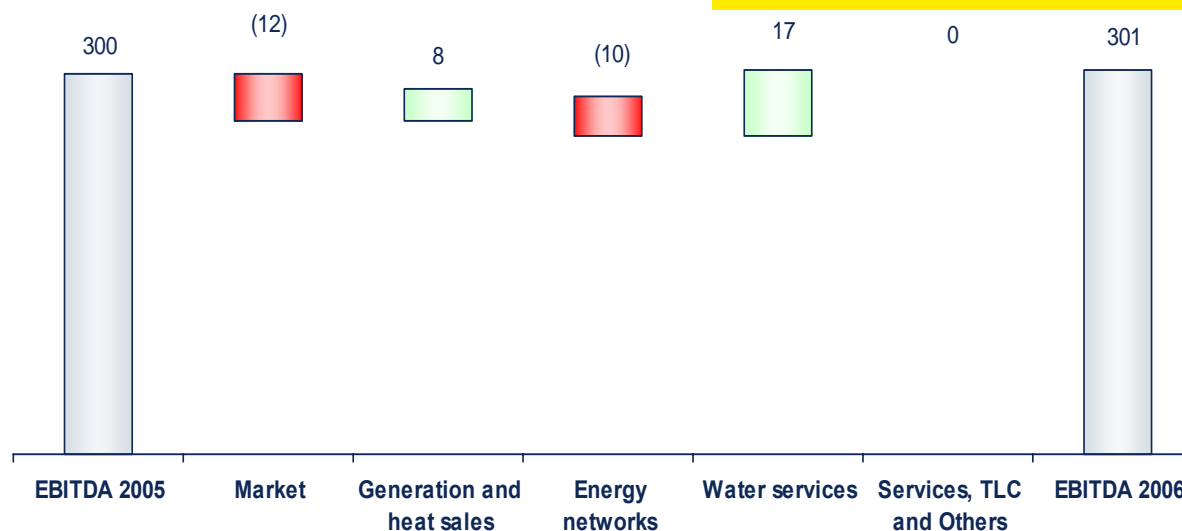
Market affected by 2005 one-off items (Plurigas).

Networks affected by warm winter (Gas / District Heating).

Water Cycle, strong growth thanks to the consolidation in ATO Genoa.

	2006	2005 ⁽¹⁾	Δ %
Generation	71	63	12.4%
Market	56	68	(17.8%)
En. Networks	120	130	(8.5%)
Water Cycle	52	35	47.5%
Services	2	2	~
EBITDA	301	300	0.4%

Ebitda Step Analysis



Limited growth by lack of rainfall Green Certificates haven't been reported

Internal production reached 4,033 Gwhe (+14.9%) thanks to GT3, to Edipower and the start up of Pont Ventoux.

Lack of rainfall caused a loss of production of 100 GWh with an impact of about 7 €Mln on the economics.

Co-generation suffered also the increase of heat distribution costs

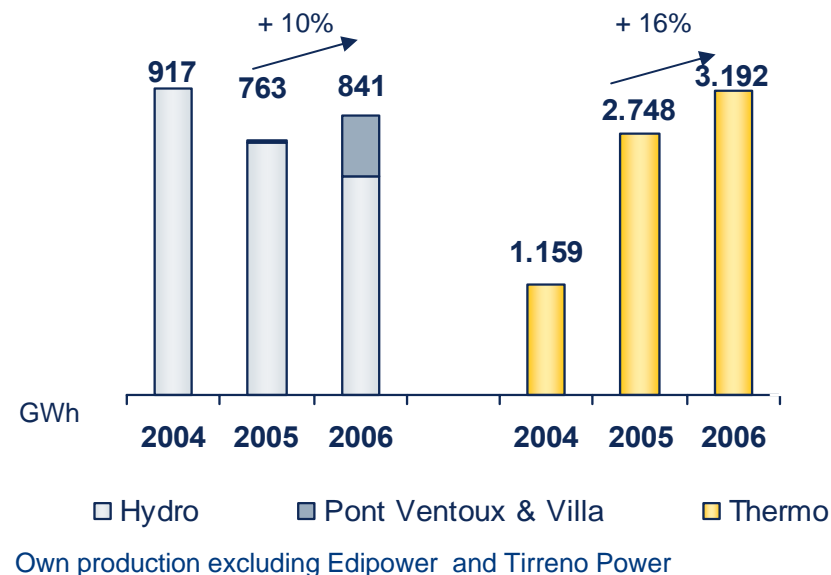
	2006	2005 ⁽¹⁾	Δ %
Revenues	411	338	21.4%
Ebitda	71	63	12.4%
Ebit	46	31	47.2%
Capex	57	91	
GWhe	4,033	3,511	14.9%

Key Drivers 2007-2011

Financial Reports will benefit from 56 €Mln in Green Certificates from Pont Ventoux and GT3.

Repowering of GT2, which began in 2006 with the decommissioning of the actual plant, will end in 2008.

Torino Nord, with a CCGT of 400 MW of installed capacity and a district heating of 140 Km in length, will allow the Group to provide 15 MMC of new volumes by 2011, 55% of Turin.



Market affected by One-Off items (Plurigas) and by application of 134/06 since 2H06

Gas: Positive One-Off items reported in FY05 with an impact of 7 €Mln (Plurigas). Net of this the increase of volumes to local brands has been compensated by (i) the use of strategic stocks in 1Q06 and related shortage of gas for trading and by (ii) application of 134/06 since 2H06.

Electricity: increase in volumes and margins on Eligible Market and IPEX more than compensated by the reduction of the selling contract with "Generation Segment and the lower marginality of CfDs with AU.

	2006	2005 ⁽¹⁾	Δ %
Revenues	1,925	1,196	60.9%
Ebitda	56	68	(17.8%)
Gas & H Mgmt.	23	31	
Electricity	33	37	
Ebit	43	62	(30.4%)
Capex	1	0	
MMC gas sold	1,272	1,158	9.8%
GWhe sold	11,410	9,613	18.7%

Key Drivers 2007-2011

Gas: up to 2 Bln of gas at competitive prices will be available from OLT LNG by 2009, 62 Mln of further gas will be at disposal by new capacity on TAG, MEDGAS project, with 4 Bln in additional gas, has not been included in the BP.

Electricity: 770 MW of new generation capacity available from GT2, Torino Nord and full operation of Pont Ventoux-Susa.

Market Strategy will exploit customer base of IRIDE with a dual fuel offer to Retail and SB Clients in a free mkt framework and M/L term Energy Services Contracts to Public segment.

MARKET	Gas MMC	EI. GWh
IRIDE "Retail"	400	2.000
IRIDE "Non Retail"	1.015	11.400
Area Piemonte		
Atena Trading	70	125
Alegas	80	
Acos Energia	50	
Asmt	25	
Area Toscana		
Gesam	130	
Asa Trade	100	
Gea Commerciale	60	
Veia Energia	15	
Altro		
Adriatica En. e Servizi	55	175
MARKET (ACTUAL)	2.000	13.700
Potential	1.500	2.000
MARKET	3.500	15.700

Adverse Climate Conditions and One-Off Items (AEM Torino Distribuzione)

Gas affected by a reduction of gas volumes distributed (-7%).

District heating benefited from the new heating connections of "Torino Centro".

Electricity affected by 6 €Mln of positive one-off items (FY05), Net of this, slight increase in Ebitda due to the increase in volumes.

Operating Profit impacted by the increase in the planned mechanics meters depreciation.

	2006	2005 ⁽¹⁾	Δ %
Revenues	423	400	5.7%
Ebitda	120	130	(8.5%)
Gas & DH	59	64	
Electricity	61	66	
Ebit	64	83	(23.8%)
Capex	74	74	
MMC Gas	791	851	(7.1%)
GWh	3539	3392	4.3%

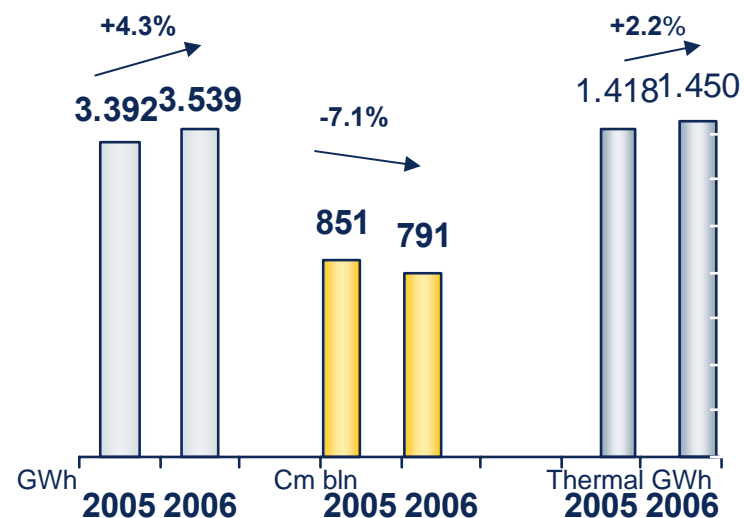
Key Drivers 2007-2011

Gas: regulation allows tariff increase to restore adverse climate conditions and target Revenue Cap.

Heat: Development of "Torino Centro" and "Torino Nord" district heating will increase revenues and margins.

Electricity: Electric Meters Plan to improve efficiency and credit control.

Reorganization could lead to the sale of AEM TE.



□ Electricity distributed □ Gas distributed □ Heat distrib

Strong Consolidation of ATO Genoa

The segment benefited from consolidation of ADFG Group for 9 month and SAP Group for 3 month. The external growth was EBIT positive after the first year and with a further tariff increase still to be exploited.

Increase in profitability and margins despite a reorganization contest.

	2006	2005 ⁽¹⁾	Δ %
Revenues	161	121	33.5%
Ebitda	52	35	47.5%
Ebit	25	21	20.3%
Capex	30	24	
MMC water sold	122	94	29.3%

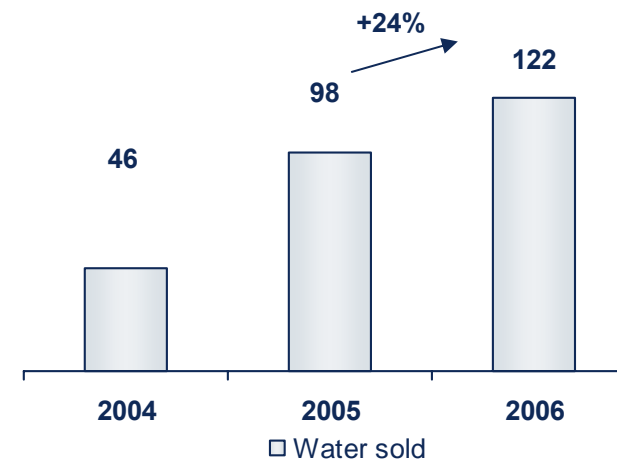
Key Drivers 2007-2011

Full execution of First 5 year of ATO Genovese Capex Plan 2004-2008 (84 €Mln, 70% implemented at '06).

Migration to ATOs for the Concessions in charge of Acque Potabili and focus on North West. Development opportunities in Sicily to be achieved (Palermo ATO).

Provide technological & project management services to ATOs managed by IRIDE

Regulation Framework could trigger IRIDE expansion on new ATOs.



Flat contribution with a positive impact on Operating profit

The segment includes services to public clients, and non-core activities such as telecommunications provide by Sasternet and AEMNet.

The segment, flat in terms of Ebitda contribution, despite the deconsolidation of ATENA and ASMT, benefited from fewer provisions.

	2006	2005 ⁽¹⁾	Δ %
Revenues	110	146	(24.9%)
Ebitda	2	2	~
Ebit	0	(6)	
Capex	5	9	

Key Drivers 2007-2011

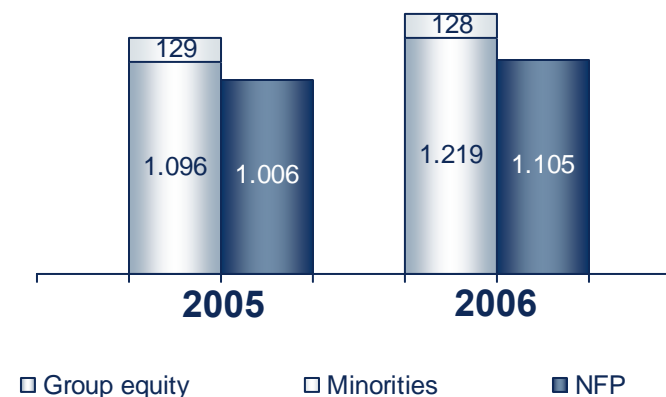
Public customer base of IRIDE to be exploited providing facility services.

Reorganisation will lead to the sale of some affiliated companies (AGAM).

Moderate increase of Net Debt mainly due to Capex Plan

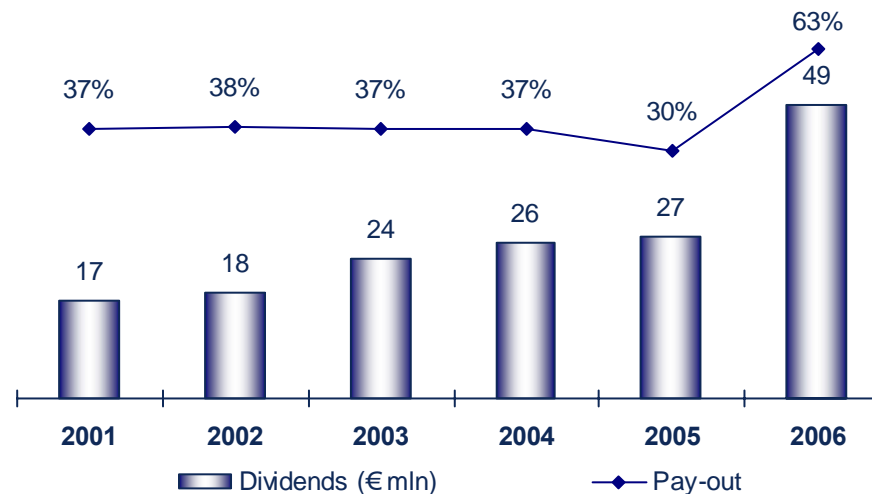
The increase in Net Debt is mainly due to capex plan implementation. The increase in working capital is mainly due to the reorganisation the reorganization of the commercial company of the Group and by the merger in the water segment.


The Net Debt / Equity ratio is in line with competitors. Net Debt / Ebitda still has to report the full contribution of Green Certificates on current assets (PV and GT3).



Increasing pay-out in line with competitors

Dividend per share increases from € 0.03345 to € 0.06 (+79%).



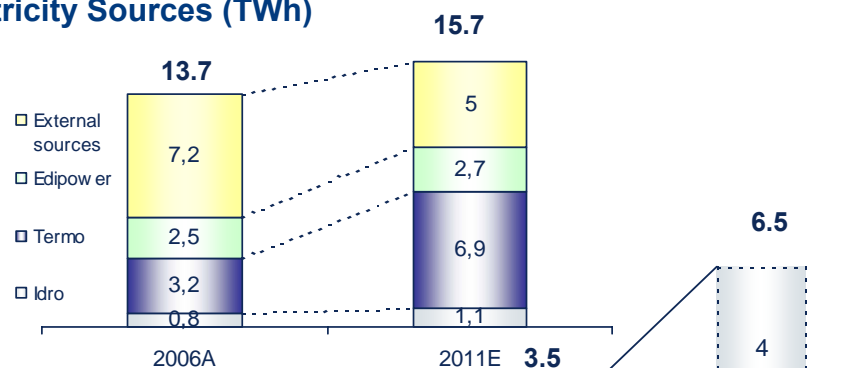
A vertical line of five colored circles: dark blue, green, orange, and yellow. The orange circle is the largest and contains a white letter 'S'.

Strategic guidelines and targets

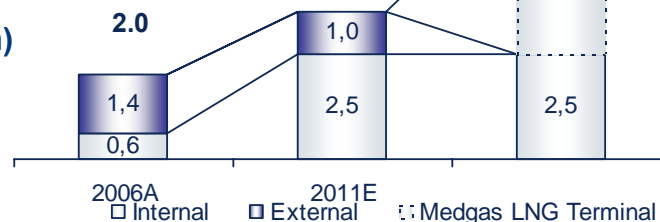
Energy: improve up-stream to cope with market competition

- Electricity: improve generation capacity with hydro and co-generation sources with profitability boosted by green certificates (Hydro: Pont Ventoux and Repowering of Orco Valley plants / Co-generation: Moncalieri 3rd unit - that will give full effects as from 2008 – Torino Nord will benefit from white certificates) and by higher spark spreads (85% efficiency of co-generating unit vs 56% of newcomer). After 2011 the Group will have 15.7 TWh of electricity, of which 10.6 TWh from internal sources (almost 2x current internal production).
- Gas: improve own gas sources to cope with the increasing Group gas requirements both in thermo co-generation and in the gas free market. In 2011 the Group will need 3.5 Bln of gas whose 2.5 Bln will be covered with internal sources (5x of current availability).

Electricity Sources (TWh)



Gas Sources (Bln cm)



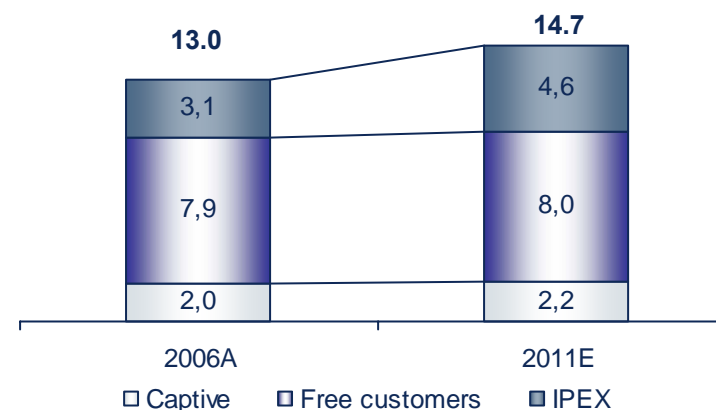
Market: exploit potential of IRIDE customer base in a more competitive market framework

- Exploit IRIDE customer base in a more competitive market framework targeting Retail and SB Clients also with a dual fuel offer.
- Develop its customer base through integration of local brands (full control or minority stakes with governance to control strategy).
- Provide to local commercial brands and direct clients energy commodities and multi-year services to retain clients.

Over 10 Twh of electricity from own plants thanks to a further 770 MW of gross capacity

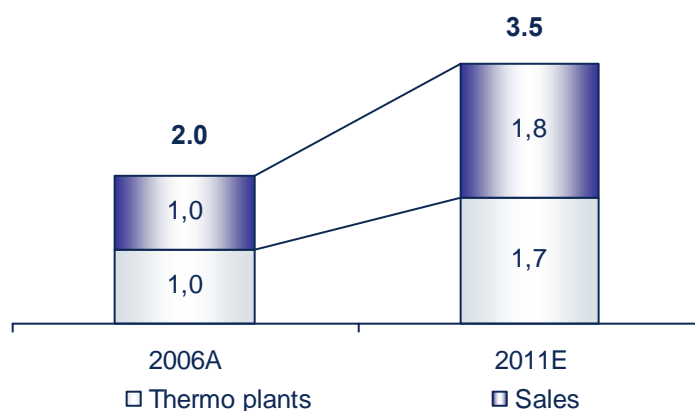
- Investment plan in new and repowered plants will give 770 MW of additional capacity, of which:
 - Pont Ventoux Susa 150 MW full operating as from 2007
 - Repowering of Moncalieri 2nd Unit (+250 MW) 2H 2008
 - New Plant “Torino Nord” (+400 MW) as from 2010
 - Decommissioning of some minor plants: Chiomonte, Susa. Mirafiori ad Le Vallette plants (-80 MW)
 - Edipower Repowering Plan (50 MW)

Electricity uses (TWh) (*)



(+) Net of losses

Gas uses (Bln cm)

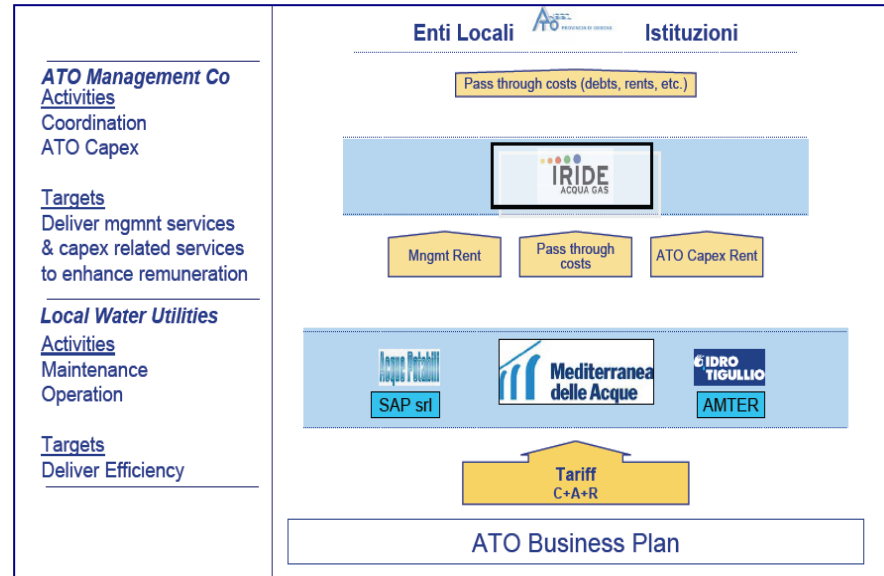


2.5 Bln of gas thanks to OLT and Plurigas will be available

- Investment plan concerns OLT (Medgas has to complete authorization process).
- OLT fully operating as from 2H 2009. IRIDE requested the exemption from TPA in order to maximize the operation of the asset.
- Gas provided by Sea Power and Fuel (Off-taker company - JV at 50% with Endesa)
- Financial capex limited for presence of financial partners that have 49% of OLT without rights on gas

Water Cycle: consolidate ATO Genovese and North West position

- Consolidate ATO Genovese with a new capex plan for the next 20 years. All Group Companies are already “protected” for the same period.
- Deliver efficiency in operation through local water utilities
- Deliver technological services and capex-related services through the “Management Company” to enhance remuneration



Strengthen alliances to exploit customer base leadership in North West

- Consolidate the position in ATO Alessandrino and in West Liguria (ATO Savonese and Imperiese) where the Group has the industrial control of leading local water companies.
- Provide technology and project management services to ATO's exploiting
- Strengthen alliance with SMAT in SAP. Together with SMAT, IRIDE provides water services to 5 Million inhabitants

Scenario

In a conservative scenario IRIDE's targets for 2011, in relation to the Capex Plan, are the following:

Targets 2011

EBITDA @ 520 €Mln (~12% Cagr)

Net Debt @ 1.35 €Bln (2.6 x Ebitda)

Hypothesis

2006

2011

Brent (\$/bbl)

65.4

55

Exchange (\$/€)

1.25

1.3

Green Certificate (€/MWh)

125

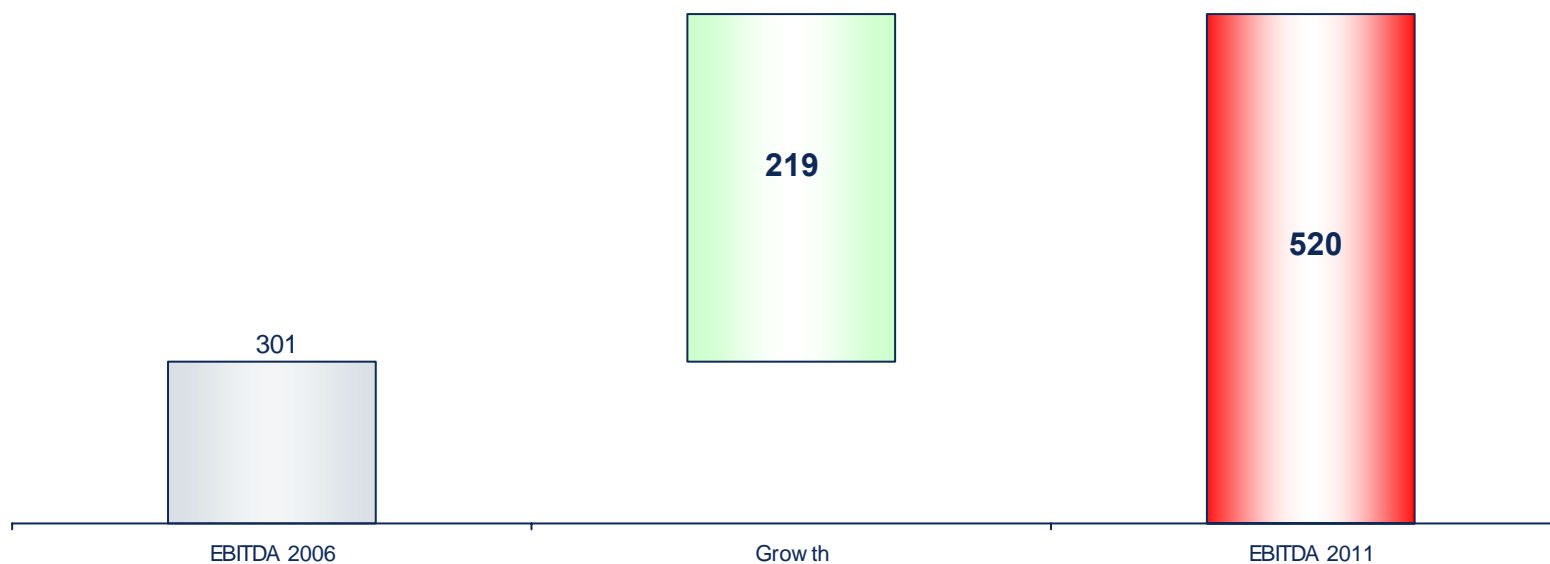
99

Electricity Price (€/MWh)

74.7

64

EBITDA TARGET

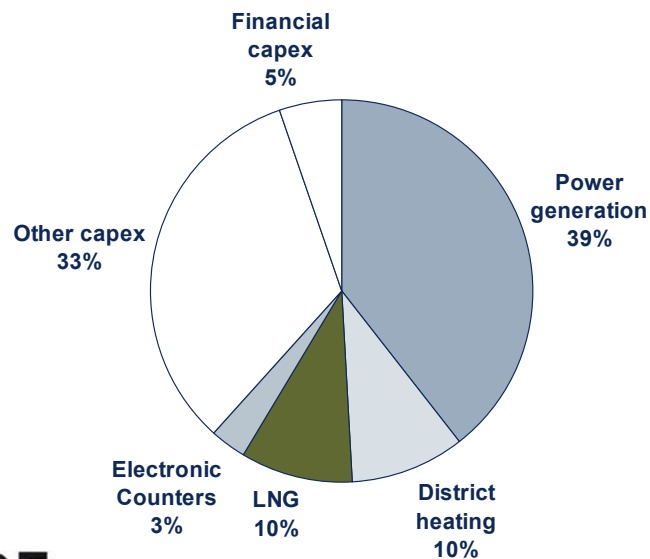
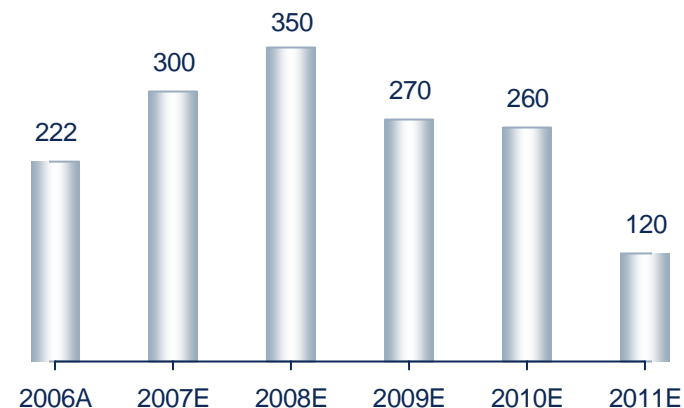




D evelopment plan

1.3 €Bln of Capex in 2007 - 2011

- IRIDE plans to invest 1.30 €Bln between '07-'11
- Main investments relate to:
 - Repowering from 140 to 390 MW of Moncalieri 2nd Unit
 - New 400MW co-generating CCGT in Torino Nord
 - District heating expansion in Torino Nord (adding further 15 mln cm)
 - LNG OLT off-shore in Livorno (3.75 mln mc)
 - Repowering of hydroelectric plants in Orco Valley
 - Capex Plan ATO Genovese



60% of capex relates to development

- IRIDE investment plan is mainly focused on development of generation capacity, district heating and importing of gas
- Maintenance capex relates to energy networks and water services. The return is assured by regulation system.

Moncalieri will have 800 MW as from 2008

- The Moncalieri plant currently has 530 MW of electrical installed capacity through 2 co-generation units: the 2nd Unit (141 MW) and the new 3rd Unit (390 MW).
- The Moncalieri plant supplies heat to the entire district heating network of “Torino Sud”, which, as from October 2006, has been expanded by the new “Torino Centro” DH network
- The Moncalieri 2nd Unit is being repowered after the awarding of the works.



KEY PROJECT DATA

Capex: € 150 mln

Electrical installed capacity increases from 141 to 390

Start of operation 2nd half 2008

Expected electricity production: 2,300 GWh/y

Expected thermal production: 600 GWh/y

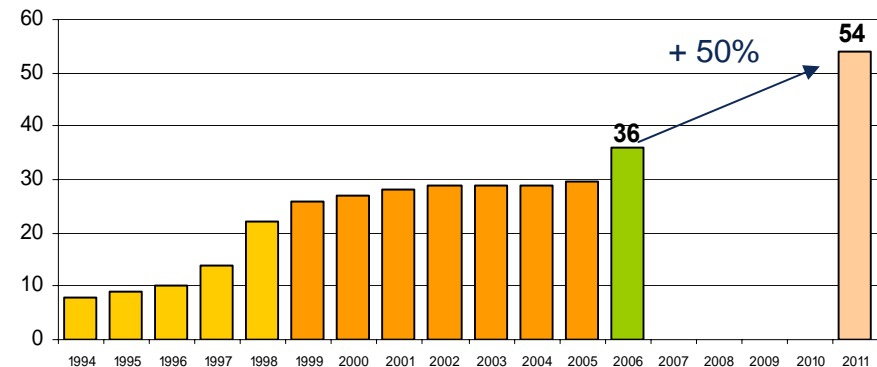
High efficiency with dispatching priority

- The conversion of the unit into a CCGT will increase installed capacity from 141 to 390 MW, and production will continue not to be subject to the requirement of buying green certificates
- The entire production of the Moncalieri Plant has dispatching priority as electricity is entirely co-generated

Expansion of district heating in Northern Turin: Additional 15 mln cm

- IRIDE will expand district heating in Northern Turin reaching about more that 50% of Turin's inhabitants by 2011.
- The "Torino Nord" network will be linked to the "Torino Sud & Centro" network and will heat 18 mln cm (of which 3 mln are already served by Le Vallette Network) reaching 53 mln cm of volumes heated.

CM connected 1994-2011



KEY PROJECT DATA

Electrical installed capacity: ~400 MW

Thermal installed capacity: 220 MW

Expected electricity production: 2,260 GWh/y

Expected thermal production: 800 GWh/y

New co-generation CCGT and 4 integration and back-up boilers

- The DH network will be fed by a new co-generating CCGT plant (400MW) and 4 integration and back up boilers (85 MW each)
- The project will increase the efficiency and reliability of the DH network and confirms the leadership of IRIDE in co-generation combined with DH
- Works will be awarded this year

Orco Valley Repowering

- Capex: 80 € mln (2007-2011)
- Valle Orco hydro plants are being repowered (as regards installed capacity and output generated) during the period 2005 – 2010.
- Repowering capex will benefit from green certificates revenues (220 GWh)

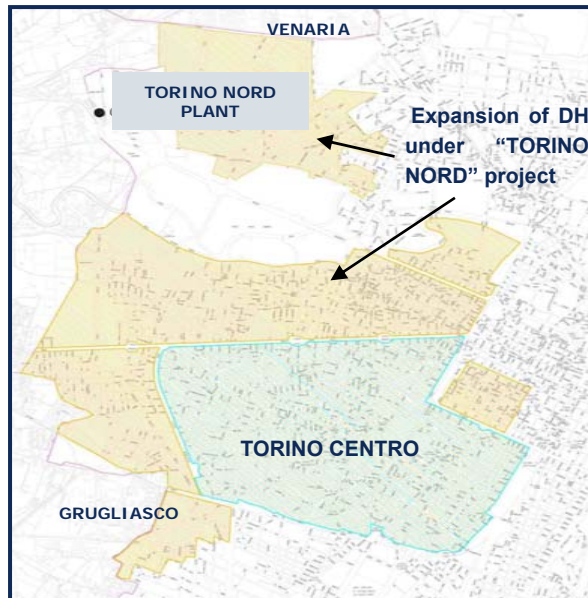


Other investments and Research

- IRIDE is participating in the development of district heating in Cuneo, currently supplying technical design
- IRIDE is also involved in research in the generation field, such as trigeneration and heat-cooling systems

Electricity Network

- Electricity distribution: IRIDE, through its subsidiary AEM Torino Distribuzione, is installing electronic meters for every customer linked to the electricity grid. The investment will provide IRIDE with greater efficiency, service quality and credit control.
- The investment will be completed during the period 2007-2011 with a total amount of 40 €Mln.



Gas and District Heating

- Gas Networks are involved in a maintenance plan in order to increase security through replacement of the iron-grey network and a focused extension that will give the opportunity to exploit local markets.
- District Heating (provided by the JV AES) will be involved in a challenging development plan to complete "Torino Centro" and to start "Torino Nord". The Torino Nord distribution network will have a length of 140 KM plus 15 KM of transport network.

OLT (Offshore LNG regasification Terminal) Develop upstream to enhance market position

- The project has received the final authorisation decree by the Ministry of Industry on February 2006.
- Endesa and IRIDE are the industrial partners of the project with equal stakes and governance.
- The terminal is authorised to handle 3.75 Bln cm per year. IRIDE Mercato and Endesa operate as offtakers of the full capacity, TPA has been asked to AEEG in order to maximize logistics, In case of exemption 1.875 Bln cm per year will be available.



KEY PROJECT DATA

IRIDE Stake : 51% of the asset company in JV with Endesa Europa

Authorized Capacity: 3.75 Bln CM. 50% under IRIDE

Low environmental impact: 12 miles from the coast. The offshore vessel is supplied by Golar (Norway). which holds a 20% stake in OLT

Limited investment for at least 1.5 Bln cm of imported gas

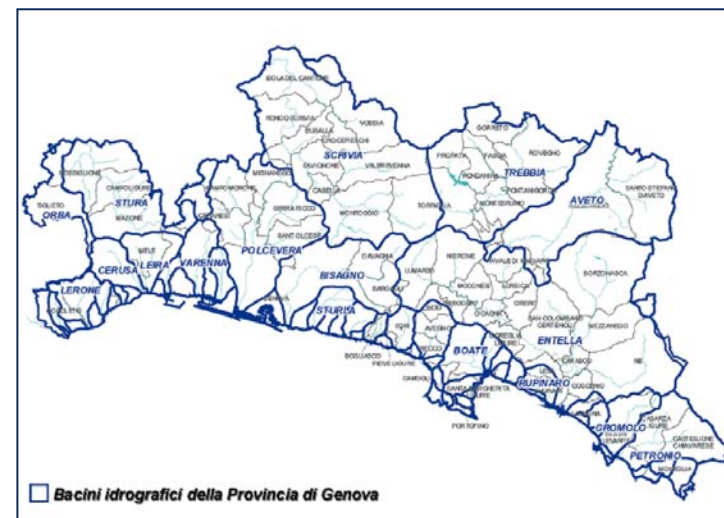
IRIDE operates both as offtaker, with the right to take 50% of regasification output, and as asset manager of OLT, with an regulated return of 10.60% (pre-tax).

Gas Import is assured by Endesa LNG contracts from Mediterranean suppliers.

The linking pipeline form part of the national grid. Reduction capex could be achieved if becomes part of Incumbent / Third Party capex

Consolidation of ATO Genovese

- IRIDE Acqua e Gas has submitted to AATO the 20 year Capex Plan to continue the current 5Y Business Plan (04-08). Mediterranea has been "protected" up to '25.
- The return on the invested capital is 7% (real pre-tax) with the opportunity to enhance remuneration providing technological and project management services.
- Collection systems will be connected to prevent drought events. Sewerage system and treatment plants will be improved to improve quality output waters



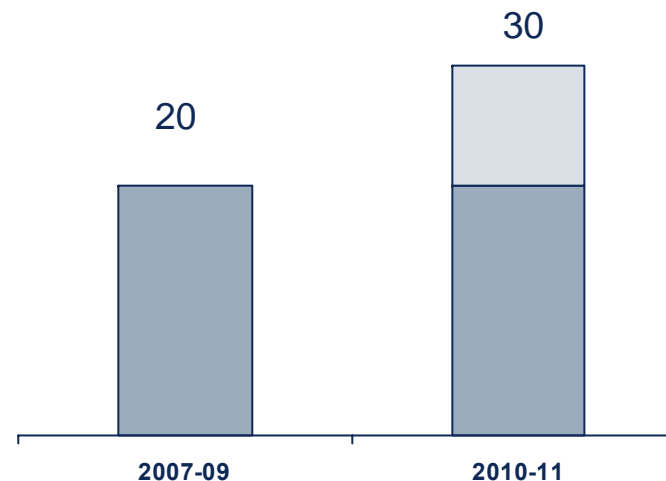
Acque Potabili: the first target bought by the alliance with SMAT

- IRIDE is working with SMAT (controlled by the Municipality of Turin) to recover Acque Potabili, Acque Potabili operates in 108 Concessions regulated by CIPE, The mission of the Group is to migrate to ATO Regulation or, where not possible, to rationalize its presence throughout Italy.
- Acque Potabili bid for the Concession of Palermo in Sept 06. In Dec 07 the AATO awarded the Concession to Acque Potabili.
- IRIDE is in a good position in all the North West ATO's, aiming to consolidate its position in the Provinces of Alessandria, Savona and Imperia

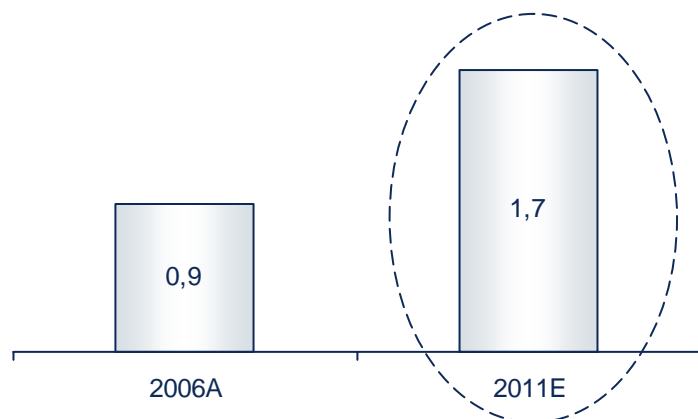
MARKET		Inhabitants
ATO Genovese	IAG	878.082
Affiliated Co's "Area Nord Ovest"		
ATO Alessandrino	Acos / Asmt /	418.231
ATO Astigiano-Monf		208.339
Sub Astigiano	Asp	71.276
ATO Vercellese	Atena	45.132
ATO Cuneese	Mondoacque	556.330
ATO Savonese		310.389
Sub Costiero-Levante	Acq. di Savona	128.271
ATO Imperiese	Amat / Aiga / Sap	205.238
Total		1.424.478
Affiliated Co's "Area Toscana"		
ATO Alto Valdarno	Nuove Acque	296.000
ATO Toscana Costa	Asa	326.000
Total		622.000
Total Inhabitants served		2.924.560
Alliance		
ATO Torinese	SMAT	2.165.619
Total Inhabitants served with alliances		5.090.179

Non-Energy Cost Savings equal to 30 € mln in 2011

- IRIDE forecast cost synergies equal to at least 30 mln within 2011. Cost savings involve non energy costs achieved through :
 - Reorganization of Group processes
 - Use of existing personnel to cover new tasks arising from business growth
 - In-sourcing of specific services and cutting of double services
 - Coordination of group procurements



IRIDE PLANTS GAS CONSUMPTION (mc bln) (*)



Revenue Synergies mainly swapped by energy cost optimization

- Gas-based generation will benefit upstream gas strategy enhancing spark spreads
- Exploiting multi-fuel products to existing customer base
- Centralization of billing / call center services for all the commercial companies of the Group

Scenario

In a conservative scenario IRIDE's targets for 2011, in relation to the Capex Plan, are the following:

Targets 2011

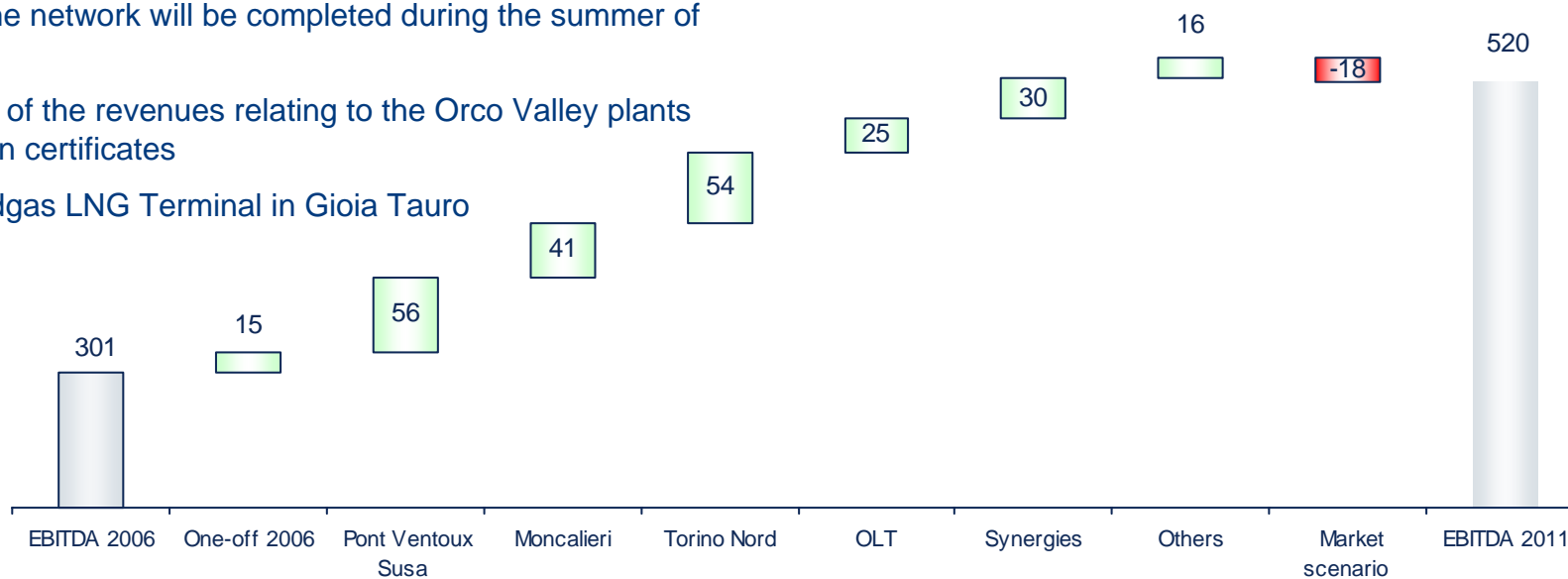
EBITDA @ 520 €Mln (~12% Cagr)
Net Debt @ 1.35 €Bln (2.6 x Ebitda)

Hypothesis	2006	2011
Brent (\$/bbl)	65.4	55
Exchange (\$/€)	1.25	1.3
Green Certificate (€/MWh)	125	99
Electricity Price (€/MWh)	74.7	64

2011 EBITDA does not include:

- the 20% contribution of the Torino Nord TLR expansion, as the network will be completed during the summer of 2011
- 75% of the revenues relating to the Orco Valley plants green certificates
- Medgas LNG Terminal in Gioia Tauro

From Capex to Economics





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