



The new local multi-utility in the North-West of Italy

Investor Presentation

February 2006

Agenda

I. The merger

II. Value creation

The merger



The merger

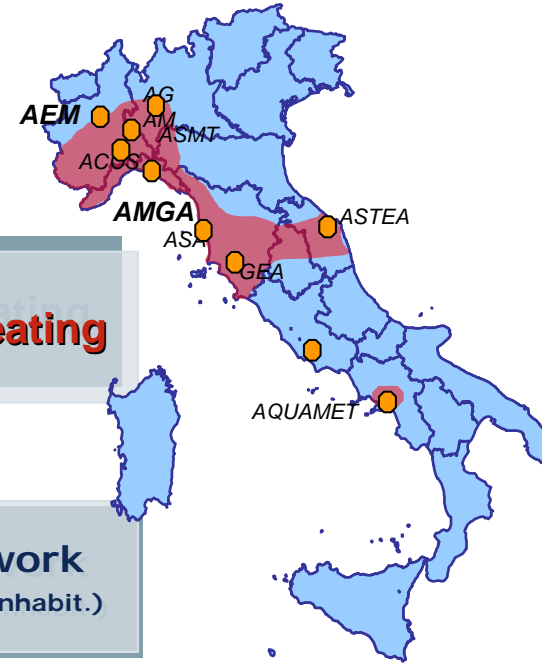
- Following the agreement signed in January 2005 by the Genova and Turin Municipalities, on the 25th January the Board of Directors of both companies have approved the project to merge AMGA into AEM Torino by June 2006
- The merger of AEM Torino and AMGA aims to realize significant synergies by integrating and the complementary activities of the two companies.
- The new group will be the leading utility in the North-West of Italy and the third largest Italian local utility (as turnover).
- Exchange ratio was determined by BoDs in 0,85 AEM shares for each AMGA share. Accounting & tax treatment as of Jan 1st 2006

	EXCHANGE OF SHARES	
	100% AMGA shares	AEM Torino shares to be issued
Pre-dilution	348.027.075	295.823.014
Exchangeable Bond conversion	19.901.332	16.916.132
Fully diluted	367.928.407	312.739.146



A unique opportunity to create the most significant player in the North West of Italy

- The geographical fit increases the synergy potential in all sectors
- The new Group could assume an aggregating role in the North West



Electricity

Gas

Water cycle

District Heating

Electricity sales
~ 9.800 (GWh)

Gas sales
~ 900 (mln of cm)

Water sales
~ 2.000.000 (inhabit)

Heat network
~ 300.000 (inhabit.)

Distribution
~ 3.890 (GWh)

Gas network
~ 5.660 (km)

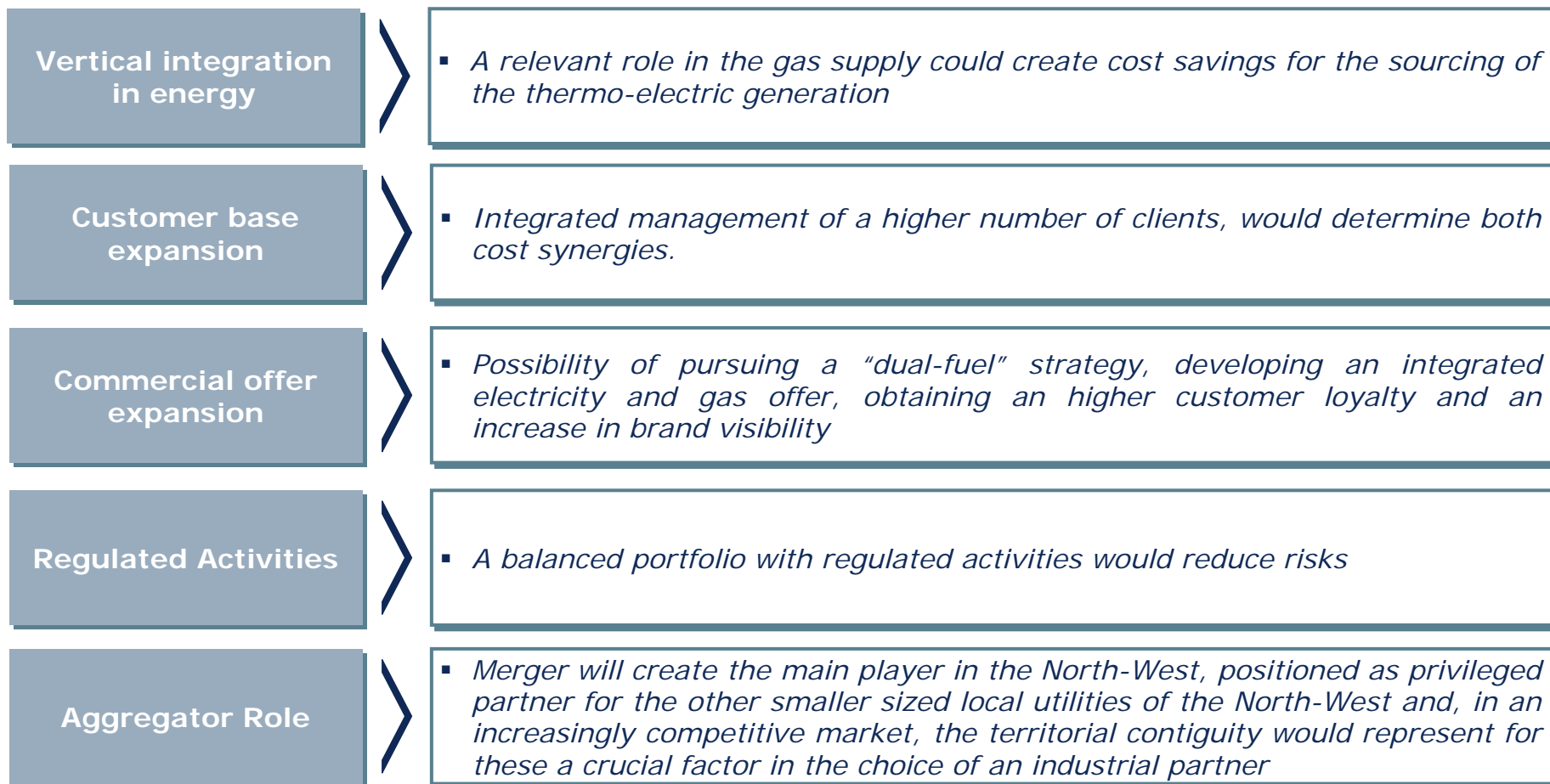
Water sales
~ 200 (mln of cm)

Buildings heated
29 (mln cm)

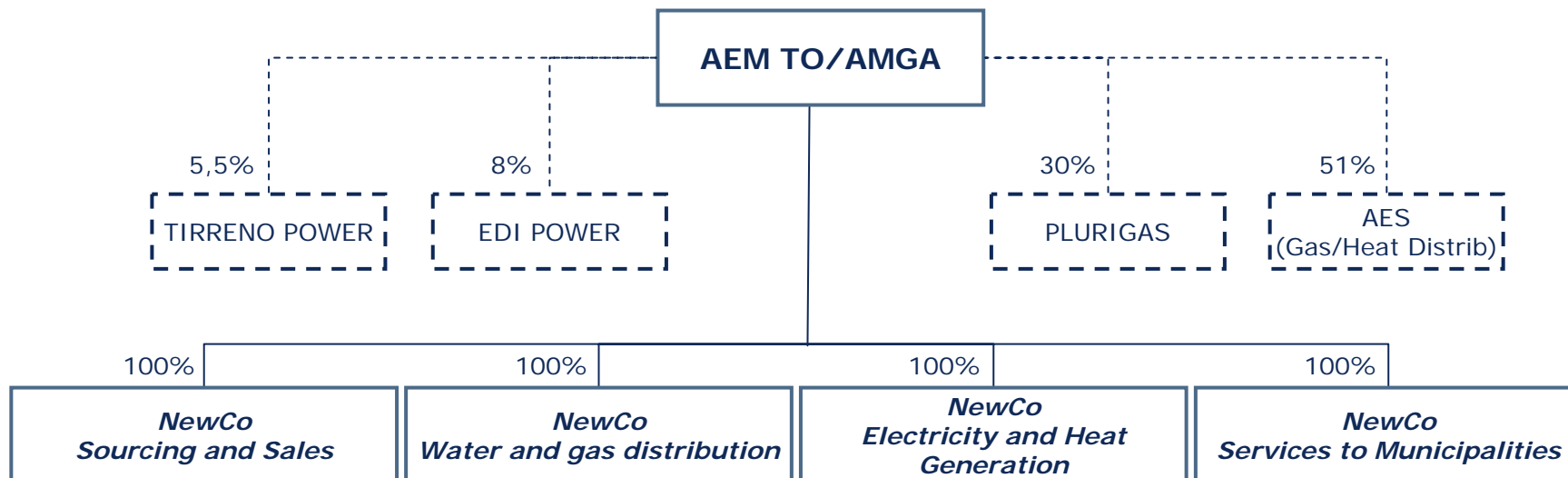
SALES COMBINED ENTITY 2005E
1.820 € mln

EBITDA COMBINED ENTITY 2005E
270 € mln

Industrial benefits of the merger



New Group: Structure



- Location: Genova
- Activities: Sourcing of gas and heating electricity, gas and heat sales
- Location: Genova
- Activities: water and gas distribution
- Location: Turin
- Activities: Electricity and Heat Generation, electricity transmission and distribution
- Location: Turin
- Activities: Services to Municipalities and management of the telecommunication network

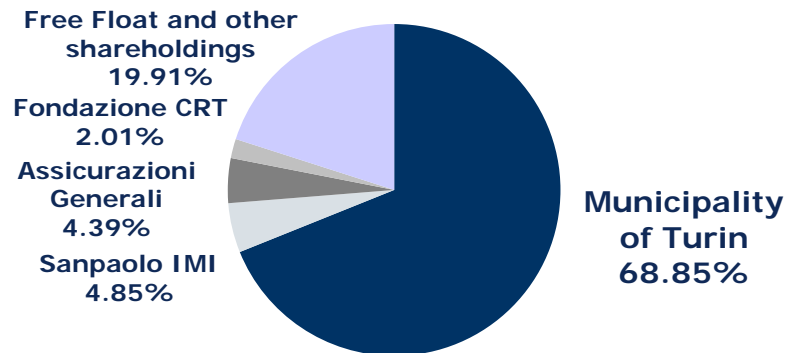
- AEM TO/AMGA will have only corporate functions



Current situation

AEM Torino Shareholders

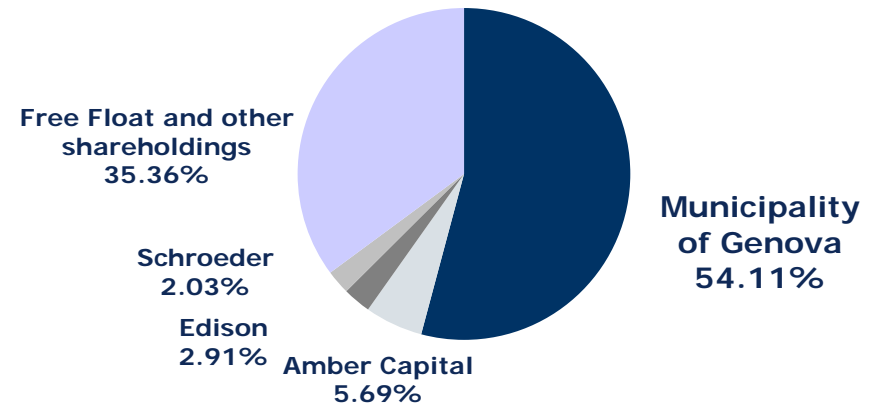
471,3 mln shares



Market cap: € 987 mln

AMGA Shareholders

348,0 mln shares



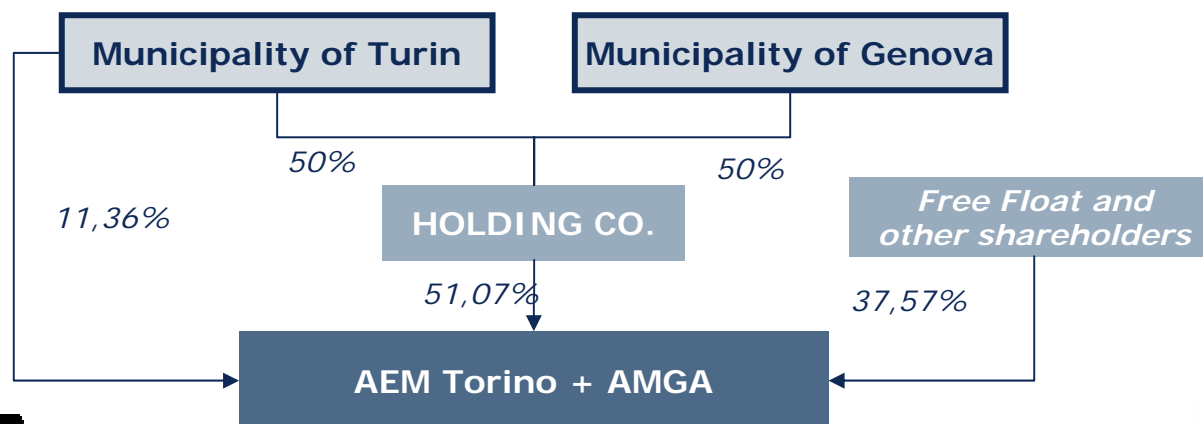
Market cap: € 601 mln

Note: Market Cap based as of 24th, 2006

Organizational and shareholder structure post merger

- Each of the Municipalities of Genova and Turin will have a 50% stake in the financial holding company, which will have a 51% fully diluted stake in the new listed group.
- The remaining 11,4% stake the Municipality of Turin will continue to hold directly in the new listed group will be converted from ordinary to saving shares without voting rights and with same financial rights of ordinary shares.
- The Board of Directors will be composed of 12 members: 10 members appointed by the Holding Company (unlisted) and 2 by minority shareholders
 - Chairman in charge of finance, legal & general affairs, investor relations and public relations
 - CEO in charge of administration, control, risk management, purchasing, human resources, organisation, information technology, internal auditing.

Shareholders structure post merger (fully diluted)



Merger Timetable

- The transaction is expected to close by summer 2006
- 2006 AEM Torino Annual Report will incorporate AMGA financials for calendar-year 2006

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE - SEPTEMBER
<ul style="list-style-type: none">▪ Boards of Directors approved the merger project and called the extraordinary general meetings	<ul style="list-style-type: none">▪ Filing with Consob the Information Memorandum on the merger	<ul style="list-style-type: none">▪ Extraordinary general meetings approve the merger		<ul style="list-style-type: none">▪ End of creditor opposition period	<ul style="list-style-type: none">▪ The merger to close▪ Main reorganization integrations

Value creation



Main Projects

Combined capex plan of about €1Bln in 2006-2009

ENERGY BUSINESS

▪ **UPSTREAM** **Electricity**

- Moncalieri 2nd Thermo-electric Group & Valle Orco Plants Repowering
- “Torino Nord” project: new 400 MW CCGT to provide heating in “Torino Nord”

Gas

- Construction of LNG regasification terminal in Livorno (4 bmc)

▪ **DOWNSTREAM**

- District heating expansion in “Torino Centro” & “Torino Nord”
- Expansion of the customer base through acquisition of commercial utilities and with a dual fuel strategy

WATER CYCLE

Development of “Mediterranea delle Acque” through acquisition of “ATO”



Upstream Electricity

Moncalieri 2nd Group

Repowering of the existing 141 MW plant to CCGT 390 MW, which is slated to become operative in 2008, will involve an investment of Euro 156 million. On completion of the works, the Moncalieri plant will therefore have two modern combined cycle plants which both operate in cogeneration, giving an overall installed electrical output of around 800 MW and a heat capacity of over 500 MW.

Valle Orco Plants

Valle Orco 313 MW hydro plants will be repowered (as for installed capacity and output generated) in 2005 – 2009 timeframe (Expected capex 80 mln). Production coming from repowered stations will benefit of 8 years green certificates as established by the legislative framework



Torino Nord

AEM Torino has planned the expansion (to be approved by the Board of Directors) of the district heating network in the North area of Turin from the current 3 mln m³, up to 18 mln m³. The planned investment also includes a new 400 MW CCGT in cogeneration, in order to minimize environmental impacts & the construction of a new back-up and integration boiler.

Upstream Gas

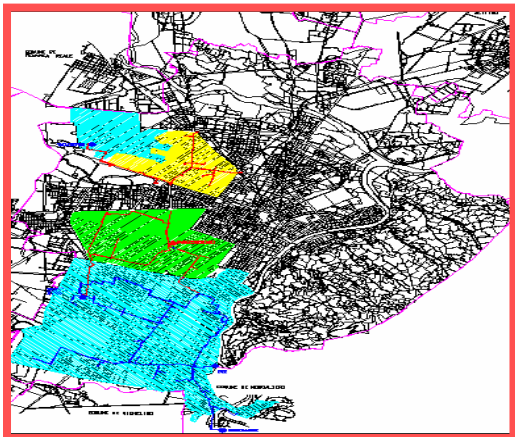
LNG Toscana

- Endesa and AMGA are the industrial partners of the project LNG Toscana with equal stake and governance.
- The terminal will be able to handle 4 billion cubic meters per year and AMGA has the right to take 50% of the amount since 2008.
- The project has received the final authorization decree by the Ministry of Industry.
- The capex of the project are around 400 euro million including the linking pipeline to the national grid



Downstream

Heating



“Torino Centro”

- The project “Torino Centro”, is expanding the district heating network by 9 mln m³ (100.000 inhabitants), through the construction of a new integration and back up plant (255 MWt) & the laying of 15 Km of heat transport network and 90 Km of heat distribution network.
- The project is expected to be finished by 2007 (Capex 100 €m). As at the end of 2005 more than 2/3 of commercial target have been already achieved. Significant benefits coming for 8 years green certificates established by legislative framework.

“Torino Nord”

- AEM Torino has planned the expansion of the district heating network in the North area of Turin from the current 3 mln m³, up to 18 mln m³
- Development of the customer base of the group through a dual fuel offer and acquisition of commercial utilities to balance and mitigate energy risks.

Customer Base



Water Cycle

Mediterranea delle Acque

- The Company, resulting from the merger of Genova Acque, ADFG & Nicolay, will provide integrated water services to the city of Genova and surrounding municipalities (765.000 inhabitants).
- The capex for the ATO Genovese are 110 € million (30 € million already implemented in the period 2004 - 2005).

Acque Potabili

- The Company was bought in JV with SMAT and is the first result of the developing program of SMAT and AMGA.
- In JV with SMAT the Group will bid for new ATO providing technological services exploiting the Know – How.

